

This is the 2nd affidavit of Kush Bhatia
in this case and was made on
February 23, 2024

No. S-238586
Vancouver Registry



IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

1038573 B.C. LTD.

Plaintiff

AND:

THE OWNERS, STRATA PLAN NW289, JENNY DONNA DICKISON, FERNANDO MARCELINO DUTRA DE SOUSA, 1276331 B.C. LTD., CARMELIA MARIA DA SILVA, HON-CHING RUDOLPH CHENG, 1161359 B.C. LTD., RICKY HEE MENG LAI, PIA FACCIIO, 1184416 B.C. LTD., MARK WILLIAM LOUTTIT and SARAH KINUKO LOUTTIT, BARRY DOUGLAS WATSON, AS ADMINISTRATOR OF THE ESTATE OF KENNETH JOHN WATSON, LI PING DUAN, NORMAN VICTOR LEECH, ROLANDO VINAS DIZON and NARCISA DIZON, NICHOLAS GEORGE KARAMOUZOS and MARIA KARAMOUZOS, CUI MING CHEN, YANKUI WANG and XIN TIAN, MARIA DA NATIVIDADE ALMEIDA, 1237765 B.C. LTD., JU-SHAN CHIANG and FLORA FU, 1184414 B.C. LTD., AMARSINGH BHATIA and NARANJAN KAUR BHATIA, PHUNG KIM VUONG and TUONG LAM, MONICA PAOLA ALIAGA, MARCELINO LOPES DE SOUSA and OLGA MARIA DUTRA DE SOUSA, 1184413 B.C. LTD., LUALHATI ONGKEKO CRISOSTOMO, RICHARD RAYMOND RAVENSBERGEN and DAWN MARIE RAVENSBERGEN, YUK FAR CHEUNG and YIN ON CHEUNG, GARY LUCIEN DREES, THOMAS PATRICK FLEMING, 1352962 B.C. LTD., WAN CHEN and HONG YANG, SU JUAN SITU, VAN DAO NGUYEN and THI BICH HANG NGUYEN, JULIAN BOZSIK, CHRISTIAN HERBERT JOSON-LIM and IRIS JUNE CALIBUGAN ADIONG, ANGELA JOY EYKELBOSH, NGUYEN THANH VUONG and TUYET NGOC DU, OM PARKASH LOOMBA and MERRAN LOOMBA, SUZANNE JUANITA KUDELSKI, YAN QIONG LU, PING HE, EDWARD LAWRENCE THUE, RICHARD CHARLES PATRICK SPENCER and DIANE MARIE SPENCER, ARTHUR SUMMERS WILLIAMSON, GARY DALE CHARTER and CRISTINA RIMANDO GAPAL, JU TAI ZHOU and YU QING LI, ZHI HAO YANG, DAISY CUETO EVANGELISTA and MARIA CHERRY EVANGELISTA, MEGAN MARY BURGHALL, NASIM BHALOO, HUI LIN DONG and LI WANG, MANSOUR MESHKI, HSIANG CHIAO HUANG, GORDON WILLIAM PATERSON, YVONNE JO-ANNE ENGLAND, GRACE JOANNA LEVSEN, PING CHOR CHAN, SO FAN LEE and TAK TAI LUI

Defendants

1038573 B.C. LTD.

Defendant by way of Counterclaim

AFFIDAVIT

I, **KUSH KUMAR BHATIA**, businessman, c/o 800 – 543 Granville Street, of the City of Vancouver, in the Province of British Columbia, AFFIRM THAT:

Background

1. I am the only director and officer of 1038573 B.C. Ltd. ("**573**"), the plaintiff in this action, and as such have personal knowledge of the facts and matters deposed to in this affidavit, except where stated to be based on information and belief, and, where so stated, I verily believe the same to be true.

2. I am making this affidavit in response to the application of The Owners, Strata Plan NW289 (the "**Strata Corporation**") dated January 30, 2024. Where I have not commented on something said in the Strata Corporation's application materials, that does not mean I agree with what was said.

3. I have worked in the real estate development industry, in the Greater Vancouver area, for roughly 25 years. I have been involved in several development projects, generally progressing from developing single family homes (beginning in the late-1990s and early 2000s) to larger development projects.

Learning of the Cameray Gardens Property

4. In about November 2020, David Grewal reached out to me about developing a strata building at 3925 Kingsway and 5715 Jersey Avenue, Burnaby BC (the "**Property**"). I knew Mr. Grewal from an earlier development project. Mr. Grewal had assembled some of the 101 strata lots at the Property through his numbered companies, and was hoping to buy more strata lots. He was looking for a business partner to assemble the strata lots and then develop the Property.

5. I was interested in Mr. Grewal's idea for several reasons:

- (a) the Property was designated "High Density Mixed-Use" in the Metrotown Downtown Plan (the official community plan for the area, put together by the City of Burnaby). This designation – together with discussions that Mr. Grewal told me had already taken place with the City of Burnaby – meant that the Property could likely be developed relatively quickly, without dealing with a lot of red tape from the City of Burnaby, and that a high density development could be built that included both residential and commercial retail space. Attached to my affidavit and marked

as **Exhibit "A"** is a copy of an appraisal for the Property dated September 14, 2020, which Mr. Grewal provided to me in this period, that sets out some details regarding the Property's zoning and potential for redevelopment;

- (b) the site had an older strata building (as opposed to just being a bare land site). This typically (and without other issues coming up, as I will discuss below) makes it easier to get financing for a redevelopment project;
- (c) the Property is centrally located in Greater Vancouver, close to major roads, and had great access to transit, including being close to three Skytrain stations. This made the location itself a good place to develop and to accommodate higher density; and
- (d) the large park located immediately to the south (Central Park), would provide residents at a new development with access to recreation and sport facilities. Also, because of Central Park, it was less likely that the City of Burnaby would impose height restrictions on a building. (On other developments that I have been involved with, height restrictions have been imposed because of concerns with the shadows that a building would cast. Because of Central Park to the south, these shadowing concerns would be much less likely to come up.)

6. Ultimately, Mr. Grewal was not able to assemble all the strata lots. Our discussions in 2020 did not lead to a deal.

First Contract to Purchase Property

7. In the summer or early-fall of 2022, I learned that all 101 of the Property's strata lots had now been assembled, and there was a listing for sale of the Property.

8. At the time, I was finishing up a development project, and was looking for new projects to invest in. Because of the reasons I mentioned above (the Property's zoning, location, potential for financing and potential for redevelopment), I wanted to make an offer to purchase the Property. I had been looking at the real estate market for some time for new opportunities, and was not aware of anything on the market that compared on those points to the Property.

9. As a result, in early-September 2022, I agreed to purchase the Property through my company Belmont Pacific Development Group Ltd. at the price of \$61 million. Attached as **Exhibit “B”** to my affidavit is a copy of this purchase agreement.

10. My advisors and I began to do due diligence on the Property. I received rent rolls for the Property in about October 2022, which indicated that 29 of the strata lots were rented. Attached and marked as **Exhibit “C”** to my affidavit is a copy of an email dated September 29, 2022, from Kulwant Chauhan to Marshall MacLeod enclosing the rent rolls. (Mr. Chauhan owns many of the Property’s strata units through his numbered companies, 1352962 B.C. Ltd. and 1276331 B.C. Ltd.) Leases were requested at this time, but I never received them.

11. The September 2022 deal ultimately collapsed, because my team of advisors and I were not able to obtain the information we needed and to finish our due diligence on the site in the time we had to remove subjects. As a result, I was forced to let the purchase agreement expire in early-November 2022.

December 2022 Contract of Purchase and Sale

12. In late-November or early-December 2022, Mr. MacLeod contacted me to see if I was still interested in purchasing the Property. I ultimately made another offer to purchase the Property, this time through 573. Attached as **Exhibit “D”** to my affidavit is a copy of a purchase and sale agreement dated December 7, 2022 between 573 and the Strata Corporation (the “**Purchase Contract**”). The completion date was originally set for October 25, 2023.

13. At the time that 573 signed the Purchase Contract, I intended to put in about \$18 million of funds from my own resources and those of a few investors who have invested with me on past projects. The rest of the money would come from financing – most from a loan against the Property, and some from refinancing other properties. This is the same method I have used to develop other properties, and I did not expect to have any issues in getting financing to close on the Property.

Completion Date Extended to December 15, 2023

14. In February 2023, I paid a \$3 million deposit on the Property to my real estate lawyer.

15. On February 24, 2023, the first conditions under the Purchase Contract were removed, and 573 and the Strata Corporation agreed to amend the Purchase Contract by extending the

completion date to December 15, 2023. Attached as **Exhibit “E”** to my affidavit is a copy of this addendum.

16. In May 2023, the second conditions on the Purchase Contract were removed, on the basis that the Strata Corporation had passed a resolution by the unit owners approving the sale. Attached as **Exhibit “F”** to my affidavit is a copy of the notice dated May 24, 2023, showing this subject removal.

17. Paragraph 20 of the Strata Corporation’s application suggests that 573 breached the Purchase Contract by not paying out \$100,000 of the deposit in June 2023. That is not correct. On June 6, 2023, the lawyer for the Strata Corporation requested the release of \$100,000 of 573’s deposit to cover the Strata Corporation’s legal and professional fees.

18. My lawyer responded to the lawyer for the Strata Corporation, asking for an accounting of those costs (as set out in section 2.5 of the Purchase Contract) before the \$100,000 would be released. Attached as **Exhibit “G”** to my affidavit is a copy of this email exchange dated June 6 and 9, 2023. I am not aware of the Strata Corporation having provided an accounting.

19. Paragraph 21 of the Strata Corporation’s application suggests that 573 agreed to extend the deadline for the Strata Corporation to assemble individual contracts for sale of the strata lots. That is not correct. Counsel for the Strata Corporation did send my lawyer a draft agreement to extend that deadline, but I did not sign it because the Strata Corporation was trying to push back the assembly deadline without also pushing back the closing date.

Issues Arise on Property

20. My advisors and I worked over the summer and fall of 2023 to take steps to be in a position to close on the Property. However, due to issues caused by the Strata Corporation, set out below, 573 was ultimately not in a position to finance the closing on December 15, 2023. There are three principal issues that came up prior to December 15, 2023 – potential tax sales by the City of Burnaby, the Strata Corporation failing to provide information regarding rented units and copies of lease agreements, and an outstanding court claim against the Strata Corporation and the unit owners. There is also one further issue that has come up since December 15, 2023 – that since December 2022, several of the unit owners have sold their units, including to Mr. Chauhan. I will explain each of these issues below.

Potential Sale of Strata Units by City of Burnaby

21. The first major issue that came up on the Property was the potential that the City of Burnaby would force the sale of several strata units in order to pay outstanding tax bills on those units.

22. The first mortgage broker that I worked with on the Property was Aaron Chee of Vancouver Structured Mortgage Capital Inc. I had worked with Mr. Chee on a prior development project, and wanted to involve him in getting a loan for the Property. I started speaking to Mr. Chee about the Property in the summer of 2023.

23. On October 5, 2023, Mr. Chee emailed me, telling me that 13 of the Property's strata units had unpaid taxes and could be sold by the City of Burnaby. Attached as **Exhibit "H"** is a copy of Mr. Chee's email dated October 5, 2023. This was the first that I had heard about this tax sale issue – the Strata Corporation had never mentioned the issue to my lawyer before.

24. Ultimately, Mr. Chee told me that his lenders did not like the project due to the tax sale issue as well as the Community Fire Claim (discussed below), and that it was unlikely he would be able to arrange financing. I specifically recall Mr. Chee telling me that it was very concerning to lenders that the City of Burnaby was a party to the Community Fire Claim.

Increased Number of Tenancies and No Leases Provided

25. The second major issue that came up on the Property was a lack of information from the Strata Corporation about how many of the units have tenants in them, and what the terms of those tenancies are.

26. Lenders have not been willing to finance the Property without details around how many units have been rented, who they have been rented to, or the terms of those rental agreements. As I mentioned above, to date I have not received this information.

27. The number of rented units seems to have grown since fall 2022 (when I was told that 29 units were rented), although I do not know how many units are currently rented. On October 10, 2023, Mr. MacLeod sent me another rent roll. This rent roll indicated that 9 additional units had been rented since October 2022 (specifically, units 117, 303, 307 and 309 from the Kingsway building, and units 103, 111, 112, 205 and 302 from the Jersey building). Attached as **Exhibit "I"** to my affidavit is a copy of Mr. MacLeod's email dated October 10, 2023.

28. I was concerned by this change in the number of rented units, the amounts they were rented for (which were significantly below market value), as well as the uncertainty around the terms of any lease agreements. In my experience, lenders will always require leases so that they know who is living in the building, how long those individuals are allowed to live in a building, and what rental income can be expected. To date, I have not received copies of any lease agreements for the Property's units.

