

PROSPECTUS of PENNYFARTHING DEVELOPMENT CORP. (Developer)

for

HARBOUR COVE

Date: May 1, 1986.

Acceptance Date: June 11, 1986.

THIS PROSPECTUS HAS BEEN FILED WITH AND ACCEPTED BY THE SUPERINTENDENT OF INSURANCE UNDER THE REAL ESTATE ACT OF BRITISH COLUMBIA. NEITHER THE SUPERINTENDENT OF INSURANCE NOR ANY OTHER AUTHORITY OF THE GOVERNMENT OF THE PROVINCE OF BRITISH COLUMBIA HAS, IN ANY WAY, PASSED ON THE MERITS OF THE MATTERS DEALT WITH IN THIS PROSPECTUS.

IN ORDER TO ENSURE THAT THE PROPERTY DESCRIBED HEREIN MEETS WITH YOUR EXPECTATIONS, IT IS RECOMMENDED THAT YOU INSPECT THE PROPERTY PERSONALLY AND, IN PARTICULAR, THAT YOU DISCUSS THE CONTENTS OF PARAGRAPHS 2.04 AND 2.07 HEREOF WITH THE AUTHORITIES REFERRED TO IN THOSE PARAGRAPHS. S

IN ADDITION, YOUR ATTENTION IS DRAWN PARTICULARLY TO THE CONTENTS OF PARAGRAPHS 6.03 AND 6.04, THE AGREEMENTS MENTIONED THEREIN AND EXHIBITED HERETO AND THE EXPLANATIONS SET OUT THEREIN.

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- O. Easement and Indemnity Agreement dated July 3, 1981 between Pennyfarthing Development Corp. and the City of Vancouver.
- P. Lease made as of September 12, 1981 between Canada Ports Corporation, Greentree Developments Ltd. and B.C. Central Credit Union and Assignment of Lease to Pennyfarthing Development Corp.
- Q. Agreement made as of December 31, 1984 between Harbour Cove Housing Co-Operative, Pennyfarthing Development Corp. and Strata Corporation Vr. 1291.
- R. Agreement made as of May 31, 1985 between Pennyfarthing Development Corp. and The Owners, Strata Plan Vr. 1291.
- S. *Easement and indemnity agreement, May 1986*

1. DEVELOPER

- (a) Name: PENNYFARTHING DEVELOPMENT CORP.
(b) Address: 270 - 1441 Creekside Drive,
Vancouver, British Columbia, V6J 4S7
(c) Head Office: As above
(d) Jurisdiction of
Incorporation: British Columbia
(e) Date of
Incorporation: January 31, 1980

(f) Directors & Officers:

Name: Anthony John Hepworth
Office/Director: President & Director
Occupation: Businessman
Address: 1688 Drummond Drive,
Vancouver, B.C. V6T 1B6

Name: Leighton Barry Sheppard
Office/Director: Executive Vice President, Secretary and Director
Occupation: Lawyer and Businessman
Address: 5946 Angus Drive,
Vancouver, B.C. V6M 3P1

Name: Kenneth Theodore Stevenson
Office/Director: Chairman of the Board and Director
Occupation: Businessman
Address: 6650 Balaclava Street,
Vancouver, B.C. V6N 1L9

Name: Gregory Charalambous
Office/Director: Vice President, Finance
Occupation: Businessman
Address: 1313 Borthwick Road,
North Vancouver, B.C. V7K 1X9

Name: Peter W. Isler
Office/Director: Vice President, Development
Occupation: Businessman
Address: 6707 Angus Drive,
Vancouver, B.C. V6P 5J2

2. THE DEVELOPMENT

2.01 General Description of the Development

- (a) The Strata Development (the "Development") includes Strata lots ("Lots") of which those being offered will be owned individually, together with a proportionate share in the common property including common facilities ("Common Property") and other assets of the strata corporation which will be owned as tenants in common by the owners of the Lots.

The Development, which is completed, was completed as part of a three phased strata plan. There are 304 Lots in the total project. In Phase I there are 123 Lots. Of these, 20 are owner occupied and 103 are rented or are held for rental.

In Phase II there are 75 Lots. Of these 58 are rented, 3 are owner occupied and 14 are unsold by the Developer.

In Phase III there are 106 Lots. Of these 35 are rented, 11 are owner occupied, 21 are owned and occupied by members of Harbour Cove Housing Co-Operative, and 39 are unsold by the Developer.

This Prospectus relates to the 14 unsold Lots in Phase II and the 39 unsold Lots in Phase III as follows:

Phase II: Strata Lots 145, 146, 147, 148, 158, 167, 175, 176, 181, 183, 184, 188, 189 and 194, District Lot 3610, Strata Plan Vr. 1291, together with an interest in the Common Property in proportion to the unit entitlement of the Strata Lot as shown on Form 1.

Phase III: Strata Lots 212, 224, 225, 226, 227, 228, 230, 238, 239, 240, 241, 242, 243, 246, 247, 248, 249, 252, 253, 254, 255, 256, 257, 260, 261, 265, 266, 269, 272, 273, 275, 278, 280, 288, 295, 296, 297, 299, 304, District Lot 3610, Strata Plan Vr. 1291, together with an interest in the Common Property in proportion to the unit entitlement of the Strata Lot as shown on Form 1.

- (b) Type of Building: One apartment building.
- (c) Type of Construction: Concrete

- (d) Total Unsold Lots in Phases II and III: 53.
- (e) Type of Lots:
- | | | |
|-------------------------|---|----|
| 2 Bedroom | - | 8 |
| 1 Bedroom & Den | - | 22 |
| 2 Bedroom & Den | - | 21 |
| 2 Bedroom & 2 Den | - | 1 |
| 2 Bedroom & Den & Study | - | 1 |
- (f) Permitted Usage of Lots: Residential
- (g) Features Included as Part of Lots:
- | | | |
|---------------|---|----|
| Balconies | - | 8 |
| Sun Rooms | - | 12 |
| Roof Terraces | - | 5 |

Note: The specific features included as part of the Strata Lots that are the subject of this Prospectus are set out in Exhibit B attached hereto.

- (h) Features included in the Common Property including existing or proposed Limited Common Property are listed on Exhibit C attached hereto.

Note plans attached as Exhibit A for approximate size and location for all of these features.

(i) Limited Common Property

Limited Common Property is an area within the Common Property that may be used exclusively by one or more Lot owners and any additional maintenance expense created thereby will be paid by such owners. The Developer has designated Limited Common Property as shown on the strata plans attached as Exhibit A, upon tendering plans for registration. Such designation may only be removed by unanimous resolution of the members of the strata corporation.

(j) Plans or Sketch

The strata plans of the Development are attached hereto as Exhibit A.

(k) Unit Entitlement

The Unit Entitlement of each Lot is a figure indicating its share in the Common Property and assets of the Development, and by which its contribution to the expenses of the Common Property is determined. The Unit Entitlement

is based on habitable square metres of the Lot, excluding any non living areas such as a balcony, deck or garage. A schedule of Unit Entitlement is included in Exhibit A attached hereto.

(l) Interest on Destruction

The Interest on Destruction of each Lot is the figure indicating its share of the Development upon destruction or other termination. Interest upon Destruction is based on the proposed market value of the Lots.

A schedule of the Interest on Destruction is included in Exhibit A attached hereto.

(m) Voting

Each Lot shall have one vote in the Strata Corporation.

(n) Location of Development

1450, 1470 and 1490 Pennyfarthing Drive, Vancouver, British Columbia.

(o) Construction Commencement

The date of commencement of construction of the Development was:

Phase I - November 4, 1981
Phase II - December, 1983.
Phase III - December, 1984.

(p) Construction Completion

The date of completion of the Development was:

Phase I - June 15, 1983.
Phase II - April 19, 1985.
Phase III - March 27, 1986.

2.02 Phased Strata Plan

This Development was a phased Strata plan.

A phased Strata is a development which was constructed and completed in parts, but all parts became one Strata Corporation.

An approved Form "E" under S.77 of the Condominium Act is required for each such Condominium plan and a copy of approved Amended Form E is attached as Exhibit D. This form describes important aspects of the phased development. The location and area of each phase including common facilities is set out on the attachments to it.

2.03 Multi-Staged Development

This Development is not part of a multi-staged development.

2.04 Development Approval Particulars

(a) Building Permit

Building Permit No. 105905 (excavation), issued November 18, 1981, 107630 (structural) issued March 3, 1982 and 109456 (electrical) issued April 15, 1982 for Phase I and Building Permit No. BP20147399 issued August 31, 1984 for Phases II and III by the City of Vancouver permitted the construction of the Development as described in this Prospectus.

(b) Building Restriction

There are building restrictions with reference to the subdivision as follows: Agreement made November 27, 1985 between Harbour Cove Holdings #III Ltd., the City of Vancouver and Harbour Cove Housing Co-Operative, a copy of which is attached hereto as Exhibit K

(c) Occupancy Restrictions

There are occupancy restrictions with reference to the subdivision as follows:

Agreement made November 27, 1985 between Harbour Cove Holdings #III Ltd., the City of Vancouver and Harbour Cove Housing Co-Operative, a copy of which is attached hereto as Exhibit K.

(d) Approval of Development

Approval of the Development was given by the City of Vancouver, Development Permit No. 88161 on August 28, 1981 and Development Permit No. 94591 on October 26, 1983.

(e) Restrictions

The Development complies with all building restrictions, zoning regulations, and other restrictions governing the use and development of the Development or any Lot therein.

(f) Development Agreements

The Developer has not entered into any development agreement, or land use contract with any public authority with respect to the Development other than the six agreements listed in A of paragraph 6.03 hereof.

2.05 Changes from Natural State

There will be changes from the natural state as follows:

It is estimated that landscaping of the area surrounding all phases will be completed by May 15, 1986.

2.06 Flooding Dangers

Based on a physical examination of these lands, and after conferring with the City of Vancouver, the Developer is not aware of any flooding danger to these lands.

2.07 Utilities

(a) Water

The Development is presently served, at the cost of the Developer, by a water system provided by the City of Vancouver and water lines have been installed to each Lot.

(b) Electricity

The Development is presently serviced with electricity at the cost of the Developer, by British Columbia Hydro and Power Authority and electrical service has been installed to each Lot.

(c) Sewerage

Sanitary sewers and storm sewers have been installed in accordance with the requirements of the City of Vancouver at the cost of the Developer to each Lot in the Development.

(d) Gas

The Development is presently serviced with natural gas by British Columbia Hydro and Power Authority at the cost of the Developer and gas lines have been installed for the limited purposes of heating the central hot water system, fueling the pool heaters and the roof top units for providing air pressure to the corridors of the buildings and providing gas to gas fireplaces in certain of the Lots. Natural gas will not be otherwise available to the Development or to any Lot.

(e) Sidewalks

The Development is presently serviced with cement sidewalks at the cost of the Developer.

(f) Street Lighting

No street lighting will be provided.

(g) Garbage Collection

Garbage collection service will be provided to the Development by Tricil Limited.

(h) Fire Protection

There is fire protection for the Development provided by the City of Vancouver. Fire protection facilities are located approximately 1.5 km. (10th Avenue & Granville Street) from the Development.

(i) Police Protection

There is presently police protection for the Development provided by the City of Vancouver. Police protection facilities are located approximately 4 km. (Oakridge Dispatch Centre) from the Development.

(j) School Facilities

Following are a list of school facilities available in area and approximate distance from the Development.

Distance from Development

Elementary 1 km (False Creek Elementary, 900 Schoolgreen)
734-5208

Secondary 8 km (Kitsilano High School, 2550 West 10th
Avenue) 736-0344

Purchasers are advised to contact:

Vancouver School Board (731-1131), 1595 West 10th Avenue, Vancouver, B.C.

to determine if school facilities can provide accommodation and transportation.

(k) Public Transport

Public transportation provided by Regional District Transit Authority is available at 4th Avenue and Fir Street, which is approximately 5 blocks from the Development.

(l) Telephone

The Development is presently serviced with telephone service at the cost of the public authority and telephone service has been installed to each Lot. Telephone service will be supplied to any Lot in the Development on application for the payment of usual application and hookup charges by Purchaser.

(m) Access

Access to the Development is by Pennyfarthing Drive off 1st Avenue at Creekside Drive, Vancouver, B.C. Construction of the above access roads are completed by Developer.

(n) Internal Roads

All roads within the Development have been black topped.

2.08 Construction, Utility and Services Financing

All costs which are the responsibility of the Developer have been paid for in full except for certain items of deficiencies in respect of which the Developer has withheld from the Contractor \$200,000 out of the construction financing proceeds.

There are no further anticipated expenditures in connection with construction utilities or other services in this Development other than those specifically referred to in this prospectus.

The Developer has submitted a letter of credit in the amount of \$38,498.00 to the City of Vancouver to guarantee the completion of curbing, guttering and paving Creekside Drive and the completion of the walkway and path referred to in the agreements referred to in clauses A1 to A5 inclusive of paragraph 6.03 hereof.

The Developer has held back the following amounts:

\$200,000 for certain items of deficiencies and \$790,909 pursuant to the Builders Lien Act. These funds are payable progressively to Kerkhoff Construction Group Ltd.

3. TITLE OF THE DEVELOPMENT

3.01 Legal Description of the Development

Strata Lots 1 - 304 inclusive, District Lot 3610, Strata Plan Vr. 1291, of which the following Strata Lots are offered hereunder.

Phase II: Strata Lots 145, 146, 147, 148, 158, 167, 175, 176, 181, 183, 184, 188, 189 and 194, District Lot 3610, Strata Plan Vr. 1291, together with an interest in the Common Property in proportion to the unit entitlement of the Strata Lot as shown on Form 1.

Phase III: Strata Lots 212, 224, 225, 226, 227, 228, 230, 238, 239, 240, 241, 242, 243, 246, 247, 248, 249, 252, 253, 254, 255, 256, 257, 260, 261, 265, 266, 269, 272, 273, 275, 278, 280, 288, 295, 296, 297, 299, 304, District Lot 3610, Strata Plan Vr. 1291, together with an interest in the Common Property in proportion to the unit entitlement of the Strata Lot as shown on Form 1.

3.02 State of Title

(a) Registered Owners: Pennyfarthing Development Corp. is the registered owner of those Strata Lots in Phase II. Harbour Cove Holdings # III Ltd. is the registered owner of those Strata Lots in Phase III and Pennyfarthing Development Corp. is the beneficial owner of those Strata Lots in Phase III pursuant to Transfer of an Estate in Fee Simple accepted for registration in the Vancouver Land Title Office on May 7, 1986 under Nos. P39556-L to P39594-L.

(b) Encumbrances:

- A) 303412-M: Reservation of all mines and minerals whether solid, liquid, or gaseous which may be found to exist with, upon or under all (see 414869-L), inter alia, registered in favour of Her Majesty the Queen in right of Canada;
- B) H76207: Mortgage in the principal amount of \$6,300,000 registered in favour of B.C. Central Credit Union ("Central"), inter alia;
- C) J55880: Mortgage in the principal amount of \$5,000,000 registered in favour of Central, inter alia;
- D) J61559: Rent Charge registered in favour of City of Vancouver, inter alia; This Agreement is referred to in clause A4 of paragraph 6.03 hereof;

- E) J61560: Easement and Indemnity Agreement registered in favour of City of Vancouver, inter alia; This Agreement is referred to in clause A5 of paragraph 6.03 hereof;
- F) J62959: Covenant registered in favour of City of Vancouver, inter alia, as to the Phase II Lots only, a release of which has been accepted for registration under No. P37905;
- G) M26596: Mortgage in the principal amount of \$15,750,000 registered in favour of Central Financial Corporation Ltd., inter alia, as to the Phase II Lots only;
- H) M44312: Priority Agreement granting Mortgage M26596 priority over Mortgages H76207, J55880 and K25596, inter alia, as to the Phase II Lots only;
- I) K25596: Mortgage in the principal amount of \$4,000,000 registered in favour of Central, as to an undivided 611/1000 interest, inter alia, as to the Phase III Lots only;
- J) N16829: Mortgage in the principal amount of \$11,500,000 registered in favour of Central Financial Corporation Ltd., extended by Mortgage N98458, as to the Phase III Lots only;
- K) N24066: Priority Agreement N24066 granting Mortgage N16829 priority over Mortgages H76207, J55880 and K25596, inter alia, as to the Phase III Lots only;
- L) N98458: Mortgage in the principal amount of \$11,500,000 registered in favour of Central Financial Corporation Ltd., extension of Mortgage N16829, as to the Phase III Lots only;
- M) P18417: Covenant registered in favour of the City of Vancouver, as to the Phase III Lots only;
- N) P18419: Priority Agreement granting Covenant P18417 priority over Mortgages H76207, J55880 and K25596, as to the Phase III Lots only;
- O) P18420: Priority Agreement granting Covenant P18417 priority over Mortgage N16829, Priority Agreement N24066 and Mortgage N98458, as to the Phase III Lots only.

3.03 Proposed Encumbrances and Covenants

No further encumbrances, covenants or liens are proposed or anticipated to be registered or filed in respect of the Development.

3.04 Encumbrances or Agreements affecting more than One Lot

The following provisions have been made to discharge the mortgages which affects more than one Lot in the Development:

B.C. Central Credit Union and Central Financial Corporation Ltd., by a letter dated April 17 1986 (a copy of which letter is attached hereto as Exhibit E) have agreed to discharge the following Mortgages from any lot upon payment to Central Financial Corporation Ltd. of the greater of the following:

- (a) the actual gross sale price for such lot less adjustments and less sales commissions paid by Pennyfarthing Development Corp.; and
- (b) \$100 per gross saleable square foot of such strata lot J76207; J55880; K25596; M26596; N16829 extended by N98458.

3.05 Litigation

There is no outstanding or anticipated litigation in respect of the Development or against the Developer which may affect the Development.

4. THE OFFERING

4.01 Terms of Offering

(a) Offering

The Developer intends to offer the Development for sale.

(b) Form

The agreement for sale required to be used in this Development is attached as Exhibit F.

(c) Equipment in Lot

The following equipment will be included in the purchase of each Lot:

Dishwasher, Stove, Refrigerator, Washer, Dryer, Garburator,
Compactor, Microwave, Hood Fan.

The above items will not be encumbered except to the extent of any mortgage registered in the Land Title Office.

Any manufacturer's warranty will be passed on to the Purchaser if permitted by such warranty.

(d) Equipment in Common Property

The equipment described in Exhibit G will be provided by the Developer in the Common Property.

(e) Construction Warranty

The Developer will provide a warranty as to the construction and finishing of the Development, including Lots and Common Property for a period of one

year from the dates of substantial completion. The substantial completion dates were:

- Phase I - June 15, 1983
- Phase II - April 19, 1985
- Phase III - March 27, 1986

(f) Purchase Financing

The Developer has made the following arrangements for financing the purchase of the Lots. The arrangements are set forth in a letter dated April 17, 1986 from Central Financial Corporation Ltd., a copy of which is attached hereto as Exhibit E.

(g) Rental Disclosure

Under S. 31 of the Condominium Act, a developer must disclose to any Purchaser the intention to lease Lots in order to ensure that such Lots may be leased in the future. A rental disclosure statement has been filed with the Superintendent of Insurance and a copy is attached as Exhibit H.

4.02 Deposits

All deposits and other monies received shall be held in the Trust Account of the in-house corporate solicitor of Pennyfarthing Development Corp., Mr. L.B. Sheppard, until such time as the title or other interest contracted for is conveyed and assured to the Purchaser, or is otherwise paid out by operation of law. Mr. Sheppard has given his undertaking to the Superintendent of Brokers, Insurance and Real Estate that, if a dispute arises between the Developer and a person who has agreed to purchase a strata lot, then any deposit and other monies paid to Mr. Sheppard by that person shall be paid out by Mr. Sheppard only in accordance with either the agreement of the Developer and that person or an order of a court of competent jurisdiction.

4.03 Property Taxes and Utility Rates

(a) Lot Taxes

Each Lot owner shall be responsible for real property taxes for his Lot. Property taxes are levied by and payable to the City of Vancouver, 453 West 12th Avenue, Vancouver, B.C.

(b) Lot Expenses

The following utilities are separately metered or assessed to each Lot and are the responsibility of each Lot owner:

Water, Electricity, Cablevision, Sewer, Telephone.

(c) Other Expenses

The following utilities are paid by the Strata Corporation and their cost will be prorated to the owners of the Lots and included in the monthly assessment:

Water for Common Property
Electricity for Common Property
Telephone for Common Property
Gas for Common Property
Gas for Lots
Sewer for Common Property
Garbage for Common Property
Garbage for Lots
Security and Satellite System for Common Property and Lots.

4.04 Common Expenses

- (a) An estimated budget for a typical full year of operating expenses of the Strata Corporation, based on current costs, is attached as Exhibit I.
- (b) The estimated costs are based on costs experienced by existing comparable projects.
- (c) Refer to Exhibit I which sets out the monthly assessment for each Lot.

4.05 Fire and Liability Insurance

(a) Strata Coverage

The Strata Corporation has the following insurance coverage:

All risk insurance on a replacement cost of the building basis (which currently is \$35,000,000) and general liability with a limit of \$10,000,000.

- (b) The Purchaser is responsible for insuring the contents of his strata lot.

5. RESTRICTIONS ON USAGE OF DEVELOPMENT

5.01 Use of the Lots

No Lots will be retained or alienated for non residential purposes.

5.02 Bylaws

The Bylaws proposed by the Strata Corporation are those contained in the Condominium Act, except to the extent that they are modified by the agreements referred to in Clauses B1 and B2 of paragraph 6.03 hereof.

6. MISCELLANEOUS

6.01 Material Contracts

There are material contracts affecting the Development binding upon the Developer and/or Strata Corporation as follows:

Particulars of the contracts are set out in paragraph 6.03 hereof.

6.02 Management

(a) Manager's Residence

There will not be a Manager's residence.

(b) Management Agreement

Pennyfarthing Management Corp. has been managing the Strata Corporation since August 1983 pursuant to an oral agreement entered into between the Strata Corporation and Pennyfarthing Management Corp. substantially on the terms set out in the Management Agreement attached as Exhibit J. It is intended that the Strata Corporation and Pennyfarthing Management Corp. formalize the oral agreement by entering into a Management Agreement substantially in the form of the Agreement attached as Exhibit J.

(c) Relationship to Developer

The Developer has the following relationship to such Manager:

The shares of the Manager are indirectly controlled by the members of the Developer.

(d) Termination

The Management Agreement may be terminated upon three months notice by the Manager, or upon three months notice, after such notice is approved by the special resolutions of the Owners.

6.03 Other Information

A. Development Agreements

1. Agreement made November 27, 1985 between Harbour Cove Holdings # III Ltd., the City of Vancouver and Harbour Cove Housing Co-Operative, registered

against the Phase III Lots in the Vancouver Land Title Office under No. P18417, and covering the inclusion in Phase III of the Development of twenty-one self-contained housing Lots to be available for purchase by Harbour Cove Housing Co-Operative. A copy of this Agreement is attached hereto as Exhibit K.

2. Agreement ("Right-of-Way Agreement") made July 3, 1981 between the Developer and the City of Vancouver and under which the Developer has granted the City of Vancouver, inter alia, a 17 foot right-of-way over Parcel F for purposes of a walkway and bicycle path. A copy of this Right-of-Way Agreement is attached as Exhibit L. Parcel F is leased by the Developer under the Lease listed in clause A6 of this paragraph 6.03.

3. Agreement ("General Agreement") made July 3, 1981 between the Developer and the City of Vancouver and generally covering the subject of the Right-of-Way Agreement, a copy of which General Agreement is attached hereto as Exhibit M.

4. Agreement (the "Rentcharge Agreement") made July 3, 1981 between the Developer and the City of Vancouver, registered in the Vancouver Land Title Office under No. J61559, and under which the City of Vancouver is granted a rent charge over, inter alia, the Development. A copy of the Rentcharge Agreement is attached hereto as Exhibit N. The Rentcharge Agreement is one of the subjects of the Agreement that is listed in clause B2 of this paragraph 6.03.

5. Agreement ("Easement and Indemnity Agreement") made July 3, 1981 between the Developer and the City of Vancouver, registered in the Vancouver Land Title Office under No. J61560, and containing mutual covenants covering the subjects of the Right-of-Way Agreement. A copy of the Easement and Indemnity Agreement is attached hereto as Exhibit O. The Easement and Indemnity Agreement is one of the subjects of the Agreement that is listed in clause B2 of this paragraph 6.03.

6. Lease (the "Lease") of Parcel F made as of September 12, 1981 between Canada Ports Corporation, Greentree Developments Ltd. and B.C. Central Credit Union, which Lease has been assigned to the Developer. A copy of the Lease and of the Assignment thereof to the Developer is attached hereto as Exhibit P. The Lease is one of the subjects of the Agreement that is listed in clause B2 of this paragraph 6.03.

B. General Agreements

1. Agreement made as of December 31, 1984 between Harbour Cove Housing Co-Operative, the Developer and Strata Corporation VR 1291 and covering the 21 Lots that are to be included in Phase Three of Harbour Cove and that are referred to in clause A1 of this paragraph 6.03. A copy of this Agreement is attached hereto as Exhibit Q.

2. Agreement made as of May 31, 1985 between the Developer, and The Owners, Strata Plan VR 1291 and covering, inter alia, the Rent-charge Agreement, the Easement and Indemnity Agreement and the Lease. A copy of this Agreement is attached hereto as Exhibit R.

3. Agreement made March 19, 1986 between Tricil Limited and Penny-farthing Development Corp., as Agent for The Owners, Strata Plan VR 1291, under which Tricil is required to provide garbage containers and garbage disposal services for a basic fee of \$765 per month from the date thereof until April 30, 1987.

A PROSPECTIVE PURCHASER SHOULD NOTE ALSO THAT THE AGREEMENT WITH THE CITY OF VANCOUVER ATTACHED AS EXHIBIT M IMPOSES A FINANCIAL OBLIGATION ON THE PURCHASER OF A STRATA LOT AND CHARGES AS SECURITY THEREFOR TITLE TO HIS STRATA LOT. THE CITY PROPOSES TO RELEASE ITS SECURITY AGAINST TITLE TO A STRATA LOT AND TO ABATE THE RENTAL REQUIRED TO BE PAID THEREUNDER IN THE MANNER AND ON THE TERMS AND CONDITIONS SET OUT IN THE CITY'S LETTER TO THE SUPERINTENDENT OF BROKERS, INSURANCE AND REAL ESTATE ATTACHED AS EXHIBIT S.

6.04 THE FOLLOWING IMPORTANT INFORMATION SHOULD BE CAREFULLY NOTED

Under paragraph 4.03 of the Agreement attached as Exhibit R, certain costs relating to Parcel F and the Lease, as defined therein, are to be borne with certain exceptions by The Owners of Strata Plan VR 1291.

The exceptions are:

- (1) The Owners of strata lots in Phase I are not obligated to contribute toward the annual property taxes of Parcel F, such burden falling entirely on the Owners of strata lots in Phase II and Phase III.
- (2) Under paragraph 5 of the Agreement among Harbour Cove Housing Co-Operative, the Developer, and the Strata Corporation attached as Exhibit Q, the Owners of the 21 Housing Co-Operative Units in Phase III are not obligated to contribute to the payments relating to Parcel F and the Lease (other than property taxes) otherwise payable by the Owners of strata lots in Phase III, so that such contributions due from Phase III must be made wholly by the Owners of the other 86 strata lots in Phase III.

The costs relating to Parcel F and the Lease, as defined in the Agreement attached as Exhibit R, are to be calculated and allocated according to that Agreement as between each of the Phases on the basis of percentages set out in it and as between the strata lots in each Phase on the basis of unit entitlement and not on the overall basis of unit entitlement, even though section 35(1)(d) of the

Condominium Act requires that contributions be levied on Owners by the Strata Corporation in proportion to unit entitlement.

In return for the Strata Corporation's assuming the obligation relating to Parcel F and the Lease as referred to above, under paragraph 4.01 of the Agreement attached as Exhibit R, the Developer has promised not to construct on Parcel F during the continuance of the Lease any improvement which has a top elevation above the plaza level of the Development, except as may be approved by each of the Strata Corporation, the City, the architects for the Development and the Developer, and except a commercial complex and such other structures as are set out in the False Creek Area Development Plan for Area 10A or as may be otherwise permitted by the City in the Development Permit.

The Developer has had the applicable zoning by-law amended to provide for the creation of a public park on that portion of Area 10A immediately in front of the Development and for construction of an office/residential building on the remainder of Area 10A. The Developer has agreed that it will not apply to amend further the zoning by-law, as amended, except for consequential amendments required for construction of the office/residential building currently permitted under the zoning by-law, as amended.

DECLARATION

The foregoing declarations constitute full, true and plain disclosure of all facts relative to the Development referred to above, proposed to be sold or leased, as required by the Real Estate Act of the Province of British Columbia as of May 1, 1986.

PENNYFARTHING DEVELOPMENT CORP.

Signed:

By: "A.J. Hepworth"

By: "L.B. Sheppard"

"A.J. Hepworth"
Anthony John Hepworth

"L.B. Sheppard"
Leighton Barry Sheppard

"K.T. Stevenson"
Kenneth Theodore Stevenson

HARBOUR COVE - District Lot 3610, Strata Plan Vr. 1291.

Phase One - Strata Lots 1, 8, 9, 10, 11, 15, 20, 21, 28, 30, 33, 44, 53,
65, 69, 70, 74, 89, 94 and 99

Phase Two - Strata Lots 145, 146, 147, 148, 158, 167, 175, 176, 181, 183,
184, 188, 189 and 194.

Phase Three - Strata Lots 212, 224, 225, 226, 227, 228, 230, 238, 239, 240,
241, 242, 243, 246, 247, 248, 249, 252, 253, 254, 255, 256,
257, 260, 261, 265, 266, 269, 272, 273, 275, 278, 280, 288,
295, 296, 297, 299, 304.

SCHEDULE "A"

GUIDELINES FOR SENIORS' UNITS AND
HANDICAPPED UNITS

1. Definitions

- (a) "Senior Citizen" means a person over 65 years of age who if he were a tenant in one of the Senior Units would be eligible for shelter aid pursuant to the Shelter Aid for Elderly Renters Act or if such act is no longer in effect or aid is not available pursuant to the Act the City shall determine criteria for determining whether a person is a senior citizen as referred to herein.
- (b) A "handicapped person" means a person who is unable to walk but is mobile with the assistance of a wheelchair. Provided that "handicapped person" may mean any individual with a physical disability who has been designated as such by the City's Director of Social Planning.