29. Further, I met Mr. Grewal at the Shaughnessy golf course in November 2023. Mr. Grewal told me that there are a number of units owned by himself or Mr. Chauhan (through their respective numbered companies) which are rented without a written lease agreement. I understand that these units are separate from the units listed in Mr. MacLeod's October 2023 email.

30. To date, the uncertainty around how many of the units are tenanted, who the tenants are, and what the terms of the tenancies are has made lenders unwilling to lend on the Property.

Community Fire Claim

31. The third major issue that came up on the Property was a lawsuit filed by Community Fire Prevention Ltd. on April 17, 2020 (the "**Community Fire Claim**").

32. I first learned about the Community Fire Claim in the fall of 2023, from some investors who had invested with me on other projects and who wanted to put about \$5 million of their money into the Property. My investors had been looking at the Property and were concerned about the lawsuit. They wanted to know that the lawsuit would be dealt with before closing before they agreed to invest. Ultimately, I was not able to give them that assurance.

33. As a result of the Community Fire Claim, my investors have not been willing to commit their money to the Property.

Financing Issues

34. Because Mr. Chee was telling me in the fall of 2023 that he did not think financing was possible given the outstanding issues, I decided in about early November 2023 to move to a different mortgage broker, Michelle Child of Franc & Co., to try and get a loan to close on the Property. Ultimately, Ms. Child was also not successful in arranging financing.

35. Attached as **Exhibit “J”** to my affidavit is a copy of an email dated November 9, 2023, from Ms. Child in relation to a loan proposal by KingSett Capital (“**KingSett**”). Attached as **Exhibit “K”** to my affidavit is another email from Ms. Child, this one dated December 14, 2023.

Insurance Issues

36. Attached as **Exhibit “L”** to my affidavit is an email from Kevin Dhesi to myself dated January 8, 2024. Mr. Dhesi is an insurance broker that I have worked with on past developments dating back to 2017, and who I intend to work with in relation to the Property. Mr. Dhesi’s email sets out that to provide insurance on the Property, he will need, among other things, tenancy information and copies of all leases.

37. Typically, Mr. Dhesi will only get involved on a property a few days before closing, once I have financing in place. A condition of any financing agreement will be insurance. Once the financing agreement is in place, I then work with Mr. Dhesi to get the necessary insurance to meet the lender’s condition. On this Property, because financing was not possible in the period prior to December 15, 2023, and because of the lack of information provided by the Strata Corporation, Mr. Dhesi could not in December 2023 arrange insurance for 573.

December 2023 Letters

38. Because of the above issues, I was concerned that the Strata Corporation would not be able to deliver clear title to the Property on the December 15, 2023 completion date.

39. On my instructions, my litigation lawyer wrote letters to the Strata Corporation’s lawyer, trying to get confirmation and to resolve the above issues. Attached as **Exhibit “M”** is a copy of a letter from Craig Dennis, K.C. to Edward Wilson dated December 7, 2023. Attached as **Exhibit “N”** to my affidavit is a copy of a letter from Mr. Dennis to Peter Roberts, K.C. dated December 13, 2023.

40. Ultimately, I was not able to get copies of the lease agreements, or get confirmation that the Community Fire Claim had been resolved. As a result, I could not get financing to close on the Property on December 15, 2023. Attached as **Exhibit “O”** to my affidavit is a copy of a letter from Mr. Dennis to Mr. Roberts dated December 18, 2023, which sets out 573’s position that the Strata Corporation repudiated the Purchase Contract, and that 573 would insist on specific performance.

Kulwant Chauhan May Be Buying Strata Units

41. Over the holidays (*i.e.*, late-December 2023 or early-January 2024), I had tea with Mr. Grewal at his house on West 41st Avenue in Vancouver, BC. Mr. Grewal told me that Mr. Chauhan had been buying strata units (at a discounted rate) from unit owners who wanted to sell and were not willing to wait for 573 to close on the Property.

42. In early February 2024, Mr. Grewal told me that Mr. Chauhan had bought two or three of the Property's strata units at a discount of about \$100,000 relative to the Purchase Contract. I do not know any other details about these purchases by Mr. Chauhan.

Affidavit of Marshall MacLeod

43. I want to comment on the affidavit of Mr. MacLeod made January 30, 2024.

44. At paragraph 7 of his affidavit, Mr. MacLeod refers to a meeting at White Spot with myself and Mr. Chauhan in late-November 2023. That meeting did happen. I told Mr. Chauhan and Mr. MacLeod at the meeting that unless the issues set out above (lack of leases, Community Fire Claim – I do not recall if I mentioned the tax sale issue) were quickly resolved, I was not going to be in a position to get financing and insurance to close on the Property.

45. Mr. Chauhan suggested that he could buy the Property and hold it for a year, and I could then buy the Property from him (at an increased price). He also suggested that I speak with KingSett. Mr. Chauhan later introduced me by email to a broker at KingSett, Sam Perera. My broker, Ms. Child, had already been dealing with KingSett prior to this meeting. Ultimately, KingSett was not willing to finance 573's purchase of the Property, given the issues I mentioned above.

46. At paragraph 11 of his affidavit, Mr. MacLeod refers to a term sheet from Abacus North dated December 14, 2023. The Abacus North term sheet is a very preliminary part of the lending process – it is not a commitment to financing and it comes with many conditions. Also, the term sheet is for the wrong type of property (an unbuilt pre-sale building) and is not relevant or appropriate for the Property. I confirm that to date, given the issues set out above, no lender has been willing to finance 573's purchase of the Property.

47. Since the meeting at White Spot in late-November 2023, I have told each of Mr. MacLeod, Mr. Grewal and Mr. Chauhan repeatedly that if they can give me the leases for all tenanted units,

and resolve the Community Fire Claim, I will have no issue arranging financing within 90 days to close on the Property. As of today, neither they nor the Strata Corporation has been willing or able to give me that certainty.

Foreclosure Proceeding by Bayview

48. On February 22, 2024, at roughly 3:30 p.m., I received from 573's registered and records office a copy of a petition by Bayview Mortgage Investment Corp. filed February 8, 2024, trying to foreclose on a mortgage against two strata lots at the Property (suites 204 and 209 at the Kingsway building). A copy of that document is attached to my affidavit as **Exhibit "P"**. Receiving this letter was the first time that I became aware of this petition.

Conclusion

49. 573 would like to close on the Property as soon as possible.


50. First, for the reasons set out in my first affidavit and above, the Property is a unique and special business opportunity. I do not expect to be able to find any similar development opportunity elsewhere. I am confident that if the Strata Corporation and the unit owners would fix the leasing, tax and litigation issues mentioned above, 573 will be in a position within 90 days to obtain financing and close on the Property.

51. Second, 573 has already spent a lot of time and money in furtherance of developing the Property. Attached as **Exhibit "Q"** to my affidavit is a copy of an email from 573's architect, Matthew Cheng, to the City of Burnaby dated August 15, 2023, which encloses the drawings prepared by Mr. Cheng for a development at the Property.

52. Third, the deal makes good business sense, as the price (\$61 million) is a very good price for 573. I have obtained an appraisal report showing that the value of the Property as of August 2023 was \$85 million. Attached as **Exhibit "R"** to my affidavit is a copy of an appraisal report I commissioned for the Property, dated August 25, 2023, prepared by Rose Wang of L.W. Property Advisors. Also attached above as Exhibit "A" is the earlier appraisal report dated September 16, 2020, commissioned by Mr. Grewal and prepared by Ms. Wang, which puts the value of the Property at that time at \$78 million. I believe that the Strata Corporation is attempting to get out

of the Purchase Contract so that it can re-list the Property at a higher price and increase the profits to Mr. Chauhan and the other owners.

AFFIRMED BEFORE ME at Vancouver,
British Columbia, on February 23, 2024.



A Commissioner for taking Affidavits for
British Columbia

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KUSH KUMAR BHATIA

TARANEH ASHRAFI
Barrister & Solicitor
DENNIS JAMES AITKEN LLP
800 - 543 Granville Street
Vancouver, BC V6C 1X8
(604) 235-0119

This is Exhibit "A" referred to in
the affidavit of Kush Bhatia made
before me on this 23rd day of
February, 2024



A Commissioner for taking
Affidavits in British Columbia

Appraisal
of a
Potential High Density Mixed-Use
Development Site

TARANEH ASHRAFI
Barrister & Solicitor
DENNIS JAMES AITKEN LLP
800 - 543 Granville Street
Vancouver, BC V6C 1X8
(604) 236-0119

located at:

3925 Kingsway & 5715 Jersey Avenue,
Burnaby, BC

effective date of valuation:

September 14, 2020

prepared for:

Cameray Garden Holdings Ltd.



LW
Property Advisors

September 16, 2020

Reference Number: 2009-0684

Cameray Garden Holdings Ltd.

Attention: Mr. David Grewal

RE: **APPRAISAL OF A POTENTIAL HIGH DENSITY MIXED-USE DEVELOPMENT SITE
LOCATED AT 3925 KINGSWAY & 5725 JERSEY AVENUE, BURNABY, BC**

In response to your request, we have provided an appraisal report of the above reference properties with the objective of estimating current market value of the fee simple interest in the subject land based on its highest and best use and redevelopment potential. We note that the subject properties are currently improved with an older, multifamily residential development containing 101 strata units. Based on our terms of reference and instruction from our client, we were not required to appraise the subject properties based on their existing multifamily residential use. No value has been ascribed to the existing improvements. Our valuation is limited to the subject land component only, based on its redevelopment potential in accordance with the City's OCP designation and guidelines. This appraisal should not be interpreted as a valuation of the subject properties based on the as is multifamily residential use. This appraisal report is intended to assist with mortgage financing purpose only.

The Subject Site is comprised of a single land parcel that has a total gross site area of 83,250 sq.ft. The site is presently zoned RM3 and is designated "High-Density Mixed-Use" within the Metrotown Downtown Plan.

Based on preliminary Density Study plans commissioned by our client, and prepared by ZGF Architects Inc. there is potential for the subject site to accommodate a mixed-use project including a 50-storey high-rise residential tower consisting of market condominiums units, a 22-storey high-rise residential tower comprising market rental and CMHC Median rental units, and an 8-storey mid-rise building comprising affordable rental units, atop a podium comprising ground oriented commercial retail space. It is our understanding that the preliminary development concept and density design are based on extensive discussions held between the architect, our client, and the City's planning staff; however, we note that the official rezoning and development application process have not commenced.

It is our understanding that our client presently holds ownership of 33 of the 101 strata units within the existing building. It is important to note that our appraisal report and valuation pertain to the subject land as a whole. It does not represent the value of any one, or a collective of the existing strata units.

We have utilized the Direct Comparison Approach and a Land Residual Technique to value in our appraisal report. After consideration of all factors pertinent to value, it is our opinion that the current market value of the fee simple interest in the subject site, subject to the Assumptions and Limiting Conditions herein, as of September 14, 2020, is:

SEVENTY-EIGHT MILLION DOLLARS
(\$78,000,000)

The concluded value is for the subject land based on its redevelopment potential, and not to be interpreted as a representation of value for any one, or a collective of the existing strata lots

A report and addenda is attached and forms the basis of this opinion. Your attention is directed to the Terms of Reference and the Assumptions and Limiting Conditions herein, which may impact our opinion. This report has been prepared to meet the Canadian Uniform Standards of Professional Appraisal Practice.

If you have any questions or require clarification, please do not hesitate to contact the undersigned.

Yours truly,

L.W. Property Advisors Ltd.



Per: Rose Wang
B. Com., AACI, P. App.
AACI Membership No. 902311
Signed: September 16, 2020

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addenda

Appendix "A"	Copies of the Title Information
Appendix "B"	Copies of the RM-3(s), RM-4(s), and C-2 Zoning Bylaws
Appendix "C"	Copy of Contract of Purchase and Sale Agreement dated February 7, 2019
Appendix "D"	Copies of Project Feasibility Study dated July 20, 2020 prepared by ZGF
Appendix "E"	Qualifications of the Appraiser

1.0 SUMMARY OF SALIENT FACTS

Effective Date of Valuation:	September 14, 2020
Type of Property:	High density mixed-use development site
Civic Addresses:	3925 Kingsway and 5715 Jersey Avenue, Burnaby, BC
Gross Site Area:	83,250 sq.ft. (Based on Project Feasibility Study dated July 20, 2020)
Current Zoning:	RM3 (Medium Density Residential-Use)
Metrotown Downtown Plan:	RM4s/C2 (High Density Mixed-Use)

Potential Base Buildable Area:

Address	Site Area (Sq.ft.)	Designation	Potential Base Density	Potential Base Buildable sq.ft.
3925 Kingsway, 5715 Jersey Avenue, Burnaby, BC	83,250	RM4s/C2	2.5+1.3=3.8	316,350

Preliminary Redevelopment Concept:	50 Storey Tower:	580 Market Condominium Units
	22 Storey Tower:	135 Market Rental Units 68 CMHC Median Rental Units
	8 Storey Tower:	97 Affordable Rental Units (20% below CMHC Median)
	Podium:	54,400 sq.ft. of commercial retail

2020 Property Assessments and Taxes (101 Strata Units)

Address	Strata Lot	Unit No.	Property Assessment			2020 Property Taxes
			Land	Improvement	Total	
105 3925 KINGSWAY Burnaby V5H 3Y7	1	105	\$484,000	\$38,400	\$522,400	\$1,667.06
106 3925 KINGSWAY Burnaby V5H 3Y7	2	106	\$364,000	\$29,800	\$393,800	\$1,258.08
107 3925 KINGSWAY Burnaby V5H 3Y7	3	107	\$364,000	\$29,800	\$393,800	\$1,258.08
108 3925 KINGSWAY Burnaby V5H 3Y7	4	108	\$441,000	\$38,100	\$479,100	\$1,529.36
109 3925 KINGSWAY Burnaby V5H 3Y7	5	109	\$399,000	\$31,800	\$430,800	\$1,375.75
110 3925 KINGSWAY Burnaby V5H 3Y7	6	110	\$446,000	\$37,600	\$483,600	\$1,543.67
111 3925 KINGSWAY Burnaby V5H 3Y7	7	111	\$384,000	\$28,100	\$412,100	\$1,316.29
112 3925 KINGSWAY Burnaby V5H 3Y7	8	112	\$379,000	\$28,300	\$407,300	\$1,301.01
114 3925 KINGSWAY Burnaby V5H 3Y7	9	114	\$388,000	\$29,100	\$417,100	\$1,332.17
115 3925 KINGSWAY Burnaby V5H 3Y7	10	115	\$473,000	\$39,300	\$512,300	\$1,634.95
116 3925 KINGSWAY Burnaby V5H 3Y7	11	116	\$504,000	\$40,400	\$544,400	\$1,737.04
117 3925 KINGSWAY Burnaby V5H 3Y7	12	117	\$414,000	\$30,800	\$444,800	\$1,420.27
118 3925 KINGSWAY Burnaby V5H 3Y7	13	118	\$473,000	\$40,500	\$513,500	\$1,638.76
119 3925 KINGSWAY Burnaby V5H 3Y7	14	119	\$427,000	\$35,600	\$462,600	\$1,476.88
101 3925 KINGSWAY Burnaby V5H 3Y7	15	101	\$447,000	\$38,800	\$485,800	\$1,550.67
102 3925 KINGSWAY Burnaby V5H 3Y7	16	102	\$395,000	\$29,800	\$424,800	\$1,356.66
103 3925 KINGSWAY Burnaby V5H 3Y7	17	103	\$364,000	\$29,800	\$393,800	\$1,258.08
104 3925 KINGSWAY Burnaby V5H 3Y7	18	104	\$476,000	\$38,600	\$514,600	\$1,642.26
205 3925 KINGSWAY Burnaby V5H 3Y7	19	205	\$458,000	\$38,400	\$496,400	\$1,584.38
206 3925 KINGSWAY Burnaby V5H 3Y7	20	206	\$368,000	\$29,800	\$397,800	\$1,270.80
207 3925 KINGSWAY Burnaby V5H 3Y7	21	207	\$368,000	\$29,800	\$397,800	\$1,270.80
208 3925 KINGSWAY Burnaby V5H 3Y7	22	208	\$466,000	\$38,100	\$504,100	\$1,608.86
209 3925 KINGSWAY Burnaby V5H 3Y7	23	209	\$461,000	\$39,800	\$500,800	\$1,598.37
210 3925 KINGSWAY Burnaby V5H 3Y7	24	210	\$451,000	\$37,600	\$488,600	\$1,559.58
211 3925 KINGSWAY Burnaby V5H 3Y7	25	211	\$380,000	\$28,100	\$408,100	\$1,303.56
212 3925 KINGSWAY Burnaby V5H 3Y7	26	212	\$398,000	\$28,300	\$426,300	\$1,361.43
214 3925 KINGSWAY Burnaby V5H 3Y7	27	214	\$361,000	\$29,100	\$390,100	\$1,246.31
215 3925 KINGSWAY Burnaby V5H 3Y7	28	215	\$519,000	\$39,300	\$558,300	\$1,781.24
216 3925 KINGSWAY Burnaby V5H 3Y7	29	216	\$510,000	\$40,400	\$550,400	\$1,756.13
217 3925 KINGSWAY Burnaby V5H 3Y7	30	217	\$402,000	\$30,800	\$432,800	\$1,382.12
218 3925 KINGSWAY Burnaby V5H 3Y7	31	218	\$521,000	\$40,500	\$561,500	\$1,791.43
219 3925 KINGSWAY Burnaby V5H 3Y7	32	219	\$422,000	\$35,600	\$457,600	\$1,460.97
201 3925 KINGSWAY Burnaby V5H 3Y7	33	201	\$453,000	\$38,800	\$491,800	\$1,569.76
202 3925 KINGSWAY Burnaby V5H 3Y7	34	202	\$399,000	\$29,800	\$428,800	\$1,369.39
203 3925 KINGSWAY Burnaby V5H 3Y7	35	203	\$368,000	\$29,800	\$397,800	\$1,270.80
204 3925 KINGSWAY Burnaby V5H 3Y7	36	204	\$491,000	\$38,600	\$529,600	\$1,689.98
305 3925 KINGSWAY Burnaby V5H 3Y7	37	305	\$514,000	\$38,400	\$552,400	\$1,762.48
306 3925 KINGSWAY Burnaby V5H 3Y7	38	306	\$403,000	\$29,800	\$432,800	\$1,382.12
307 3925 KINGSWAY Burnaby V5H 3Y7	39	307	\$372,000	\$29,800	\$401,800	\$1,283.52
308 3925 KINGSWAY Burnaby V5H 3Y7	40	308	\$451,000	\$38,100	\$489,100	\$1,561.17
309 3925 KINGSWAY Burnaby V5H 3Y7	41	309	\$509,000	\$39,800	\$548,800	\$1,751.03
310 3925 KINGSWAY Burnaby V5H 3Y7	42	310	\$486,000	\$37,600	\$523,600	\$1,670.88
311 3925 KINGSWAY Burnaby V5H 3Y7	43	311	\$354,000	\$28,100	\$382,100	\$1,220.86
312 3925 KINGSWAY Burnaby V5H 3Y7	44	312	\$357,000	\$28,300	\$385,300	\$1,231.04
314 3925 KINGSWAY Burnaby V5H 3Y7	45	314	\$388,000	\$29,100	\$417,100	\$1,332.17
315 3925 KINGSWAY Burnaby V5H 3Y7	46	315	\$462,000	\$39,300	\$501,300	\$1,599.97
316 3925 KINGSWAY Burnaby V5H 3Y7	47	316	\$483,000	\$40,400	\$523,400	\$1,670.25
317 3925 KINGSWAY Burnaby V5H 3Y7	48	317	\$422,000	\$30,800	\$452,800	\$1,445.72
318 3925 KINGSWAY Burnaby V5H 3Y7	49	318	\$473,000	\$40,500	\$513,500	\$1,638.76
319 3925 KINGSWAY Burnaby V5H 3Y7	50	319	\$464,000	\$35,600	\$499,600	\$1,594.56
301 3925 KINGSWAY Burnaby V5H 3Y7	51	301	\$499,000	\$38,800	\$537,800	\$1,716.05
302 3925 KINGSWAY Burnaby V5H 3Y7	52	302	\$403,000	\$29,800	\$432,800	\$1,382.12
303 3925 KINGSWAY Burnaby V5H 3Y7	53	303	\$372,000	\$29,800	\$401,800	\$1,283.52
304 3925 KINGSWAY Burnaby V5H 3Y7	54	304	\$466,000	\$38,600	\$504,600	\$1,610.47

Address	Strata Lot	Unit No.	Property Assessment			2020 Property Taxes
			Land	Improvement	Total	
112 5715 JERSEY AVE Burnaby V5H 2L3	55	112	\$522,000	\$41,100	\$563,100	\$1,796.51
114 5715 JERSEY AVE Burnaby V5H 2L3	56	114	\$507,000	\$40,700	\$547,700	\$1,747.54
115 5715 JERSEY AVE Burnaby V5H 2L3	57	115	\$472,000	\$41,500	\$513,500	\$1,638.76
116 5715 JERSEY AVE Burnaby V5H 2L3	58	116	\$447,000	\$38,700	\$485,700	\$1,645.75
101 5715 JERSEY AVE Burnaby V5H 2L3	59	101	\$486,000	\$39,700	\$525,700	\$1,677.56
102 5715 JERSEY AVE Burnaby V5H 2L3	60	102	\$508,000	\$40,800	\$548,800	\$1,751.03
103 5715 JERSEY AVE Burnaby V5H 2L3	61	103	\$508,000	\$40,800	\$548,800	\$1,751.03
104 5715 JERSEY AVE Burnaby V5H 2L3	62	104	\$472,000	\$40,400	\$512,400	\$1,635.27
105 5715 JERSEY AVE Burnaby V5H 2L3	63	105	\$468,000	\$38,900	\$506,900	\$1,617.78
106 5715 JERSEY AVE Burnaby V5H 2L3	64	106	\$551,000	\$41,800	\$592,800	\$1,890.97
107 5715 JERSEY AVE Burnaby V5H 2L3	65	107	\$512,000	\$42,300	\$554,300	\$1,768.52
108 5715 JERSEY AVE Burnaby V5H 2L3	66	108	\$1	\$1	\$2	\$5.63
109 5715 JERSEY AVE Burnaby V5H 2L3	67	109	\$376,000	\$28,100	\$404,100	\$1,290.82
110 5715 JERSEY AVE Burnaby V5H 2L3	68	110	\$362,000	\$28,900	\$390,900	\$1,248.84
111 5715 JERSEY AVE Burnaby V5H 2L3	69	111	\$498,000	\$38,800	\$536,800	\$1,712.87
214 5715 JERSEY AVE Burnaby V5H 2L3	70	214	\$506,000	\$41,100	\$547,100	\$1,745.63
215 5715 JERSEY AVE Burnaby V5H 2L3	71	215	\$470,000	\$40,700	\$510,700	\$1,629.86
216 5715 JERSEY AVE Burnaby V5H 2L3	72	216	\$477,000	\$41,500	\$518,500	\$1,654.67
217 5715 JERSEY AVE Burnaby V5H 2L3	73	217	\$451,000	\$38,700	\$489,700	\$1,563.07
201 5715 JERSEY AVE Burnaby V5H 2L3	74	201	\$460,000	\$39,700	\$499,700	\$1,594.88
202 5715 JERSEY AVE Burnaby V5H 2L3	75	202	\$524,000	\$40,800	\$564,800	\$1,801.92
203 5715 JERSEY AVE Burnaby V5H 2L3	76	203	\$481,000	\$40,800	\$521,800	\$1,665.17
204 5715 JERSEY AVE Burnaby V5H 2L3	77	204	\$467,000	\$40,400	\$507,400	\$1,619.36
205 5715 JERSEY AVE Burnaby V5H 2L3	78	205	\$453,000	\$38,900	\$491,900	\$1,570.06
206 5715 JERSEY AVE Burnaby V5H 2L3	79	206	\$491,000	\$41,800	\$532,800	\$1,700.16
207 5715 JERSEY AVE Burnaby V5H 2L3	80	207	\$387,000	\$28,100	\$415,100	\$1,325.81
208 5715 JERSEY AVE Burnaby V5H 2L3	81	208	\$353,000	\$28,300	\$381,300	\$1,218.32
209 5715 JERSEY AVE Burnaby V5H 2L3	82	209	\$383,000	\$28,300	\$411,300	\$1,313.72
210 5715 JERSEY AVE Burnaby V5H 2L3	83	210	\$350,000	\$28,100	\$378,100	\$1,208.14
211 5715 JERSEY AVE Burnaby V5H 2L3	84	211	\$389,000	\$28,900	\$417,900	\$1,334.72
212 5715 JERSEY AVE Burnaby V5H 2L3	85	212	\$462,000	\$38,800	\$500,800	\$1,598.37
314 5715 JERSEY AVE Burnaby V5H 2L3	86	314	\$532,000	\$41,100	\$573,100	\$1,828.32
315 5715 JERSEY AVE Burnaby V5H 2L3	87	315	\$539,000	\$40,700	\$579,700	\$1,849.31
316 5715 JERSEY AVE Burnaby V5H 2L3	88	316	\$548,000	\$41,500	\$589,500	\$1,880.48
317 5715 JERSEY AVE Burnaby V5H 2L3	89	317	\$456,000	\$38,700	\$494,700	\$1,578.98
301 5715 JERSEY AVE Burnaby V5H 2L3	90	301	\$465,000	\$39,700	\$504,700	\$1,610.77
302 5715 JERSEY AVE Burnaby V5H 2L3	91	302	\$530,000	\$40,800	\$570,800	\$1,821.00
303 5715 JERSEY AVE Burnaby V5H 2L3	92	303	\$497,000	\$40,800	\$537,800	\$1,716.05
304 5715 JERSEY AVE Burnaby V5H 2L3	93	304	\$494,000	\$40,400	\$534,400	\$1,705.24
305 5715 JERSEY AVE Burnaby V5H 2L3	94	305	\$479,000	\$38,900	\$517,900	\$1,652.76
306 5715 JERSEY AVE Burnaby V5H 2L3	95	306	\$496,000	\$41,800	\$537,800	\$1,716.05
307 5715 JERSEY AVE Burnaby V5H 2L3	96	307	\$361,000	\$28,100	\$389,100	\$1,243.13
308 5715 JERSEY AVE Burnaby V5H 2L3	97	308	\$387,000	\$28,300	\$415,300	\$1,326.44
309 5715 JERSEY AVE Burnaby V5H 2L3	98	309	\$372,000	\$28,300	\$400,300	\$1,278.74
310 5715 JERSEY AVE Burnaby V5H 2L3	99	310	\$384,000	\$28,100	\$412,100	\$1,316.29
311 5715 JERSEY AVE Burnaby V5H 2L3	100	311	\$392,000	\$28,900	\$420,900	\$1,344.26
312 5715 JERSEY AVE Burnaby V5H 2L3	101	312	\$508,000	\$38,800	\$546,800	\$1,744.67
Total			\$44,529,001	\$3,572,101	\$48,101,102	\$153,645