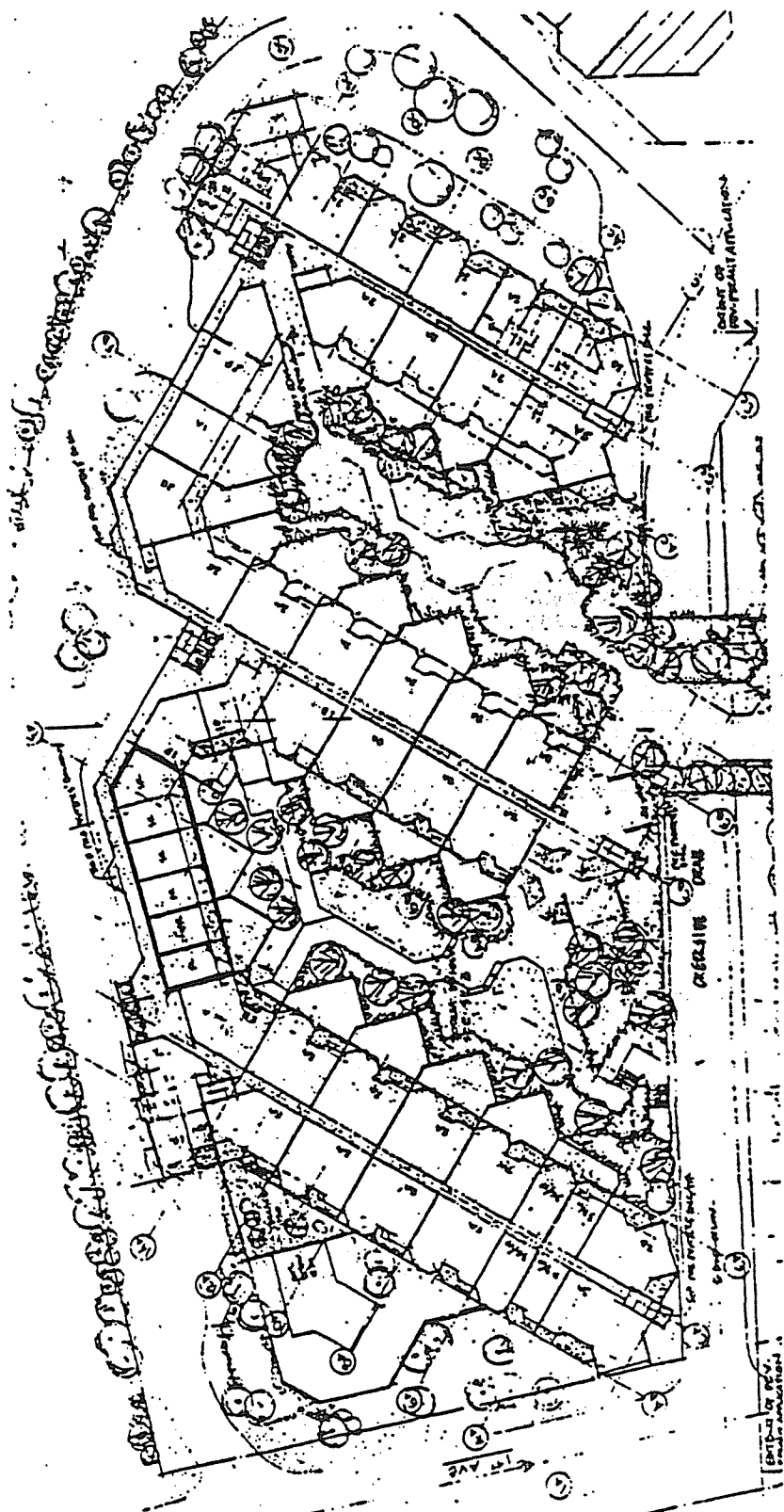
2. The rent for the Units may be reviewed annually at the request of the City or the Grantor, provided however that such revised rent shall not exceed:

- (a) the maximum amount of rent which may be claimed by a couple pursuant to the Shelter Aid for Elderly Renters (SAFER) program of the Minister of Municipal Affairs and Housing of the Province of British Columbia (i.e. as of July, 1981, this sum was \$295.00); or
- (b) if such maximum rent is not determined by the SAFER program, such amount as may be approved by the City which shall have regard for increases in the Consumer Price Index or such other similar index as may be prepared by Statistics Canada instead of the Consumer Price Index.

3. The Handicapped Units shall be used only for residential rental accommodation by handicapped persons and the Senior Units shall be used only for residential rental accommodation by senior citizens.

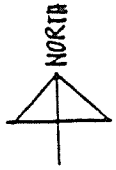
4. The Units shall be of equal finish, quality of design, construction, materials and furnishings as other suites of similar size in the building.

5. The Units shall be located in that portion of the Development shown outlined bold on Schedule "B".



HARBOR COVE
AREA 10A, PHASE CREEK
VANCOUVER, B.C.

SENIOR CITIZENS AND HANDICAP UNIT LOCATION



PRIORITY AGREEMENT

KNOW ALL MEN BY THESE PRESENTS that B.C. CENTRAL CREDIT UNION (Incorporation No. 110), the holder of two charges by way of Mortgage registered against the within-described property in the Land Title Office, in the City of Vancouver, in the Province of British Columbia, under numbers H76207 and J40297, *for and in consideration of the sum of One Dollar (\$1.00), now paid by the City of Vancouver to B.C. CENTRAL CREDIT UNION (receipt whereof is hereby acknowledged) agrees with the City of Vancouver, its successors and assigns, that the within document, being a covenant pursuant to Section 215 of the Land Title Act, shall be an encumbrance upon the within-described property prior to the aforesaid Mortgages in the same manner and to the same effect as if it had been dated and registered prior to the said Mortgages.

and
J55880

IN WITNESS WHEREOF B.C. CENTRAL CREDIT UNION has caused these presents to be signed by its authorized officer in that behalf and has caused its corporate seal to be affixed hereto on the _____ day of July, 1981.

SEALED with the Corporate Seal of B.C. CENTRAL CREDIT UNION and signed by: _____
Authorized Signatory


LAND TITLE ACT

FORM 6
(Section 46)

PROOF OF EXECUTION BY CORPORATION

I certify that on the 31st day of JULY 1981 at Vancouver in British Columbia; DEAN RICHARD COE who is personally known to me, appeared before me and acknowledged to me that he/she is the authorized signatory of B.C. CENTRAL CREDIT UNION and that he/she is the person who subscribed his/her name and affixed the seal of the corporation to the instrument, that he/she was authorized to subscribe his/her name and affix the seal to it, (and that the corporation existed at the date the instrument was executed by the corporation).

In testimony of which I set my hand at Vancouver this 31st day of JULY 1981.


A Commissioner for Taking Affidavits,
for British Columbia

ROWLAND K. McLEOD
Barrister & Solicitor
1400 BARRARD BLDG.
1030 W. GEORGIA ST.
VANCOUVER, B.C.
V6E 3C2

SPECIFIC FEATURES INCLUDED IN PHASE II STRATA LOTS

<u>Strata Lot</u>	<u>Sun Room</u>	<u>Roof Terrace</u>
145	1	-
146	1	-
147	1	-
148	1	-
158	1	-
167	1	-
175	1	-
176	1	-
181	1	-
183	1	-
184	1	-
188	-	1
189	1	-
194	-	1

The purpose of the Phase heading noted above is for convenience of identification only because legally .../2 the Phase demarcation has been eliminated.

SPECIFIC FEATURES INCLUDED IN PHASE III STRATA LOTS

<u>Strata Lot</u>	<u>Balcony</u>	<u>Roof Terrace</u>
212	-	-
224	-	-
225	-	-
226	-	-
227	-	-
228	-	-
230	-	-
238	-	-
239	-	-
240	-	-
241	-	-
242	-	-
243	-	-
246	1	-
247	1	-
248	1	-
249	1	-
252	-	-
253	-	-
254	-	-
255	-	-
256	-	-
257	-	-
260	1	-
261	1	-
265	-	-
266	-	-
269	-	-
272	1	-
273	1	-

SPECIFIC FEATURES INCLUDED IN PHASE III STRATA LOTS (cont'd)

<u>Strata Lot</u>	<u>Balcony</u>	<u>Roof Terrace</u>
275	-	1
278	-	-
280	-	-
288	-	-
295	-	1
296	-	-
297	-	-
299	-	-
304	-	1

Exhibit C

COMMON PROPERTY FEATURES - HARBOUR COVE PHASE I

Lobbies	2
Elevators	2
Parking Areas	3
Storage Rooms	12
Bicycle Storage Room	1
Electrical Rooms	14
Refuge Room	1
Mechanical Rooms	2
Mail Room	1
Fire Hydrant Closets	23
Court Yard	1
Roof Deck	2
Roof Area	1

COMMON PROPERTY FEATURES - HARBOUR COVE PHASE II

Exhaust Shafts	3
Locker Rooms	5
Lobbies	3
Elevators	2
Covered Parking Spaces	205
Lounges	1
Racquet Ball Court	1
Squash Ball Court	1
Mechanical Rooms	6
Storage Rooms	5
Pool Equipment Room	1
Generator Room	1
Freezer Room	1
Freezer Storage	1
Washrooms	3
Telephone Room	1
Garbage Room	1
Fan Room	1
Bicycle Storage	1
Mail Room	1
Refuse Rooms	11
Kitchen	1
Exercise Room	1
Laundry Room	1
Office	1
Changing Rooms	2
Shower	1
Indoor pool, sauna and whirlpool room	1
Electrical Rooms	16
Meeting Rooms	1
Fire Hydrant Closets	15
Planters	3
Terraces	5
Yard	1
Lawn and/or planting areas	3
Roof Deck	1

The purpose of the Phase heading noted above is for convenience of identification only because legally the Phase demarcation has been eliminated. .../2

COMMON PROPERTY FEATURES - HARBOUR COVE PHASE III

Elevators	2
Lobbies	2
Vestibules	3
Parking Areas	2
Storage Rooms	4
Freezer Storage Room	1
Janitor's Room	1
Electric Rooms	10
Telephone Rooms	2
Garbage Room	1
Mechanical Rooms	4
Mail Room	1
Gas Meter Enclosure	1
Fire Hydrant Closets	18
Roof Deck	1
Water Fountain	1
Planters	5
Walkway	1
Landscaped Area	1

CONDOMINIUM ACT

AMENDED FORM E

DECLARATION OF INTENTION TO CREATE A STRATA PLAN
BY PHASED DEVELOPMENT

I, ANTHONY J.W. HEPWORTH, of Vancouver, British Columbia, President of Pennyfarthing Development Corp. ("Pennyfarthing"), a British Columbia company hereby declare that:

1. Pennyfarthing completed a Declaration of Intention (the "Declaration") to create a strata plan by phased development dated May 31, 1983 and filed in the Vancouver Land Title Office on July 19, 1983 under No. L72242 with respect to those certain lands and premises more particularly then described as Lot 2, District Lot 3610, Group 1, New Westminster District, Plan 19687;
2. The development consists of three phases. The common facilities to all phases are to be constructed during Phase Two. They constitute the recreation centre and include one racquetball court, one squash court, a swimming pool, a whirlpool, a sauna, men's changing room, ladies changing room, lower lounge, viewing lounge, and general recreation room.
3. The first phase of the three phases contemplated by the Declaration was completed and subdivided from the remaining land by the filing of Strata Plan Vr. 1291 in the Vancouver Land Title Office, on July 19, 1983 under Nos. L72243 to L72365 inclusive.
4. The second phase of the three phases contemplated by the Declaration was completed and subdivided from the remaining land by the filing of Strata Plan Vr. 1291 in the Vancouver Land Title Office on July 10, 1985 under Nos. N53391-L to N53465-L, inclusive.
5. Pennyfarthing proposes to strata title the third phase of the three phased development and to file a strata plan and an amended Declaration in respect thereto.
6. Pennyfarthing hereby amends the Declaration in the following manner:
 - (a) Paragraph 2(c) of the Declaration, as filed, is hereby deleted and the following substituted therefor:

"(c) Construction Periods

The construction of Phase One was commenced December, 1981 and completed June 15, 1983.
 The construction of Phase Two was commenced December, 1983 and completed April 19, 1985.
 The construction of Phase Three was commenced December, 1984 and the estimated date for completion is March, 1986."

- (b) Paragraph 2(d) of the Declaration, as filed, is hereby deleted and the following substituted therefor:

"(d) Unit Entitlement

Phase One	-	149471
Phase Two	-	86608
Phase Three	-	<u>118090</u>
Total	-	<u>354169 "</u>

(c) Paragraph 2(e) of the Declaration, as filed, is hereby deleted and the following substituted therefor:

"(e) Maximum Number of Units

Phase One	-	123
Phase Two	-	75
Phase Three	-	<u>106</u>
		<u>304</u> "

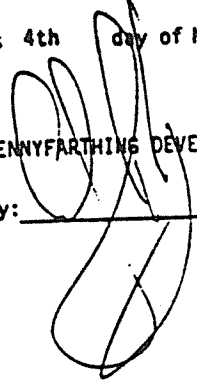
The distribution of residences in each phase is as follows:

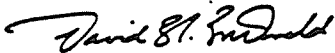
Phase One	9	-	1 bedroom
	99	-	2 bedroom
	15	-	3 bedroom
Phase Two	31	-	1 bedroom
	44	-	2 bedroom
Phase Three	22	-	1 bedroom
	63	-	2 bedroom
	21	-	Social Housing Units

The construction of Phase I and Phase II is complete. Pennyfarthing elected to proceed with the construction of Phase III prior to January 1, 1985 and anticipates that the construction of Phase III will be completed by March, 1986.

DATED at Vancouver, British Columbia, this 4th day of March, 1986.

PENNYFARTHING DEVELOPMENT CORP.

By: 



Deputy Approving Officer

Letterhead of B.C. CENTRAL CREDIT UNION

E

April 10, 1986.

Pennyfarthing Development Corp.,
270 - 1441 Creekside Drive,
Vancouver, B.C.
V6J 4S7

Dear Sirs:

re: Harbour Cove, Vancouver, B.C.
- 73 Strata Lots as set out on
the attached Schedule A

You have requested a letter from us outlining the conditions under which B.C. Central Credit Union ("Central") and its wholly owned subsidiary Central Financial Corporation Ltd. ("CFC") is prepared to release their existing mortgages against the above strata lots and the terms and conditions upon which CFC would be prepared to provide take-out mortgage financing with respect to the strata lots.

The following seven financial charges in favour of Central and/or CFC are registered against the strata lots:

1. H76207 and J55880:- Mortgages registered in favour of Central against all of the 73 strata lots;
2. K25596:- Mortgage registered in favour of Central against the Phase One strata lots and the Phase Three strata lots;
3. K9835:- Mortgage registered in favour of Central against the Phase One strata lots;
4. M34586:- Mortgage registered in favour of CFC against the Phase One strata lots;
5. M26596:- Mortgage registered in favour of CFC against the Phase Two strata lots;
6. M16829 extended by N98458:- Mortgage registered in favour of CFC against the Phase Three strata lots.

We confirm that with respect to each of the subject strata lots that is sold by Pennyfarthing Development Corp., Central and CFC will release each of the above seven mortgages upon payment to CFC of the greater of the following:

- (a) the actual gross sale price for such strata lot less adjustments and less sales commissions paid by Pennyfarthing Development Corp.; and
- (b) \$100 per gross saleable square foot of such strata lot.

CFC has agreed to grant take-out mortgage financing to the purchasers of each of the subject strata lots who meet CFC's qualifications on the following terms and conditions:

1. Loan Amount: 75% of the purchase price payable by the purchaser;
2. Interest: The Basic Lending Rate of Central in effect from time to time, calculated monthly, not in advance. The rate of interest will vary according to variations in the Basic Lending Rate of Central;
3. Security:
 - (a) First Mortgage on the purchaser's strata lot;
 - (b) An assignment of rents, if any, to be received from the strata lot;
 - (c) If CFC requires, a chattel mortgage on all appliances in the strata lot;
4. Term: Three (3) years;
5. Monthly Payment: Principal plus interest based on an annually assumed rate with the principal portion based upon an amortization of 30 years.

We understand that a copy of this letter is to be provided to the Superintendent of Brokers, Insurance and Real Estate for the purpose of obtaining the approval of the Superintendent to a Prospectus for the above strata lots. If any further information is required in this regard, please do not hesitate to contact us.

Yours truly,

B.C. CENTRAL CREDIT UNION

T.R. King

Wayne Nygren

Appendix F



Harbour Cove

AGREEMENT OF PURCHASE AND SALE

The Vendor: PENNYFARTHING DEVELOPMENT CORP.,
270 - 1441 Creekside Drive,
Vancouver, B.C. V6J 4S7

The Purchaser: Full Names:

Address: _____

Occupation: _____

Joint Tenants: Yes _____ No _____

Telephone: Home _____ Bus. _____

The Purchaser offers to purchase from the Vendor Strata Lot _____,
District Lot 3610, Strata Plan Vr. 1291, being Unit No. _____ in
Phase _____ of Harbour Cove, for the Purchase price of _____

DOLLARS
(\$ _____) (the "Purchase Price"), payable in lawful money of
Canada, as follows:

DEPOSIT herewith (receipt acknowledged by Vendor) \$ _____

BALANCE of Purchase Price payable on the Closing Date \$ _____

The following terms shall apply to this Agreement of Purchase and Sale:

1. The Deposit herewith shall be paid to the Vendor upon acceptance by the Vendor of the Purchaser's offer herein and shall be held in trust until the Closing Date by L.B. Sheppard, Barrister & Solicitor, 270 - 1441 Creekside Drive, Vancouver, British Columbia, on behalf of the Vendor, with interest accruing thereon from the said date of acceptance by the Vendor to and including the Closing Date payable to the Vendor. If the Vendor fails to complete this transaction on the Closing Date then the Deposit and any interest thereon shall be refunded forthwith to the Purchaser.
2. On the Closing Date, the Vendor will transfer title to the Strata Lot to the Purchaser free and clear of all registered liens, mortgages, charges and encumbrances save and except those that are listed in paragraph 14 hereof.
3. The Balance of the Purchase Price, namely, \$ _____, shall be paid on the _____ day of _____, 198____ (the "Closing Date").
4. The Purchaser shall assume and pay all taxes, rates, local improvement assessments and other charges from the Closing Date. Any adjustments to be made between the Vendor and Purchaser for municipal taxes, rates and assessments, water rates and other items usually the subject matter of adjustment shall be made as of the Closing Date.
5. The Purchaser shall obtain possession of the Strata Lot free of all tenancies on the _____ day of _____, 198____.
6. It shall be the Purchaser's responsibility to prepare the documents necessary to complete this transaction. The Purchaser shall deliver to the Vendor a Transfer in registrable form and a Statement of Adjustments at least seven days prior to the Closing Date. The Purchaser shall bear all costs of preparation and registration of the closing documents. The Vendor shall bear all costs of providing clear title to the Strata Lot except as aforesaid.
7. The Strata Lot shall be at the risk of the Vendor until and including the day preceding the Closing Date and in the event of loss or damage to the same occurring before such time by reason of tempest, lightning, earthquake, flood or other Act of God, fire or explosion, the Purchaser, at the Purchaser's option, may cancel this Agreement and in such event shall

thereupon be entitled to the return of any moneys paid hereunder. The Strata Lot shall be at the risk of the Purchaser from and including the Closing Date.

8. Time shall be of the essence of this Agreement. If the Purchase Price has not been paid in full by the Closing Date in accordance with this Agreement through no fault of the Vendor, the Vendor, at its option, may cancel this Agreement and in such event the Deposit and any other moneys paid hereunder by the Purchaser shall be absolutely forfeited to the Vendor as liquidated damages.
9. The Purchaser shall not be entitled to assign his interest in this Agreement.
10. The Purchaser by the execution of this Agreement acknowledges that the Purchaser:
 - (a) received a copy of the Prospectus prior to the execution of this Agreement as required by the Real Estate Act and was given an opportunity to read and understand the Prospectus;
 - (b) received a copy of the rental disclosure statement attached as Schedule H to the Prospectus;
 - (c) has received a copy of the by-laws of the Strata Corporation; and
 - (d) is aware of a monthly Strata Corporation assessment of \$_____.
11. This Agreement shall constitute the entire agreement between the Vendor and the Purchaser and no representations, warranties, guarantees, promises, agreements or previous statements made by any person or agent other than those contained in this Agreement shall be binding upon the Vendor.
12. If the offer herein is subject to the Purchaser selling his/her present home or to any other condition precedent in favour of the Purchaser, the Vendor or its agent at any time, may give written notice to the Purchaser, requiring that all conditions precedent be removed from this Agreement within 72 hours of receipt of the notice (not including Sundays or holidays) and this Agreement shall terminate and become void at the end of such 72 hour period if they are not removed.
13. This offer herein is open for acceptance by the Vendor until _____, 198_.

14. Charges and Encumbrances

The Strata Lot is and will remain charged by the following:

DATED this _____ day of _____, 198_.

Witness

Purchaser

Witness

Purchaser

The sale of Strata Lot _____ is hereby accepted by the Vendor on the above terms and conditions, at Vancouver, British Columbia, this _____ day of _____, 198_.

PENNYFARTHING DEVELOPMENT CORP.

By: _____



Harbour Cove

ADDENDUM TO AGREEMENT OF PURCHASE AND SALE
Dated _____

BETWEEN

PURCHASER: _____

AND

VENDOR: PENNYFARTHING DEVELOPMENT CORP.

SUBJECT PROPERTY: Strata Lot _____
District Lot 3610, Strata Plan Vr. 1291

It is agreed that the subject clause stated on the above mentioned Agreement regarding _____

_____ is hereby removed.

It is further agreed that _____

_____ All other terms and conditions remain the same and the said transaction is to proceed to completion.

DATED this _____ day of _____, 198_.

Witness

Purchaser

Witness

Purchaser

PENNYFARTHING DEVELOPMENT CORP.

By: _____
Vendor

Dated: _____

EQUIPMENT IN COMMON PROPERTY

- 1 Fabric wall hanging - entrance lobby
- 15 Statues
- 15 Bases for mounting statues
- 3 Lawn and Patio lounges
- 16 Lawn and patio chairs
- 3 Acrylic tables
- 2 Stacking tables
- 3 Umbrellas
- 50 Stacking chairs
- 1 14-station weight training machine
- 1 Monarch bike
- 1 Monarch rowing machine
- 1 Detecto medical scale
- 3 Oak veneer parsons tables
- 1 Table plastic laminate on chrome base
- 2 Oak tables
- 1 Oak table
- 4 Custom benches
- 1 Steno chair
- 1 Custom oak octagonal table, marble top, rosewood lacquer finish
- 1 Custom oak octagonal table, oak veneer, rosewood lacquer finish.
- 2 Custom roll arm sofas
- 2 Standard sofas
- 1 Standard arm chair
- 2 Oak arm chairs
- 1 3-seater settee
- 10 Cedar benches

Exhibit 11

CONDOMINIUM ACT
(Section 31)

AMENDED RENTAL DISCLOSURE STATEMENT

1. The proposed subdivision in respect of which this statement is made will contain 304 residential strata lots to be situate on Pennyfarthing Lane, False Creek, British Columbia. The legal description of the property is:

Lot 2,
District Lot 3610,
Plan 19687.
2. There are no residential strata lots under lease as of the date of this statement.
3. The owner/developer may lease all strata lots for indefinite terms.
4. It is not intended that the By-Laws of the proposed strata corporation will contain a provision which will limit the number of strata lots which may be leased by the owner/developer.

DATED as of the 15th day of June, 1983.

PENNYFARTHING DEVELOPMENT CORP.

Per: _____

APPROVED BY _____
OF INSURANCE

Dated: _____

EXHIBIT I

PROPOSED BUDGET FOR HARBOUR COVE

May 1, 1986 to April 30, 1987

In the form that will be presented to the Annual General Meeting for approval on June 18, 1986

	To Date Actual 12 Mos.	1985 Budget	1986/ 1987	Phase III	Total
Insurance	9,780	10,500	16,000	7,000	23,000
Postage and courier	79	25	100	43	143
Stationary and printing	144	450	175	75	250
NHB Lease & Property Taxes*	97,545	97,597	119,612	56,313	175,925
Sundry Operating	481	-	500	200	700
TOTAL Operating Expenses	108,029	108,572	136,387	63,631	200,018
SALARIES:					
Caretaker wages	63,345	73,300	61,617	17,500	79,117
Caretaker rent subsidy	11,500	9,600	12,000		12,000
Employee Benefits	3,055	-	3,350		3,350
TOTAL Salaries:	77,900	82,900	76,967	17,500	94,467
UTILITIES:					
Gas	30,116	37,800	40,000	12,000	52,000
Electricity	53,006	53,000	53,000	21,000	74,000
Water	4,600	4,500	5,500	700	6,200

(cont'd)

*NHB Lease Annual Basic Rent			113,012	49,712	162,724
*NHB Lease Annual Land Taxes			6,600	6,601	13,201

UTILITIES (cont'd)	Year To Date Actual 12 Mos.	1985 Budget	1986/ 1987	Phase III	Total
Oil	-	600	400	-	400
TOTAL Utilities:	87,722	95,900	98,900	33,700	132,600

COMMON AREA REPORT

Mechanical	1,140	-	1,600	300	1,900
Electrical	1,000	1,050	1,200	300	1,500
Cleaning, Common	706	2,000	3,650	400	4,050
Door - Garage	1,585	900	2,650	-	2,650
Elevator	8,835	9,600	10,000	5,000	15,000
Enterphone	4,151	2,350	4,380	2,300	6,680
Fire Protection	1,086	1,800	2,600	1,300	3,900
Garbage Removal	6,053	5,700	6,700	2,300	9,000
Janitorial Supply	3,390	2,700	3,500	1,400	4,900
Landscape Park	-	-	-	6,000	6,000
Landscaping	7,790	16,000	16,000	-	16,000
Lights	4,159	1,500	3,000	2,000	5,000
Furniture & Fixtures	1,527	-	1,000	800	1,800
Locks & Keys	2,760	800	1,000	800	1,800
Painting, Common	296	1,200	1,200	-	1,200
Parking Lot Maintenance	3,224	1,200	2,000	1,000	3,000
Parking Lot Improvement (Tiles)	1,596	1,600	500	500	1,000

	Year To Date Actual 12 Mos.	1985 Budget	1986/ 1987	Phase III	Total
COMMON (cont'd)					
Plumbing	1,621	1,200	1,500	500	2,000
Pest Control	525	-	1,500	-	1,500
Signs	766	-	600	-	600
Sign Removal	111	-	100	-	100
Structural Maintenance	657	-	-	-	-
Tools & Equipment	5,340	3,000	2,600	-	2,600
Window Cleaning	3,460	3,500	3,500	1,800	5,300
Exterior Repair	332	1,200	5,600	-	5,600
TOTAL Common	62,110	57,300	76,380	26,700	103,080

RECREATIONAL FACILITIES					
Units	54	-	300	-	300
Hot Tub and Sauna	308	-	500	-	500
Swimming Pool	723	-	800	-	800
Lighting	3,633	3,500	3,500	-	3,500
Utilities	974	1,000	1,000	-	1,000
TOTAL Recreational	5,692	4,500	6,100	-	6,100

	Year To Date Actual 12 Mos.	1985 Budget	1986/ 1987	Phase III	Total
OTHER					
Professional Fees	1,350	2,000	2,000	500	2,500
General Meetings	225	1,000	500		500
Management Fees	22,260	23,760	36,480	-	36,480
TOTAL Other	23,835	26,760	38,980	500	39,480
TOTAL	365,288	375,932	433,714	142,031	575,745
Contingency Reserve	13,000	13,771	21,685	7,102	28,787
Deficit to April 1986	-	-	30,000	-	30,000
OPTIONAL					
Security (Patrol)	4,110	650	12,000	-	12,000
Security (Cameras)	-	-	7,200		7,200
TOTAL	386,549	390,353	504,599	149,133	653,732
OTHER INCOME					
Parking	4,580	-	9,360	-	9,360
Interest	1,895	-	2,500	-	2,500
Assessment Coop			7,000		7,000
Assessment Strata Fees	380,074	390,353	485,739	149,133	634,872

MANAGEMENT AGREEMENT

THIS AGREEMENT made as of the 30th day of August, 1983,

BETWEEN:

THE OWNERS, STRATA PLAN NO. VR 1291, a strata corporation duly incorporated under the laws of British Columbia,

(the "Corporation")

OF THE FIRST PART,

AND:

PENNYFARTHING MANAGEMENT CORP., a British Columbia company having a place of business at 270 - 1441 Creekside Drive, Vancouver, British Columbia,

(the "Manager")

OF THE SECOND PART.

WHEREAS:

A. Under the Condominium Act of British Columbia, the Corporation has the duty, inter alia, of controlling, managing and administering the common property and common facilities included in Strata Plan No. VP 1291 and the other assets (such common property, common facilities and other assets being herein collectively called the "Property") of the Corporation, for the benefit of all of the owners of the Corporation; and

B. The parties hereto have agreed that the Corporation shall appoint the Manager to manage the Property and to perform the said duties of the Corporation, all subject to and upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, THIS AGREEMENT WITNESSES that in consideration of the premises and of the mutual agreements contained herein, the parties hereto agree as follows:

Section 1 - Appointment of the Manager and Term

1.01 The Corporation hereby appoints the Manager to act, on behalf of the Corporation and as its exclusive agent, to:

- (a) manage and operate the Property;
- (b) provide comprehensive management, maintenance and administrative services relating to the Property, and the affairs of the Corporation; and
- (c) generally perform the said duties of the Corporation;

subject to the reasonable direction and policy decisions of the strata council (the "Council") of the Corporation, and the Manager hereby accepts the appointments.

1.02 This Agreement shall continue in full force and effect until the fifth anniversary of the date hereof and thereafter for two automatic and successive five year periods, unless this Agreement shall be sooner cancelled by:

- (a) the Manager's three months' notice of cancellation to the Corporation, which notice the Manager may give at any time; or
- (b) the Corporation's three months' notice of cancellation to the Manager, which notice the Corporation may give at any time after such cancellation and notice have been authorized and approved by special resolution of the Corporation.

1.03 The Corporation, upon and after the cancellation of this Agreement, shall continue to be responsible for the payment to the Manager of, and upon the Manager's demand therefor, shall pay to the manager, any and all costs and expenses that are:

- (a) incurred by the Manager during the continuance of and in accordance with the provisions of this Agreement; and
- (b) paid by the Manager after the cancellation of this Agreement.

1.04 The Corporation hereby nominates, constitutes and appoints the Manager as its agent and true lawful attorney to act on its behalf with full power and authority and in its name, place and stead to execute and deliver all such agreements, documents and instruments and to do all such other acts and things that shall be necessary for the Manager to discharge its obligations under this Agreement, provided that the appointment and power of attorney granted under this paragraph 1.04 shall not apply to determining the monthly fee that is payable to the Manager by the Corporation during any renewal term under subparagraph (b) of paragraph 4.01 hereof. The Corporation

agrees to be bound by any representation and action made or taken by the Manager pursuant to the appointment and power of attorney granted in this paragraph 1.04.

Section 2 - Operating Account

2.01 The Manager, at such trust company, credit union, chartered bank or other financial institution carrying on business in British Columbia as the Manager in its sole discretion determines, shall maintain an operating account (the "Operating Account") in respect of the Property, provided that:

- (a) cheques under \$5,000 drawn on the Operating Account shall be signed by one representative and cheques over \$5,000 drawn on the Operating Account shall be signed by two representatives of the Manager;
- (b) any interest accrued in the Operating Account on receipts from or in respect of the Property shall be credited to the Corporation; and
- (c) the Manager, at the request of the Corporation, shall advise the Corporation of the location and number of the Operating Account, and from time to time upon request, shall deliver to the Corporation a full and complete statement of the Operating Account.

Section 3 - Obligations of the Manager

3.01 The Manager from time to time during the continuance of this Agreement, shall:

- (a) carry out the overall supervision and management of the Property and affairs of the Corporation;
- (b) carry out the enforcement of the by-laws and the rules and regulations of the Corporation;
- (c) engage and provide the services of such personnel, including without limitation, professional advisers and resident manager and caretakers, as may be necessary from time to time to carry out its obligations hereunder;
- (d) receive and otherwise collect as necessary, all assessments levied by the Corporation on the owners of

strata lots included in the said strata plan and all other income of the Corporation, and deposit the same in the Operating Account;

- (e) pay all expenses of the Corporation to the extent that the funds of the Corporation enable such payment;
- (f) carry out maintenance and repairs of the Property to the extent that such maintenance and repairs has been provided for in the then current operating budget or otherwise as directed by the Council, provided in either case that there are sufficient funds to carry out such maintenance and repairs;
- (g) purchase and maintain property damage and fire insurance for the Property to its respective replacement values, and all risks insurance and public liability insurance on such terms and in such amounts as the Manager considers appropriate;
- (h) keep and maintain such books and records as are required to record accurately all of the receipts and income of the Corporation and all of the deposits into and payments out of the Operating Account;
- (i) on request of the Corporation, make available for inspection all documents, books, accounts and records pertaining to the Property and Operating Account which it may have as Manager;
- (j) purchase such supplies and/or services as may be necessary for the purposes of carrying out the Manager's obligations hereunder;
- (k) prepare and distribute circulars, minutes of meetings and notices from the Corporation to the owners of strata lots included in the said strata plan as may be required from time to time by the Corporation;
- (l) make any expenditure necessary to comply with and abide by any rule, order, determination, ordinance or law of any federal, provincial or municipal authority affecting or concerning the Property or any part thereof;
- (m) prepare an annual budget for the estimated annual expenses of the Corporation; and
- (n) attend general meetings of the Corporation for the purposes of reporting on the affairs of the Corporation and attend all Council meetings provided such meetings

are held at times that are mutually convenient to the Council and the manager.

3.02 The Manager shall be reimbursed during the continuance of this Agreement for all costs and expenses incurred by it in the performance of its obligations hereunder. In addition, the Manager shall be entitled to charge the Corporation, at competitive rates, for services performed by chartered accountants, lawyers, engineers, architects and other like professionals, who are employed by the Manager which are beyond the scope of the usual property management services normally performed by property managers in the lower mainland of British Columbia. The Manager shall also be entitled to charge the Corporation with the salaries and expenses of such of its employees as are engaged to perform services at the Property, provided that except to the extent set out in the immediately preceding sentence, the Manager shall not be entitled to charge the Corporation with the salaries of its employees who are engaged to perform services on a continuous basis at the principal office of the Manager.

Section 4 - Obligations of the Corporation

4.01 The Corporation shall pay to the Manager on the last day of each and every month (commencing on the last day of July, 1985) of:

- (a) the first three years of the term (ending on August 30, 1986), a fee of _____ per month, and
- (b) the then next two years of the term, such monthly fee as may be agreed upon between the Manager and the Corporation, provided first, that if the Manager and Corporation are unable to agree upon such monthly fee within eight weeks of the commencement of such renewal two year term, the monthly fee, at the request of the Manager or the Corporation, shall be determined by a single arbitrator under the Arbitration Act of British Columbia, and provided secondly, that without the consent of the Manager, such monthly fee shall not be less than the monthly fee payable during the immediately preceding two year term.

4.02 The Corporation:

- (a) agrees that the Manager, in accordance with paragraph 3.02 hereof and on a monthly basis, shall be entitled to

reimburse itself out of the Operating Account for all costs and expenses incurred by it in the performance of its obligations hereunder;

- (b) within fifteen days of its receipt of the Manager's notice that there are insufficient funds in the Operating Account to pay the expenses that have been incurred by the Manager hereunder and that are then due and payable and/or to reimburse the Manager for costs and expenses incurred and paid hereunder by the Manager, shall pay to the Manager for deposit into the Operating Account such funds as are required to pay such costs and expenses and/or to so reimburse the Manager;
- (c) shall furnish to the Manager all documents and records available to the Corporation that may be required by the Manager in the performance of its obligations hereunder;
- (d) shall provide the Manager with a copy of the by-laws and rules and regulations of the Corporation and with any amendments or additions thereto;
- (e) agrees that the Manager may place a suitable sign near the entrance of the Property indicating that it is the managing agent of the Property;
- (f) agrees that, unless caused by the gross negligence or wilful misconduct of the Manager, the Manager shall not be liable for the loss of income, for the acts or omissions of contractors or other persons engaged by the Manager in connection with the Property, for damages to or destruction of the Property or any part thereof, or for misappropriation or theft; and
- (g) shall indemnify and save harmless the Manager from and against any and all suits, claims, demands, liabilities, actions, causes of action, costs and expenses in any way arising from or attributable to the agency created hereunder, except as arise from or are attributable to the gross negligence or wilful misconduct of the Manager.

Section 5 - General

5.01 It is the intention of the parties hereto that this Agreement shall not constitute a partnership or a lease.

5.02 Time is of the essence of this Agreement.

5.03 Each of the parties hereto, at all times hereafter, shall execute and deliver all such instruments and documents and do or cause to be done all such acts and things and give all such further assurances as may be required or necessary to give full effect to the provisions and intent of this Agreement.

5.04 A waiver by one party to this Agreement of any breach by the other party to this Agreement as to any of the covenants, terms or provisions contained in this Agreement, shall not bar such waiving party or non-breaching party from the right to enforce such covenants, terms or provisions or to avail itself of any subsequent breach thereof.

5.05 Any notice required to be given hereunder shall be in writing, and any payment required to be made hereunder, shall be deemed to be well and sufficiently given or made if delivered personally, or if mailed at any government post office in Canada, by prepaid registered mail addressed as follows:

To the Corporation:

1470 Pennyfarthing Drive,
Vancouver, British Columbia,
V6J 4Y2

Attention: Chairman of the Strata Council

To the Manager:

270 - 1441 Creekside Drive,
Vancouver, British Columbia
V6J 4S7

or to such other address as a party, from time to time, may advise the other in writing, and any such notice or payment shall be deemed to have been received 48 hours after the mailing thereof, or if delivered, when delivered. If prior to the time of such mailing, or if within three business days of such mailing of a notice or payment there should occur a strike, slowdown or other labour disturbance in the postal system, then such notice or payment shall be effective only if actually delivered.

5.06 If any provision of this Agreement or the application thereof to any person or circumstances shall be invalid or unenforceable to any extent, then such invalid or unenforceable provision shall be and be deemed to be severed from this Agreement, and the validity of the remainder of this Agreement

THE COMMON SEAL of PENNYFARTHING)
MANAGEMENT CORP. was hereunto)
affixed in the presence of:)

_____)
_____)

ORIGINAL DOCUMENT LODGED FOR
REGISTRATION IN THE V.L.R.O. ON
THE 13th DAY OF August
1981 UNDER No. J62959

EXHIBIT K

Space above for Land Title Office Use

NATURE OF CHARGE		Form 17 Section 152(1) Land Title Act	
Covenant pursuant to Section 215 of the Land Title Act with priority over Mortgages H76207 and J40297 and J55880		Full name, postal address and telephone of person presenting instrument for registration:	
Address of person entitled to be registered as owner if different than shown on instrument:		LAW DEPARTMENT, CITY OF VANCOUVER 453 West 12th Avenue, Vancouver, B.C. V5Y 1V4 Telephone: 873-7514	
True Value:	Herewith Fees	Solicitor or Agent	
\$100.00	\$..11.00.....		

For Land Title Office Use

THIS AGREEMENT made this 31st day of July in the year of Our Lord one thousand nine hundred and eighty-one,

BETWEEN:

PENNYFARTHING DEVELOPMENT CORP
(Incorporation No. 203933)
1620 West 8th Avenue
Vancouver, British Columbia
(hereinafter called the "Grantor")

OF THE FIRST PART

AND:

CITY OF VANCOUVER
(hereinafter called the "City")

OF THE SECOND PART

WHEREAS the Grantor is the registered owner of all and singular that certain parcel or tract of land lying, situate and being in the City of Vancouver, Province of British Columbia, more particularly described as:

Parcel "H" (Explanatory Plan 5973),
except that part included in Plan 17022
District Lot 3610

(hereinafter called the "said lands");

TRUE COPY

AND WHEREAS the Grantor has applied pursuant to Zoning and Development By-law No. 3575 by Development Permit Application No. 88161 for a development permit consisting of the construction of a residential complex containing 361 dwelling units including 30 dwelling units for senior citizens and 4 dwelling units for handicapped persons (hereinafter called the "Development");

AND WHEREAS the Development Permit Board of the City of Vancouver has agreed to approve the granting of a development permit (hereinafter called the "Development Permit") subject to the condition among others that this agreement be entered into respecting the use of the said lands so as to provide 30 dwelling units for senior citizens and 4 dwelling units for handicapped persons.

NOW THIS AGREEMENT WITNESSETH THAT pursuant to Section 215 of the Land Title Act and in consideration of the sum of One Dollar (\$1.00) (the receipt and sufficiency whereof the Grantor hereby acknowledges) and other valuable consideration, the Grantor, as well for itself as its successors and assigns, hereby covenants and agrees to and with the City as follows:

1. The Development to be constructed upon the said lands shall include 30 dwelling units (hereinafter referred to as the "Senior Units" or individually as the "Senior Unit" and 4 handicapped units (hereinafter called the "Handicapped Units" or individually as the "Handicapped Unit" and collectively all such units will be called the "Units") which shall not be used except in accordance with the guidelines attached hereto and marked Schedule "A" (hereinafter called the "Guidelines"). The Development shall be built to provide for:

- (a) four Handicapped Units on the ground floor, two of which will be not less than 420 square feet and two not less than 450 square feet and at least two of such Handicapped Units shall have a separate bedroom;
- (b) thirty Senior Units on the second to sixth floors, twenty of which will be not less than 420 square feet and ten not less than 450 square feet and at least twenty of such Senior Units shall have a separate bedroom.

2. The Grantor will during the currency of this agreement take all reasonable and lawful steps to ensure that the Units are not used except in accordance with the terms and conditions of this agreement. In pursuance of the requirement to ensure that the Units are used in accordance with the terms of this agreement the Grantor may sell the portion of the Development consisting of the Units to one or more non-profit organizations which are satisfactory to the Grantor or the Ministry of Lands, Parks and Housing, who will provide tenants in accordance with this agreement.

3. If the Grantor converts the said lands and the Development into strata lots then the Grantor shall register a covenant similar to this agreement and satisfactory to the City as a charge against each strata lot consisting of a Senior Unit or a Handicapped Unit and upon registration the City will at the Grantor's expense release this agreement and such strata lot shall not be used for personal residential accommodation by the owner of such strata lot.

4. The City covenants that this agreement will expire and have no force or effect whatever:

- (a) if the Development to be constructed on the said lands is demolished, or
- (b) if the Development on the said lands does not proceed and the Development Permit for the Development expires and is not renewed,

AND IT WILL at the Grantor's expense execute a release sufficient to discharge this agreement.

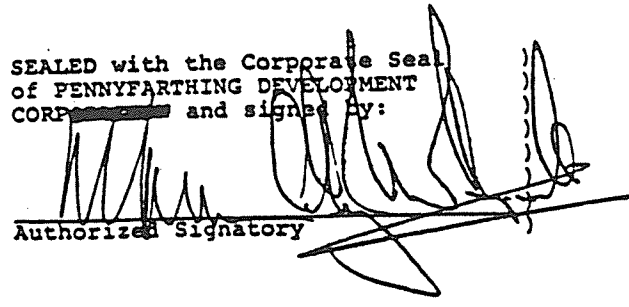
5. The Grantor covenants and agrees that upon request in writing it will provide to the City's Director of Planning a statement of account which will verify to his satisfaction that the financial provisions of the Guidelines are complied with.

6. Nothing contained or implied herein shall prejudice or affect the City's rights, powers duties and obligations in the exercise of its functions pursuant to the Vancouver Charter and the rights, powers, duties and obligations of the City of Vancouver under all its public and private statutes, by-laws, orders and regulations which may be fully and effectively exercised in relation to the said lands if this agreement had not been executed and delivered by the Grantor.

7. The covenants set forth herein shall be covenants the burden of which shall run with the said lands and bind the said lands and every part thereof and shall attach to and run with the said lands in each and every part into which the said lands may be so divided.
8. Notwithstanding anything contained in this agreement, neither the Grantor named herein nor any future owner of the said lands shall be personally liable under any of the covenants and agreements contained herein after it or he has no further interest in the said lands.
9. The parties hereto shall do and cause to be done all things and execute and cause to be executed all documents which may be necessary to give proper effect to the intention of this agreement.
10. The Grantor will, forthwith after execution hereof by the City, do or cause to be done all acts or things necessary to ensure that this agreement is registered against the title to the said lands in the Vancouver Land Title Office in priority to all other charges or interest in or to the said lands except those described in Section 23(1)(a), (b), (c), (e), (f), (i), (j) and (k) of the Land Title Act.
11. Whenever the singular or masculine is used herein, the same shall be construed as meaning the plural, feminine or body corporate or politic where the context or the parties so require, and all covenants shall be deemed joint and several.
12. Where this agreement reserves or delegates or directs that any authority, reservation, discretion or other act of supervision be exercisable on the part of any official of the City, it is mutually agreed and understood that such authority, reservation, discretion or other act of supervision also shall be exercisable by that official's nominees and by that official's successor in function and his respective nominees.

IN WITNESS WHEREOF the parties have executed this agreement on the day and year first above written.

SEALED with the Corporate Seal
of PENNYFARTHING DEVELOPMENT
CORP. and signed by:


Authorized Signatory

SEALED with the Common Seal of
CITY OF VANCOUVER and signed by:

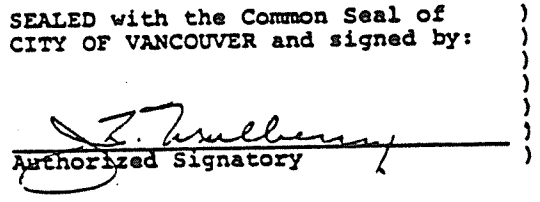

Authorized Signatory

EXHIBIT L

Space above for Land Title Office Use

NATURE OF CHARGE Right-of-way		Form 17 Section 152(1) Land Title Act
Address of person entitled to be registered as owner if different than shown on instrument:		Full name, postal address and telephone of person presenting instrument for registration: LAW DEPARTMENT. CITY OF VANCOUVER 453 West 12th Avenue, Vancouver, B.C. V5Y 1V4 Telephone: 873-7514
True Value:	Herewith Fees Solicitor or Agent

For Land Title Office Use

THIS AGREEMENT made this _____ day of _____ in the year of Our Lord one thousand nine hundred and eighty one.

BETWEEN:

PENNYFARTHING DEVELOPMENT CORP., a company incorporated pursuant to the laws of the Province of British Columbia, with offices at 1620 West 8th Avenue, in the City of Vancouver, Province of British Columbia (Incorporation No. 203933), V6J 1V4

(hereinafter called "Pennyfarthing")

OF THE FIRST PART

AND:

CITY OF VANCOUVER, a municipal corporation incorporated pursuant to the laws of the Province of British Columbia with offices at 453 West 12th Avenue, in the City of Vancouver, Province of British Columbia

(hereinafter called the "City")

OF THE SECOND PART

96255

*When 1/10/81
 portions of Parcel 1
 - 1/2 has not yet been
 transferred Parcel 1
 - 1/2 not yet transferred
 to the City*

WHEREAS Pennyfarthing is lessee of that certain parcel or tract of land and premises legally described as Parcel "F" except portion included in Explanatory Plan 5114, District Lot 3610, situate in the City of Vancouver (hereinafter called the "said lands");

AND WHEREAS the said lands (which have been zoned as False Creek Comprehensive Development District pursuant to By-law No. 4783 of the City of Vancouver) are within the False Creek Official Development Plan pursuant to By-law No. 4812 of the City of Vancouver;

AND WHEREAS the said lands are also within the Area Development Plan entitled "False Creek Area Development Plan for Area 10A" pursuant to By-law No. 5018 of the City of Vancouver;

AND WHEREAS By-law No. 5018 requires, inter alia, that certain public open space be provided;

AND WHEREAS, pursuant to Development Permit No. 88161, it is a condition of developing the said lands that Pennyfarthing grant the rights-of-way set out hereunder:

NOW THEREFORE THIS INDENTURE WITNESSES THAT as a condition of Development Permit No. 88161 and in consideration of the sum of twenty-five dollars (\$25.00) (the receipt of which Pennyfarthing hereby acknowledges), Pennyfarthing hereby covenants, promises and agrees with the City as follows:

1. Pennyfarthing grants unto the City, at all times hereafter by night and by day and at its will and pleasure the full, free and uninterrupted license, liberty and easement to construct, maintain, repair and reconstruct:

- (a) an underground sewer, a walkway, a bicycle path and a fence along and across and within those certain portions of the said lands shown outlined in green on Schedule A which is attached hereto and forms part hereof (which certain portions of the said lands are hereinafter called the "green easement area")
- (b) a walkway, a bicycle path, a loading bay and vehicular access crossings along and across and within that certain portion of the said lands shown outlined in red on Schedule B which is attached hereto and forms part hereof (which certain portion of the said lands is hereinafter called the "red easement area");

and to bring upon the said lands whatever tools, appliances, apparatus, equipment and materials as shall be necessary to carry out such work.

2. Subject to paragraph 1 Pennyfarthing hereby grants unto the City on its own behalf and on behalf of all members of the public, the full, free and uninterrupted license, liberty and easement to enter, go, return, pass and repass by night and by day and at their will and pleasure along and across the red and green easement areas. AND the City shall take all reasonable measures to ensure that:

- (a) save and except for the loading bay and the vehicular access crossings, the red and green easement areas shall not be open to use by motor vehicles; and
- (b) bicycle traffic will only use those portions of the red and green easement areas as may be designated for use by bicycle traffic from time to time by the City Engineer.

3. TO HAVE AND TO HOLD the aforesaid rights-of-way unto the City from and after the date hereof during the currency of Pennyfarthing's lease with the National Harbours Board and all renewals thereof:

4. Save and except as authorized in this agreement, Pennyfarthing covenants and agrees that Pennyfarthing shall not suffer, cause nor permit the maintenance or erection of any embankment, fill, building or structure of any kind whatsoever which shall occupy any portion of the red or green easement areas including the subsoil thereof and the air space superjacent thereto, nor shall Pennyfarthing suffer, cause or permit any grade alteration to or obstruction of the red or green easement area unless in each case the City Engineer shall approve in writing of such embankment, fill, building, structure, grade alteration or obstruction and in the giving of such approval the City Engineer shall have the authority and discretion to attach to such approval whatever

conditions, provisos, specifications and reservations as he deems necessary, convenient or expedient.

5. Save and except as authorized by this agreement, in the event that Pennyfarthing suffers, causes or permits the maintenance or construction of any embankment, building, structure, grade alteration or obstruction and subsequently neglects to remove or restore same within thirty (30) days after receipt of notice in writing from the City Engineer requiring such removal or restoration, then the City in addition to any other right or remedy secured by these presents or otherwise, shall have the right, liberty and easement to do all things necessary to carry out such removal or restoration without any liability for damage and Pennyfarthing shall forthwith pay to the City all costs, charges and expenses to which the City may be put by reason of such removal or restoration.

6. The City, at the instance of its City Engineer, may install, maintain, modify, renew and remove traffic signs, signals, directions and devices within the red and green easement areas.

7. The grant of rights-of-way to the City shall not be deemed to include any covenant or agreement on the part of the City to construct, maintain, repair or reconstruct any works.

8. None of Pennyfarthing's covenants herein contained shall be personal or binding upon Pennyfarthing save and except for so long as it shall have a leasehold interest in the said lands; nevertheless Pennyfarthing's covenants herein shall run with the said lease and enure to the benefit of and be binding upon assignees of its leasehold interest in the said lands and the said lease shall be and remain at all times charged therewith.

9. Pennyfarthing covenants and agrees that it shall execute such further and other documents and plans as shall be necessary to give full force and effect to this agreement.

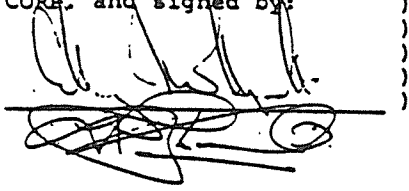
10. Time shall be of the essence in this agreement.

11. In this agreement "City Engineer" shall mean the senior administrator of the Engineering Department of the City of Vancouver and his successors in function as well as title and their respective nominees.

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 as well as males, and the converse whenever the context requires; also these presents shall enure to the benefit of and be binding upon the heirs, executors, administrators, successors and assigns of the respective parties hereto.

IN WITNESS WHEREOF the parties hereto have caused their respective seals to be affixed under the hands of their proper officers duly authorized in that behalf as of the day and year first above written.

SEALED with the Seal of)
PENNYFARTHING DEVELOPMENT)
CORP. and signed by:)
)
)
)
)
)
)

A handwritten signature in black ink, appearing to be "W. J. Spaxman", written over a horizontal line. The signature is somewhat stylized and scribbled.

SEALED with the Common Seal)
of CITY OF VANCOUVER and)
signed by:)
)
)
)
)
)
)

Director of Legal Services
Authorized Signatory

The Development Permit Board hereby confirms that the grant of the within right-of-way and the registration thereof as a first charge against the said lands is one of the conditions established by the Development Permit Board as a condition of the issuance of Development Permit No. 88161.

Ray J. Spaxman, Director of Planning
CITY OF VANCOUVER

William H. Curtis, City Engineer
CITY OF VANCOUVER

R. Max Beck, Director of Social Planning
CITY OF VANCOUVER

This is page 7 of a 7-page agreement between Pennyfarthing Development Corp. and the City of Vancouver.

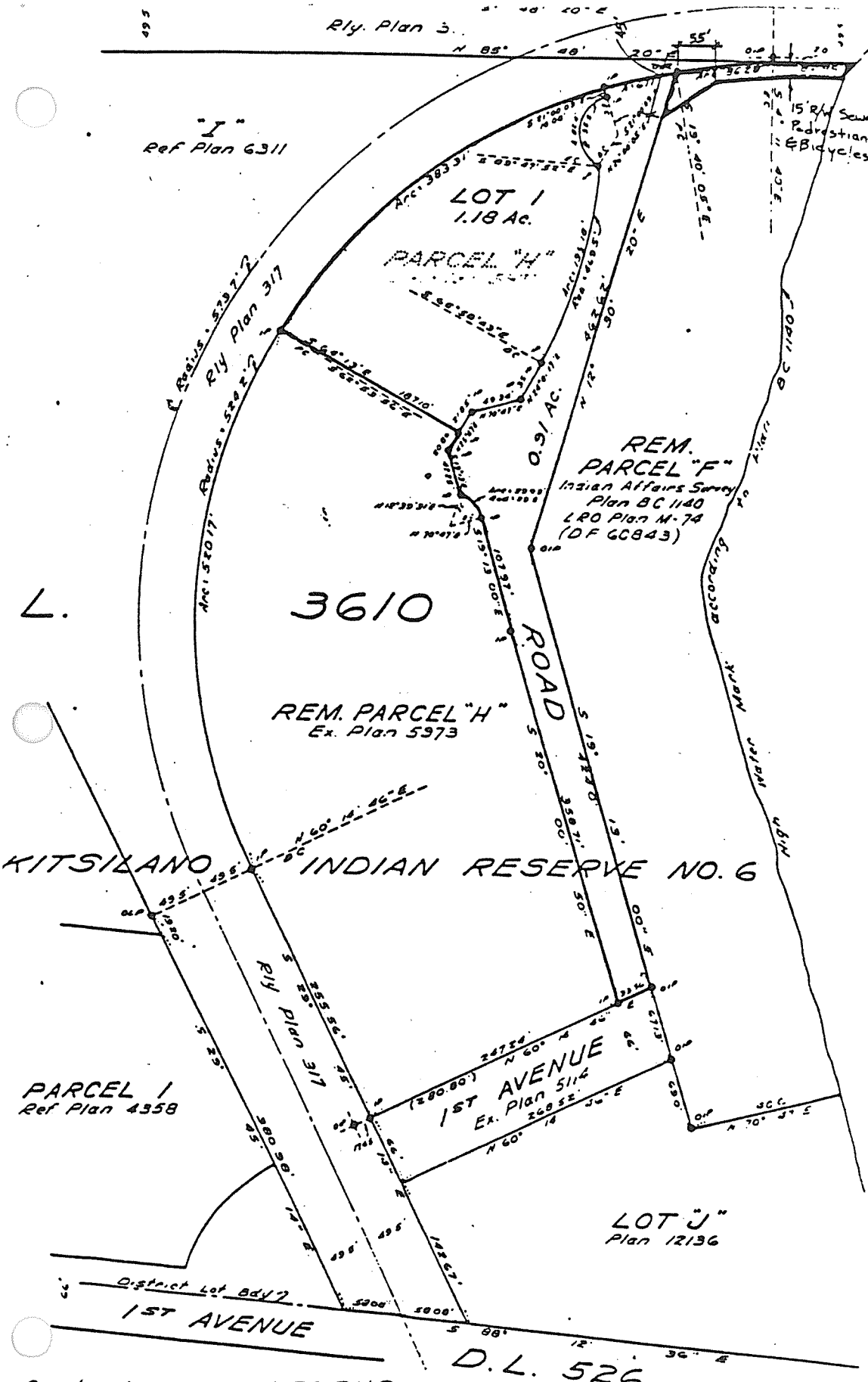


EXHIBIT M

THIS AGREEMENT made this 3 day of July, 1981.

BETWEEN:

PENNYFARTHING DEVELOPMENT CORP., a company incorporated pursuant to the laws of the Province of British Columbia, with offices at 1620 West 8th Avenue, in the City of Vancouver, Province of British Columbia (Incorporation No. 203933), V6J 1V4

(hereinafter called the "Pennyfarthing")

OF THE FIRST PART

AND:

CITY OF VANCOUVER, a municipal corporation incorporated pursuant to the laws of the Province of British Columbia with offices at 453 West 12th Avenue, in the City of Vancouver, Province of British Columbia

(hereinafter called the "City")

OF THE SECOND PART

WHEREAS the City holds a right-of-way over certain portions of that parcel or tract of land and premises legally described as Parcel "F" except portion included in Explanatory Plan 5114, District Lot 3610 situate in the City of Vancouver, which certain right-of-way is outlined red and green on the plans attached hereto (which areas are hereinafter respectively called "the red easement area" and "the green easement area");

AND WHEREAS Pennyfarthing is the owner and developer of that certain parcel or tract of land and premises situate in the City of Vancouver and legally described as Parcel "H" (Explanatory Plan 5973), except that part included in Plan 17022, District Lot 3610;

AND WHEREAS Pennyfarthing intends to acquire a leasehold interest in and develop Parcel "F";

AND WHEREAS the said Parcel "F" and the said Parcel "H" (which have been zoned as False Creek Comprehensive Development District pursuant to By-law No. 4783 of the City of Vancouver) are within the False Creek Official Development Plan pursuant to By-law No. 4812 of the City of Vancouver;

AND WHEREAS the said Parcel "F" and the said Parcel "H" are also within the area development plan entitled "False Creek Area Development Plan for Area 10A" pursuant to By-law No. 5018 of the City of Vancouver;

AND WHEREAS By-law No. 5018 requires, inter alia, that:

- (i) development of the lands provide certain public open space including the red easement area and green easement area; and
- (ii) that the public open space be developed and maintained by the owners of the development;

NOW THEREFORE THIS AGREEMENT WITNESSETH THAT as a condition of Development Permit No. 88161 and in consideration of the sum of twenty-five dollars (\$25.00) (the receipt of which Pennyfarthing hereby acknowledges) and for other good and other valuable consideration passing to Pennyfarthing it is agreed that:

1. Pennyfarthing covenants and agrees that forthwith and at its own expense it shall construct a walkway, a bicycle path, a loading bay and vehicular access crossings within the red easement area (including that portion of the red easement area which overlaps the green easement area), shall landscape the said red easement area and shall construct a fence along approximately seventy-five (75) feet of the boundary of the fifteen (15) foot wide green easement area (to prevent public access to adjacent lands), such construction and landscaping to be to the satisfaction of the City Engineer and to be in accordance with whatever specifications and directions as may be established by the City Engineer. Pennyfarthing covenants and agrees to carry out such work in an expeditious and workmanlike manner.

2. Subsequent to construction of the walkway, the bicycle path, the loading bay and the vehicular access crossings within the red easement area (including that portion of the red easement area which overlaps the green easement area), landscaping of the said red easement area and construction of the fence along the boundary of the green easement area, Pennyfarthing covenants and agrees that at all times and at its own expense it shall keep the said walkway, bicycle path, loading bay and vehicular access crossings within the red easement area (including that portion of the red easement area which overlaps the green easement area) free and clear of obstructions, ice and snow and shall keep the same including the landscaping and the fence along the boundary of the green easement area in good condition and

repair as would a reasonable and prudent owner, but notwithstanding such covenants to repair, Pennyfarthing further covenants and agrees to repair or reconstruct the walkway, the bicycle path, the loading bay and the vehicular access crossings within the red easement area (including that portion of the red easement area which overlaps the green easement area) and the fence along the boundary of the green easement area upon notice from the City Engineer, such repair or reconstruction to be in accordance with whatever specifications or directions as may be established by the City Engineer.

3. In the event that Pennyfarthing fails to perform or observe its covenants as set out in paragraphs 1 and 2, then the City may carry out such work and Pennyfarthing covenants and agrees to wholly reimburse the City for the cost of such work within thirty (30) days or receiving any interim or final billing from the City for the cost of such work together with interest thereon accruing from the date of such interim or final billing at the rate of three per cent (3%) above the average prime lending rate of the main branches of the chartered banks of Canada carrying on business in the City of Vancouver per annum until paid.

4. Pennyfarthing covenants and agrees with the City that it will fully compensate the City for and will indemnify and save harmless the City from and against all costs, losses, damages, mechanics' liens, compensation and expenses suffered by the City and sustained or caused by the existence of the aforesaid rights-of-way over the green and red easement areas and from all claims, demands, suits and judgements against the City on account of or in respect of the aforesaid rights-of-way over the red easement area (including that portion of the red easement area which overlaps the green easement area) and the development and

maintenance thereof (excepting such occurrences, matters or things, which result from acts of God or causes reasonably beyond the control of Pennyfarthing, its officers, servants, agents, contractors or subcontractors or such occurrences, matters or things which are caused by or contributed to by negligence on the part of the City, its officers and servants, in which case Pennyfarthing's relief therefrom shall only go so far as it can reasonably be said that such occurrence, matter or thing was beyond the control of Pennyfarthing, its officers, servants, agents, contractors or subcontractors or was caused by or contributed to by negligence on the part of the City, its officers and servants.)

5. To secure the due and proper performance of the covenants, provisos and conditions herein on the part of Pennyfarthing to be performed and observed Pennyfarthing hereby agrees to grant unto the City in fee simple a perpetual annual rentcharge of sixty times the price of one troy ounce of 0.9999 pure gold payable commencing August 31, 1981 and continuing on the 31st day of August in each and every succeeding year forever unless terminated as hereinafter provided. The perpetual annual rentcharge is to be charged upon and issue from the said Parcel "H".

6. The City and Pennyfarthing covenant and agree each with the other that, when monies are owing to the City pursuant to paragraph 3 and/or 4 hereof, then upon receipt of the rentcharge the City shall apply the rentcharge against Pennyfarthing's indebtedness to the City pursuant to paragraphs 3 and/or 4 hereof PROVIDED HOWEVER when the monies owing to the City pursuant to paragraphs 3 and/or 4 hereof are less than the rentcharge then the City shall

forthwith refund the difference, AND PROVIDED FURTHER HOWEVER that if, as of August 31st in any year there are no monies owing to the City pursuant to paragraphs 3 and/or 4 hereof, then Pennyfarthing shall not pay the rentcharge for that particular year BUT NEVERTHELESS Pennyfarthing shall be deemed to have paid the rentcharge for that particular year. Nothing in this paragraph 6 shall be construed as changing the rentcharge from an annual fixed liability to a fluctuating or variable liability.