SUMMARY OF SALIENT FACTS (continued)
Preliminary Potential Gross Buildable and Saleable/Rentable Areas:

Component	Proposed GBA (Sq.ft.)	FSR	Assumed Building Efficiency	Estimated Saleable/Leasable Area (Sq.ft.)	Number of Units
Market Condominium	358,759	4.3	85%	304,945	580
Market Rental	91,383	1.1	85%	77,676	135
CMHC Median Rental	41,576	0.5	85%	35,340	68
Affordable Rental	59,059	0.7	85%	50,200	97
Commercial Retail	54,400	0.7	95%	51,680	
Common/Loading/Service/MEP	12,000	0.1			
Total:	617,177	7.4		519,840	

Based on Project Feasibility Study dated July 20, 2020 prepared by ZGF and estimated building efficiencies by our client and industry standards. Given the preliminary nature of the proposed development scheme, we reserve the right to amend our valuation upon receiving updated information on the subject development as it progresses to the next stage.

SUMMARY OF IMPORTANT CONCLUSIONS

Highest and Best Use: Holding site pending obtaining approval from the strata owners and rezoning approval from the City of Burnaby, and the subsequent development of a high density mixed use project consistent with the Metrotown Downtown Plan and the City's long term planning objectives for the area.

Direct Comparison Approach: \$79,090,000

Land Residual Technique: \$77,980,000

Final Estimated of Land Value: **\$78,000,000**

The concluded value is for the subject land based on its redevelopment potential, and not to be interpreted as a representation of value for any one, or a collective of the existing strata lots

2.0 DEFINITION OF THE APPRAISAL EXERCISE

EFFECTIVE DATE OF VALUATION

This appraisal reflects a value estimate as of September 14, 2020 (the date of inspection).

TERMS OF REFERENCE

We have been requested by our client (Cameray Garden Holdings Ltd.) to provide a full narrative appraisal estimating the fair market value of the subject site (land only) legally described herein as of the effective date of valuation based on its highest and best use. The objective of the appraisal is to assist our client with mortgage financing only.

We note that the subject property is currently improved with two multifamily residential buildings comprising a total of 101 strata lots. Our client presently holds ownership of 49 of the 101 strata lots. This appraisal report does not take into consideration of the as is value of the subject property based on the existing residential use. We have been instructed by our client to provide an estimate of value of the subject land based on its redevelopment potential only. We caution the reader that this valuation is a hypothetical exercise given that our client does not yet hold ownership of all of the strata lots to dictate redevelopment of the subject land. The property was appraised free and clear of encumbrances except as contained within this report

SCOPE OF APPRAISAL

The scope of this appraisal encompasses the necessary research and analysis in order to provide an estimate of market value for the subject site in accordance with the Canadian Uniform Standards of Professional Appraisal Practice.

- Rose Wang performed a cursory inspection of the subject site from Kingsway and Jersey Avenue on September 14, 2020.
- An inspection of the interior of the buildings was not performed based on our terms of reference.
- Title information was obtained from the Land Title and Survey Authority website and has been reviewed; however for the purpose of this appraisal, the subject site was appraised as though free and clear of all encumbrances unless otherwise noted in the report. No legal opinion is given on the charges registered on the subject title.

DEFINITION OF THE APPRAISAL EXERCISE**(continued)**

- In estimating Highest and Best Use for the property, we have analyzed data compiled for the neighbourhood, site, existing improvement, zoning and other land use control description sections.
- The subject site has been appraised in accordance to its Highest and Best Use.
- We have not been provided with any environmental studies. We have assumed that the subject site does not suffer from any environmental contamination.
- BC Assessment computer services provided the property assessments for the subject.
- Data pertaining to the availability of services (i.e. water, sewer, etc.) has been obtained from the City of Burnaby's online GIS mapping system.
- Zoning and Community Planning information has been obtained through inquiries made to the Burnaby City Hall.
- Utilized the Direct Comparison Approach and the Land Residual method in providing a market value estimate for the subject site.
- Market data used in this report includes, but is not necessarily limited to, information obtained through access to:
 - the Multiple Listing Service of the Greater Vancouver Real Estate Board,
 - RealNet,
 - Urban Analytics,
 - record data maintained by the B.C. Assessment Authority,
 - data maintained by L.W Property Advisors Ltd. and other appraisers,
 - discussions with Realtors, developers, and persons knowledgeable of the market.

Listed below are the Extraordinary Limiting Conditions that apply to this assignment.

1. The subject is currently improved with two multi-family residential buildings comprising a total of 101 strata units. The current improvements were constructed circa 1974; however a value was not ascribed to the existing improvements
2. The subject site has been appraised based on the assumption that all 101 strata lots are held under a single ownership which allows the redevelopment of the land. It is our understanding that our client does not yet hold ownership of all the strata lots within the subject buildings

3. We have instructed by our client to value the subject site (underlying land) based on the re-development potential outlined in the feasibility and density study prepared by ZGF Architects Inc.
4. We assume the site is not subject to a land claim and it was valued as if un-encumbered.
5. We have not been provided with engineering studies and soil tests for the subject property. We are not qualified to give engineering advice and no opinion is expressed with regard to the actual soil bearing capacity of the property. It is assumed that soil conditions are conducive to development to highest and best use. The appraiser is not qualified to give engineering advice.
6. We have assumed that the overall site does not suffer from any soil stabilization problems. We assume that there are no hidden or unapparent conditions of the property, subsoil, or structures, which would render it more or less valuable. We assume no responsibility for such conditions or for engineering, which may be required for such factors.

3.0 DEFINITION OF TERMS

PROPERTY RIGHTS APPRAISED

The property rights appraised are those of the "fee simple" interest defined as:

"The greatest interest an individual can own in land, or complete ownership in law, subject only to the governmental powers of taxation, expropriation, escheat and police powers."

DEFINITION OF MARKET VALUE

The "Canadian Uniform Standards of Professional Appraisal Practice" (2020 Standards), defines Market Value as:

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

Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

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

DEFINITION OF THE APPRAISAL EXERCISE (continued)**EXPOSURE TIME**

Exposure time is the estimated length of time the properties would have been offered prior to a hypothetical market value sale on the effective date of valuation. It is a retrospective estimate based on an analysis of past events, assuming the competitive and open market. It assumes not only adequate, sufficient, and reasonable time but also adequate, sufficient, and reasonable market effort. Exposure time is therefore interrelated with the conclusion of value.

In consideration of these factors, we have analyzed the following:

- Exposure periods of comparable sales revealed during the course of this appraisal;
- Exposure time for similar properties in comparison to the subject site as published by the *Greater Vancouver and Fraser Valley Real Estate Boards*; and
- Knowledgeable real estate professionals.

Based on the foregoing analysis, an exposure time of 3 to 6 months is reasonable, defensible, and appropriate. L.W. Property Advisors Ltd. assumes the subject site would have been competitively priced and aggressively promoted regionally.

4.0 IDENTIFICATION OF THE SUBJECT PROPERTIES

CIVIC ADDRESSES AND LEGAL DESCRIPTIONS

101 strata condominium units within a strata titled multi-family residential development located at 3925 Kingsway and 5715 Jersey Avenue, Burnaby, BC

Legal Description: Strata Lots 1 – 101, inclusive, District Lot 34 Group 1 New Westminster District Strata Plan NW289

REGISTERED OWNER

The 101 strata units are held by various owners. It is our understanding that our client holds ownership of 49 units.

REGISTERED CHARGES

The subject site presently consists of 101 strata titled condominium units. For the purpose of this appraisal, we did not obtain and review the title information for each of the subject strata lots. We randomly obtained title information for unit 307 – 3925 Kingsway and unit 102 – 5715 Jersey Avenue. It is our understanding that the strata units currently owned by our client have various financial charges, pending litigation and judgement registered on title. We refer the reader to Appendix A for copies of the title certificate.

For the purpose of this appraisal and under the scope of this appraisal, the registered pending litigation and judgement regarding a number of the strata lots within the subject building have not been considered as a factor impacting the value of the subject land within this report; however we note these charges may ultimately affect the salability and developability of the subject land under certain circumstances. We reserve the right to amend our valuation should we be required to amend the assumptions and limiting conditions of our appraisal report. We recommend that the opinion of a legal professional be obtained if detailed information pertaining to the legal notations and charges on the subject titles is required. Copies of the title certifications for are attached in the addenda as Appendix "A".

PROPERTY HISTORY

Our client verbally informed us that they presently hold ownership of 49 out of the 101 strata lots, and has 6 units currently under contract. It is our understanding that our client intends to purchase all the subject strata lots to accommodate a future high-density mixed-use development.

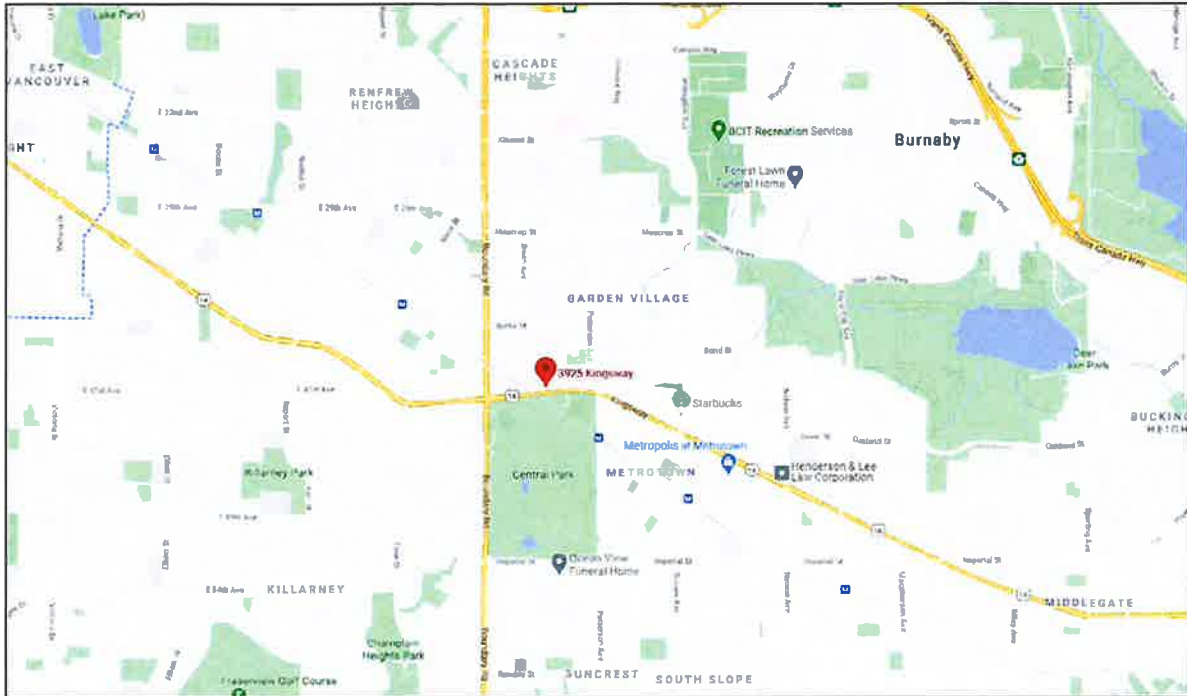
According to BC Assessment records, the overall 101 strata units on the subject site have had various transactions within the market over the past 7 years.