7. Pennyfarthing shall not convey, assign, bargain, sell, set over or otherwise transfer this agreement or any of its rights and obligations hereunder.

8. If the City conveys or assigns its right-of-way over the red and green easement areas (or so much thereof as it may hold from time to time) to any third party, the City shall also convey the rentcharge and assign this agreement to such third party, but otherwise the City shall not convey, assign, bargain, sell, set over or otherwise transfer the rentcharge or any of its rights and obligations hereunder.

9. In the event that Pennyfarthing wholly alienates or is divested of its fee simple ownership of the said ~~land~~ Parcel H while the City still holds a right-of-way over any portion of the red or green easement areas, then, as of the date of such alienation or divestiture, this agreement shall terminate PROVIDED HOWEVER Pennyfarthing's covenants in paragraphs 3, 4 and 5 hereof and the City's covenant in paragraph 6 hereof shall survive termination of this agreement and shall remain in full force and effect until all indebtedness and liability on the part of Pennyfarthing to the City which arose prior to termination of this agreement is discharged and satisfied in full; BUT NOTWITHSTANDING

JS

termination of this agreement pursuant to this paragraph 9 and notwithstanding satisfaction in full of all indebtedness and liability on the part of Pennyfarthing to the City which arose prior to termination of this agreement, the rentcharge shall remain in full force and effect and binding upon Pennyfarthing's fee simple successors in title to the said Parcel "H".

10. Upon the City ceasing to hold a right-of-way over any portion of the red or green easement areas, then, as of the date of such cessation, this agreement shall terminate PROVIDED HOWEVER the rentcharge and Pennyfarthing's covenants in paragraphs 3, 4 and 5 hereof and the City's covenant in paragraph 6 hereof shall survive termination of this agreement and shall remain in full force and effect until all indebtedness and liability on the part of the Pennyfarthing to the City which arose prior to termination of this agreement is discharged and satisfied in full, AND upon Pennyfarthing fully discharging and satisfying all indebtedness and liability which arose prior to termination of this agreement the City shall abandon and surrender the rentcharge.

11. In the event that any third party or parties become

(i) owner in fee simple of all or any portion of the said Parcel "H", whether before or after a subdivision thereof, and/or

(ii) co-owner in fee simple of all or any portion of the said Parcel "H", whether as a tenant-in-common, joint tenant or otherwise and whether before or after a subdivision thereof,

then the City will be prepared to consider contracting with all the then owners in fee simple of the said Parcel "H"

so that the obligations of Pennyfarthing as set out in paragraphs 1, 2, 3 and 4 hereof shall fall to all the then fee simple owners of the said Parcel "H" in the same proportion as their fee simple ownership of the said Parcel "H" or any portion thereof bears to the whole of the said Parcel "H" and further so that the benefit of the City's covenant in paragraph 6 hereof shall favour the then fee simple owners of the said Parcel "H" in the same proportion as their fee simple ownership of the said Parcel "H" or any portion thereof bears to the whole of the said Parcel "H". The parties acknowledge and agree that this paragraph 11 is not of a contractual nature and does not create any rights or obligations binding upon either party.

Words herein importing the singular number of the masculine gender only shall include more persons, parties or things of the same kind than one, and females as well as males, and the converse whenever the context requires also these presents shall enure to the benefit of and be binding upon the successors of the City and Pennyfarthing and the permitted assigns of the City as provided in paragraph 8 hereof.

IN WITNESS WHEREOF the parties hereto have caused their respective seals to be affixed under the hands of their proper officers duly authorized in that behalf as of the day and year first above written.

SEALED with the Seal of PENNYFARTHING DEVELOPMENT CORP and signed by: [Signature]

SEALED with the Common Seal of the CITY OF VANCOUVER and signed by: [Signature] Director of Legal Services Authorized Signatory

The Development Permit Board hereby confirms that the within agreement is one of the conditions established by the Development Permit Board as a condition of the issuance of Development Permit No. 88161.

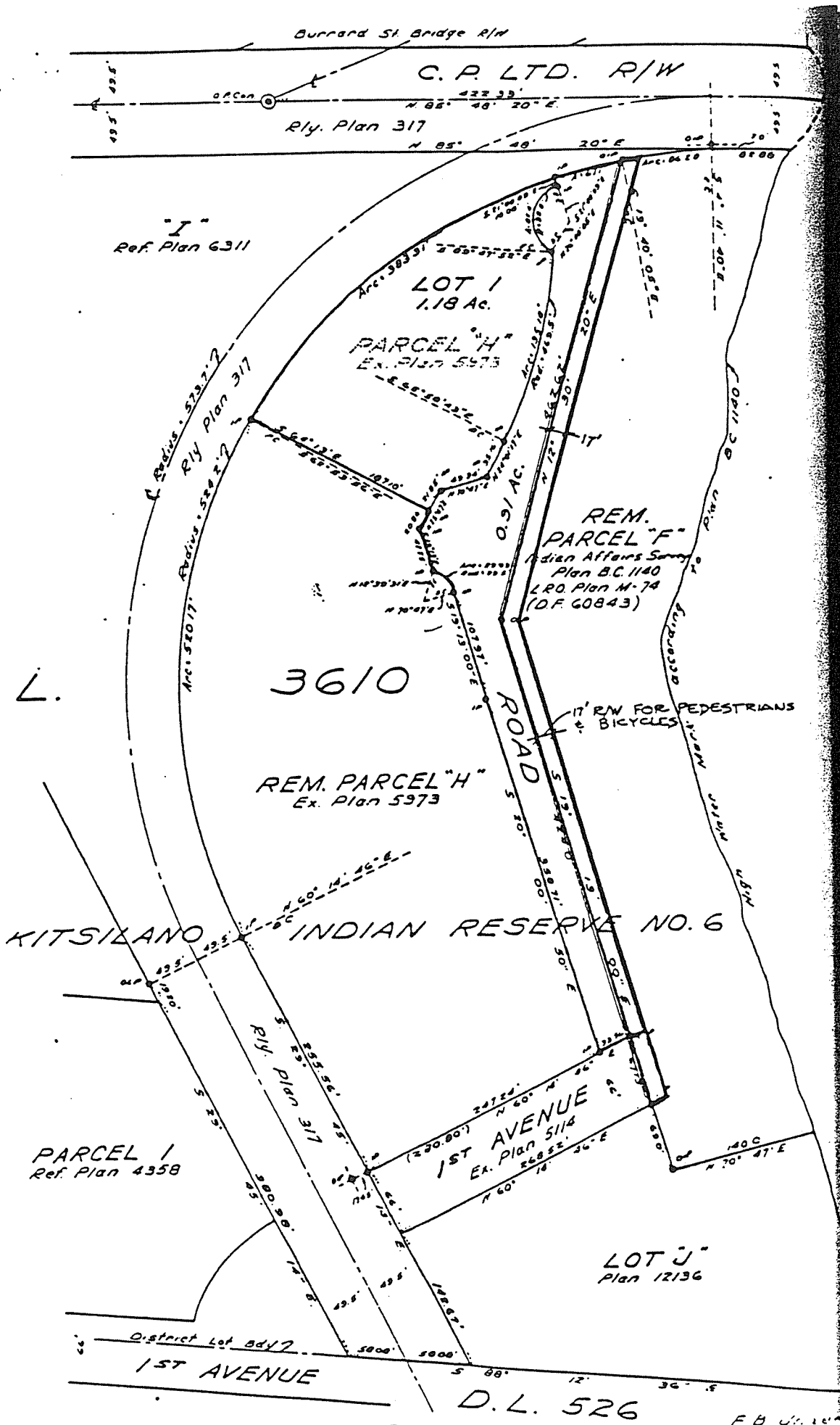
[Signature] Ray J. Spaxman, Director of Planning CITY OF VANCOUVER

[Signature] William H. Curtis, City Engineer CITY OF VANCOUVER

[Signature] R. Max Beck, Director of Social Planning CITY OF VANCOUVER

This is page 9 of a 9-page agreement between Pennyfarthing Developer Corp. and the City of Vancouver.

Approved by Vancouver City Council on



"I"
Ref. Plan 6311

LOT 1
1.18 Ac.

PARCEL "H"
Ex. Plan 5973

REM.
PARCEL "F"
Indian Affairs Survey
Plan B.C. 1140
L.R.O. Plan M-74
(D.F. 60843)

3610

REM. PARCEL "H"
Ex. Plan 5973

KITSILANO INDIAN RESERVE NO. 6

PARCEL 1
Ref. Plan 4358

1ST AVENUE
Ex. Plan 5114

LOT "J"
Plan 12136

1ST AVENUE

D.L. 526

LEGEND

FB J. 10

C.F. LTD. R/W

Rly. Plan 317

Ref. Plan 6311

LOT I
1.18 Ac.

PARCEL "H"
Ex. Plan 5973

REM. PARCEL "F"
Indian Affairs Survey
Plan B.C. 1140
L.P.O. Plan M-74
(D.F. 60843)

3610

REM. PARCEL "H"
Ex. Plan 5973

ITSILANO INDIAN RESERVE NO. 6

PARCEL I
Ref. Plan 4358

1ST AVENUE
Ex. Plan 5114

LOT "J"
Plan 12136

1ST AVENUE

D.L. 526

Greater Vancouver

LEGEND

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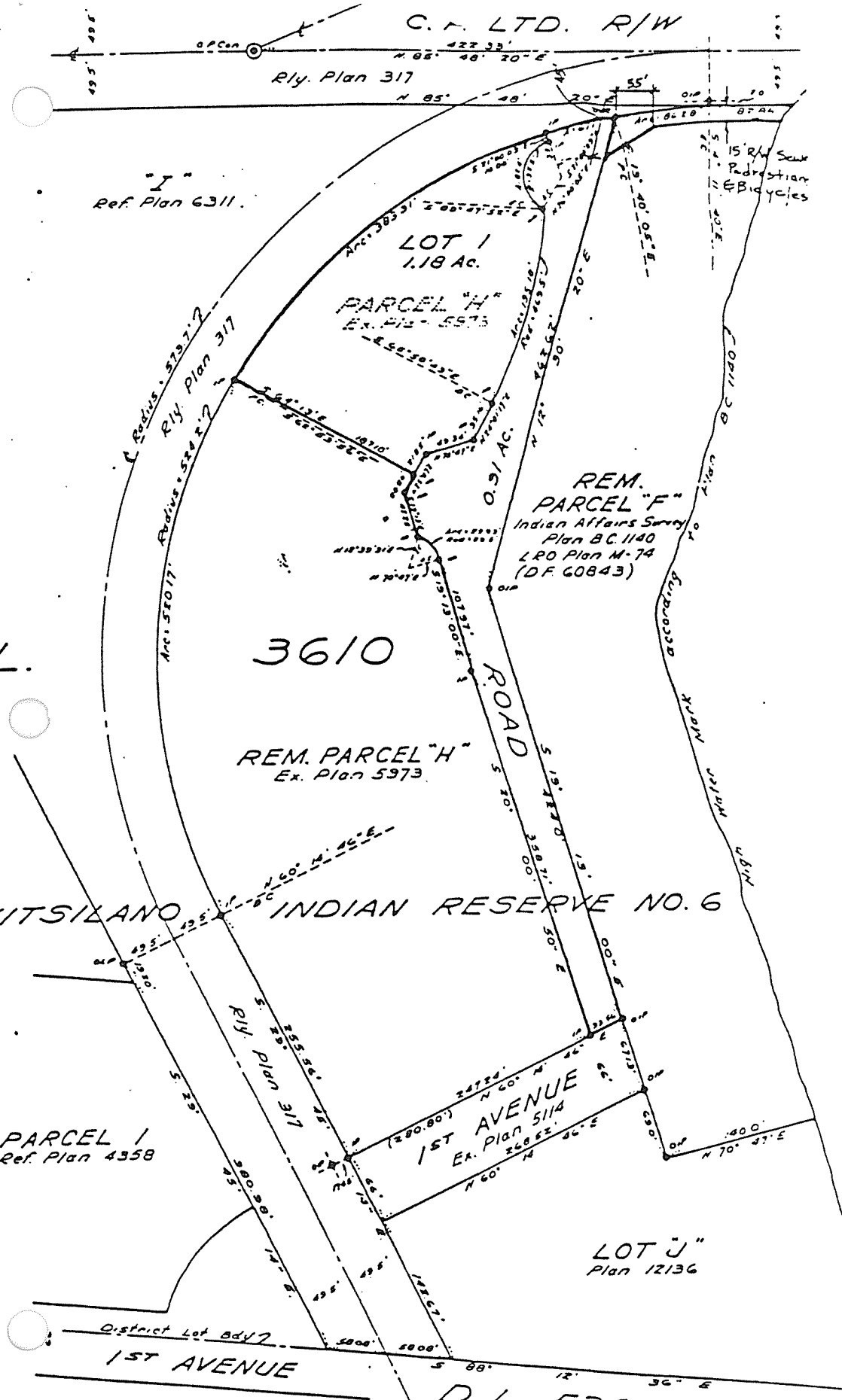


EXHIBIT N

Space above for Land Title Office Use

NATURE OF CHARGE		Form 17 Section 162(1) Land Title Act
Rentcharge		Full name, postal address and telephone of person presenting instrument for registration: LAW DEPARTMENT. CITY OF VANCOUVER 453 West 12th Avenue, Vancouver, B.C. V5Y 1V4 Telephone: 873-7514
Address of person entitled to be registered as owner if different than shown on instrument:		
True Value:	Herewith Fees Solicitor or Agent

For Land Title Office Use

THIS AGREEMENT made this 3rd day of July in the year of Our Lord one thousand nine hundred and eighty-one.

BETWEEN:

PENNYFARTHING DEVELOPMENT CORP., a company incorporated pursuant to the laws of the Province of British Columbia, with offices at 1620 West 8th Avenue, in the City of Vancouver, Province of British Columbia (Incorporation No. 203933), V6J 1V4

(hereinafter called the "Grantor")

OF THE FIRST PART

AND:

CITY OF VANCOUVER, a municipal corporation incorporated pursuant to the laws of the Province of British Columbia with offices at 453 West 12th Avenue, in the City of Vancouver, Province of British Columbia,

(hereinafter called the "Grantee")

OF THE SECOND PART

WHEREAS the Grantor is the owner of all and singular that certain parcel or tract of land and premises situate in the City of Vancouver in the Province of British Columbia and legally described as Parcel "H" (Explanatory Plan 5973), except that part included in Plan 17022, District Lot 3610, situate in the City of Vancouver (hereinafter called "the said lands");

ORIGINAL DOCUMENT LODGED FOR REGISTRATION IN THE V.L.R.O. ON THE 4 DAY OF August 1981 UNDER No. J 61557

AND WHEREAS as a condition of developing the said lands and other parcels it is necessary that the Grantor grant unto the Grantee the rentcharge as set out hereafter;

NOW THEREFORE THIS INDENTURE WITNESSETH THAT in consideration of the sum of twenty-five dollars now paid by the Grantee to the Grantor (the receipt of which the Grantor hereby acknowledges) and for other good and valuable consideration it is agreed that:

1. The Grantor doth hereby convey and grant unto the Grantee in fee simple a perpetual yearly sum by way of rentcharge of sixty times the price of one troy ounce of 0.9999 pure gold free from all taxes and deductions whatsoever to commence on August 31, 1981 and to continue on the 31st day of August of each and every succeeding year forever and to be charged upon and issuing out of all and singular the said lands with the easements, rights and appurtenances thereto belonging; for purposes of calculating such sum the parties agree that the price of one troy ounce of 0.9999 pure gold shall be the highest price as expressed in lawful money of the United States of America at which one troy ounce of 0.9999 pure gold traded at any time during the calendar month immediately preceding the month in which the rentcharge falls due on any gold exchange or gold market within or without Canada as designated by the Grantee from time to time TO HOLD, receive and take the said perpetual yearly rentcharge unto the Grantee in fee simple.

2. The Grantor hereby covenants with the Grantee that he and persons deriving title under him will at all times hereafter pay to the Grantee and persons deriving title under him in fee simple the said perpetual yearly rentcharge at the time and the manner hereinbefore appointed for

payment thereof; and the said rentcharge shall run with the said lands and be binding upon the owner for the time being of the said lands and the said lands shall be and remain at all times charged therewith.

3. It is agreed between the parties that if the said rentcharge be more than twenty-one days in arrears the Grantee may have recourse to any or all of the following remedies from time to time so as to recover and compel payment of the said rentcharge including necessary costs and expenses:

- (i) judgement against the Grantor, and/or
- (ii) judgement against the owners for the time being of the said lands, and/or
- (iii) levy distress upon the said lands, and/or
- (iv) enter and take possession of the said lands and apply the income from the said lands against what is owing to the Grantee and upon the Grantee recovering what is owing to him, he shall let the Grantor back into possession, and/or
- (v) lease the said lands to a trustee for a term not to exceed twenty-one years and under the terms of such trust the trustee may sublease the said lands or any portion thereof and receive income therefrom and to apply such income to what is owing to the Grantee and to otherwise deal with the said lands as would a receiver and manager; and/or
- (vi) seek appointment of a receiver for the said lands who may receive income therefrom and apply such income to what is owing to the Grantee and to otherwise deal with the said lands as a receiver, and/or

- (vii) compel a sale of the said lands, and/or
- (viii) compel a mortgage of the said lands, and/or
- (ix) prove a claim upon a bankruptcy or a winding-up.

4. Notwithstanding the remedies provided to the Grantee in paragraph 3 hereof, it is agreed between the parties that if the said rentcharge be more than four years in arrears the Grantee may enter and take absolute possession of the said lands and upon such entry all right, title, interest and equity of the Grantor in and to the said lands shall be forfeited to the Grantee absolutely PROVIDED HOWEVER this right of entry shall only be exercisable by the Grantee during the lives and life of the living descendants of Her Majesty Queen Elizabeth the Second and the last survivor of them, and such further period thereafter as shall be consistent with the laws against perpetuities.

5. For purposes of calculating the rentcharge, until the Grantee otherwise designates, the gold market designated by the Grantee is the main office of the Bank of Nova Scotia in Vancouver, British Columbia.

6. The Grantor agrees that this rentcharge shall be registered as a first charge against the said lands.

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 as well as males, and the converse whenever the context requires; also these presents shall enure to the benefit of and be binding upon the heirs, executors, administrators, successors and assigns of the Grantee and the owners for the time being of the said lands.

IN WITNESS WHEREOF the parties hereto have caused their respective seals to be affixed under the hands of their proper officers duly authorized in that behalf as of the day and year first above written.

SEALED with the Seal of PENNYFARTHING DEVELOPMENT CORP. and signed by:

[Handwritten signature]



SEALED with the Common Seal of CITY OF VANCOUVER and signed by:

[Handwritten signature]
Director of Legal Services
Authorized Signatory

The Development Permit Board hereby confirms that the grant of the within rentcharge and the registration thereof as a first charge against the said lands is one of the conditions established by the Development Permit Board as a condition of the issuance of Development Permit No. 88161.

Ray J. Spaxman, Director of Planning
CITY OF VANCOUVER

[Handwritten signature]
William H. Curtis, City Engineer
CITY OF VANCOUVER

[Handwritten signature]
R. Max Beck, Director of Social Planning
CITY OF VANCOUVER

EXHIBIT 0

Space above for Land Title Office Use

CHARGE ement and Indemnity Agreement	Form 17 Section 152(1) Land Title Act
Person entitled to be registered as agent than shown on instrument:	Full name, postal address and telephone of person presenting instrument for registration: LAW DEPARTMENT. CITY OF VANCOUVER 453 West 12th Avenue. Vancouver, B.C. V5Y 1V4 Telephone: 873-7514
Herewith Fees \$ Solicitor or Agent

File
Use

THIS AGREEMENT made this 3 day of July in the year
of Our Lord one thousand and eighty-one;

ENCROACHMENT AGREEMENT

BETWEEN:

PENNYFARTHING DEVELOPMENT CORP., a company
incorporated pursuant to the laws of the
Province of British Columbia, with offices
at 1620 West 8th Avenue, in the City of
Vancouver, Province of British Columbia
(Incorporation No. 203933), V6J 1V4

(hereinafter called the "Owner")

OF THE FIRST PART

AND:

CITY OF VANCOUVER

(hereinafter called the "City")

OF THE SECOND PART

WHEREAS the City holds a Right-of-Way over certain
portions of that parcel or tract of land and premises legally
described as Parcel "F" except portion included in Explanatory
Plan 5114, District Lot 3610 situate in the City of Vancouver,
which certain Right-of-Way is outlined red and green on the
plan attached hereto (which areas are hereinafter respectively
called "the red easement area" and "the green easement area");

ORIGINAL DOCUMENT LODGED FOR
REGISTRATION IN THE V.L.R.O. ON
THE 4 DAY OF August
1981 UNDER No. 5 61560

AND WHEREAS the Owner is the owner and developer of that certain parcel or tract of land and premises situate in the City of Vancouver and legally described as Parcel "H" (Explanatory Plan 5973), except that part included in Plan 17022, District Lot 3610;

AND WHEREAS the Owner intends to acquire a leasehold interest in and develop Parcel "H";

15 ✓ ~~H~~ "H" AND WHEREAS the said Parcel "F" and the said Parcel ~~H~~ (which have been zoned as False Creek Comprehensive Development District pursuant to By-law No. 4783 of the City of Vancouver) are within the False Creek Official Development Plan pursuant to By-law No. 4812 of the City of Vancouver;

AND WHEREAS the said Parcel "F" and the said Parcel "H" are also within the area development plan entitled "False Creek Area Development Plan for Area 10A" pursuant to By-law No. 5018 of the City of Vancouver;

AND WHEREAS By-law No. 5018 requires, inter alia, that:

- (i) development of the lands provide certain public open space including the red easement area and green easement area; and
- (ii) that the public open space be developed and maintained by the owners of the development;

AND WHEREAS it is a condition of Development Permit No. 88161 that the Owner develop and maintain the aforesaid Rights-of-Way under an agreement pursuant to the Encroachment By-law and amending By-laws of the City of Vancouver and subject to the terms and conditions herein set forth;

NOW THEREFORE THIS AGREEMENT WITNESSETH:

1. That, in consideration of the premises and the covenants contained herein by the Owner to be performed and observed, the City doth (so far as it legally can, but not otherwise), subject to the Encroachment By-law aforesaid and the other By-laws herein referred to, grant unto the Owner permission to construct and maintain an encroachment comprising

- (i) a fence approximately seventy-five (75) feet in length within the northerly portion of the green easement area, and
- (ii) a landscaped walkway and bicycle path, a loading bay and vehicular access crossings within the red easement area,

and adjoining the lands hereinbefore described and in accordance with the plan hereto attached, which said encroachment, including all excavation or other work now or hereafter performed in connection therewith, is hereinafter referred to in this agreement and described as the "said works".

It is hereby understood, covenanted and agreed, by and between the parties hereto that no provision of these presents and no act or omission or finding of negligence, whether joint or several, as against the City, in favour of any third party, shall operate to relieve, or be deemed to relieve, the Owner in any manner whatsoever from any liability to the City in the premises, or under these presents, or under the provisions of the "Vancouver Charter", and amendments thereto.

2. The Owner covenants and agrees that he will pay to the City the fee of sixty four dollars ~~of~~ (\$ 64.00) upon the execution of this agreement.

3. AND the Owner doth hereby charge his interest in the lands hereinbefore described in favour of the City for the payment of all sums which may at any time hereafter be payable by the City in respect of any claims, loss, damage or expense of whatsoever kind arising from the construction, maintenance, or existence of the said works or from the permission hereby granted, and to answer any indemnity or payment provided in the said Encroachment By-law or in any other By-law referred to herein, or under the terms of this agreement.

4. AND the Owner covenants that the City's servants or agents shall have the right at any and all times of entering into and upon the premises of the Owner for the purpose of constructing, maintaining, inspecting or removing any public works or utility running underneath the sidewalk or in the vicinity of the said works.

5. AND the Owner also covenants and agrees that in the event of any alteration or change being rendered necessary by the construction, maintenance, use or removal of the said works to any meter, water-service, sewer, or other public works or utility in the vicinity of the hereinbefore described property, the Owner will reimburse the City for whatever sums may be incurred by the City in making such alterations or changes as may be deemed necessary by the City Engineer.

6. THIS agreement is entered into pursuant to and the Owner covenants and agrees at all times to observe and perform the provisions of the Encroachment By-law of the City, aforesaid, and amending By-laws, and this agreement shall be at all times subject thereto as well as to all other By-laws of the City; and in case the Owner shall fail to comply with the provisions of the said By-laws, or any of them, or of this agreement, the City shall be entitled to proceed with the enforcement of any security or indemnity herein provided, or upon any bond or otherwise in satisfaction of any claim, loss or expenses of whatsoever kind arising under this agreement, or from the permission hereby granted.

PROVIDED HOWEVER that in the event this agreement is registered as a charge against the lands above-mentioned, none of the Owner's covenants herein contained shall be personal or binding upon the Owner save or except during the Owner's seizin or ownership of any interest in the said lands, and with respect only to the portion of the said lands of which the Owner shall be seized or in which he shall have an interest; but that the said lands shall, nevertheless, be and remain at all times charged therewith.

7. IT IS HEREBY UNDERSTOOD AND AGREED between the parties hereto that this agreement shall not in any way operate to restrict the right of the City at any time to alter, whether by widening the roadway or boulevard, or by raising or lowering the elevation of the roadway and/or boulevard, abutting or adjoining the lands hereinbefore described, and notwithstanding that the effect of such alteration in width and/or elevation may be to render the said works useless for the purposes of the Owner; and the Owner covenants that in the event of the City effecting any such alteration as aforesaid in the width and/or elevation of the said roadway and/or boulevard, he will release and forever discharge, and doth hereby release and forever discharge, the City from all manner of claims of any nature whatsoever, which may arise by reason of such alteration in width and/or elevation as aforesaid, or by reason of the discontinuance and removal of the subject of this agreement, as a result of such alteration in width and/or elevation.

8. (a) The Owner covenants and agrees that forthwith and at its own expense it shall construct a walkway, a bicycle path, a loading bay and vehicular access crossings within the red easement area (including that portion of the red easement area which overlaps the green easement area), shall landscape the said red easement area and shall construct a fence along approximately seventy-five (75) feet of the boundary of the fifteen (15) foot wide green easement area (to prevent public access to adjacent lands), such construction and landscaping to be to the satisfaction of the City Engineer and to be in accordance with whatever specifications and directions as may be established by the City Engineer. The Owner covenants and agrees to carry out such work in an expeditious and workmanlike manner.

(b) Subsequent to construction of the walkway, the bicycle path, the loading bay and the vehicular access crossings within the red easement area (including that portion of the red easement area which overlaps the green easement area), landscaping of the said red easement area and construction of the fence along the boundary of the green easement area, the Owner covenants and agrees that at all times and at its own expense it shall keep the said walkway, bicycle path, loading bay and vehicular access crossings within the red easement area (including that portion of the red easement area which overlaps the green easement area) free and clear of obstructions, ice and snow and shall keep the same including the landscaping and the fence along the boundary of the green easement area in good condition and repair as would a reasonable and prudent

Owner, but notwithstanding such covenants to maintain and repair, the Owner further covenants and agrees to repair or reconstruct the walkway, the bicycle path, the loading bay and the vehicular access crossings within the red easement area (including that portion of the red easement area which overlaps the green easement area) and the fence along the boundary of the green easement area upon notice from the City Engineer, such repair or reconstruction to be in accordance with whatever specifications or directions as may be established by the City Engineer.

9. Subject only to the Owner's obligations to construct and maintain the right-of-way as aforesaid, it is agreed that all members of the public shall have the full, free and uninterrupted license, liberty and easement to enter, go, return, pass and repass by night and by day and at their will and pleasure along and across the right-of-way subject only to whatever restrictions or directions as may be established from time to time by the City Engineer.

10. In particular, but without restricting the generality of the foregoing, it is understood and agreed that:

- (a) The Owner may not abandon, surrender, revoke or otherwise evade its covenants and obligations under this agreement save and except upon the written consent of the City and in the absence of such written consent this agreement shall continue in full force and effect for so long as the City holds the right-of-way over the aforesaid portions of the said Parcel F or any part thereof and thereafter until such time as each and every of the Owner's covenants and obligations under this agreement are satisfied and discharged in full;
- (b) The Owner will at all times, and at his own expense, keep and maintain the said works in good and sufficient repair to the satisfaction of the City Engineer;
- (c) In the event of the termination of this agreement from any cause whatsoever, the Owner will, at his own expense, and within a period of six months from the date of such termination, or such shorter period as may be specified by the City Council, remove the said works and fill up any excavation made, constructed, or maintained, with respect to such encroachment, and replace and put the sidewalk, street, lane, or other public place in, under or over such area in the same condition as the adjoining sidewalk, street, lane, or other public place to the satisfaction of the City Engineer;
- (d) In the event of the Owner failing to keep any encroachment or covering thereof in good and sufficient repair to the satisfaction of the City Engineer, or failing to remove the said works, or to fill up any excavation, the City Engineer shall make such repairs, including structural changes, when by him deemed necessary, or remove such structures or works, or fill up such excavation, as the case may require, in the opinion of the City Engineer, and the Owner shall pay the costs of such work to the City forthwith; and in the default of payment thereof, the amount of such cost with interest at six per cent per annum may be recovered in any Court of competent jurisdiction, or the same may be recovered in like manner as overdue taxes against the lands to which such area is appurtenant.

11. THIS agreement shall enure to the benefit of and be binding upon the heirs, executors, administrators, successors and assigns of the respective parties hereto.

12. 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 as well as males, and the converse, and, unless the context requires a different meaning, words herein shall bear the same meaning as in the Encroachment By-law, aforesaid.

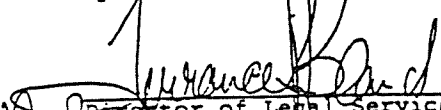
IN WITNESS WHEREOF the parties hereto have hereunto caused their respective seals to be affixed under the hands of their proper officers duly authorized in that behalf as of the day and year first above written.

SEALED with the Seal of)
PENNYFARTHING DEVELOPMENT)
CORP. and signed by:)

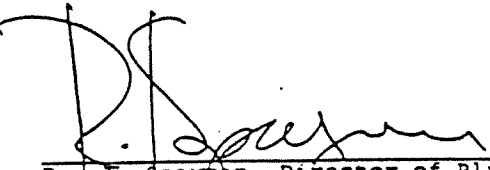

_____)
Authorized Signatory)

Authorized Signatory

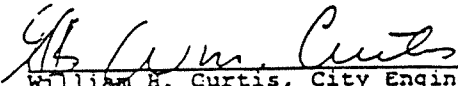
SEALED with the Common)
Seal of the CITY OF)
VANCOUVER and signed)
by:)


_____)
Director of Legal Services)
Authorized Signatory)


The Development Permit Board hereby confirms that the grant of the within easement and indemnity agreement and the registration thereof as a first charge against the said lands is one of the conditions established by the Development Permit Board as a condition of the issuance of Development Permit No. 88161.



Ray J. Spaxman, Director of Planning
CITY OF VANCOUVER



William H. Curtis, City Engineer
CITY OF VANCOUVER



R. Max Beck, Director of Social Planning
CITY OF VANCOUVER

LEASE

CANADA PORTS CORPORATION
TO
GREENTREE DEVELOPMENTS LTD.
AND
B.C. CENTRAL CREDIT UNION (GUARANTOR)

DATED: As of September 12, 1981.