Our Client has provided us with a copy of a purchase and sale agreement dated February 7, 2019 for all 101 strata titled units comprising the subject property with a contract price of \$75,000,000. The offer to purchase was accepted by the vendor on March 4, 2019 and the sale is scheduled to close on February 28, 2020. Based on our discussions with the client, the sale is being extended. As at the current date, our Client has not yet secured all of the subject units to allow for this proposed sale to complete.

A copy of the purchase and sale agreement is included in the addenda as Appendix "C".

5.0 MARKET AREA DESCRIPTION

The subject site is located in Metrotown Town Centre in Central Burnaby. More specifically, the subject site is situated on the northwest corner of Jersey Avenue and Kingsway. The location is noted on the neighbourhood map illustrated below.



NEIGHBORHOOD AND OCCUPANT ANALYSIS

The Metrotown area enjoys a central location within the Lower Mainland region and is easily accessed via Kingsway, Willingdon Avenue, Southeast Marine Drive and the Trans-Canada Highway. The neighbourhood enjoys good public transportation services with three Skytrain stations located within the immediate area and includes Metrotown Station, Patterson Station and Royal Oak Station.

MARKET AREA DESCRIPTION (continued)

The immediate neighbourhood is characterized by a mix of commercial and residential uses comprising a number of single and multi-tenant retail/office complexes surrounded by single family and low to high density residential developments. Neighboring sites surrounding the property are predominately improved with older single family residential dwellings and multi-family apartment and townhouse projects utilized as rental properties. Moreover, the subject site is immediately north of Central Park, an ecologically significant area and a City-wide destination for sport, cultural and leisure activities. Central Park consists of Central Park Pitch & Putt, Central Park Outdoor Pool, Variety Club Playground, Central Park Lawn Bowling Club and Swangard Stadium. Other nearby amenities include Bonsor Recreation Centre and Bonsor Park, Bonsor 55+ Centre, Bob Prittie Library, Pioneer Community Resource Centre, McKercher Community Resource Centre, and South Central Youth Centre.

British Columbia's largest shopping mall, "Metropolis at Metrotown", containing over 470 stores is located just north of the subject site and is anchored by tenants such as The Bay, Toys "R" Us, Real Canadian Superstore, Famous Players SilverCity, Chapters, T & T Supermarket and Winners. Located within the immediate vicinity and connected to "Metropolis" via a skyway is "Station Square", a shopping complex anchored by Save on Foods. "Crystal Mall" is an Asian-themed shopping Centre sited across the street from "Station Square" on the southeast corner of Kingsway and Willingdon Avenue.

Neighboring area along Beresford Street and Kingsway have seen tremendous redevelopment activity with high rise mixed use and multifamily condominium buildings. The chart in the following page highlights the residential developments in the subject area since 2011. The most recently released project, "Highline" is located within proximity to the subject site at 6511 Sussex Avenue and achieved an average selling price of \$1,050 per sq.ft., excluding GST.

Index	Project Name	Address	Developer	# of Units	Sales Start	Sold Out	Avg Selling Price	Min Price/sq.ft.	Max Price/sq.ft.
1	Sovereign	4533 Kingsway	Bosa	202	Feb-11	Nov-14	\$633	\$552	\$1,022
2	Chancellor	4880 Bennett Steet	Polygon	245	Apr-11	Dec-13	\$596	\$406	\$942
3	The Met	6588 Nelson Avenue	Concord Pacific	295	Mar-12	Oct-15	\$593	\$443	\$800
4	Silver	4394 Beresford Street	Intracorp	284	Apr-12	Jul-13	\$612	\$460	\$765
5	Moda	6658 Dow Avenue	Polygon	249	Jun-12	Aug-14	\$565	\$419	\$788
6	Station Square (Phase 1)	4688 Kingsway	Anthem Properties/Beedie Group	269	Aug-12	Sep-15	\$597	\$504	\$1,001
7	Mondello	4360 Beresford Avenue	Boffo	163	Nov-13	May-16	\$678	\$524	\$996
8	The Met II	6550 Nelson Avenue	Concord Pacific	312	Feb-14	Sep-15	\$609	\$426	\$751
9	Station Square (Phase 2) Tower 1	4670 Assembly Way	Anthem Properties/Beedie Group	434	Jun-14	Apr-16	\$595	\$493	\$748
10	Station Square (Phase 2) Tower 2	6098 Station Street	Anthem Properties/Beedie Group	332	Jun-14	Feb-16	\$597	\$428	\$855
11	Aldynne on the Park	5883 Barker Avenue	Polygon	242	Sep-14	Jan-16	\$625	\$469	\$747
12	The Park Metrotown	6616 Nelson Avenue	Intergulf	298	Nov-14	Apr-16	\$595	\$469	\$747
13	Midori	6650 Dunblane	Polygon	253	Oct-15	May-16	\$636	\$540	\$740
14	Imperial Metrotown	5025 Imperial Street	Amacon	169	Dec-16	Sep-17	\$881	\$745	\$1,092
15	Gold House	6280 Cassie Avenue	Rize Alliance	490	Nov-15	Jan-19	\$654	\$535	\$1,252
16	Station Square (Phase 3) Tower 1	6080 McKay Avenue	Anthem Properties/Beedie Group	334	Oct-16	Dec-18	\$870	\$700	\$1,260
17	Station Square (Phase 3) Tower 2	6000 McKay Avenue	Anthem Properties/Beedie Group	423	Nov-16	Dec-18	\$970	\$842	\$1,403
18	Sun Towers Metrotown (One)	6380 Silver Avenue	Belford Properties	285	Apr-17	Feb-19	\$1,055	\$911	\$2,323
19	Vittorio	6700-6730 Dunblane Ave	Polygon	263	Jul-17	Feb-19	\$1,087	\$923	\$1,582
20	Sussex	6050 Sussex Avenue	Townline Group of Compaines	321	Aug-17	Feb-19	\$1,100	\$859	\$1,333
21	Polaris	6699 Dunblane Avenue	Transca Real Estate Development	313	Feb-18	62 Remain	\$1,210	\$985	\$1,516
22	Maywood on the Park	6438 Mckay Avenue	Intracorp	298	Dec-18	50 Remain	\$1,171	\$1,000	\$1,672
23	Sun Towers Metrotown (Two)	6420 Silver Avenue	Belford Properties	194	Jan-19	94 Remain	\$1,116	\$1,038	\$1,552
24	Highline	6511 Sussex Avenue	Thind	452	Feb-20	263 Remain	\$1,050	\$1,015	\$1,176
Overall				7,120	Feb-11		\$406	\$2,323	

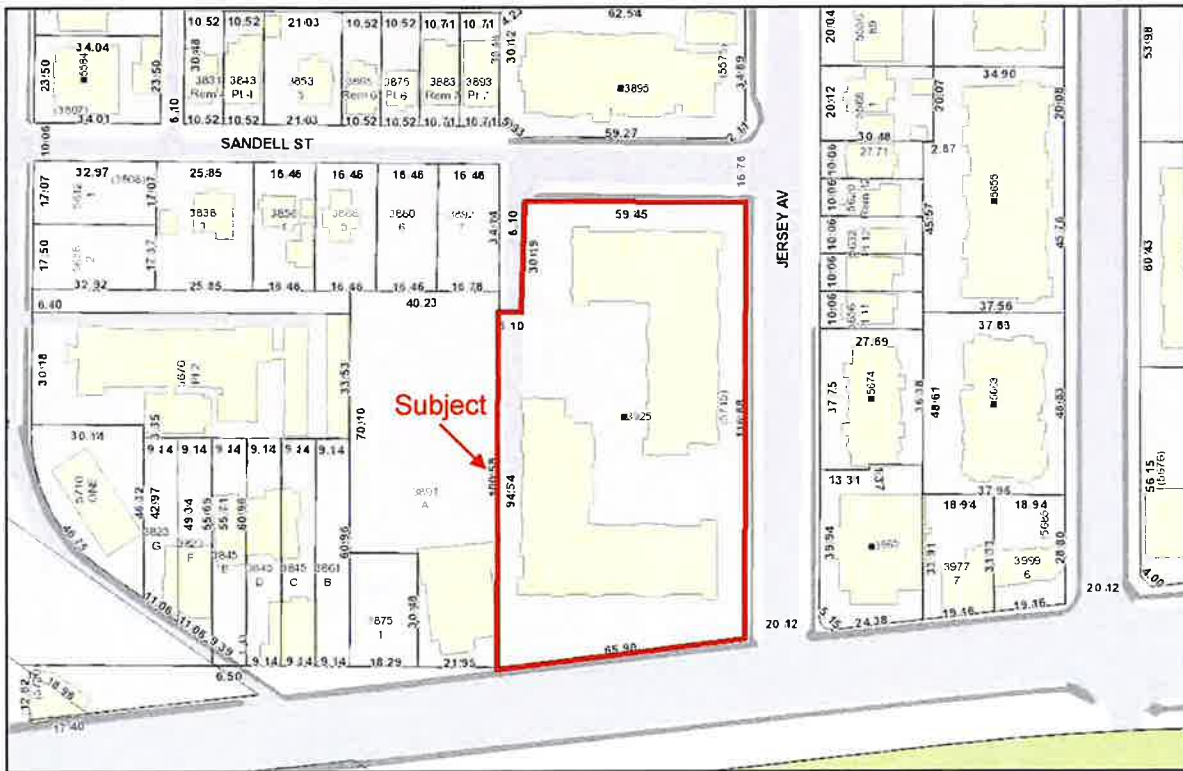
SUMMARY

In summary, the subject site is located within a well-established mixed-use area conducive to many single and multi-family residential and commercial uses. The overall subject location is considered a desirable location for high density mixed-use development that is central and easily accessible by a number of transportation routes and services. The population change of the subject neighbourhood is on an upward trend with more residents attracted to the amenities offered in the subject neighbourhood and ease of commute. It is our opinion that the subject is well located at a desirable location for future high density mixed-use development.

6.0 SITE DESCRIPTION

DIMENSIONS AND SHAPE

Based on information provided by our client and BC Assessment Records, the subject site consists of a single land parcel with a total Gross Site Area of ±83,250 sq.ft. The legal lot has approximately 216 ft. of frontage along Kingsway, with a return depth of approximately 383 ft (south to north). An excerpt taken from the City of Burnaby's GIS is shown below for visual reference.



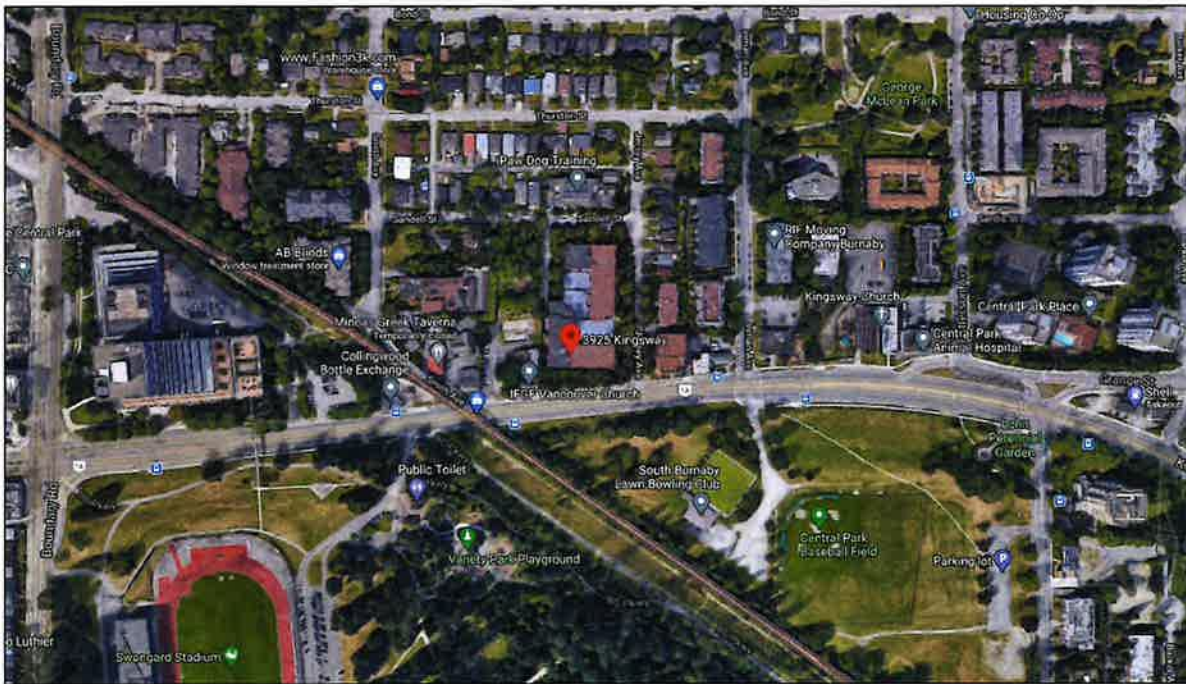
TOPOGRAPHY, SOIL AND ENVIRONMENTAL CONDITIONS

The Subject Site gently slopes down from south to north. We assume soil conditions and the underlying geology are adequate to support the existing improvements. No representations, however, are made concerning soil conditions. The site was not tested for any toxic substances and no opinion is expressed by the appraiser as to their absence or presence on the subject site. We assume the site is not contaminated from the presence of toxic substances or environmentally sensitive waste products.

SITE DESCRIPTION (continued)

STREET IMPROVEMENTS AND ACCESS

The subject site is located on the northwest corner of Jersey Avenue and Kingsway. Kingsway is a six-lane asphalt paved arterial road extending east/west past the subject site and improved with curbs, sidewalks and street lighting. Jersey Avenue runs north/south past the subject site. Concrete sidewalks are in place along with street lighting.



SERVICES

All municipal services requisite for high density mixed-use development, including municipal water, sanitary sewer, electricity, gas and telephone, are assumed to be available to the subject site. No representations are made concerning engineering and servicing requirements as this requires the services of a qualified engineer. We were not provided with any engineering reports regarding the servicing capacity in the area.

For the purpose of this appraisal we assume that the current municipal services available to the subject site are adequate for high density mixed-use development.

GEOTECHNICAL

In conjunction with this assignment we were not supplied with a geotechnical investigation nor were any such services commissioned by the appraiser. To the best of our knowledge the underlying geology is suited to the highest and best use of the land.

7.0 ZONING AND PLANNING

The subject site is currently zoned RM3 (Multiple Family Residential District), which “provides for a medium density multiple family area”. Permitted uses under the RM-3 zoning bylaw include but are not limited to multiple family dwellings, dormitory units, boarding, lodging and rooming houses, accessory buildings, and childcare facilities. The present low-rise multi-family residential use of the subject site is assumed to be legal and conforming to the current zoning. A current zoning of the subject site and its surrounding area is shown below.

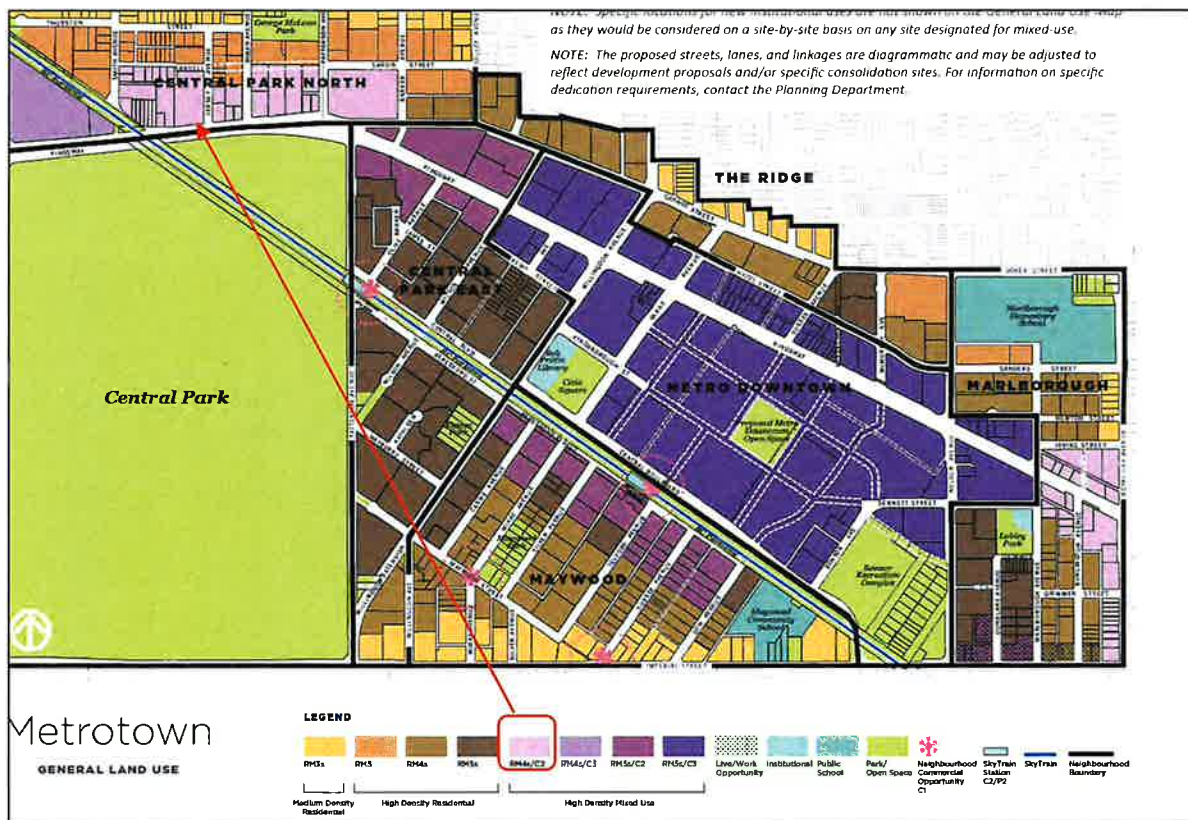


The RM3 zoning is the predominant residential zoning in the Metrotown area and permits a maximum height of 3 storeys, 39.37 feet or 12.0 metres. The maximum building density permitted is 1.1 FAR provided that underground parking is provided. A copy of the RM3 Zoning Bylaw is attached as Appendix “B” and fully delineates the regulations in effect.

OFFICIAL COMMUNITY PLAN AND METROTOWN DOWNTOWN PLAN

A comprehensive Official Community Plan (OCP) also governs future land uses within the City of Burnaby. The Council adopted the final phase of Metrotown Downtown Plan on July 24, 2017. This Plan update for Metrotown provides the opportunity to create a true downtown for Burnaby; one that enables the highest order of land use and development supported by social, recreation, entertainment, and cultural amenities important to all of Burnaby’s residents, businesses and employees.










The subject site is located at the northwest corner of Kingsway and Jersey Avenue in the Central Park North neighbourhood. According to the Metrotown Downtown Plan map, the subject site is designated for high density mixed use in accordance with the RM4s and C2 zoning bylaws.



ZONING AND PLANNING

(continued)

High density mixed-use areas are characterized by commercial podiums (office, retail, and service uses) with high-rise residential building form. The subject site would require rezoning from the current RM3 to a future CD zone based on RM4s, and C2 bylaws prior to redevelopment.

LAND USE FRAMEWORK					
LAND USE CATEGORIES	GENERAL LAND USE MAP DESIGNATIONS	MAXIMUM RESIDENTIAL FAR	MAXIMUM COMMERCIAL FAR	MAXIMUM TOTAL FAR	LAND USE AND BUILT FORM
High Density Mixed-Use	 RM5s / C3	5.0	6.0	11.0	Commercial podiums (office, retail, and/or service uses) and high-rise office or residential building forms
	 RM4s / C3	3.6	6.0	9.6	
	 RM5s / C2	5.0	1.3	6.3	Commercial podiums (office, retail, and/or service uses) and high-rise residential building forms
	 RM4s / C2	3.6	1.3	4.9	
High Density Residential Use	 RM5s	5.0	0.0	5.0	Mid- to high-rise residential buildings with ground-oriented residential
	 RM4s	3.6	0.0	3.6	
	 RM5	2.6	0.0	2.6	Mid-rise residential buildings with ground-oriented residential
Medium Density Residential Use	 RM3s	1.5	0.0	1.5	Residential buildings in ground-oriented and low-rise forms (row-houses, townhouses and low-rise apartments).
Neighbourhood Commercial Opportunity	 C1	0.0	1.0	1.0	Smaller neighbourhood commercial opportunities to create focal points for social interactions and community gathering.

C-2 (Community Commercial District)

The C-2 (Community Commercial District) provides for the daily and occasional shopping needs of residents of several neighbourhoods as well as providing for rental dwelling units located above the business premises. Uses permitted under C-2 zoning include but are not limited to: animal hospital, bank, beverage container return centres, business and professional office, cafes or restaurants, clubs or lodges, fitness and health facilities, personal service establishments, public assembly and entertainment uses, retail stores, shopping centers, accessory buildings and uses, taxi dispatches offices, liquor license establishment, retail sale of new or used furniture, commercial schools and self-improvement schools, repealed, mobile retail carts and child care facilities etc. Under C-2 zoning, the height of a building shall not exceed 39.37 feet or three-stories and the **maximum FAR shall not exceed 1.30.**

A copy of the C-2 zoning bylaws is attached in the addenda as Appendix B.

RM-4(s) (Multiple Family Residential District)

The RM-4(s) (Multiple Family Residential District) provides for medium to high density multiple family area. Permitted uses under the RM-4(s) zoning bylaw include but are not limited to multiple family dwellings, home occupations, accessory buildings, rest homes and private hospitals. Noted that under the RM-4(s) zoning bylaw, home-based child care facilities use is prohibited.

The maximum permitted floor area ratio (FAR) shall be 3.6 provided that various conditions are met. **The base FAR would be 2.5** and the bonus density would be 1.1 FAR.

RM-4(s) sites permit bonus densities up to 1.1 FAR comprising 0.3 FAR of base bonus density and 0.8 FAR of supplementary bonus density. Bonus densities are typically negotiated between the City of Burnaby and the developer and they are often concluded at market price for similar development land.

A copy of the RM-4(s) zoning bylaws is attached in the addenda as Appendix B.

We note that the full density under the RM-4 zoning bylaw at 3.6 FAR is only achievable by purchasing the full bonus and supplementary bonus FARs of 1.1 from the City of Burnaby. Based on the Metrotown Downtown Plan designations of the subject site, the subject has potential to achieve the following maximum base density. The lot size used to calculate potential development densities has been based on information provided by our client.

Address	Site Area (Sq.ft.)	Designation	Potential Base Density	Potential Base Buildable sq.ft.
3925 Kingsway, 5715 Jersey Avenue, Burnaby, BC	83,250	RM4s/C2	2.5+1.3=3.8	316,350

PROPOSED DEVELOPMENT AND APPLICATION

Investigation at the City of Burnaby indicates that there has been no formal rezoning or development permit application regarding the subject site received by the City as of the effective date of this appraisal; however preliminary inquiries and discussions have been initiated by our client. According to a copy of Project Feasibility Study dated July 20, 2020 prepared by ZGF Architecture Inc., the present proposal by our client envisions the following:

- A 50-storey high-rise tower offering 580 strata titled condominium units;
- A 22-storey high-rise tower comprising 135 market rental and 68 CMHC Median rental units;
- An 8-storey mid-rise building consists of 97 affordable rental units (20% Below CMHC Median Rental Rates); and
- A podium with 54,000 sq.ft. of ground oriented commercial retail space.

The entire development illustrates a proposed gross building area of 617,177 sq.ft. which indicates a development density of approximately 7.4 FAR, based on the gross site area of 83,250 sq.ft. The Gross Building Area and FAR break down is shown on the next page and are based on the latest development proposal provided by our client. We note that the development proposal is still in a preliminary stage and is subject to change upon receiving feedback from the City of Burnaby.

The general concept of the development and proposed increase density appear to be consistent with the City objectives and initiatives for providing more housing options in the Metrotown Area; however given the preliminary nature of the subject project, the final FAR cannot be confirmed until a formal application is submitted to the City and received the City's feedback. We reserve our right to amend our valuation upon receiving updated information regarding the proposed development. The present proposed FAR allocation within the overall subject project is shown on the next page:

Subject Site Area	RM4s/C2	83,250	sq.ft.
	Total:	83,250	sq.ft.

Market Condo

	FSR	GBA	
RM4s Base	2.5	208,125	sq.ft.
RM4s Bonus	1.1	91,575	sq.ft.
RM4s Offset*	0.7	59,059	sq.ft.
RM4s Subtotal	4.3	358,759	sq.ft.

*the RM4s Offset Density is made available by providing affordable rental units within the development. This additional density will need to be purchased from the City similar to the RM4s Bonus Density.