AUTHORITY: Order-in-Council, P.C. 1985-542 dated February 14, 1985.
Agenda Items V-1461, V-1795, V-2261, and V-2383.

PREMISES: Property, False Creek Fishermen's Terminal.

MEMORANDA

(1) Assigned to Pennyfurthering Development Corporation.
See V-4057(2)

THIS LEASE MADE as of the 12th day of September, 1981;

B E T W E E N:

CANADA PORTS CORPORATION (hereinafter called the "Corporation"), a body corporate with its head office at Ottawa, Ontario,

OF THE FIRST PART,

- a n d -

GREENTREE DEVELOPMENTS LTD. (hereinafter called the "Lessee"), a body corporate having an office at P.O. Box 2038, 1441 Creekside Drive, Vancouver, British Columbia, V6B 3R9,

OF THE SECOND PART,

- a n d -

B.C. CENTRAL CREDIT UNION (hereinafter called the "Guarantor"), a body corporate having an office at 1441 Creekside Drive, Vancouver, British Columbia,

OF THE THIRD PART.

WHEREAS agreement as set forth in these Presents has now been reached between the parties hereto;

NOW, THEREFORE, IT IS HEREBY AGREED by and between the parties hereto: that the expression "Schedule" means the Schedule "A" hereto attached together with any plan or plans attached to such Schedule; that the expression "this Lease" or "these Presents" includes such Schedule; that the expression "terms and conditions" includes every provision, covenant, stipulation, exception, reservation, proviso, term and condition in these Presents contained; that the expression "Interpretation Clause" means all terms and conditions appearing in these Presents subsequent to Schedule "E" hereto, and that such Interpretation Clause shall itself be applicable to all terms and conditions including those contained in the Interpretation Clause itself; that the expression "designated premises" means, subject always to the Interpretation Clause, the property more particularly indicated and defined by Section I of the Schedule; and that the expression "said demise" means, subject always to the Interpretation Clause, the right or rights specified by Section II of the Schedule;

AND NOW, THEREFORE, THESE PRESENTS WITNESS that in consideration of the rental hereinafter reserved and in consideration of, and upon and subject to the terms and conditions hereinbefore and hereinafter appearing, the Corporation does hereby demise unto the Lessee, in respect of the designated premises, the said demise, TO HAVE AND TO HOLD the said demise unto the Lessee for the term specified by Section III of the Schedule, YIELDING AND PAYING THEREFOR unto the Corporation the rental stipulated by Section IV of the Schedule;

AND THESE PRESENTS FURTHER WITNESS that the Corporation has granted this Lease and all parties hereto have executed these Presents upon and subject to the terms and conditions hereinbefore appearing and upon and subject to the following terms and conditions:

1. The said demise shall be used by the Lessee for the purpose specified by Section V of said Schedule and for no other purpose save with the written consent of the Corporation and upon such terms and conditions as may be stipulated by the Corporation;

2. The Lessee shall pay the rental hereby reserved in manner aforesaid and shall also pay all charges, taxes, rates and assessments of whatever description which shall during the currency of this Lease be charged upon or become payable in respect of the said demise;

2A. For this Clause see Section VI of Schedule "A"

2B. For this Clause see Section VII of Schedule "A"

2C. For this Clause see Section VIII of Schedule "A"

3. The Lessee shall in all respects comply with all rules, regulations and by-laws of municipalities and other governing bodies -- including the Corporation -- from time to time in force and in any degree affecting the exercise or fulfillment in any manner of any right or obligation arising under or as a result of these Presents, AND IN PARTICULAR, but without restricting the generality of the foregoing, shall comply with all tariffs of rates and tolls from time to time established or imposed under by-laws of the Corporation;

4. The Corporation shall have full and free access to the designated premises for all purposes consistent with the Lessee's right hereunder, AND IN PARTICULAR, but without restricting the generality of the foregoing, for the purpose of examining the condition of the designated premises and of any structure, installation or alteration thereon or thereto existing, constructed or made;

5. The Lessee shall not assign or sublet all or any portion of the said demise or grant any licence, privilege, easement or other right in any manner affecting the said demise save with the written consent of the Corporation and upon such terms and conditions as may be stipulated by the Corporation;

5A. For this Clause see Section IX of Schedule "A"

5B. For this Clause see Section X of Schedule "A"

5C. For this Clause See Section XI of Schedule "A"

5D. For this Clause see Section XII of Schedule "A"

6. For this Clause see Section XIII of Schedule "A"

7. The Lessee shall at the Lessee's own expense keep in good repair the designated premises together with any structure, installation or alteration such as contemplated by Clause 6 above;

8. All structures, installations, materials, supplies, articles, effects and things at any time erected, brought, placed or being on the designated premises shall be entirely at the risk of the Lessee in respect of loss, damage, destruction or accident from whatsoever cause arising;

9. In respect of any claim or demand of any nature arising against the Corporation at any time, and in respect of any damage to Corporation property (including the designated premises) or loss suffered by the Corporation (such claim or demand being hereinafter called the "said claim", such damage being hereinafter called "Corporation damage" and such loss being hereinafter called "Corporation loss"), if the said claim, the Corporation damage, and/or the Corporation loss are and/or is in any manner based upon, occasioned by, attributable to, or connected with these Presents, or any action taken or things done or maintained by virtue of these Presents, or omitted to be so taken, done or maintained, or the exercise or purported exercise by any person in any manner of rights in any way connected with these Presents, then the Lessee shall waive the said claim if the said claim is possessed by the Lessee, and shall indemnify and save harmless the Corporation against and from said claim if said claim is possessed by a third party, and the Lessee shall, at the Lessee's expense, reimburse the Corporation for the Corporation loss, and the Corporation may make good the Corporation damage and recover the cost thereof from the Lessee. It is nevertheless agreed that in any case where said claim, said Corporation damage or said Corporation loss results from the negligence of an officer or servant of the Corporation while acting within the scope of his duties or employment, nothing in this Clause shall be construed as an undertaking by the Lessee to waive any right of action or defence that the Lessee would otherwise have by reason of such negligence;

10. For this Clause see Section XIV of Schedule "A"

11. The Lessee shall at all times and in all respects comply with the requirements of the Navigable Waters Protection Act (as amended from time to time during the currency of these Presents) and it is an express provision of these Presents that no "work" within the meaning of Part I of the Navigable Waters Protection Act shall, in respect of the said demise, be undertaken or constructed by the Lessee or suffered by the Lessee to be undertaken or constructed until as regards such work the provisions of the said Part I of the Navigable Waters Protection Act shall have been fully complied with;

12. The Lessee shall have no recourse against the Corporation or against Her Majesty in right of Canada should the title of the Corporation or of Her Majesty in right of Canada prove to be defective in respect of the designated premises or should these Presents prove ineffective by reason of any defect in such title;

13. As from the date of cancellation or termination (by effluxion of time or otherwise) hereof this Lease shall absolutely cease and determine without re-entry or any other act or suit or legal proceedings to be brought or taken, and the Lessee shall, upon such cancellation or termination, immediately and at the Lessee's own expense remove from the designated premises any and all such property (including fixtures which have become vested in the Corporation by reason of their nature as fixtures) as constructed, erected, made, brought or placed thereon by the Lessee (upon which removal any property so removed shall vest in the Lessee) and shall restore the designated premises to as good order and condition as prevailed immediately prior to the commencement of the term of the said demise, and in the event of the failure of the Lessee so to do with reasonable expedition, of which the Corporation shall be the sole judge, the Corporation may effect such removal and restoration at the Lessee's own risk and expense (but in such latter event any property removed as aforesaid shall not vest in the Lessee); but the Lessee shall not by reason of any action taken or things performed or required under this Clause be entitled to any compensation, reimbursement or indemnity whatsoever;

14. Notwithstanding Clause 13 the Corporation may, by written notice or notices given to the Lessee at a date or dates before, or within a reasonable time after, the cancellation or termination referred to by Clause 13, require the Lessee to leave upon the designated premises any or all property (except such goods and chattels as do not constitute fixtures) or alterations which would otherwise be required to be removed or effaced under Clause 13, and in such event any property and alterations required to be so left shall remain or (as regards tenant's fixtures) become, vested in the Corporation; but the Lessee shall not by reason of any action taken or things performed or required under this Clause be entitled to any compensation, reimbursement or indemnity whatsoever;

14A. For this Clause see Section XV of Schedule "A"

15. Without in any manner restricting or affecting the generality or application of Clause 7 it is hereby expressly provided that if any structure or installation constructed or erected by the Lessee on the designated premises be at any time destroyed or partially destroyed, the Lessee shall within the period of twelve months after such destruction rebuild the same at the Lessee's own expense and in a manner satisfactory to the Corporation;

16. Notwithstanding Clauses 13 and 14 above but subject to any other provision in this Lease contained for cancellation or termination hereof, it is agreed that if public purposes -- which public purposes shall be deemed to include any arising in connection with the administration by the Corporation of the harbour or other public work concerned and also any arising in connection with any project or operation of any other Federal authority or of any Provincial or municipal authority -- shall, in the Corporation's opinion, necessitate the cancellation of this Lease in respect of all or any portion of the designated premises, the Corporation may effect such cancellation upon ninety days' written notice to the Lessee, in which event the Corporation shall pay to the Lessee the fair market value of all fixtures (except tenant's fixtures, which latter shall be removed by the Lessee at the Lessee's expense) constructed or erected by the Lessee at the Lessee's expense upon that portion of the designated premises covered by such notice and still situate thereon at the time of the giving of such notice, such fair market value to be determined, in case of dispute, by a single arbitrator, if the Corporation and the Lessee agree upon one, otherwise by three arbitrators of whom the Corporation shall appoint one, the Lessee one, and the two arbitrators thus appointed the third, and if the Lessee shall, after two weeks' notice, fail to appoint such arbitrator, or if the two arbitrators fail to appoint a third arbitrator within two weeks from their own appointment, then in either of such cases the foregoing provisions for arbitration shall be deemed void and the fair market value as aforesaid may be decided as a question of fact by the Federal Court upon reference of such question thereto by the Corporation, acting as agent of, and in the name of, Her Majesty in right of Canada, PROVIDED ALWAYS that nothing hereinbefore in this Clause contained shall be construed as extending to any fixture for which, prior to the commencement of the term of these Presents, consideration or compensation has already been received by any person from Her Majesty in right of Canada, Her predecessors, or any servant or agent (including the Corporation) of Her Majesty or Her predecessors;

17. If

- (a) the Lessee defaults in the payment of the rental hereby reserved, or any part thereof, or any other sums or charges payable hereunder, or any part thereof and such default continues for 30 days whether or not the same shall in any manner have been demanded, or
- (b) the Lessee has defaulted in performing or observing any other term, covenant, obligation or condition under this Lease or any contingency shall occur which by the terms of this Lease constitutes a breach or confers upon the Corporation the right to re-enter, forfeit or terminate this Lease and the Corporation has given to the Lessee written notice of such default or contingency and if at the expiry of 60 days after giving such notice the default or contingency continues to exist or, if the default or contingency is one which cannot with due diligence be cured within 60 days, the Lessee has not proceeded promptly to cure such default or contingency,

then the Corporation (without judicial enquiry or finding) may by notice in writing to the Lessee cancel this Lease; AND NO acceptance of rental subsequent to any default nor any condon-

ing, excusing or overlooking by the Corporation on previous occasions of any default shall be taken as a waiver of these conditions or in any way defeat or affect the rights of the Corporation hereunder including those rights arising out of any default by the Lessee antecedent to that for which this Lease may be cancelled;

18. For this Clause see Section XVI of Schedule "A";

19. In consideration of the Corporation consenting to the assignment of this Lease to Pennyfarthing Development Corp. (the "Assignee") and other good and valuable consideration the Guarantor hereby guarantees the due and faithful performance and fulfillment by the Lessee and the Assignee of all the covenants, provisos, terms, conditions and agreements of this Lease and hereby covenants with the Corporation that it is jointly and severally bound with the Lessee and the Assignee to perform and observe each and every covenant, proviso, condition and agreement in this Lease on the part of the Lessee and the Assignee to be performed and observed including without limitation the payment of rent and all other payments to be made under this Lease on the days and at the time and in the manner specified and the Guarantor shall not be released nor its liability limited by any variation in or departure from the provisions of this Lease and the Corporation shall not be bound to exhaust its recourse or remedies against the Lessee or the Assignee before enforcing its rights against the Guarantor. The Guarantor's liability under this Clause shall apply in respect of any matter covered by this guarantee which arises or the cause of which arises during the period commencing September 12, 1981 and terminating on the date when the Works are fully completed in accordance with the provisions of Sub-Section V B (2)(b) of Schedule "A".

20. The Lessee shall not commit or suffer or permit any waste to the designated premises or any structure, installation or alteration thereto.

21. Without restricting the generality of the provisions in this Lease relating to the Lessee's obligation to repair and maintain and in addition to the remedy set out in clause 17, the Lessee promptly upon notice from the Corporation shall make and do all repairs and maintenance which it is obliged to do and if the Lessee defaults in so doing the Corporation may, but shall not be obligated to, enter on the designated premises or any structure or installation thereon or alteration thereto for the purpose of remedying the default provided the Corporation first delivers to the Lessee 60 days' written notice of its intention to do so except in case of emergency. All of the Corporation's reasonable expenses in so correcting any default will be reimbursed by the Lessee to the Corporation. The Corporation in so doing will not be liable to the Lessee for any inconvenience, disturbance, loss of business or other damage therefrom unless caused by the Corporation's negligence.

22. Any indemnification or guarantee by the Lessee or the Guarantor in this Lease shall survive the termination of the term, except in the case of the Guarantor and its liability shall be limited as set out in clause 19.

23. The remedies of the Corporation in this Lease are cumulative and are in addition to any remedies of the Corporation at law or in equity. No remedy will be exclusive and the Corporation may from time to time have recourse to one or more of the available remedies.

24. If the Lessee continues to occupy the designated premises after the term or any renewal without further written agreement, the Lessee will be a monthly tenant on the terms and conditions set out in this Lease and at a monthly rental that is the sum of one twelfth of the annual basic rental applicable for the 12 months immediately preceding such overholding plus participation rental at the rate in effect for such 12 month period.

SCHEDULE "A"

SECTION I: Designated premises:- That certain Corporation property situate at False Creek Fishermen's Terminal, Vancouver Harbour, all as more particularly shown defined on Corporation Plan No. 83-83 dated July 28, 1983 (hereinafter called the "Plan"), a copy of which is hereto attached to form part of this Schedule and comprising:

1. The surface of the roof over the fishermen's lockers constructed by the Lessee at its expense for the Corporation and the Corporation's use and which became Corporation property under the terms and conditions of the Interim Lease dated September 12, 1977 between the Corporation and the Lessee, having an area of 5,562 square metres shown outlined in red on the Plan, some 4.877 metres above ground elevation at wharf level (hereinafter called "Parcel A");
2. Those portions (hereinafter collectively called Parcel "Z") constituting the sites of the foundations and supporting columns for such structures and improvements, if any, to be erected and/or constructed by the Lessee on Parcel "A" in accordance with the Development Permit;
3. That area of some 1,987 square metres (hereinafter called Parcel "B") shown outlined in green on the Plan; and
4. That area of some 1,527 square metres (hereinafter called Parcel "C") shown outlined in yellow on the Plan;

SECTION II: Said Demise:- The right to possess the designated premises;

SECTION III: Term:- The sixteen year and nineteen day period commencing September 12, 1981 and terminating September 30, 1997, PROVIDED that the Corporation shall -- subject to subclause (A) of the Interpretation Clause -- grant to the Lessee a renewal of this Lease for two (2) further terms of twenty (20) years for the respective periods October 1, 1997 - September 30, 2017 and October 1, 2017 - September 30, 2037, each upon the same terms and conditions (with the exception of the renewal provisions) as contained, mutatis

mutandis, in this Lease; PROVIDED, HOWEVER, that if any structure, installation or improvement (hereinafter sometimes called the "works") constructed or erected by the Lessee on the designated premises be destroyed or partially destroyed at any time during the last year of the Lessee's tenancy, whether it be the last year of the initial term or any renewal period, the Lessee shall have the option to cancel this Lease upon ninety (90) days' written notice to the Corporation, such termination to take effect sixty (60) days after the exercise of the option and in which event all proceeds of insurance payable in respect of such destruction or damage shall be payable as follows (and the trustee, when a recipient of proceeds on behalf of the Corporation, the Lessee and any of its encumbrancers, if any, shall be authorized and is hereby authorized to disburse any proceeds of insurance then held by it accordingly):-

- (i) The Lessee shall release all its right to and interest in the proceeds of insurance and shall cause all encumbrancers of its leasehold interest to release all their interest in such proceeds, and the Lessee shall pay to the Corporation any portions of such proceeds which it may have received in respect of the destruction or damage referred to;
- (ii) The trustee, if any, shall pay to the Corporation all the proceeds of insurance in respect of such destruction or damage in its hands or which it may receive; and
- (iii) The Lessee shall pay to the Corporation the amount, if any, by which the fair market value of the lands and works in the state in which it was immediately before such destruction or damage exceeds the aggregate of the proceeds of insurance payable in respect of such destruction or damage received by the Corporation from the Lessee and the trustee, if any, plus the fair market value of the lands and works in the state in which it was immediately after the happening of such destruction or damage;

In the event of termination of this Lease as aforesaid, rent and all other charges affecting the lands shall be paid and adjusted to the date of termination;

SECTION IV:

Rental:- Rental payable shall be comprised of a basic and a participation rental which shall be due and payable as hereinafter set forth:-

- 1. The basic rental payable by the Lessee to the Corporation shall be:
 - (a) For the periods September 12, 1981 - September 30, 1981 and October 1, 1981 - September 30, 1985: \$131,889.60 per annum;

(b) For the four (4) respective periods:

October 1, 1985 - September 30, 1988

October 1, 1988 - September 30, 1991

October 1, 1991 - September 30, 1994

October 1, 1994 - September 30, 1997,

the basic rental in each such period commencing with the period beginning October 1, 1985 shall be increased over the basic rental payable for the immediately preceding four or three year period, as the case may be, by an amount equal to the percentage increase in the Consumer Price Index for Vancouver published by Statistics Canada as per Code D133367 between the beginning and the end of each immediately preceding four or three year period. The basic rental shall only be increased by the provisions of this paragraph and not decreased. If the Consumer Price Index for the relevant period has not increased or decreased the rental for any period shall remain the same as it was for the last year of the immediately preceding period.

If the Consumer Price Index is no longer published or issued or if the Consumer Price Index does not accurately reflect the purchasing power of any basic rental amount the parties shall agree to use such other index as may be recognized and accepted for determination of purchasing power and if the parties are unable to agree upon another index they shall use an index chosen by a chartered accountant selected by the Corporation.

IT BEING FURTHER AGREED THAT THE AMOUNT OF RENTAL IN EXCESS OF \$5,000.00 per annum paid by the Lessee to the Corporation under the terms of the Interim Lease for the lease years September 12, 1979 - September 11, 1980 and September 12, 1980 - September 11, 1981 being the amount of \$90,583.87 shall be credited in a lump sum against the rentals due and payable under (a) above for the period September 12, 1981 to September 30, 1982 without credit for any accrued interest;

And in the event of renewal for the period October 1, 1997 - September 30, 2017 as contemplated by Section III of this Schedule, then

(c) For the respective periods:

October 1, 1997 - September 30, 2000,

October 1, 2000 - September 30, 2003,

October 1, 2003 - September 30, 2006,

October 1, 2006 - September 30, 2009,

October 1, 2009 - September 30, 2012,

October 1, 2012 - September 30, 2015,

October 1, 2015 - September 30, 2017:

the basic rental in each such period commencing with the period beginning October 1, 1997 shall be increased over the basic rental payable for the immediately preceding three year period by an amount equal to the percentage increase in the Consumer Price Index for Vancouver published by Statistics Canada as per Code D133367 between the beginning and the end of each immediately preceding three year period. The basic rental shall only be increased by the provisions of this paragraph and not decreased. If the Consumer Price Index for the relevant period has not increased or decreased the rental for any such period shall remain the same as it was for the last year of the immediately preceding three year period.

If the Consumer Price Index is no longer published or issued or if the Consumer Price Index does not accurately reflect the purchasing power of any basic rental amount the parties shall agree to use such other index as may be recognized and accepted for determination of purchasing power and if the parties are unable to agree upon another index they shall agree to use such other index as may be recognized and accepted for determination of purchasing power and if the parties are unable to agree upon another index they shall use an index chosen by a chartered accountant selected by the Corporation.

And in the event of further renewal for the period October 1, 2017 - September 30, 2037 as contemplated by Section III of this Schedule, then

(d) For the respective periods:

October 1, 2017 - September 30, 2020,

October 1, 2020 - September 30, 2023,

October 1, 2023 - September 30, 2026,

October 1, 2026 - September 30, 2029,

October 1, 2029 - September 30, 2032,

October 1, 2032 - September 30, 2035,

October 1, 2035 - September 30, 2037:

the basic rental in each such period commencing with the period beginning October 1, 2017 shall be increased over the basic rental payable for the immediately preceding two or three year period by an amount equal to the percentage increase in the Consumer Price Index for Vancouver published by Statistics Canada as per Code D133367 between the beginning and the end of each immediately preceding two or three year period. The basic rental shall only be increased by the provisions of this paragraph and not decreased. If the Consumer Price Index for the relevant period has not increased or decreased the rental for any two or three year period shall remain the same as it was for the last year of the immediately preceding two or three year period.

If the Consumer Price Index is no longer published or issued or if the Consumer Price Index does not accurately reflect the purchasing power of any basic rental amount the parties shall agree to use such other index as may be recognized and accepted for determination of purchasing power and if the parties are unable to agree upon another index they shall use an index chosen by a chartered accountant selected by the Corporation.

Basic rentals shall be due and payable in advance in equal quarterly instalments on every October 1, January 2, April 1 and July 2 during the currency of this Lease and any renewal thereof contemplated by Section III above provided that all basic rental from September 12, 1981 to and including the actual date of execution and delivery of this Lease less \$90,583.87 referred to above shall be payable by the Lessee to the Corporation upon the execution and delivery of this Lease.

2. The participation rental payable by the Lessee to the Corporation shall be:

For each lease-year during the currency of this Lease and any renewal thereof as contemplated by Section III above: nine percent (9%) of the net rental revenue (as hereinafter defined) derived by the Lessee from the designated premises for the relevant lease-year;

The participation rental shall be due and payable no later than sixty (60) days after termination of each lease-year during the currency of this Lease and any renewal thereof;

PROVIDED, HOWEVER, that no participation rental shall be deemed to accrue in respect of a unit for which participation rental will be payable until twenty-four (24) months after installation of the tenant's improvements for such unit has been completed as determined in the Corporation's opinion reasonably exercised. The Lessee shall as soon as the tenant's improvements for each such unit are completed give written notice of such completion to the Corporation within 14 days of such completion. All revenues and expenses shall be fully accrued on a period basis. For the purpose of computing the participation rental "net rental revenue" shall mean the total gross revenue accruing during a lease-year to the Lessee from leases and rentals from Parcels "A" and "B" and any works thereon (including deemed rentals for space occupied by the Lessee, its employees, or agents for which rental would have accrued had such space been occupied by an arms length third party) less--and restricted to--the following items as regards each relevant lease-year:

- (i) Taxes levied against the Lessee for municipal and school purposes with respect to the designated premises;
- (ii) The basic rental; and
- (iii) Operating expenses relating to the designated premises, limited to the following:
 - (a) Heating, ventilation and air-conditioning, including fuel and equipment maintenance expenses;
 - (b) Water expenses, rates and assessments;
 - (c) Electric power, lighting and utility expenses;

(d) Direct costs of cleaning and maintenance;

(e) An allowance for administration and management expenses of five percent (5%) of gross rental revenue;

Provided always that such items are not paid by or recovered by the Lessee from a third party;

IT BEING AGREED that should any dispute arise as to what constitutes "revenue(s)" or "operating expenses", the matter shall be determined in accordance with accounting principles generally accepted in the Province of British Columbia, by a chartered accountant appointed by the Corporation, whose decision shall be final;

SECTION V:

A. (Clause 1): The designated premises shall be used for the construction, development and operation of an office tower building (the "Office Building") comprising not less than 70,000 square feet (or such other lesser maximum area as the City of Vancouver may approve in the Development Permit issued by it in respect of the development of the designated premises pursuant to the terms of this Lease (the "Development Permit")) together with such other buildings or facilities as the Corporation may approve in writing, all of which shall be developed in accordance with the Development Permit, the terms and conditions of this Section V and the Plans and Specifications. The Lessee prior to the commencement of construction of the Office Building and any other buildings or facilities approved by the Corporation shall cause its architect who shall be a person approved by the Corporation to prepare detailed plans and specifications (the "Plans and Specifications") of the Office Building and any other buildings or facilities approved by the Corporation and to deliver a copy thereof (and any amendments or variations thereto) to the Corporation as soon as they have been prepared:-

The individual parts of the designated premises shall be allowed the following uses:

(1) As regards Parcels "A" and "Z":-

Landscaping compatible with and complementary to over-all development of the designated premises and its surroundings which shall be shown on the Plans and Specifications;

(2) As regards Parcel "B":-

The Office Building together with commercial vehicular parking therein, at commercial rates;

(3) As regards Parcel "C":-

An underground sewer, a walkway, a bicycle path, a loading bay and vehicular access crossing;

All of the works referred to in paragraph A are hereinafter sometimes jointly called the "Works".

B. (1) Lessee to Construct:- The Lessee shall construct and complete the Works expeditiously and in good and workmanlike manner and in accordance with the Plans and Specifications and in accordance

with the provisions of this section, and in particular:

- (a) Construction of the Works shall be commenced no later than the 31st day of December, 1985 (the "Commencement Date") and shall be pursued in a diligent and workmanlike manner and shall be substantially completed within 14 months of the Commencement Date and shall be fully completed within 17 months of the Commencement Date provided that if the substantial or full completion is delayed by reason of strikes, lockouts, or other matters, not necessarily pertaining to labour, beyond the control of the Lessee the date for substantial completion and/or full completion shall be extended by the period of time of the delay caused thereby;
 - (b) If the Works are not substantially completed or fully completed within the time limits set out in sub-paragraph B(1) (a) above or within such extended time limit for delays beyond the control of the Lessee as aforesaid, the Corporation may give to the Lessee 30 days' written notice in which to substantially or fully complete the Works, as the case may be. If the Works are not substantially or fully completed, as the case may be, within the 30 day time period, or, if the Works to be completed are such that they cannot with due diligence be completed within 30 days, and the Lessee has not proceeded with all due diligence to substantially or fully complete, as the case may be, the Corporation may, at its option, declare this Lease determined without liability to it and the Lessee shall hold harmless and indemnify and keep held harmless and indemnified the Corporation for all damages, losses, injuries, costs and expenses incurred as a result of such determination. Such portion of the Works as may have been constructed on the designated premises at the time of such determination of this Lease shall become the property of the Corporation without any payment having to be made therefor.
- (2) (a) The Works shall be substantially complete when
- (i) a certificate of substantial performance has been signed by the Lessee's architect, who shall be a person approved by the Corporation, and delivered to the Corporation,
 - (ii) a deficiency list of items that require to be completed or corrected and a value therefor has been agreed between the Lessee's architect and the Lessee's contractor, and

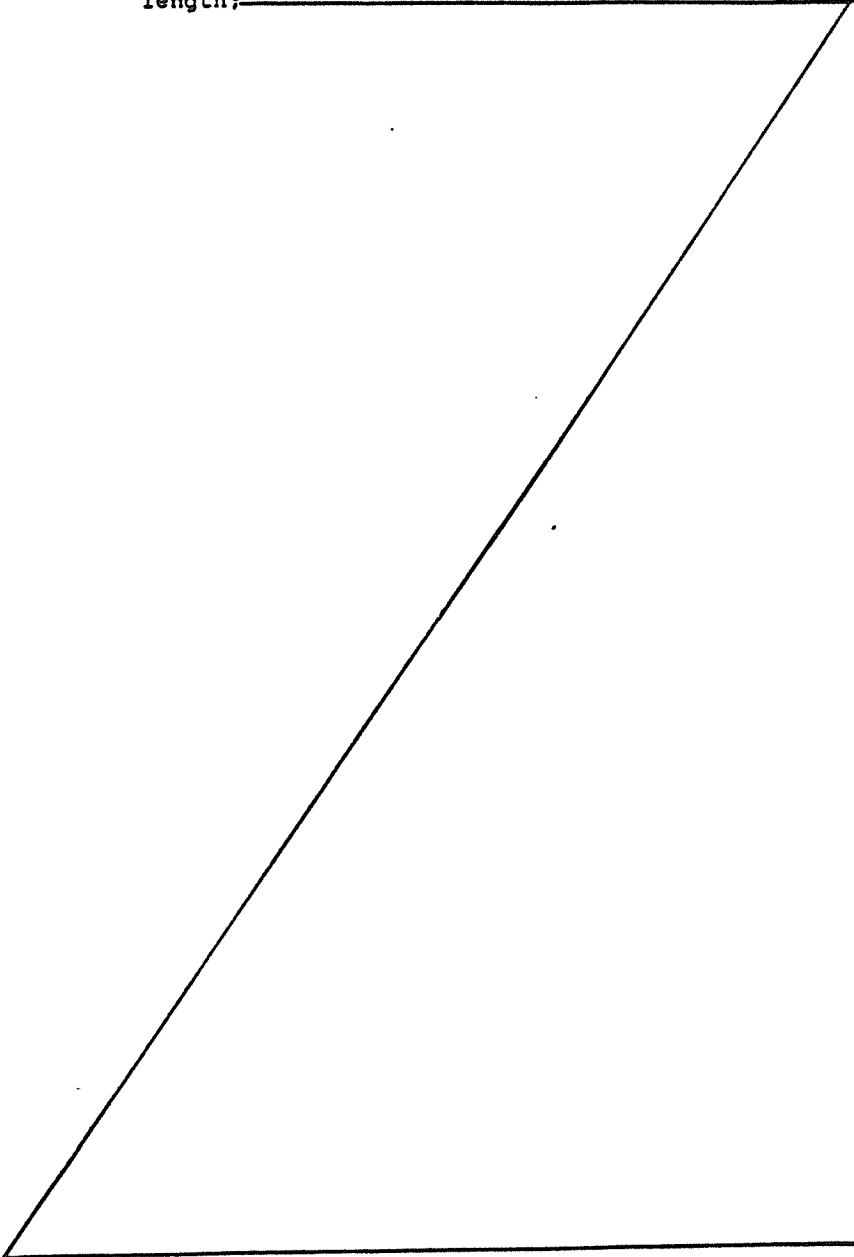
- (iii) the date of substantial completion has been posted by appropriate notices on the designated premises and advertised in the appropriate trade journals and the press;
- (b) The Works shall be fully completed when
 - (i) a final occupancy permit and/or any other permits that may be required to allow the Lessee to occupy the Works has been issued by the City of Vancouver, and
 - (ii) the Works including all the deficiencies listed in the certificate of substantial completion or elsewhere have been fully completed and the Lessee's architect has so certified in writing;
- (c) For the purpose of establishing when the Works are fully completed the Corporation (but not the Lessee) shall have the right to waive any of the conditions set out in this sub-section V(B)(2) in whole or in part, but no such waiver of any of the foregoing provisions shall relieve the Lessee of its obligation to perform its covenants hereunder;
- (d) The Lessee shall hold harmless, indemnify and reimburse and keep held harmless, indemnified and reimbursed the Corporation against any and all damages, injuries, expenses, costs, claims, proceedings or actions of whatsoever kind or nature to the Fisherman's Lockers, the roof thereof or to Parcels A, B, C or Z caused by or in any way relating to the construction, operation, maintenance or existence of all or any part of the Works.