Rental

	FSR	GBA	
RMr Optional - Market Rental	0.6	46,324	sq.ft.
C2 - Market Rental*	0.5	45,059	sq.ft.
RMr Optional - CMHC Median	0.5	41,576	sq.ft.
RMr Required - Affordable Rental	0.7	59,059	sq.ft.
Rental Subtotal	2.3	192,018	

*C2 - Market Rental density is transferred from the unused C-2 density (1.3 FAR)

Commercial

	FSR	GBA	
C-2 Commercial Retail	0.7	54,400	sq.ft.
Commercial Subtotal	0.7	54,400	

Common Area

	FSR	GBA	
Common/Loading/Service/MEP	0.1	12,000	sq.ft.

Total Proposed GBA	617,177	sq.ft.
Overall proposed FSR	7.4	

Presently, the proposed subject development illustrates a total gross building area of **617,177 sq.ft.** at a total building density of **7.4 FAR**. For the purpose of this appraisal, we have based our market value estimate on the maximum permitted **base density (316,350 sq.ft. of gross buildable area or 3.8 base FAR, demised into 1.3 FAR for C2 and 2.5 FAR for the RM4 portion)** in accordance to the subject's OCP designation within the Metrotown Downtown Plan. The land residual technique is based on the proposed development concept and densities.

COMMUNITY AMENITY CONTRIBUTION

We are not yet aware of the purchase price for the bonus density of 1.1 and 0.7 FAR on the RM4 designated portion. Our experience with other highly similar development projects suggested an average of approximately \$190 per buildable sq.ft. Based on such, the potential purchase price for the bonus density is calculated below. We note the final purchase price will be negotiated between the developer and the City of Burnaby and we reserve the right to amend our assumptions and valuation.

Bonus Density					
RM4s Bonus Density @1.1 FSR	91,575	sq.ft.	Estimated price for bonus density purchase	\$190 per sq.ft.	\$17,399,250
RM4s Offset Bonus Density @ 0.7 FSR	58,275	sq.ft.	Estimated price for bonus density purchase	\$190 per sq.ft.	\$11,072,250
Total:					\$28,471,500

The proposed rental units (Market Rental, CMHC Median Rental and Affordable Rental) will be secured by a housing agreement between the developer and the City of Burnaby and be held under a single ownership as a strata lot or an air space parcel. This bonus density from rental portion is not subject to CAC.

We reserve the right to amend our valuation upon receiving more detailed information regarding the rezoning process of the subject.

8.0 HIGHEST AND BEST USE

The definition of "Highest and Best Use" is as follows:

"The reasonably probable use of real property, that is physically possible, legally permissible, financially feasible, and maximally productive, and that results in the highest value"

Source: Canadian Standards of Professional Appraisal Practice, 2020.

Many factors and appraisal principles become a consideration in the determination of "Highest and Best Use". These include: government regulations, supply, demand, anticipation, balance, surplus productivity, contribution, competition, etc. The definition also includes the presumption that the use is in keeping with the zoning and legal requirements.

The concept of "Highest and Best Use" recognizes that land use patterns can change over a given period and that the optimum use of a site is determined by need or demand at any given point in time. Elements affecting value that are dependent upon events or a combination of occurrences which, while within the realm of possibility, are not shown to be reasonably probable, should be excluded from consideration. This is also the case if the intended use is dependent on the uncertain act of another person.

The subject site comprises a single land parcel with a gross site area of approximately 83,250 sq.ft. The site has extensive frontages along the north side of Kingsway and west side of Jersey Avenue. The subject is currently zoned RM-3 (Multiple Family Residential District) supporting a building density of 1.1 FAR and designated "High Density Mixed-Use" within the Metrotown Downtown Plan in accordance with RM4s/C2. The subject site is currently improved two, older multi-family residential buildings comprising 101 strata titled units.

The subject site is situated within the Central Park North neighborhood in Metrotown Downtown area in the City of Burnaby, west to the Metrotown Shopping Centre in Burnaby. It is located within a desirable area in the Metrotown neighbourhood and the surrounding area is built up with a mix of medium to high density commercial, mixed-use and multi-family properties of mixed ages. Proximity to surrounding neighbourhoods of New Westminster and Vancouver is good.

HIGHEST AND BEST USE**(continued)**

Over the past several years, the subject's immediate area has been transitioning due in part to new development and the City of Burnaby community initiatives. There is an abundance of properties in the immediate neighbourhood that have been successfully rezoned according to their respective high-density designations. Recently released multifamily residential projects (presales) in the immediate area have achieved steady absorption and price increase as a result of the high desirability of the overall neighbourhood; however, we do note that absorption has calmed in keeping with the overall market slow down across the province. There has been strong activities for commercial strata properties within new development projects observed. The market demand appears to support the mixed use and multiple family residential development of the subject site. At this stage, no formal rezoning or development permit application has been submitted to the City regarding redevelopment of the Subject Site.

Over the near term, the subject location should continue to benefit from the proximity to the Expo Skytrain Line and the increase in population resulting from the new residential and commercial projects slated for the "Metrotown" area and development around the stations and major commercial centres.

It is frequently assumed, that the concept of "Highest and Best Use" must be associated with some form of development consistent with the Official Community Plan. It should be recognized that sites are frequently held by investors/developers awaiting certain events in the marketplace that will, at some point in time, command a specific use or re-use. This has certainly been the case of the subject site.

As of the date of the inspection, the subject is improved with two, wood framed multiple family residential projects which could provide substantial holding income during the holding period; however, the existing low-rise residential use of the subject site does not appear to represent the maximum utilization of the subject site in accordance with the City's long term planning objectives for the area. The adopted Metrotown Downtown Plan designates the subject site for future high density, commercial and residential use.

Redevelopment of the subject to higher density mixed-use development appears to be the maximally productive use of the subject site at the effective date. According to a copy of Project Feasibility Study dated July 20, 2020, our client has proposed to construct a high-density mixed-use project comprising market residential, market rental, affordable rental and commercial component within high-rise and mid-rise buildings. The proposed development appears to meet the current development pattern of the area to promote densification and providing rental stock in the Metrotown Downtown Area.

The highest and best use analysis also considers the supply and demand factors for the potential end unit products.

MARKET CONDOMINIUMS MARKET OVERVIEW

Despite a strong real estate market in Q1 2020, the housing market in the City was inevitably being affected by the on going COVID-19 pandemic. Nonessential services were ordered to shut down temporarily throughout the country and many housing transactions were delayed or put on hold. As a result, sales volume plummeted in April 2020; however, we anticipate the drop in sales in April 2020 was temporary due to restrictions associated with the lockdown. The BC Provincial Government has commenced Phase 3 of the recovery plan in June 2020, with more relaxed gathering guidelines and reopening of certain types of businesses and organizations. According to Labour Force Survey for August 2020 released by Statistics Canada dated September 4, 2020, the number of employed Canadians rose by 246,000 (+1.4%) in August, compared with 419,000 (+2.4%) in July. The national unemployment rate fell to 10.2% from 10.9% in July 2020. The long-term economic impact of the pandemic is uncertain as of the effective date of this appraisal and would largely depend on when normal commercial activities can resume.

The Real Estate Board of Greater Vancouver (REBGV) reports that residential home sales in the region totalled 3,047 in August 2020, a 36.6% increase from the 2,231 sales recorded in August 2019, and a 2.6% decrease from the 3,128 homes sold in June 2020. For all property types, the sales-to-active listings ratio for August 2020 was 23.8%. By property type, the ratio was 23.7% for detached homes, 30.5% for townhomes, and 21.6% for apartments. Generally, downward pressure on home prices occurs when the ratio dips below 12% for a sustained period, while home prices often experience upward pressure when it surpasses 20% over several months. As reported by the Real Estate Board of Greater Vancouver, home sale and listing activity has been outpacing the region's historical averages.

PURPOSE BUILT RENTAL MARKET OVERVIEW

According to the latest reports by CMHC and Urban Analytics, Metro Vancouver continues to experience high demand for rental products due to continued positive net migration and lack of affordable purchasing opportunities in the region. In determining the market demand and absorption for the proposed rental units within the subject project, a number of factors must be considered, including the growth potential for the area, existing and competing projects and proposed competitive developments in the area.

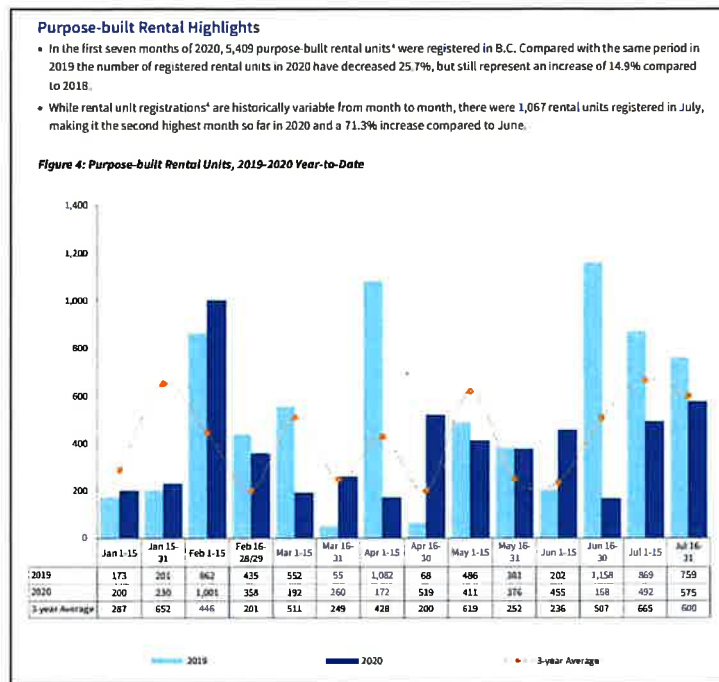
- Based on information taken from the Urban Analytics Q1-2020 Metro Vancouver Rental Take Report, Metro Vancouver's purpose built rental market managed well in the first quarter despite being impacted by COVID-19 in several different ways.
- Most rental developments in the rezoning process were temporarily delayed in the first quarter as City councils postponed their approvals and public hearings. Further, there have been multiple projects who postponed their respective leasing campaigns due to construction related occupancy delays. Leasing agents have also resorted to creative showing methods in the form of either virtual showings or distanced one-on-one appointments with pre-sanitation cleaning and personal equipment.
- Landlords have been further tasked with managing tenants not being able to make rent due to the government closure order of non-essential business;
- Despite the announcement of a provincial state of emergency in March, rental rates for newer purpose built rental projects in Metro Vancouver increased in the first quarter of 2020.
- The purpose built rental sector of the real estate market has been far more successful in collecting rent payments than the retail, office and industrial sectors in April and May 2020.
- Urban Analytics anticipates that vacancies will rise slightly over the next quarter due to new product coming to market and travel restrictions that will impact immigration for at least the next four months. However, this prediction is only short term and they anticipate the potential for even higher levels of immigration to BC in the medium to long term.
- According to information collected from the Urban Analytics Q1-2020 Metro Vancouver Rental Take Report, there are currently 13 purpose built rental apartment projects in the City of Burnaby and New Westminster combined.

- The graph below illustrates the percentage of fully leased projects vs. active projects in the City of Burnaby and City of New Westminister.

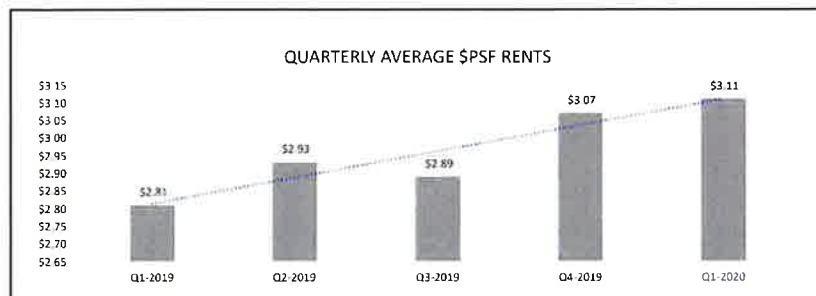


Further, according to the BC Housing New Homes Registry Report (COVID 19 Addendum) for July 2020, the supply of purpose built rental units have decreased by 25.7% in the first 7 months of 2020, in comparison to the first seven months of 2019.