SECTION VI: (Clause 2A):- In addition to any other provisions of this Lease, it is expressly agreed that the Lessee shall pay interest on all overdue rent payments and any other monies which may at any time be due and owing by the Lessee to the Corporation at the rate of one and one-half percent (1 1/2%) over the Bank of Canada rate on the date the rent becomes due or on the date such other monies become due respectively, from the date thereof until paid in full;

SECTION VII: (Clause 2B):- The Lessee shall, within sixty (60) days after the termination of each lease-year during the term of this demise and any renewal thereof forward to the Corporation a statement (in respect of such lease-year) duly certified by the Lessee's auditors, of the gross receipts, revenues and expenses of the Lessee with respect to the designated premises, and the Lessee shall likewise, no later than sixty (60) days after the termination of this demise or any renewal thereof, forward to the Corporation a similar statement in respect of the final lease-year;

SECTION VIII: (Clause 2C):- The Lessee shall, during the currency of this Lease and for a period of two (2) years from termination of the Lease, maintain full

records of all correspondence, invoices, receipts, revenues and vouchers relating to the designated premises and shall make them available to audit and inspection by the Corporation or by persons acting on its behalf and shall allow them to make copies thereof and to take extracts therefrom, and shall furnish them with any information which they may require from time to time in connection with such records. It is understood that such right of the Corporation shall be extended to the books and records of sublessees who are not dealing at arms length:



SECTION IX:

(Clause 5A):- Notwithstanding the provisions of Clause 5, it is hereby agreed that such provisions shall not be applicable to the issuance by the Lessee of subleases, licences, privileges, easements or other rights (with the exception of assignments) insofar as pertaining solely to individual rental-units constituting parts of the Works as a part of the normal rent up of the Office Building on the designated premises (as contrasted with a structure or structures or improvements in its or their entirety and/or with the site or sites thereof), IT BEING UNDERSTOOD AND AGREED, HOWEVER, that sublease rentals or fees for licences, privileges, easements or other rights shall not be less than current market rentals for like rental-units;

SECTION X:

(Clause 5B):- In the event that the Lessee wishes to assign or sublet all or any portion of the demise by way of arms-length mortgage or charge and show any mortgage or charge holder as its interest may appear in any policy of insurance, the Corporation hereby grants its consent to such assignment or sublease PROVIDED

- (1) The application is submitted to the Corporation on its standard form of Application for Consent to Assignment of Lease or Application for Consent to Sublease attached hereto as Schedules "B" and "D" duly executed;
- (2) The Lessee files with the Corporation an executed copy of such assignment or sublease within thirty (30) days from its execution;
- (3) The Corporation's consent to such assignment or sublease shall be deemed to have been given on the Corporation's standard form of Consent to Assignment or Consent to Sublease of Lease attached hereto as Schedules "C" and "E";
- (4) The mortgagee will undertake to release its interest in all proceeds of insurance if the Lessee exercises its option to terminate the Lease as provided for in Section III above;

SECTION XI:

(Clause 5C):- Notwithstanding the provisions of Clause 5, the Corporation hereby undertakes to execute at the request of the Lessee a formal Consent to the Assignment of this Lease to Pennyfarthing Development Corp. PROVIDED

- (1) The application is submitted to the Corporation on its standard form of Application for Consent to Assignment of Lease attached hereto as Schedule "B", duly executed;
- (2) The Lessee files with the Corporation an executed copy of such assignment within thirty (30) days from its execution; and

(3) The Corporation's consent to such assignment shall be given on the Corporation's standard form of Consent to Assignment of Lease attached hereto as Schedule "C";

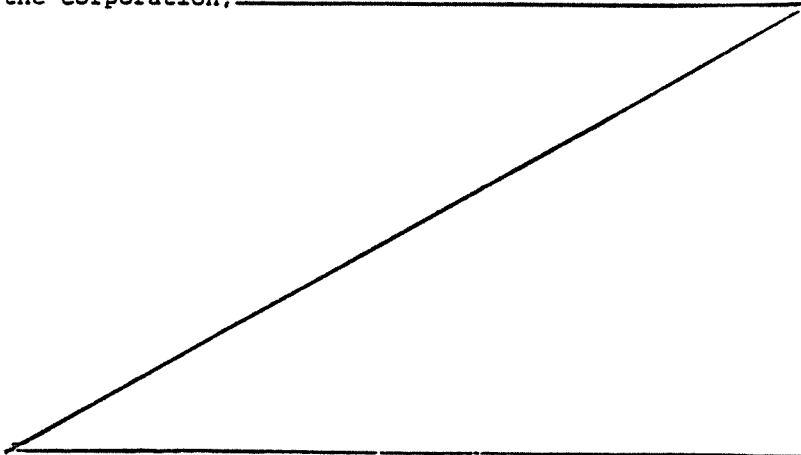
and the Lessee hereby binds itself to become, in the event of such assignment, the guarantor of the payment of all rental to become due under this Lease until the date of its termination and of the performance of all its terms and conditions until the said date of termination;

SECTION XII:

(Clause 5D):- Notwithstanding the provisions of Clause 5, it is expressly agreed that the Lessee shall have the right to grant the City of Vancouver an easement across the northerly end of Parcel "C" for the construction, use and maintenance of an underground sewer on such terms and conditions as do not conflict with the terms and conditions of this Lease, and it is hereby further agreed that in order to comply with the conditions of the Development Permit issued by the City of Vancouver, the Lessee shall have the right to grant to the City of Vancouver such rights of way over Parcel "C" for the walkway, bicycle path, loading bay and access crossing required to comply with the Development Permit, PROVIDED that copies of the Agreements to be entered into with the City be supplied to the Corporation prior to their execution by the parties thereto;

SECTION XIII:

(Clause 6):- No structure, installation or alteration shall at any time be constructed, erected or made (except for the Office Building and such other building or facilities as approved by the Corporation pursuant to section V:A. and set out in the Development Permit) or reconstructed, re-erected or restored (subject to the Lessee's obligation to repair) upon or to the designated premises by the Lessee save only with the prior written consent of the Corporation and upon such terms and conditions as may be stipulated by the Corporation;



SECTION XIV:

(Clause 10): Any notice which the Corporation may desire to serve on the Lessee in connection with these Presents shall be sufficiently served if sent by registered post to the Lessee addressed to the Lessee's last known address, and shall be deemed to be given the third day following posting at a Post Office in Canada. In the event of a postal strike, notices may be delivered, sent by telex or telegram and shall be deemed to be given twenty-four (24) hours after they are sent;

SECTION XV:

(Clause 14A):- If this lease is cancelled or terminated in respect of any portion or portions of the designated premises the provisions of clauses 13 and 14 shall apply to such portion or portions immediately as of the date of the cancellation or termination of such portion or portions;

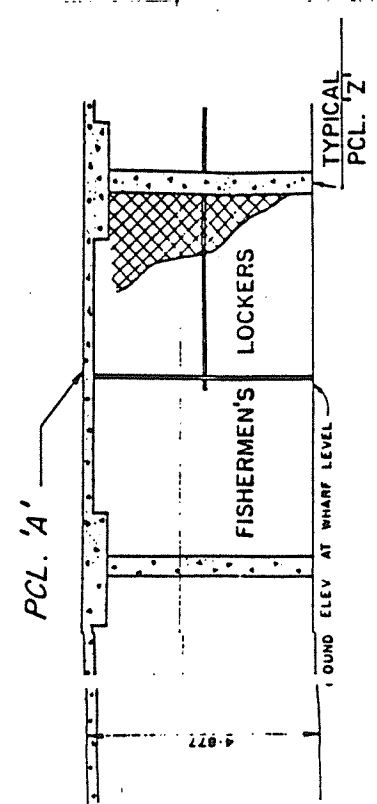
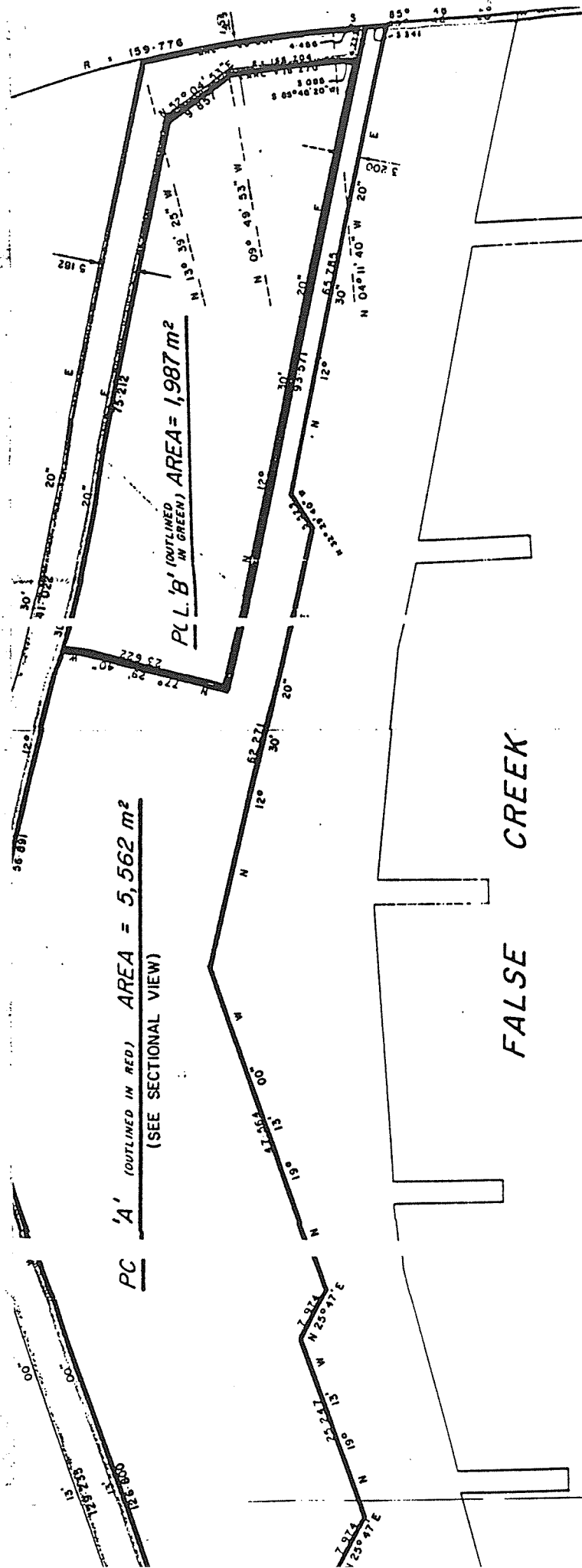
SECTION XVI:

(Clause 18):- The Lessee shall furnish the Corporation with evidence that all contractors have obtained 50% performance bonds and insurance policies against fire, lightning and inherent explosion and third party liability and evidence that such bonds and policies shall be kept in force, protecting both the Corporation and the Lessee as named obligees and insureds during the period of construction contemplated by this Lease and no such insurance shall be altered or terminated without the insurer giving to the Corporation 30 days' prior written notice thereof;

SECTION XVII:


The following Subclause is added as Subclause (i) to the Interpretation Clause:

"(i) Notwithstanding any other provision in this Lease, this Lease shall not be construed as creating a joint venture or partnership between the Corporation and any other party hereto."



SECTIONAL VIEW

NOTE: A larger and more complete copy of this plan is available for viewing at the offices of the Developer.



PORT OFFICE
VANCOUVER

GREENTREE DEVELOPMENTS LIMITED
LEASE OF PORTION OF REM. PCL. 'F'.
D.L. 3610, GR. 1 (KITSILANO I.R. NO. 6
FALSE CREEK FISHERMEN'S TERMINA

DRAWN BY: J.D. | CHECKED BY: JK

APPLICATION FOR CONSENT OF CANADA PORTS CORPORATION
TO ASSIGNMENT OF LEASE

The UNDERSIGNED HEREBY JOINTLY APPLY for Corporation consent to the Assignment (hereinafter called the "proposed Assignment") of Lease bearing Corporation No. _____ particulars of which are set forth hereunder:

Original Lessee:

Assignor (if not Original Lessee):

Assignee:

Date of Lease:

Area (in sq. ft. or acres) of original leasehold:

Purpose:

the proposed date of assignment being _____ and the property to be used by the Assignee for _____

and it being understood and agreed that the proposed Assignee hereby undertakes, in consideration of Corporation Consent if such be granted, to comply with all covenants, terms and conditions of the Lease whether or not of such nature as in the absence of this undertaking would run with the land at law or in equity, PROVIDED that if the proposed Assignment is by way of mortgage such undertaking shall become operative upon the Assignee only after the Assignee has entered into possession of the premises and/or completed foreclosure proceedings but such undertaking shall then be retroactive to the effective date of the proposed Assignment.

The proposed Assignment is ~~is~~ not by way of Mortgage. (Strike out word or words not applying.)

DATED at _____ this _____ day of _____ 19 ____ .

SIGNED, SEALED and DELIVERED)
by PRESENT LESSEE in presence)
of:)

.....(seal)
Assignor

SIGNED, SEALED AND DELIVERED)
by PROPOSED ASSIGNEE in)
presence of:)

.....(seal)
Assignee

RECOMMENDED FOR APPROVAL

- 1) Legal Branch
- 2) Executive Director

APPROVED BY CORPORATION

- 1) Chairman
- 2) Vice-Chairman
- 3) Member
- 4) Member

CANADA PORTS CORPORATION

C O N S E N T

to

ASSIGNMENT OF LEASE

AND WHEREAS the said Lease provides that it shall not be assigned in whole or in part without the consent of the Lessor;

AND WHEREAS the administration, management and control of the aforesaid Harbour are now vested in the Canada Ports Corporation by virtue of the Canada Ports Corporation Act;

AND WHEREAS the Applicant has applied to the Corporation for permission to assign the said Lease

the leasehold to be used henceforth for the purpose or purposes hereinafter set forth;

THE CORPORATION DOETH HEREBY CONSENT to the attached Assignment (hereinafter called "the Assignment"), INSOFAR as the terms of the Assignment are not at variance with the terms of the said Lease and INSOFAR as the Assignment constitutes a valid assignment and transfer of rights, title and interest in and under the said Lease but without any implication as to the regularity of the Assignment; AND PROVIDED, HOWEVER, that the Corporation shall not be deemed to have waived compliance with and observance of on the part of the Applicant and on the part of the heirs, executors, administrators, successors and assigns of the Applicant, any of the covenants, provisos, conditions and reservations in the said Lease to be complied with,

observed and performed on their or any of their parts nor to have waived, impaired or restricted in any manner whatsoever any of the rights or remedies of the Corporation in respect of the said Lease nor to have approved of the form or of any of the terms (except insofar as such terms are within the provisions of the said Lease or herein expressly consented to) of the Assignment; IT BEING EXPRESSLY DECLARED that the sole object, purport and effect of this Consent is only to validate the making of an assignment of the said Lease and to set forth the purpose or purposes for which the leasehold may hereafter be used and no action shall be taken nor things done, omitted or maintained under, by virtue of, or in accordance with the said Assignment which may prejudice, impair or affect in any manner whatsoever any of the rights or remedies of the Corporation;

AND THE CORPORATION DOETH FURTHER CONSENT to the use of the leasehold premises only for the following purpose or purposes

PROVIDED THAT if the Assignment is an Assignment by way of mortgage the Assigned shall have no rights to the use of the leasehold premises until foreclosure proceedings have been completed;

DATED at the City of _____, in the Province of _____, as of the _____ day of _____ One Thousand Nine Hundred and _____

CANADA PORTS CORPORATION

President

Corporate Secretary

SCHEDULE "D"

Form No. SL 61-1

APPLICATION FOR CONSENT OF CANADA
PORTS CORPORATION TO SUBLEASE

The UNDERSIGNED , being
the present Lessee under Corporation Lease dated bearing
Board No. and particulars of which are as follows:-

Original Lessee:

Sublessor (if not Original Lessee)

Area (in sq. ft. or acres) of original leasehold:

Term:

Present Rental:

Purpose:

HEREBY APPLIES FOR CORPORATION CONSENT to a proposed SUBLEASE,
particulars of which are as follows:-

Sublessee:

Portion (in sq. ft. or acres) of leasehold
to be covered by Sublease:

Term of Sublease:

Rental under Sublease:

Purpose:

DATED at this day of 19 .

.....(seal)
Sublessor

RECOMMENDED FOR APPROVAL

- 1) Legal Branch
- 2) Executive Director

APPROVED BY BOARD

- 1) Chairman
- 2) Vice-Chairman
- 3) Member
- 4) Member

CANADA PORTS CORPORATION

C O N S E N T

to

Sublease

AND WHEREAS the said Lease provides that it shall not be sublet in whole or in part without the consent of the Lessor;

AND WHEREAS the administration, management and control of the aforesaid Harbour are now vested in the Canada Ports Corporation (hereinafter called the "Corporation") by virtue of the Canada Ports Corporation Act;

AND WHEREAS the Applicant has applied to the Corporation for permission to sublet the Applicant's interest in and under the said Lease to

and for authorization of the use of the subdemised property for the purpose or purposes hereinafter set forth;

THE CORPORATION DOTH HEREBY CONSENT to the attached Sublease (hereinafter called "the Sublease"), insofar as the terms of the Sublease are not at variance with the terms of the said Lease and insofar as the Sublease constitutes a valid subdemise of rights, title and interest in and under the said Lease but without any implication as to the regularity of the Sublease; AND PROVIDED, HOWEVER, that the Corporation shall not be deemed to have waived compliance with and observance of on the part of the Applicant and on the part of the heirs, executors, administrators, successors and assigns of the Applicant, any of the covenants, provisos, conditions and reservations in the said lease to be complied with, observed and performed on their or any of their parts, nor to have waived, impaired or

restricted in any manner whatsoever any of the rights or remedies of the Corporation in respect of the said Lease nor to have approved of the form or of any of the terms (except insofar as such terms are within the provisions of the said Lease or herein expressly consented to) of the Sublease IT BEING EXPRESSLY DECLARED that the sole object, purport and effect of this Consent is only to validate the making of the Sublease and to set forth the purpose or purposes for which the leasehold may hereafter be used by the Sublessee and no action shall be taken nor things done, omitted or maintained under, by virtue of, or in accordance with the said Sublease which may prejudice, impair or affect in any manner whatsoever any of the rights or remedies of the Board;

AND THE CORPORATION DOETH FURTHER CONSENT to the use of the leasehold premises by the Sublessee for the purpose or purposes hereinafter set forth:

DATED at the City of _____, in the Province of _____,
, as of the _____ day of _____
One Thousand Nine Hundred and _____

CANADA PORTS CORPORATION

President

Corporate Secretary

INTERPRETATION CLAUSE

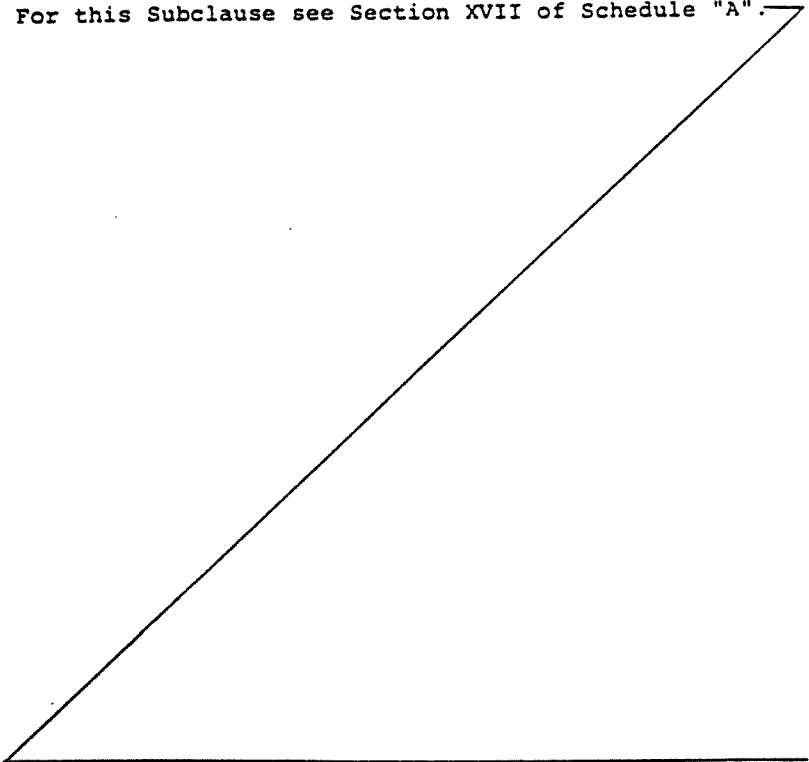
AND IT IS FURTHER AGREED by the parties hereto that for the purposes of these Presents:

- (a) the expression "Corporation property", "property vested in the Corporation" or expression of like import includes property vested in Her Majesty in right of Canada and under the administration, management or control of the Corporation and, in particular, but without restricting the generality of the foregoing, includes all structures, installations and alterations which -- by reason of their existence as fixtures upon, under, in or over the designated premises -- become vested in Her Majesty by operation of law, IT BEING EXPRESSLY AGREED that nothing in these Presents shall be construed as intending to preclude such operation of law as aforesaid;
- (b) the expression "Corporation by-law" or expression of like import means a by-law made by the Governor in Council under the Canada Ports Corporation Act or by-law, regulation or ordinance made by any such Authority (whether the Governor in Council, ministerial, or otherwise) as may from time to time, during the continuance of these Presents succeed to the legislative function of the Governor in Council as at present existing under the aforesaid Act;
- (c) the expression "Corporation nominee" means every person (excepting the Lessee) upon or to whom the Corporation confers or grants -- whether or not by virtue of these Presents, and whether prior to, contemporaneously with, or subsequent to the execution of these Presents -- any right or privilege or permission (whether tacit or otherwise) which in any respect or degree affects or pertains to the designated premises or the said demise, whether or not notification of the existence or identity of such Corporation nominee is at any time given by the Corporation to the Lessee;
- (d) to the extent (if any) that any structure, installation or alteration contemplated by, or at any time authorized under, these Presents is located below, or suspended above, surface level (whether such surface level be that of the ground or of some Corporation structure) the expression "designated premises" includes all strata (including the aforesaid surface level) over and/or under the actual location of the structure, installation or alteration;
- (e) the expression "fixtures" includes not only landlord's fixtures but also tenant's fixtures;
- (f) the expression "right of passage" means a right to pass and repass on foot and/or with vehicles and/or (if the nature of the property affected so permits at any time) with vessels and any other floating craft;

(g) the Lessee does hereby covenant to keep free and clear of snow and ice -- to the full extent of the Lessee's own requirements -- all such roadways, wharf aprons and railway trackage (even though not situate on the designated premises) as from time to time serve the designated premises, IT BEING EXPRESSLY AGREED that in the event of any question arising as to whether or not any particular portion of roadway, wharf apron or railway trackage serves the designated premises then the Corporation's decision shall be final;

(h) every structure, installation and alteration constructed, erected or made upon or to the designated premises at the expense of the Lessee prior to the term of these Presents and still existing at the commencement of the term of these Presents, shall be deemed, for all purposes of these Presents, to have been brought into existence by the Lessee upon the designated premises during the term of these Presents and to have been consented to by the Corporation pursuant to Clause 6, PROVIDED ALWAYS that nothing hereinbefore contained shall be construed as purporting to make lawful any structure, installation or alteration constructed, erected or made in violation of the Navigable Waters Protection Act or of the Canada Ports Corporation Act;

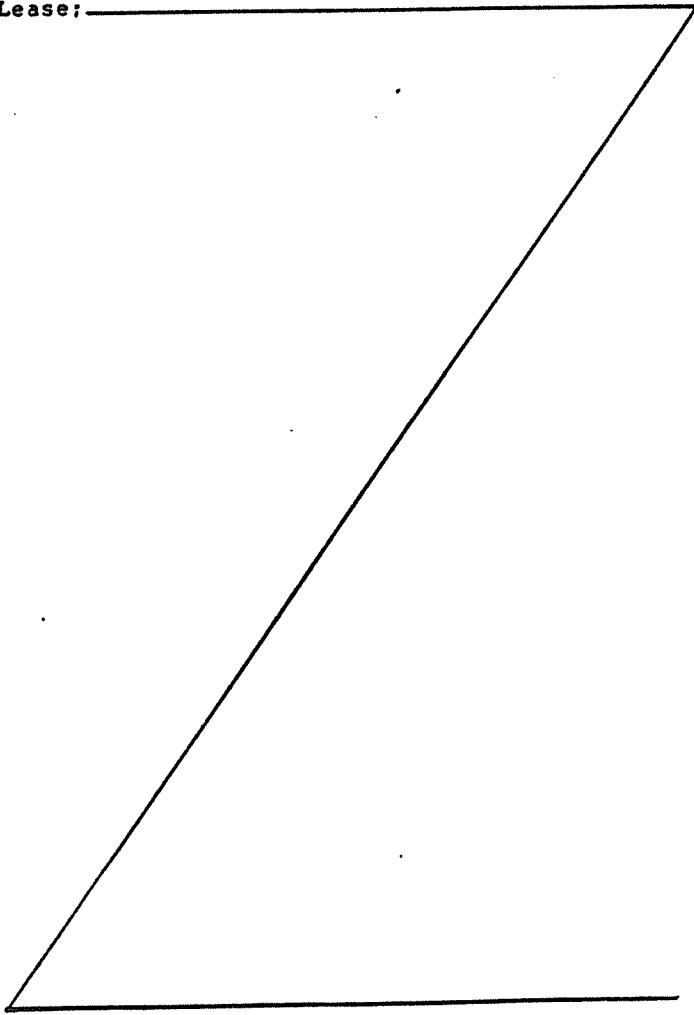
(i) For this Subclause see Section XVII of Schedule "A".



AND IT IS FURTHER AGREED by the parties hereto that:

(A) to the extent (if any) that these Presents provide for a renewal or renewals of the said demise, no such provision shall be construed as conferring any right of renewal whatever upon the Lessee unless the Corporation receives from the Lessee -- by a date not later than ninety days before the commencement date of the period for which the renewal is sought -- written request for such renewal and unless at all times up to the date of such request the Lessee has duly and regularly paid the rent and duly and regularly fulfilled every other obligation imposed upon the Lessee by the terms and conditions of these Presents;

(B) the expression "Federal Court", as appearing ~~in any other provision of these Presents~~ in any ~~other~~ provision of these Presents, means the Trial Division of the Federal Court of Canada, or any such other Court as may from time to time, during the continuance of these Presents succeed to the jurisdiction of such Trial Division for any purpose contemplated by this Lease;



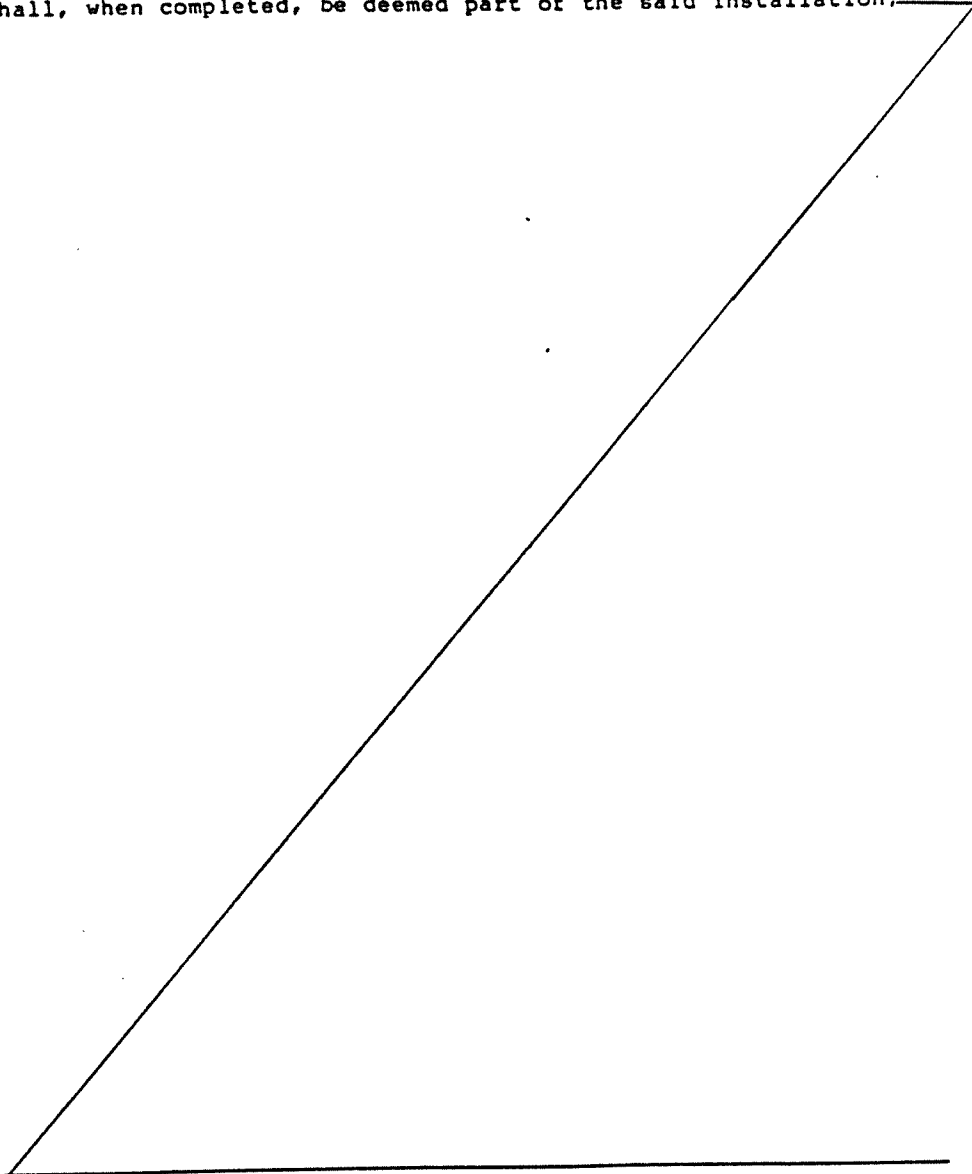
AND IT IS FURTHER AGREED by and between the Corporation and the Lessee that in respect of all structures, installations and/or alterations such as contemplated by Clause 6 and Section V of Schedule "A" above (which structures, installations and alterations include such of those mentioned in Section 1 of the Schedule as are constructed, erected or made by the Lessee, and all structures, installations and/or alterations contemplated by Clause 6 and Section V of Schedule "A" being hereinafter collectively called the "said installation") Clause 7 of this Lease shall -- unless some other provision of these Presents explicitly states otherwise -- be construed, without restricting the generality of Clause 7, as if including an express covenant by the Lessee that, at the Lessee's own risk and expense:

- (i) any drain, sewer, pipe line of any nature, culvert or other subsurface structure or installation which constitutes part of the said installation (such drains, sewers, pipe lines, culverts and other subsurface structures and installations being hereinafter collectively called the "subsurface facilities") shall be so constructed and installed as to be capable of withstanding all strains imposed by operation and, in particular, but without restricting the generality of the foregoing, any strain which might be imposed by the passage, loading or unloading of trucks or railway engines or railway cars;
- (ii) there shall be made such extensions, alterations, and/or relocations in, to and/or of the subsurface facilities as may at any time or times be ordered by the Corporation whether such extensions, alterations and/or relocations are ordered by reason of the condition of the subsurface facilities or by reason of any repairs, extensions, alterations, improvements or new construction to be effected in respect of any Corporation property whatever; and in the event of the failure of the Lessee to comply forthwith with any such order the Corporation may effect such extensions, alterations and/or relocations at the Lessee's sole risk and expense;
- (iii) insofar as the said installation includes any petroleum tank or petroleum-products tanks (such tank or tanks being hereinafter in this Subclause (iii) called the "petroleum facilities") there shall be erected around the petroleum facilities a dike embankment or concrete wall satisfactory to the Corporation and sufficient to retain petroleum or petroleum-products of volume equal to that of the largest tank, except for tanks containing crude oil or other liquids with similar boilover characteristics, in which case the net volumetric capacity shall be 150% of the capacity of the largest tank;
- (iv) insofar as the said installation is used or intended to be used for the storage or handling of flammable and/or combustible

liquids, the said installation shall be constructed, installed or made in accordance with the regulations of the National Fire Protection Association (International) for the installation of containers for storing or handling flammable and/or combustible liquids;

- (v) insofar as the said installation passes under or in any way affects any railway trackage, the said installation shall be, in the Corporation's opinion, such as to conform with the standards and requirements of the Canadian Transport Commission;

and any extension, alteration, relocation, embankment or wall such as contemplated by the foregoing provisions of this Clause shall, when completed, be deemed part of the said installation;



Without restricting in any manner the generality of any other provision of this Lease -- with the exception of the last sentence of Clause 9, which sentence is hereby declared subject to Subclauses (A-b) and (C-d) hereunder and (where Subclause (E-f) appears) to such Subclause (E-f) -- IT IS FURTHER AGREED by and between the parties hereto that:

(A-b) For all purposes of this Subclause (A-b) and of Subclause (C-d) infra, and unless otherwise specified by such Subclause (E-f), if any, as appearing in these Presents immediately following Subclause (C-d):

- (i) "designated property" means the designated premises and all structures, installations and alterations such as contemplated by Clause 6 and Section V of Schedule "A" above;
- (ii) "insurance" means a policy or policies of insurance taken out by the Lessee, at the Lessee's expense, in the name of the Corporation in respect of the designated property, to the full insurable value of such designated property, with an insurance company or insurance companies approved by the Corporation, and with those reasonable limits and deductibles agreed to by the Corporation all to such extent as the said policy or policies relates or relate to the specified risk (as such, "specified risk" is defined hereunder);
- (iii) "necessary repairs" means such reconstruction, replacement or repair of the designated property as from time to time becomes necessary by reason of destruction, loss or damage of or to such designated property;
- (iv) "specified risk" means the risk of destruction, loss or damage of or to designated property by reason of fire, lightning, inherent explosion, tempest, earthquake, flood, windstorm, cyclone, tornado or hail and the risk of liability (Comprehensive General Liability Insurance with a cross liability clause);

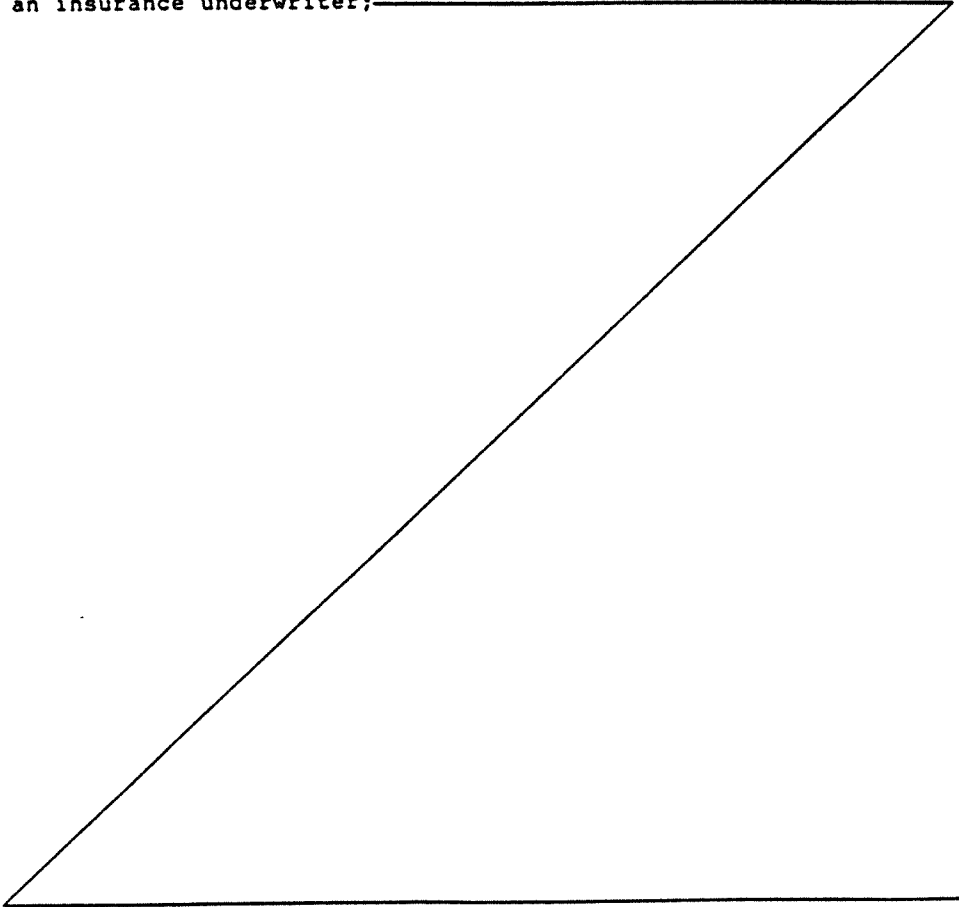
(C-d) The Lessee shall at all times throughout the continuance of these Presents keep in force insurance against the specified risk and shall, within thirty days after the payment of each premium on such insurance, forward to the Corporation a certified copy of receipt for such premium, PROVIDED that acceptance by the Corporation of any such certified copy of receipt (or of any policy or policies of insurance taken out by the Lessee) shall for no purpose be construed as an acknowledgment by the Corporation that the policy or policies so taken out by the Lessee is or are in compliance with the requirements of subparagraph (ii) of Subclause (A-b) above; and should the Lessee fail to keep in force insurance as so required by the said

subparagraph (ii) of Subclause (A-b), then the Corporation may, at its option, either:

- (i) itself take out a policy or policies of insurance considered appropriate by the Corporation, in which event any premiums paid by the Corporation shall, upon payment, immediately constitute, for all purposes of this Lease, additional rental due from the Lessee and in arrears; or
- (ii) hold the Lessee liable in the same manner and degree as if the Lessee were the underwriter of insurance as contemplated by subparagraph (i) of Subclause (A-b) supra;

All insurance required to be kept by the Lessee shall provide that it not be altered or terminated without the insurer giving to the Corporation 30 days' prior written notice thereof;

PROVIDED ALWAYS that in the event and to the extent that the Lessee would -- in the absence of this Subclause (C-d) -- have been liable or obligated in tort or contract, or both, to the Corporation either for the cost of necessary repairs or to make necessary repairs, in respect of the designated property, nothing in the foregoing provisions of this Subclause (C-d) shall be construed as restricting the Lessee's liability or obligation to that which exists or would exist in an insurance underwriter;



AND IT IS FURTHER AGREED by and between the parties hereto that:

(AB) Should the Corporation, in the Corporation's sole discretion, consider it advisable on any ground that there be effected at Corporation expense any Corporation work of construction, reconstruction, repair or improvement in respect of any Corporation property whatever (including all or any portion or portions of the designated premises) then the Corporation shall have access to and/or may take possession of the designated premises (notwithstanding such right of possession, if any, as the Lessee may have under other provisions of these Presents) to such extent as the Corporation may consider such access and/or possession desirable for the convenient execution of such aforesaid Corporation work and whether or not such Corporation work is itself concerned with the designated premises (such aforesaid access to and/or possession of the designated premises being hereinafter called "Corporation interference"), and the Lessee shall possess no claim against the Corporation for any damage or financial loss of any nature which may ensue directly or indirectly from such Corporation interference, PROVIDED ONLY that the Lessee shall be entitled to proportionate rebate of rental to the extent that any such Corporation interference on each occasion deprives the Lessee of possession of any portion of the designated premises for a continuous period in excess of six consecutive days; AND IT BEING FURTHER UNDERSTOOD AND AGREED that nothing hereinbefore contained in this Subclause (AB) shall be construed as limiting or restricting the generality of Clause 7 of these Presents and that no reference in this Subclause (AB) to any Corporation work shall be construed as imposing upon the Corporation any legal obligation to effect such work;

AND IT IS FURTHER AGREED by and between the parties . hereto that every right and obligation conferred or imposed, by or by virtue of these Presents, upon any person (whether or not a party to these Presents, but including the Corporation and the Lessee) shall, subject only to Clause 5 above, accrue to and be binding upon the heirs, executors, administrators, successors and assigns of such person; and that if the Lessee as contemplated by these Presents constitutes two or more legal persons, then the terms and conditions of these Presents (insofar as pertinent to the Lessee) shall be binding upon and enforceable by or against such persons jointly and severally;

IN WITNESS WHEREOF the parties hereto have executed this Lease.

THE CORPORATE SEAL of the CORPORATION was hereunto affixed in the presence of:

Acting Walter B. Stewart
President
Acting Colette T. Rudel
Corporate Secretary
24th of June, 1985

The CORPORATE SEAL of the LESSEE was hereunto affixed in the presence of:

[Signature]
(Title) SECRETARY
[Signature]
(Title) PRESIDENT

(C/S)

The CORPORATE SEAL of the GUARANTOR was hereunto affixed in the presence of:

[Signature]
(Title) VICE PRESIDENT, FINANCE
[Signature]
(Title) VICE PRESIDENT, SERVICES & COMMUNICATIONS

(C/S)

NO. V-4057(2)

CANADA PORTS CORPORATION

CONSENT TO ASSIGNMENT

GREENTREE DEVELOPMENTS LTD.

TO

PENNYFARTHING DEVELOPMENT CORP.

AUTHORITY: Submission VL #119/824 dated December 6, 1982, approved February 19, 1983 under Agenda No. V-2383.

DATE: JUNE 24, 1985

HARBOUR: Vancouver.

SUBJECT: Assignment of Lease V-4057(1) of certain premises located at False Creek Fishermen's Terminal, Vancouver, British Columbia, and comprising lands totalling approximately 9,076 square metres, effective September 15, 1984.

MEMORANDA

See also Agenda Item V-2261 of September 1, 1981.
See also Clause 5C (Section XI of Schedule "A") of Lease V-4057(1).

CONSENT TO ASSIGNMENT

WHEREAS:

- A. By lease dated as of September 12, 1981 and numbered V-4057(1) the Canada Ports Corporation ("Corporation") demised unto Greentree Developments Ltd. ("the Applicant") and B.C. Central Credit Union as Guarantor certain premises ("Premises") located at False Creek Fishermen's Terminal, Vancouver, British Columbia, and comprising lands totalling approximately 9,076 square metres comprised of:

Parcel "A", some 5,562 square metres;
Parcel "B", some 1,987 square metres;
Parcel "C", some 1,527 square metres; and
Parcel "Z", constituting the sites of the foundations and supporting columns for structures and foundations,

for the period of sixteen (16) years and nineteen (19) days commencing September 12, 1981 and terminating September 30, 1997, with rights of renewal for terms of twenty (20) years for the respective periods October 1, 1997 to September 30, 2017, and October 1, 2017 to September 30, 2037, the said lease being hereinafter referred to as the "Lease";

- B. The Lease provides that the Lease shall not be assigned in whole or in part without consent;
- C. The Corporation is successor of the National Harbours Board and has administration, management and control of the Premises by virtue of the Canada Ports Corporation Act;
- D. The Applicant has applied to the Corporation for permission to assign to Pennyfarthing Development Corp. the Applicant's interest in the Lease, with the Applicant as Guarantor;

THE CORPORATION CONSENTS TO THE APPLICANT ENTERING INTO THE ATTACHED ASSIGNMENT DATED AS OF THE 15TH DAY OF SEPTEMBER, 1984 (HEREIN CALLED THE "ASSIGNMENT") SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS:

1. The Corporation consents to the Assignment only insofar as:
 - 1.1 the terms of the Assignment are not at variance with the terms and conditions of the Lease; and
 - 1.2 the Assignment, apart from this Consent, constitutes a valid subdemise of rights, title and interest under the Lease.
2. Nothing contained in this Consent will imply:
 - 2.1 any representation or warranty by the Corporation of the validity or regularity of the Assignment;

- 2.2. any waiver by the Corporation of full performance and observance of covenants and conditions of the Lease on the part of the Applicant, the Applicant's successors and permitted assigns to be performed and observed;
- 2.3 Any agreement by the Corporation to amendment to or variation of the Lease (except as specifically provided in Clause 4); or
- 2.4 Any consent by the Corporation to any act or omission of the Applicant by virtue of the Assignment which might impair or affect in any manner whatsoever the Lease or any rights or remedies of the Corporation thereunder;
- 3. The sole object, purport and effect of this Consent is to validate the making of the Assignment pursuant to the provisions of the Lease;
- 4. The Premises will be used only for the purposes set forth in the Lease.

DATED at the City of Ottawa, in the Province of Ontario, as of the 24TH day of June, 1985.

The CORPORATE SEAL of CANADA)
PORTS CORPORATION was hereunto)
affixed in the presence of its)
duly authorized officers:)

Michael Accurso)
Acting President and)
Chief Executive Officer)

Colette Trudel)
Acting Corporate Secretary)

24th of June, 1985

(C/S)

APPLICATION FOR CONSENT OF CANADA PORTS CORPORATION
TO ASSIGNMENT OF LEASE

The UNDERSIGNED HEREBY JOINTLY APPLY for Corporation consent to the Assignment (hereinafter called the "proposed Assignment") of Lease bearing Corporation No.V-4057(1) particulars of which are set forth hereunder:

Original Lessee: GREENTREE DEVELOPMENTS LTD.

Assignor (if not Original Lessee):

Assignee: PENNYFARTHING DEVELOPMENT CORP.

Date of Lease: As of September 12, 1981

Area (in sq. ft. or acres) of original leasehold: Four parcels containing in the aggregate approximately 9,076 square metres

Purpose: For the construction, development and operation of, inter alia, an office tower building, all as more particularly described in Section V of Schedule "A" of the lease, a copy of Section V being affixed hereto

the proposed date of assignment being as of Sept.15,1984 and the property to be used by the Assignee for the purpose described above

and it being understood and agreed that the proposed Assignee hereby undertakes, in consideration of Corporation Consent if such be granted, to comply with all covenants, terms and conditions of the Lease whether or not of such nature as in the absence of this undertaking would run with the land at law or in equity, PROVIDED that if the proposed Assignment is by way of mortgage such undertaking shall become operative upon the Assignee only after the Assignee has entered into possession of the premises and/or completed foreclosure proceedings but such undertaking shall then be retroactive to the effective date of the proposed Assignment.

The proposed Assignment ~~is~~ is not by way of Mortgage. (Strike out word or words not applying.)

DATED at Vancouver this 4th day of April 1985.

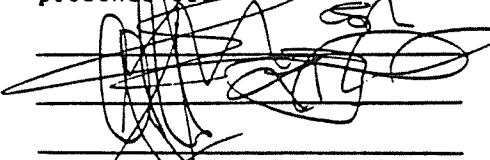
SIGNED, SEALED and DELIVERED)
by PRESENT LESSEE in presence)
of:)



_____)

.....(seal)
Assignor

SIGNED, SEALED AND DELIVERED)
by PROPOSED ASSIGNEE in)
presence of:)



_____)

.....(seal)
Assignee

RECOMMENDED FOR APPROVAL

- 1) Legal Branch
- 2) Executive Director

APPROVED BY CORPORATION

- 1) Chairman
- 2) Vice-Chairman
- 3) Member
- 4) Member

- (d) Direct costs of cleaning and maintenance;
- (e) An allowance for administration and management expenses of five percent (5%) of gross rental revenue;

Provided always that such items are not paid by or recovered by the Lessee from a third party;

IT BEING AGREED that should any dispute arise as to what constitutes "revenue(s)" or "operating expenses", the matter shall be determined in accordance with accounting principles generally accepted in the Province of British Columbia, by a chartered accountant appointed by the Corporation, whose decision shall be final;

SECTION V:

A. (Clause 1): The designated premises shall be used for the construction, development and operation of an office tower building (the "Office Building") comprising not less than 70,000 square feet (or such other lesser maximum area as the City of Vancouver may approve in the Development Permit issued by it in respect of the development of the designated premises pursuant to the terms of this Lease (the "Development Permit")) together with such other buildings or facilities as the Corporation may approve in writing, all of which shall be developed in accordance with the Development Permit, the terms and conditions of this Section V and the Plans and Specifications. The Lessee prior to the commencement of construction of the Office Building and any other buildings or facilities approved by the Corporation shall cause its architect who shall be a person approved by the Corporation to prepare detailed plans and specifications (the "Plans and Specifications") of the Office Building and any other buildings or facilities approved by the Corporation and to deliver a copy thereof (and any amendments or variations thereto) to the Corporation as soon as they have been prepared:-

The individual parts of the designated premises shall be allowed the following uses:

- (1) As regards Parcels "A" and "Z":-

Landscaping compatible with and complementary to over-all development of the designated premises and its surroundings which shall be shown on the Plans and Specifications;

- (2) As regards Parcel "B":-

The Office Building together with commercial vehicular parking therein, at commercial rates;

- (3) As regards Parcel "C":-

An underground sewer, a walkway, a bicycle path, a loading bay and vehicular access crossing;

All of the works referred to in paragraph A are hereinafter sometimes jointly called the "Works".

B. (1) Lessee to Construct:- The Lessee shall construct and complete the Works expeditiously and in good and workmanlike manner and in accordance with the Plans and Specifications and in accordance

with the provisions of this section, and in particular:

- (a) Construction of the Works shall be commenced no later than the 31st day of December, 1985 (the "Commencement Date") and shall be pursued in a diligent and workmanlike manner and shall be substantially completed within 14 months of the Commencement Date and shall be fully completed within 17 months of the Commencement Date provided that if the substantial or full completion is delayed by reason of strikes, lockouts, or other matters, not necessarily pertaining to labour, beyond the control of the Lessee the date for substantial completion and/or full completion shall be extended by the period of time of the delay caused thereby;
 - (b) If the Works are not substantially completed or fully completed within the time limits set out in sub-paragraph B(1) (a) above or within such extended time limit for delays beyond the control of the Lessee as aforesaid, the Corporation may give to the Lessee 30 days' written notice in which to substantially or fully complete the Works, as the case may be. If the Works are not substantially or fully completed, as the case may be, within the 30 day time period, or, if the Works to be completed are such that they cannot with due diligence be completed within 30 days, and the Lessee has not proceeded with all due diligence to substantially or fully complete, as the case may be, the Corporation may, at its option, declare this Lease determined without liability to it and the Lessee shall hold harmless and indemnify and keep held harmless and indemnified the Corporation for all damages, losses, injuries, costs and expenses incurred as a result of such determination. Such portion of the Works as may have been constructed on the designated premises at the time of such determination of this Lease shall become the property of the Corporation without any payment having to be made therefor.
- (2) (a) The Works shall be substantially complete when
- (i) a certificate of substantial performance has been signed by the Lessee's architect, who shall be a person approved by the Corporation, and delivered to the Corporation,
 - (ii) a deficiency list of items that require to be completed or corrected and a value therefor has been agreed between the Lessee's architect and the Lessee's contractor, and

- (iii) the date of substantial completion has been posted by appropriate notices on the designated premises and advertised in the appropriate trade journals and the press;
- (b) The Works shall be fully completed when
 - (i) a final occupancy permit and/or any other permits that may be required to allow the Lessee to occupy the Works has been issued by the City of Vancouver, and
 - (ii) the Works including all the deficiencies listed in the certificate of substantial completion or elsewhere have been fully completed and the Lessee's architect has so certified in writing;
- (c) For the purpose of establishing when the Works are fully completed the Corporation (but not the Lessee) shall have the right to waive any of the conditions set out in this sub-section V(B)(2) in whole or in part, but no such waiver of any of the foregoing provisions shall relieve the Lessee of its obligation to perform its covenants hereunder;
- (d) The Lessee shall hold harmless, indemnify and reimburse and keep held harmless, indemnified and reimbursed the Corporation against any and all damages, injuries, expenses, costs, claims, proceedings or actions of whatsoever kind or nature to the Fisherman's Lockers, the roof thereof or to Parcels A, B, C or Z caused by or in any way relating to the construction, operation, maintenance or existence of all or any part of the Works.

SECTION VI: (Clause 2A):- In addition to any other provisions of this Lease, it is expressly agreed that the Lessee shall pay interest on all overdue rent payments and any other monies which may at any time be due and owing by the Lessee to the Corporation at the rate of one and one-half percent (1 1/2%) over the Bank of Canada rate on the date the rent becomes due or on the date such other monies become due respectively, from the date thereof until paid in full;

SECTION VII: (Clause 2B):- The Lessee shall, within sixty (60) days after the termination of each lease-year during the term of this demise and any renewal thereof forward to the Corporation a statement (in respect of such lease-year) duly certified by the Lessee's auditors, of the gross receipts, revenues and expenses of the Lessee with respect to the designated premises, and the Lessee shall likewise, no later than sixty (60) days after the termination of this demise or any renewal thereof, forward to the Corporation a similar statement in respect of the final lease-year;

SECTION VIII: (Clause 2C):- The Lessee shall, during the currency of this Lease and for a period of two (2) years from termination of the Lease, maintain full

ASSIGNMENT OF LEASE

THIS ASSIGNMENT made as of the 15th day of September, 1984,

BETWEEN:

GREENTREE DEVELOPMENTS LTD, a British Columbia company having an office at 1441 Creekside Drive, Vancouver, British Columbia

(the "Assignor")

OF THE FIRST PART

AND:

PENNYFARTHING DEVELOPMENT CORP., a British Columbia company having an office at 270 - 1441 Creekside Drive, Vancouver, British Columbia

(the "Assignee")

OF THE SECOND PART

WHEREAS by a lease (the "Lease") made between Canada Ports Corporation (the "Corporation"), of the first part, Greentree Developments Ltd. (the "Assignor" herein) of the second part, and B.C. Central Credit Union of the third part, which Lease is dated the 12th day of September, 1981 and is numbered V-4057(1) in the records of the Corporation, the Corporation demised unto the Assignor the designated premises ("Designated Premises") set out and described in Part I of Schedule "A" hereto, for the term (the "Term") set out in Part II of Schedule "A" hereto (which Schedule "A" is incorporated into and forms part of this Assignment), subject to the Assignor's covenants therein contained.

NOW THEREFORE THIS ASSIGNMENT WITNESSETH that in consideration of ONE DOLLAR (\$1.00) of lawful money of Canada and other good and valuable consideration now paid by the Assignee to the Assignor (the receipt and sufficiency whereof is acknowledged by the Assignor), the Assignor grants and assigns unto the Assignee all and singular the Designated Premises, together with the residue unexpired of the Term and the Lease and all benefit and advantage to be derived therefrom. To hold the same unto the Assignee, henceforth for and during the residue of the Term and for all other the estate, term and interest of the Assignor therein, subject to the payment of the rent and the performance of the Assignor's covenants and agreements reserved and contained in the Lease and subject to the consent of the Corporation.

AND the Assignor covenants with the Assignee that notwithstanding any act of the Assignor the Lease is a good, valid and subsisting Lease and that the rents thereby reserved have been duly paid up to the 30th day of September, 1984, and that the covenants and conditions therein contained have been duly observed and performed by the Assignor up to the date hereof, and that the Assignor now has good right to assign the Lease and the Designated Premises in the manner aforesaid; AND that subject to the payments of the rent and the performance of the Assignor's covenants contained in the Lease, it shall be lawful for the Assignee, peaceably and quietly to possess the Designated Premises hereby assigned during the residue of the Term, without any interruption by the Assignor or any person claiming under him. And the Assignor will, at all times hereafter, at the request and cost of the Assignee, assign and confirm to the Assignee the Lease and Designated Premises for the residue of the Term as the Assignee shall reasonably require.

The Assignee covenants with the Assignor, that the Assignee will from time to time, pay the rent and observe and perform the Assignor's covenants and conditions reserved and contained in the Lease and indemnify and save harmless the Assignor from all losses and expenses in respect of the non-observance or non-performance of the said covenants and conditions or any of them.

Wherever the singular or masculine is used in this Agreement the same shall be deemed to include the plural or the feminine, or the body politic or corporation and also the respective successors and assigns of the parties hereto and each of them.

IN WITNESS WHEREOF the parties hereto have set their common seals to this Assignment on the day and year first above written.

The Common Seal of GREENTREE)
 DEVELOPMENTS LTD.)
 was hereunto affixed on the)
 10th day of May 1985)
 in the presence of:)


Richard M. Gray -Director)
 Authorized Signatory)
David -Director)
 Authorized Signatory)

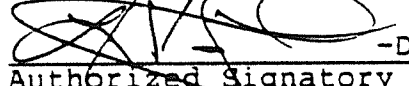
c/s

.../3

This is page 3 of an Assignment of Lease from Greentree Developments Ltd. to Pennyfarthing Development Corp. made as of the 15th day of September, 1984.

The Common Seal of PENNY-)
FARTHING DEVELOPMENT CORP.)
was hereunto affixed on the)
9th day of May 1985)
in the presence of:)



-Director)
Authorized Signatory)


-Director)
Authorized Signatory)

c/s

SCHEDULE "A"

PART I

Designated Premises - That certain Corporation property situate at False Creek Fishermen's Terminal, Vancouver Harbour, all as more particularly shown defined on Corporation Plan No. 83-83 dated July 28, 1983 (hereinafter called the "Plan") comprising:

1. The surface of the roof over the fishermen's lockers constructed by the Lessee at its expense for the Corporation and the Corporation's use and which became Corporation property under the terms and conditions of the Interim Lease dated September 12, 1977 between the Corporation and the Lessee, having an area of 5,562 square metres shown outlined in red on the Plan, some 4.877 metres above ground elevation at wharf level (hereinafter called "Parcel A");
2. Those portions (hereinafter collectively called Parcel "Z") constituting the sites of the foundations and supporting columns for structures and improvements, if any, to be erected and/or constructed by the Lessee on Parcel "A" in accordance with the Development Permit;
3. That area of some 1,987 square metres (hereinafter called Parcel "B") shown outlined in green on the Plan; and
4. That area of some 1,527 square metres (hereinafter called Parcel "C") shown outlined in yellow on the Plan;

PART II

Term - The sixteen year and nineteen day period commencing September 12, 1981 and terminating September 30, 1997, PROVIDED that the Corporation shall -- subject to subclause (A) of the Interpretation Clause -- grant to the Lessee a renewal of this Lease for two (2) further terms of twenty (20) years for the respective periods October 1, 1997 - September 30, 2017 and October 1, 2017 - September 30, 2037, each upon the same terms and conditions (with the exception of the renewal provisions) as contained, mutatis mutandis, in the Lease.

BETWEEN:

GREENTREE DEVELOPMENTS LTD.

AND:

PENNYFARTHING DEVELOPMENT CORP.

ASSIGNMENT OF LEASE

ROWLAND KEMPER McLEOD
Messrs. Davis & Company
Barristers & Solicitors
2800 - 666 Burrard Street
Vancouver, B.C.
V6C 2Z7
687-9444

File No. 28002-24027
RKM/#108

GREENTREE DEVELOPMENTS LTD.

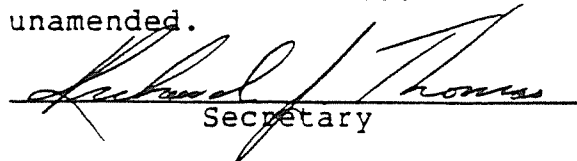
EXTRACT

"The Chairman reported to the meeting that arrangements had been completed for Greentree Developments Ltd. (the "Company") to assign to Pennyfarthing Development Corp. that certain lease made as of September 12, 1981 from Canada Ports Corporation to the Company relating to certain property at False Creek Fishermen's Terminal, Vancouver Harbour (Canada Ports Corporation Lease No. V-4057(1)) (the "Lease"). The Chairman presented to the meeting a form of Assignment of Lease expressed to be made between the Company and Greentree Development Corp. assigning the Lease to Pennyfarthing Development Corp. together with an Application for Consent of Canada Ports Corporation to Assignment Form (Vancouver Port Corporation Form No. AL61-1).

RESOLVED that the Company do assign the Lease to Pennyfarthing Development Corp. and that the seal of the Company be affixed to an Assignment of Lease and an Application for Consent of Canada Ports Corporation to Assignment form in the forms thereof presented to the meeting in the presence of any two directors of the Company.

RESOLVED that any two directors of the Company be and they are hereby authorized for and on behalf of the Company to execute such other deeds and assurances as may be necessary to effect the assignment of the Lease from the Company to Pennyfarthing Development Corp. and, where necessary, to affix the seal of the Company to written instruments and documents."

I HEREBY CERTIFY the above to be a true and exact Extract of Resolutions passed by the Board of Directors of GREENTREE DEVELOPMENTS LTD on the 4th day of April, 1985 and that the same remain in full force and effect unamended.


Secretary

DATED at Vancouver, B.C. this 4th day of April, 1985.

PENNYFARTHING DEVELOPMENT CORP.

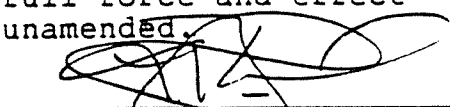
EXTRACT

"The Chairman reported to the meeting that arrangements had been completed for Greentree Developments Ltd. to assign to Pennyfarthing Development Corp. (the "Company") that certain lease made as of September 12, 1981 from Canada Ports Corporation to Greentree Developments Ltd. relating to certain property at False Creek Fishermen's Terminal, Vancouver, B.C. (Canada Ports Corporation Lease No. V-4057(1)) (the "Lease"). The Chairman laid before the meeting a form of Assignment of Lease expressed to be made from Greentree Developments Ltd. to the Company together with a form of Application for Consent of Canada Ports Corporation to Assignment.

RESOLVED that the Company do execute under its corporate seal each of the Assignment of Lease and Application for Consent of Canada Ports Corporation to Assignment form and that the corporate seal of the Company do be affixed thereto in the presence of any two directors of the Company.

RESOLVED that any two directors of the Company be and they are hereby authorized for and on behalf of the Company to execute such other deeds and assurances as may be necessary to effect the assignment of the Lease from Greentree Developments Ltd. to the Company and, where necessary, to affix the seal of the Company to written instruments and documents.

I HEREBY CERTIFY the above to be a true and exact Extract of Resolutions passed by the Board of Directors of PENNYFARTHING DEVELOPMENT CORP. on the 18 day of April, 1985 and that the same remain in full force and effect unamended.



Secretary

DATED at Vancouver, B.C. this 18 day of April, 1985.

Exhibit G

1

THIS AGREEMENT made as of the 31st day of December,
1984,

BETWEEN:

HARBOUR COVE HOUSING CO-OPERATIVE, a co-operative
association duly constituted under the laws of British
Columbia and having a place of business at Suite 201,
1810 Alberni Street, Vancouver, British Columbia,

(the "Co-operative")

OF THE FIRST PART,

AND:

PENNYFARTHING DEVELOPMENT CORP., a duly incorporated
company with an office at 270 - 1441 Creekside Drive,
Vancouver, British Columbia, V6J 4S7

(the "Developer")

OF THE SECOND PART,

AND:

STRATA CORPORATION VR. 1291, a strata corporation duly
incorporated pursuant to the laws of British Columbia
and having a place of business at 270-1441 Creekside
Drive, Vancouver, British Columbia,

(the "Strata Corporation")

OF THE THIRD PART.

WHEREAS :

A. The Developer is constructing a three phased condominium
development known as Harbour Cove (the "Development") which on
completion will contain 305 strata lots, of which 284 strata lots
(the "Market Units") will be sold to the public;

B. The Co-operative has agreed to purchase from the
Developer 21 of the strata lots (the "Co-operative Units") to be
located in phase three of the Development, all subject to and in
accordance with the terms and provisions of an agreement of
purchase and sale (the "Purchase Agreement") made as of December
1, 1984 between the Developer and the Co-operative; and

C. This Agreement will set out the relationship of the Developer, the Co-operative and the Strata Corporation with regard to the Development and will reflect the fact that certain common property and facilities of the Development will be for the exclusive use of the Co-operative Units, and certain common property and facilities will be for the exclusive use of the Market Units.

In consideration of the premises and of the mutual covenants herein contained, the parties agree as follows:

1. The Strata Corporation and the Developer agree that subject to the provisions of Section 53 of the Condominium Act, the following common property and facilities to be located in phase three of the Development shall be for the exclusive use of the Co-operative Units, which common property and facilities are shown and labelled on the drawings attached hereto as Schedule A, and to the extent possible, shall be designated on the strata plan for the Development as limited common property:

- (a) recreation room, including adjacent patio, small kitchen and washroom;
 - (b) lobby;
 - (c) elevator, including machine room;
 - (d) bicycle and wheelchair storage room;
 - (e) laundry room;
 - (f) 16 individual storage lockers;
 - (g) bulk storage room;
 - (h) enterphone; and
 - (i) stairways, hallways adjacent to Co-operative Units
- (collectively the "Co-operative Facilities").

2. The Strata Corporation and the Co-operative agree that subject to the provisions of Section 53 of the Condominium Act, the following common property and facilities of the Development shall be for the exclusive use of the Market Units and to the extent possible, shall be designated on the strata plan for the Development as limited common property:

- (a) the recreation centre containing racquetball and squash courts, sauna, whirlpool, swimming pool, meeting room,

exercise room, changing rooms and adjacent patio (the "Recreation Centre"); and

- (b) all lobbies, enterphones, hallways, stairways, bicycle rooms, storage lockers and bulk storage rooms, except those contained in the Co-operative Facilities

(collectively the "Market Facilities").

3. The Developer, Strata Corporation and the Co-operative agree that all of the common property of the Development, other than the Co-operative Facilities and Market Facilities will be common property which will be governed by the provisions for common property as determined by the Condominium Act (which remaining common property is herein called the "Common Facilities") and that the common property and facilities included in each of the Co-operative Facilities and Market Facilities will not be changed without the consent of each of the Co-operative and the Strata Corporation, which consents shall not be unreasonably withheld.

4. The Co-operative will maintain the Co-operative Facilities to a level consistent with that of a prudent strata corporation. The Strata Corporation will be entitled to inspect the Co-operative Facilities to determine the level of maintenance and will be entitled to notify the Co-operative of any deficiencies in the level of maintenance. Such notice will be in writing and the Co-operative will have 14 days to remedy the deficiency. In the event that the Co-operative shall not have remedied the deficiency within the 14 day period the Strata Corporation will be entitled to do so and to charge the costs of remedying the deficiency to the Co-operative.

5. The Developer and the Strata Corporation agree that the Co-operative will not be responsible for any rental payments that are payable under the Vancouver Port Corporation lease of the property located due east of the Strata Corporation and that are payable in whole or in part by the Strata Corporation.

6. The Strata Corporation agrees that in connection with the fees and assessments that it levies under the provisions of the Condominium Act, the Co-operative shall only be obliged to pay to the Strata Corporation, in each calendar year, the aggregate of 4.476% (or such other percentage that represents the actual unit entitlement of the Co-operative Units) of:

- (a) the amount (as contained in that year's budget that has been approved and adopted by the Strata Corporation) of only those expense items that are listed in Schedule B hereto, and in this connection the Strata Corporation

agrees that such expense items will not be added to without the written consent of the Co-operative; and

- (b) the contingency reserve that is set up by the Strata Corporation and that is contained in that year's budget of the Strata Corporation; and
- (c) any amount that is authorized by special resolution of the Strata Corporation during such calendar year and that is for the sole purpose of maintaining the Common Facilities to their then existing standard, all with the intent that the Co-operative shall not be obligated to bear its proportionate share of any discretionary expenditure without its written consent.

7. The Strata Corporation agrees that the 21 parking spaces shown on Schedule A hereto will be licensed for a term of 50 years for the exclusive use of the Co-operative Units without the payment of any compensation therefor.

8. Each of the parties hereto agrees to use its best reasonable efforts to cause the by-laws of the Strata Corporation to be amended as may be necessary to give effect to the provisions of this agreement and that once the by-laws have been so amended, the amended provisions of the by-laws will not be further amended without the consent of the Co-operative.

9. This Agreement shall forthwith become unenforceable and null and void if the sale and purchase contemplated under the Purchase Agreement is not completed or if the Purchase Agreement is cancelled, terminated or otherwise rendered unenforceable.

10. If any dispute shall arise in the interpretation of or in respect of any matter under this agreement, the dispute or matter, upon the request of either the Co-operative or the Strata Corporation, shall be referred to a single arbitrator pursuant to the Arbitration Act or successive legislation. The costs of such arbitration to be shared equally by the Co-operative and the Strata Corporation. If the Co-operative and the Strata Corporation do not agree on a single arbitrator each of them shall nominate one arbitrator and the two arbitrators shall select a third.

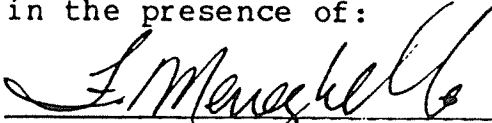
11. Any notice, document or communication required or permitted to be given under this Agreement shall be in writing and either delivered by hand or sent by registered mail to the Co-operative or to the Developer or to the Strata Corporation as the case may be at the above addresses. The time of giving such notice, document or communication shall be when delivered, if

delivered, and if mailed, on the third business day after the day of mailing.

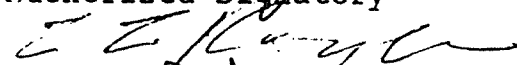
12. It is expressly agreed between the parties hereto that all grants, covenants, provisos, and agreements, rights, powers, privileges and liabilities contained in this agreement shall be read and held as made by and with and granted to and imposed upon the respective parties hereto, and their respective successors and assigns, as if the words "successors and assigns" had been inscribed in all proper and necessary places. Wherever the singular or masculine is used throughout this agreement the same shall be construed as meaning the plural or the feminine or body corporate where the context or the parties hereto so require.

IN WITNESS WHEREOF the parties have hereunto set their hands and seals on the day and year first above written.

THE CORPORATE SEAL of HARBOUR COVE CO-OPERATIVE was hereunto affixed in the presence of:

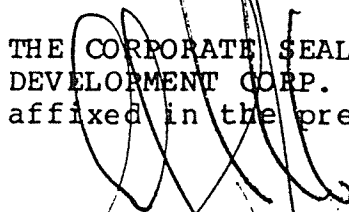


Authorized Signatory



Authorized Signatory

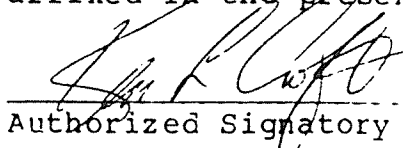
THE CORPORATE SEAL of PENNYFARTHING DEVELOPMENT CORP. was hereunto affixed in the presence of:



Authorized Signatory

Authorized Signatory

THE CORPORATE SEAL of STRATA CORPORATION VR. 1291 was hereunto affixed in the presence of:



Authorized Signatory

Authorized Signatory

PRO FORMA HARBOUR COVE
HOUSING CO - OPERATIVE BUDGET
FOR THE CALENDAR YEAR ENDED 1986

SCHEDULE B

COMMON COSTS

AUDIT FEES
STRATA MEETINGS
INSURANCES
STRATA MANAGEMENT FEES
BANK CHARGES
LEGAL & PROFESSIONAL
ADMINISTRATION
POSTAGES STATIONERY & SUNDRY

BUILDING MAINTENANCE - COMMON

EQUIPMENT
WATER & SEWER
PEST CONTROL
GARBAGE DISPOSAL
LOCKS & KEYS
WINDOW CLEANING
LANDSCAPING
ELECTRICITY
REPAIRS - EXTERIOR/GARAGE
SNOW REMOVAL

CO-OP ASSESSMENT BASE

CONTINGENCY RESERVE 5% ON TOTAL BUDGET

AGREEMENT BETWEEN
PENNYFARTHING DEVELOPMENT CORP.
AND
THE OWNERS, STRATA PLAN VR. 1291

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Schedule A - Schedule of Proportionate Share

THIS AGREEMENT made the 31st day of May, 1985,

BETWEEN:

PENNYFARTHING DEVELOPMENT CORP., a British Columbia company having a place of business at 270 - 1441 Creekside Drive, Vancouver, British Columbia,

(the "Developer")

OF THE FIRST PART,

AND:

THE OWNERS, STRATA PLAN VR. 1291, a strata corporation duly incorporated pursuant to the laws of British Columbia, having a place of business at 270 - 1441 Creekside Drive, Vancouver, British Columbia,

(the "Strata Corporation")

OF THE SECOND PART.

WHEREAS:

A. In 1981, the Developer intended to construct on the Site, in three phases, a luxury residential condominium development to be known as "Harbour Cove", and in connection therewith, the Developer,

- (i) acquired the Site from Central, subject to the condition covering parking that is hereinafter referred to,
- (ii) as a condition of receiving the Development Permit from the City, entered into the Easement Agreement and Rentcharge Agreement with the City, and
- (iii) to protect the easterly water views from the Development and the open spaces, agreed with the Owners not to construct certain structures on, and thereby agreeing not to utilize certain development rights attaching to Parcel F;

B. The Developer has constructed the first and second phases of the Development containing in the aggregate 198 residential condominiums (each condominium being a separate strata lot) and certain recreational facilities, and is

constructing the third phase to contain 86 residential condominiums (each condominium to be a separate strata lot) and 21 apartments (each apartment to be a separate strata lot); and

C. Under certain offering memoranda that have been filed, inter alia, with the Superintendent of Brokers of British Columbia, the Developer has offered for sale, and has sold more than 65% of, the Residential Strata Lots, under terms and conditions set out in the offering memoranda, which terms and conditions include without limitation that this Agreement shall be entered into between the Developer and the Strata Corporation.

NOW, THEREFORE, in consideration of the premises and of \$10.00 and other valuable consideration paid by the Developer to the Strata Corporation (the receipt and sufficiency whereof is hereby acknowledged and will not be denied by the Strata Corporation) and of the mutual agreements herein contained, the parties hereto agree as follows:

Section 1 - Definitions and Interpretation

1.01 In this Agreement, unless the context otherwise requires:

- (1) "Access Facilities" means the walkway, bicycle path, loading bay, vehicular crossing and fence that are referred to in paragraph 3.01 hereof and that are to be constructed on Parcel F pursuant to the Easement Agreement;
- (2) "Apartments" means the 21 apartments to be constructed in the third phase of the Development and to be owned and occupied by the members of the Co-operative, and including the 21 strata lots subdividing and defining the area of the said 21 apartments;
- (3) "Central" means B.C. Central Credit Union;
- (4) "City" means the City of Vancouver;
- (5) "Common Property" means the common property and common facilities, as defined in the Condominium Act of British Columbia, of the Strata Corporation;
- (6) "Co-operative" means Harbour Cove Housing Co-operative;
- (7) "Development" means the residential complex that is being constructed on the Site and will contain 284 residential condominiums, the Apartments, underground

parking facilities and recreational facilities, and that is referred to in Recital B hereof;

- (8) "Development Permit" means development permit #88161 issued to the Developer by the City in respect of the Site and the Development, and all amendments thereto;
- (9) "Easement Agreement" means the agreement between the City and the Developer that is registered against the Site in the Vancouver Land Title Office under No. J61560, and that contains, inter alia, the Developer's covenants to construct and maintain the Access Facilities;
- (10) "Lease" means the lease of Parcel F made as of September 12, 1981 between Canada Ports Corporation (formerly National Harbours Board), Greentree Developments Ltd. and Central, and assigned by Greentree Developments Ltd. to the Developer;
- (11) "Owners" means at any time the aggregate of those persons who have acquired or purchased a Residential Strata Lot and their respective heirs, executors, administrators, successors and assigns, and who are then registered owners of one or more Residential Strata Lots;
- (12) "Parcel F" means the parcel of land leased under the Lease;
- (13) "Proportionate Share" means with respect to each of the Owners of the Residential Strata Lots included in,
- (a) the first phase of the Development, the percentage that is set out opposite each said Residential Strata Lot in Column I of Schedule A hereto,
 - (b) the second phase of the Development, the percentage that is set out opposite each said Residential Strata Lot in Column II of Schedule A hereto, and
 - (c) the third phase of the Development and the Co-operative, the percentage that is set out opposite each said Residential Strata Lot and the Co-operative in Column III of Schedule A hereto;
- (14) "Rentcharge Agreement" means the agreement between the City and the Developer that is registered against the Site in the Vancouver Land Title Office under No. J61559, and that contains, inter alia, a charge over the

Site and Development in favour of the City to secure the Developer's covenants contained in the Easement Agreement;

- (15) "Residential Strata Lots" means the 283 strata lots of Strata Plan Vr. 1291 which will subdivide and define the area of each of 283 residential condominiums to be included in the Development;
- (16) "Site" means that parcel of land situate in the City that, prior to strata titling by Strata Plan Vr. 1291, was legally described as "Lot 2, District Lot 3610, Plan 19687"; and
- (17) "Unit Entitlement" means the unit entitlement of a strata lot under the Condominium Act of British Columbia.

1.02 For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

- (a) the headings are for convenience only and do not form a part of this Agreement nor are they intended to interpret, define or limit the scope, extent or intent of this Agreement or any provision hereof;
- (b) any reference to a statute shall include such statute and the regulations made pursuant thereto, with all amendments made thereto and in force from time to time, and any statute or regulation that may be passed which has the effect of supplementing or superseding the statute so referred to or the regulations made pursuant thereto;
- (c) any reference to an entity shall include and shall be deemed to be a reference to any entity that is a successor to such entity; and
- (d) words importing the masculine gender include the feminine or neuter genders, corporations and partnerships, and words in the singular include the plural, and vice-versa, wherever the context requires.

Section 2 - Parking

2.01 The Strata Corporation acknowledges to and agrees with the Developer that:

- (a) as a condition of the purchase by the Developer from Central of the Site, Central shall have the right to use, free of any annual rent charge or licence fee, 120 parking stalls in the underground parking facilities in the Development for a term of not less than 60 years with a right of renewal for a further term of 30 years, provided that Central shall make available to the Strata Corporation, at no cost, 60 of the 120 parking stalls for parking during hours outside of Central's normal business hours, by the guests of the occupants of the Residential Strata Lots; and
- (b) it shall do all such acts and things as may be required to perform and satisfy the condition referred to in subparagraph (a) of this paragraph 2.01 and shall indemnify and save harmless the Developer from and against any and all costs, expenses, claims, demands, suits, actions and causes of action that may be made against or incurred by the Developer by reason of the said condition.

2.02 The Strata Corporation, at the request of the Developer and without any consideration therefor, shall issue to each Owner, whose Residential Strata Lot:

- (a) does not represent a penthouse, a licence for a term of 50 years to use one parking stall in the Development; or
- (b) represents a penthouse, a licence for a term of 50 years to use two parking stalls in the Development;

such parking stalls to be designated by the Developer or the Strata Corporation.

Section 3 - Easement and Rentcharge Agreements

3.01 The Developer, at its own cost and expense, shall landscape that portion of Parcel F that is adjacent to the easterly boundary of the Development, and shall construct on Parcel F, for the use of the public at large, a walkway, bicycle path, loading bay and vehicular crossing within the red easement area and a fence approximately 75 feet in length within the green easement area as shown on the plans attached to the Easement Agreement, and shall indemnify and save harmless the Strata Corporation from and against any and all costs, expenses, claims, demands, suits, actions and causes of action that may be made against or incurred by the Strata Corporation in connection with the said landscaping and construction of the Access Facilities.

3.02 Subject to paragraph 3.01 hereof, the Strata Corporation shall and hereby assumes the liability of the Developer under the Easement Agreement and Rentcharge Agreement, and in connection therewith, without limitation, shall:

- (a) maintain and repair the Access Facilities, and each of them, at its cost and expense; and
- (b) consent to the Common Property being charged by the Rentcharge as security for the maintenance and repair of the Access Facilities.

3.03 The Strata Corporation shall charge each Owner and the Co-operative with his Unit Entitlement share of the costs and expenses incurred by the Strata Corporation in connection with the maintenance and repair of the said landscaping of Parcel F and Access Facilities.

3.04 The Strata Corporation shall indemnify and save harmless the Developer from and against any and all costs, expenses, claims, demands, suits, actions and causes of action that may be made against or incurred by the Developer in connection with the maintenance and repair of the said landscaping and Access Facilities or in connection with charging the Owners and Co-operative with the costs and expenses incurred by the Strata Corporation for the said maintenance and repair.

Section 4 - The Lease and City Taxes

4.01 The Developer agrees with the Strata Corporation that to ensure the protection of the easterly water views and open space, the Developer shall not construct on Parcel F during the continuance of the Lease, any improvement which has a top elevation above the elevation of the plaza level of the Development, except as may be approved by each of the Strata Corporation, the City, the architects for the Development and the Developer, and except a commercial complex and such other structures as are set out in the False Creek Area Development Plan for Area 10A or as may be otherwise permitted by the City in the Development Permit.

4.02 In connection with the Lease, the Developer shall:

- (a) complete, prior to 12 months after the substantial completion of the Development, the said landscaping of Parcel F that is referred to in paragraph 3.01 hereof;
- (b) take all necessary steps to keep the Lease in good standing during the initial term of the Lease;

- (c) exercise its right to renew the Lease upon the written request of the Strata Corporation;
- (d) pay during the continuance of the Lease the annual participation rental payable under the Lease; and
- (e) not assign the Lease unless and until the assignee thereof executes an agreement agreeing to be bound by and assuming the Developer's obligations contained in this Section 4.

4.03 In consideration of the Developer's agreements contained in this Section 4 and in consideration of the Developer performing its obligations contained in paragraph 4.01 hereof, the Developer shall charge the Strata Corporation and the Strata Corporation shall pay to the Developer, annually;

- (a) an amount equal to the annual basic rent required to be paid under the Lease, as follows,
 - (i) an amount equal to 38.9% of the said annual basic rent and costs and expenses, such amount to be borne by the Owners of the 123 Strata Lots included in the first phase of the Development in accordance with their Proportionate Share,
 - (ii) an amount equal to 30.55% of the said annual basic rent and costs and expenses, such amount to be borne by the Owners of the 75 Strata Lots included in the second phase of the Development in accordance with their Proportionate Share, and
 - (iii) an amount equal to 30.55% of the said annual basic rent and costs and expenses, such amount to be borne by the Owners of the 85 Strata Lots included in the third phase of the Development and by the Co-operative as owners of the Apartments pro rata to their Proportionate Share; and
- (b) an amount equal to 22% of the annual land taxes levied by the City, against Parcel F from and after January 1, 1984, such amount to be borne equally by first, the Owners of the 75 Strata Lots included in the second phase of the Development, and secondly, the Owners of the 85 Strata Lots included in the third phase of the Development and the Co-operative as owners of the Apartments.

4.04 The Strata Corporation shall indemnify and save harmless the Developer from and against any and all costs, expenses, claims, demands, suits, actions and causes of action that may be made against or incurred by the Developer by reason of a breach by the Strata Corporation of its agreements and obligations contained in paragraph 4.03 hereof.

Section 5 - General

5.01 The Developer shall have the right from time to time to offset from and against any and all moneys whatsoever that may be owing by the Developer to the Strata Corporation, any and all moneys that may be owing by the Strata Corporation to the Developer under the terms of this Agreement.

5.02 Time is of the essence of this Agreement.

5.03 Each of the parties hereto, at all times hereafter, shall execute and deliver all such instruments and documents and do or cause to be done all such acts and things and give all such further assurances as may be required or necessary to give full effect to the provisions and intent of this Agreement.

5.04 A waiver by one party to this Agreement of any breach by the other party hereto of any of the covenants, terms or conditions contained in this Agreement, shall not bar such waiving party or non-breaching party from the right to enforce such covenants, terms or conditions or to avail itself of any subsequent breach thereof.

5.05 Any notice required to be given hereunder shall be in writing, and any payment required to be made hereunder, shall be deemed to be well and sufficiently given or made if delivered personally, or if mailed at any government post office in Canada, by prepaid registered mail addressed as follows:

To the Strata Corporation:

270 - 1441 Creekside Drive,
Vancouver, British Columbia,
V6J 4S7

To the Developer:

270 - 1441 Creekside Drive,
Vancouver, British Columbia
V6J 4S7

or to such other address as one party hereto may advise the other party hereto in writing, and any such notice or payment shall be deemed to have been received 48 hours after the mailing thereof, or if delivered, when delivered. If prior to the time of any such mailing a notice or payment, there should occur a strike, slowdown or other labour disturbance in the postal system, then such notice or payment shall be effective only if actually delivered.

5.06 If any provision of this Agreement or the application thereof to any person or circumstances shall be invalid or unenforceable to any extent, then such invalid or unenforceable provision shall be and be deemed severed from this Agreement, and the validity of the remainder of this Agreement and the application of such provision to the other person or circumstances shall not be affected thereby and shall be enforceable to the greatest extent permitted by law.

5.07 This Agreement and the terms hereof shall be governed by and construed in accordance with the laws of the Province of British Columbia.

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

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be duly executed this _____ day of May, 1985.

THE COMMON SEAL of PENNYFARTHING)
DEVELOPMENT CORP. was hereunto)
affixed in the presence of:)
)
)
)

)
)

THE CORPORATE SEAL of THE OWNERS,)
STRATA PLAN VR. 1291 was hereunto)
affixed in the presence of:)
)
)
)

)
)

SCHEDULE "A"

COLUMN 1

COLUMN 11

COLUMN 111

STRATA UNIT
 LOT # ENTITLEMENT

STRATA UNIT
 LOT # ENTITLEMENT

INVESTMENT UNIT
 SUITE # ENTITLEMENT (ESTIMATED)

HARBOUR COVE PHASE 1

HARBOUR COVE PHASE 2

HARBOUR COVE PHASE 3

1 0.9647
 2 1.2558
 3 1.2451
 4 1.2451
 5 1.2451
 6 0.7654
 7 0.9647
 8 0.6978
 9 0.6891
 10 0.6911
 11 0.6851
 12 0.7654
 13 0.8610
 14 0.6891
 15 0.6891
 16 0.8109
 17 0.5379
 18 0.5586
 19 0.9647
 20 0.6978
 21 0.6891
 22 0.6911
 23 0.6851
 24 0.7654
 25 0.8610
 26 0.6891
 27 0.6891
 28 0.7520
 29 0.8169
 30 0.5600
 31 0.9647
 32 0.6978
 33 0.6891
 34 0.6911
 35 0.6851
 36 0.7654
 37 0.8597
 38 0.6891
 39 0.6891
 40 0.7520
 41 0.8169
 42 0.5600
 43 0.9647
 44 0.6978
 45 0.6891
 46 0.6911
 47 0.6851
 48 0.7634

124 1.3662
 125 1.5395
 126 1.3636
 127 1.3585
 128 1.0490
 129 0.9720
 130 1.0323
 131 0.9835
 132 1.5716
 133 1.3662
 134 1.5395
 135 1.3636
 136 1.3585
 137 1.0490
 138 0.9758
 139 1.0323
 140 0.9835
 141 1.5716
 142 1.3662
 143 1.5395
 144 1.3636
 145 1.3585
 146 1.0490
 147 0.9758
 148 1.0323
 149 0.9835
 150 1.5716
 151 1.3662
 152 1.5395
 153 1.3636
 154 1.3585
 155 1.0490
 156 0.9758
 157 1.0323
 158 1.0144
 159 1.5639
 160 1.5164
 161 1.5395
 162 1.5241
 163 1.5202
 164 1.0490
 165 0.9758
 166 1.0323
 167 1.0144
 168 1.5639
 169 1.5164
 170 1.5395
 171 1.5241

101 0.7893
 201 0.7893
 301 0.7893
 401 0.7893
 501 0.7893
 601 0.7829
 701 0.8278
 801 0.8278
 102 0.7941
 202 0.7941
 302 0.7941
 402 0.7941
 502 0.7941
 602 0.7941
 702 0.7941
 802 0.7941
 603 1.0521
 103 0.7244
 203 0.7244
 303 0.7244
 403 0.7452
 503 0.7452
 603 0.7452
 703 0.7452
 803 0.7452
 604 0.9215
 104 1.0313
 204 1.0313
 304 1.0313
 404 1.1459
 504 1.1459
 604 1.1459
 704 1.1459
 804 1.1459
 605 0.9215
 105 1.0313
 205 1.0313
 305 1.0313
 405 1.1459
 505 1.1459
 605 1.1459
 705 1.1459
 805 1.8166
 606 1.0313
 106 1.0313
 206 1.0313
 306 1.1459
 406 1.1459

SCHEDULE "A"

COLUMN I		COLUMN II		COLUMN III	
STRATA LOT #	UNIT ENTITLEMENT	STRATA LOT #	UNIT ENTITLEMENT	INVESTMENT SUITE #	UNIT ENTITLEMENT (ESTIMATED)
-----		-----		-----	
HARBOUR COVE PHASE 1		HARBOUR COVE PHASE 2		HARBOUR COVE PHASE 3	
-----		-----		-----	
49	0.8570	172	1.5202	506	1.1459
50	0.6891	173	1.0490	606	1.8999
51	0.6891	174	0.9758	706	1.3142
52	0.7520	175	1.0323	607	1.0313
53	0.8169	176	1.0144	107	1.0313
54	0.5600	177	1.5639	207	1.1459
55	0.9647	178	1.5164	307	1.1459
56	0.6978	179	1.5395	407	1.9969
57	0.6891	180	1.6538	507	1.9993
58	0.6891	181	1.0490	608	1.1924
59	0.6851	182	0.9758	108	1.1924
60	0.7620	183	1.0323	208	1.1924
61	0.8610	184	1.0144	308	1.1924
62	0.6891	185	1.5639	S301	0.8766
63	0.6891	186	1.5164	S401	0.8766
64	0.7520	187	2.0197	S501	0.8766
65	0.8189	188	1.0657	S601	0.8766
66	0.5600	189	1.0323	S701	0.8766
67	0.9741	190	1.0144	S302	0.8141
68	0.6978	191	1.5639	S402	0.8141
69	0.6891	192	1.5164	S502	0.8141
70	0.6884	193	2.0159	S602	0.8141
71	1.0571	194	2.0005	S702	0.8141
72	0.7654	195	1.5639	S303	0.8141
73	0.8610	196	1.6165	S403	0.8141
74	1.0644	197	2.6617	S503	0.8141
75	0.6891	198	1.6165	S603	0.8141
76	0.7520			S703	1.1819
77	0.8189		100.0000	S304	0.8750
78	0.5600		=====	S404	0.8750
79	0.9741			S504	0.8750
80	0.6965			S604	1.0073
81	0.6844			S305	0.8141
82	0.6904			S405	0.9648
83	1.2002			S606	1.3398
84	0.7654			S106	1.3398
85	0.8597			S206	1.3398
86	1.2022			S306	1.3398
87	0.6871				
88	0.7680				86.3777
89	0.8189				
90	0.5660				
91	0.9741			CO-OP HOUSING	13.6223
92	0.6935				
93	0.6858				100.0000
94	1.0751				=====
95	1.1788				
96	1.1789				

SCHEDULE "A"

COLUMN 1

STRATA UNIT
 LOT # ENTITLEMENT

COLUMN 11

STRATA UNIT
 LOT # ENTITLEMENT

COLUMN 111
 UNIT

INVESTMENT ENTITLEMENT
 SUITE # (ESTIMATED)

HARBOUR COVE PHASE 1

HARBOUR COVE PHASE 2

HARBOUR COVE PHASE 3

97 0.6864
 98 0.7660
 99 0.8189
 100 0.5600
 101 0.9741
 102 0.7098
 103 0.6998
 104 1.2069
 105 0.7005
 106 0.7647
 107 0.9186
 108 0.9741
 109 0.7098
 110 0.6998
 111 1.2297
 112 0.8236
 113 1.2290
 114 0.7627
 115 0.9186
 116 0.9741
 117 0.7098
 118 0.6998
 119 0.7614
 120 0.9353
 121 0.9741
 122 1.2906
 123 1.3902

 100.0000
 =====

DIRECTOR OF LEGAL SERVICES CORPORATION COUNSEL
JOHN L. MULBERRY TERRANCE R. BLAND

hibit "S"

CITY HALL
453 WEST 12TH AVENUE
VANCOUVER, B.C. V5Y 1V4

TELEPHONE 873-7504

SOLICITORS

P. J. V. GILBERT
JOE N. STUBBS
BRIAN J. PORTER
DEREK C. M. CREIGHTON
IAN M. LAWRENSEN

FRANCES J. CONNELL
GRANAM P. G. JOHNSON
CATHERINE M. RINAHAN
LYNDA A. CAMLEY
LYNN C. ROBERTS



OUR FILE NO _____

YOUR FILE NO _____

May 3, 1986.

The Superintendent of Brokers, Insurance & Real Estate,
1100 - 865 Hornby Street,
Vancouver, B.C.
V6Z 2H4

Attention: Mr. Morry Levin, Administrative Officer

Dear Sirs:

Re: Strata Plan VR 1291 - Harbour Cove
Rentcharge No. J61559 and Easement
and Indemnity Agreement No. J61560

Further to our telephone conversation of this morning, this letter will confirm the City's position concerning the above-captioned charges.

The Easement and Indemnity Agreement registered under No. J61560 establishes the obligation of constructing and thereafter maintaining and repairing a certain 17 foot wide walkway and bicycle path immediately eastward of Creekside Drive. The Rentcharge is additional security for the maintenance and repair of the walkway and the bicycle path.

The 17 foot wide walkway and bicycle path is currently under construction and upon its completion the City will release both Rentcharge No. J61559 and Easement and Indemnity Agreement No. J61560 from all strata lots within strata plan VR 1291. However, the Rentcharge and the Easement and Indemnity Agreement must continue as obligations of this strata corporation and so those charges must remain as charges against the common property of strata plan VR 1291.

Since the Rentcharge is only supplementary security for the maintenance and repair of the walkway and the bicycle path, so long as the City is satisfied with that, the City is not concerned to collect the annual monies owing under the Rentcharge. To make good that commitment, the City is prepared to enter into an agreement with the Owners, Strata Plan VR 1291 by which the City will refrain from enforcing payment of the Rentcharge so long as the walkway and bicycle path are properly maintained and kept in good repair as required by the Easement and Indemnity Agreement No. J61560.

We trust this is the confirmation you seek, and remain,

Yours very truly,

J. N. Stubbs
J. N. Stubbs

JNS:rvv c.c. Mr. L.B. Sheppard, Pennyfarthing Developments