The overall availability for rental products across Metro Vancouver is expected to decrease in 2020 as fewer purpose built rental projects are anticipated to launch this year. With the supply market experiencing a

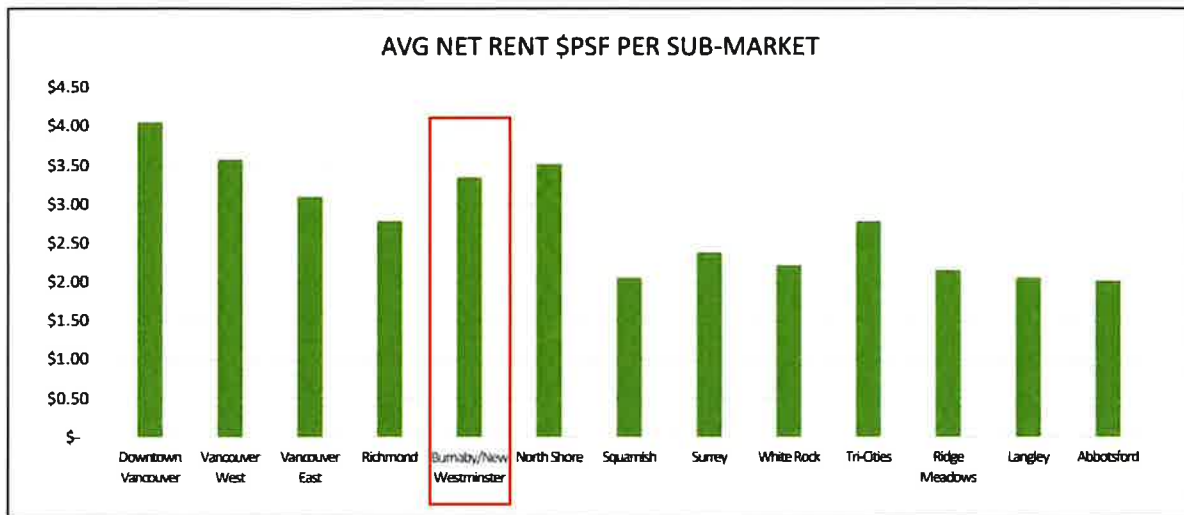


shortage, average rent per sq.ft. continues to climb throughout the region. The first quarter of 2020 has recorded the least quarterly increase since 2018, with a reported 1.3% increase over Q4 2019 in average rental rates. Another factor attributing to the increase of rents is various rent control policies imposed by the Provincial Government that limit rental rate increases to the rate of inflation. Many developers are opting to seek higher rents during the initial leasing campaign than the prevailing rents in the area.



Urban Analytics – Q1-2020 Metro Vancouver Rental Take

The graph below illustrates the average rent per sq.ft. by sub-market.



To summarize, with the current low vacancy rates in the Lower Mainland, low interest rates for favorable borrowing opportunities and strong demand and low supply of rental housing, projects like the subject's market rental, CMHC Median/Affordable rental components offer good market appeal and are expected to have high market demand.

The value of the underlying land with potential to accommodate market condominiums, market rental, affordable rental and commercial based on the Metrotown Downtown Plan guidelines far exceeds the value of the property under its existing low-rise multi-family residential basis. In our opinion, the highest and best use of the subject site as of the effective date of valuation would be a holding property pending rezoning and redevelopment to a high density mixed use project in accordance to information provided by our client and consistent with the general guidelines set out by the City.

9.0 VALUATION METHODOLOGY

There are six methods in valuing development land properties. They include the Direct Comparison Approach, Abstraction Method, Extraction Method, Subdivision Development Method, Land Residual Technique, and Ground Rent Capitalization Method.

The Direct Comparison Approach

In which recent sales of similar parcels of land are collected, analyzed, compared, and adjusted to reflect the similarity or dissimilarity of those parcels to the site of the subject property.

The Allocation Method

Is based on the principles of balance and contribution, where a ratio of site value to property value is extracted from comparable sales, in competitive locations, and is then applied to the sale price of the subject property to determine the site value. This method is most commonly used in valuing residential subdivision lots; although, is rarely the primary method of valuation.

The Extraction Method

Is a technique in which the land value is extracted from the sale price of an improved property by deducting the contributory value of the improvements, often estimated at their depreciated cost, from the sale price. The remaining value represents the value of the land.

Land Residual Technique

Is a method in which the residual of the gross revenue from the hypothetical sales of the development minus the development costs and developer's profit, is attributed to the value of the land.

Ground Rent Capitalization

Is where market-derived capitalization rates are used to convert ground rent into an indication of land value.

Discounted Cash Flow Analysis or Subdivision Development Analysis

Is where direct and indirect costs, and entrepreneurial incentive, are deducted from an estimate of the anticipated gross sales price of the finished lots; and, the net sales proceeds are discounted to present

value, at a market-derived rate, over the development and absorption period. If entrepreneurial incentive is not deducted as a line-item expense, then the discount rate should reflect the full effect of any profit.

In this appraisal, we have relied on the Land Residual technique as our primary value indicator. Development properties similar to the subject site in size, location and development potential are scarce in the Metrotown area, and there has been very limited number of transactions recorded in the recent months. Development scheme within the overall development is complex, involving commercial retail, market condominiums, market rental, CMHC Median rental and affordable rental components. Development properties with similar size and complexity in the City of Burnaby are extremely rare, therefore the Direct Comparison approach is considered to offer weaker value support given the lack of recent transactions in the City. The Land Residual technique would capture the value attributed by each component proposed within the subject development and is considered to provide a more accurate value support.

10.0 LAND RESIDUAL TECHNIQUE

A prerequisite for use of the Land Residual Technique is a proposed development concept in accordance with the "highest and best use" of the land. The Land Residual Technique involves the estimation of market value of the proposed development as if complete. Expenses such as construction costs, servicing costs, sales commissions, overhead and a profit factor are then estimated and deducted from the estimate of market value.

We have been relied on the information provided by our client in our valuation process; however, given the preliminary nature of the subject project, we reserve the right to amend our analysis and value conclusions upon receiving updated information.

DESCRIPTION OF THE PROPOSED DEVELOPMENT

Our client has proposed to construct a mixed-use project with a 50-storey high-rise residential tower consisting market condominiums, a 22-storey high-rise residential tower comprising market rental units and CMHC Median rental units, an 8-storey mid-rise building comprising affordable rental units and a podium consisting ground oriented commercial retail space. Detailed building plans regarding the proposed project are not yet available. Our client provided us with a Project Feasibility Study dated July 20, 2020 prepared by ZGF Architects Inc. with information pertaining to the estimated gross building areas. Given the preliminary nature of the subject property, details pertaining to the net saleable areas and unit mix are not available. The saleable/Leasable areas have been estimated using typical building efficiencies observed from other similar, high density mixed use developments in the Lower Mainland. We have assumed the following building efficiencies for each proposed component. We note our assumptions are based on typical market ranges observed from similar buildings and are subject to change when details pertaining to the subject project are made available.

Component	Proposed GBA (Sq.ft.)	FSR	Assumed Building Efficiency	Estimated Saleable/Leasable Area (Sq.ft.)	Number of Units
Market Condominium	358,759	4.3	85%	304,945	580
Market Rental	91,383	1.1	85%	77,676	135
CMHC Median Rental	41,576	0.5	85%	35,340	68
Affordable Rental	59,059	0.7	85%	50,200	97
Commercial Retail	54,400	0.7	95%	51,680	
Common/Loading/Service/MEP	12,000	0.1	-	-	
Total:	617,177	7.4		519,840	

A preliminary 3D rendering is shown below for visual reference:



11.1.1 ESTIMATE OF GROSS PROCEEDS – MARKET CONDOMINIUM COMPONENT

Details pertaining to the unit layouts are yet to be available. To estimate Gross Proceeds from 304,945 sq.ft. of market residential saleable area, we have assumed the subject condominium units will offer competitive interior specifications, open and efficient layouts, similar to other proposed high-density condominium projects in the immediate area. Data collected from similar concrete residential projects in the City of Burnaby has been used to estimate gross revenue from the proposed subject market condominium component. First, we have analyzed the products proposed within proximity to the subject development and identified its competitive position in the location market.

According to the Project Feasibility Study dated July 20, 2020 prepared by ZGF and an assumed building efficiency of 85%, the market residential component is assumed to offer 304,945 sq.ft. of saleable area within 580 residential units, demised into studio, 1 bedroom, 2 bedroom and 3 bedroom accommodations, with an average unit size of 526 sq.ft. Given the average unit size, the unit layouts and designs are assumed to be compact.

The following projects and sales have been analyzed to provide a current indication of market selling prices for condominium units.

Comparable One – Highline, 6511 Sussex Avenue, Burnaby

“Highline” is a proposed mixed use development that consists of a 48 storey, concrete high-rise building. The project is by Thind Properties and is located within the Maywood Neighbourhood in the Metrotown area of Burnaby. The development will offer a total of 452 residential units ranging in size from 512 to 937 sq.ft., with an average unit size of 689 sq.ft. Layouts include 1 bedroom, junior 2 bedroom, 2 bedroom plus den and 3 bedroom units. All 2 bedroom and 3 bedroom units will include one parking stall and two bike lockers.



Proposed interior finish is of superior quality including 9' ceiling throughout main living areas, selection of two colour schemes, ultra-wide-plank laminate wood flooring throughout every home, stacked LG energy-star washer and dryer, modern recessed LED pot lights, roller shades throughout with privacy blinds in bedrooms, Miele stainless steel package (24" or 30", dependent on unit size), Italian-made and imported kitchen and cabinetry by BVA, soft-close organized storage, engineered quartz stone countertops and full-height backsplashes, overhead recessed lighting, polished chrome single-lever Kohler faucet and single-bowl undermount stainless steel sink with multipurpose rack, porcelain and marble tiles surrounding tub and shower, expansive mirror with shelving and integrated LED lighting strips, stainless steel rainfall showers, frameless glass shower enclosure, and polished chrome accessory fixtures.



The project began selling on February 20, 2020 and released 189 units on Floor 12-32. It was reported that 45 deals were written, with a majority of the units under the 20th floor. In Q1 2020, 110 sales were reported, followed by 40 new sales over Q2 2020. Anticipated buyers are local and recently immigrated Chinese families and couples or working professionals, with interest from some investors and downsizers. To date, 150 units are sold firm and 39 units remain available. The other remaining 263 units are currently held by the developer for a later release. The project is illustrating a blended average of \$1,050 per sq.ft., excluding GST.

The chart below illustrates the price range achieved by each unit type released within Highline:

Highline, 6511 Sussex Avenue, Burnaby

Unit Type	# of Units	Unit Size (sq.ft.)	Listing/ Sale Price (excl. GST)	Price / sq.ft. (excl. GST)
1 BEDROOM	42	512 - 527	\$519,900 - \$591,900	\$1,015.43 - \$1,123.15
1 BEDROOM	21	591 - 591	\$599,900 - \$674,900	\$1,015.06 - \$1,141.96
JR 2 BEDROOM	42	584 - 638	\$629,900 - \$749,900	\$1,078.60 - \$1,175.39
2 BEDROOM	42	752 - 808	\$769,900 - \$949,900	\$1,023.80 - \$1,175.62
2 BEDROOM + DEN	21	856 - 856	\$879,900 - \$999,900	\$1,027.92 - \$1,168.11
3 BEDROOM	21	937 - 937	\$955,900 - \$1,055,900	\$1,020.17 - \$1,126.89
Range	189	512 - 937	\$519,900 - \$1,055,900	\$1,015 - \$1,176
Average		689		\$1,050

Comparable Two – Sun Towers Metrotown (Phase Two), 6420 Silver Avenue, Burnaby



“Sun Towers Metrotown (Phase Two)” is a proposed residential development that consists of a 26 storey, concrete high-rise building. The project is by Belford Properties and is located within the Maywood Neighbourhood in the Metrotown area of Burnaby. The proposed development will offer a total of 194 residential units ranging in size from 580 to 1,604 sq.ft., with an average unit size of 808 sq.ft. Layouts include 1 bedroom, 1 bedroom plus den, 2-bedroom, 2 bedroom plus den, 3 bedroom, penthouse and townhome. Parking will be provided by a secured underground parkade.

Proposed interior finish is of good quality including wide plank laminate flooring, two color schemes of Eos (light) and Helios (dark), Blomberg bottom-mount counter depth fridge, electric wall over, gas cooktop, Bosch dishwasher and range hood, Samsung front loading washer and dryer, quartz countertops, European style cabinetry with soft close hardware, polished chrome faucet with level handle and pull down spray, full height marble slab kitchen backsplash, under cabinet lighting, quartz countertops, European style cabinetry with soft close hardware, undermount porcelain sink with chrome faucet, soaker tubes, frameless glass shower enclosures, in floor heating from Nuheat and under-vanity LED lighting.



Building amenities will include indoor pool and hot tub, fitness studio, indoor golf room, regulation indoor badminton court and party room.

Sales reportedly commenced on February 23, 2019 with VIP preview. Launch incentives included a \$10,000 complimentary upgrade package which includes custom closet organizers, laminate flooring in bedrooms, Smart Tech Thermostats, and heated bathroom floors. 12 units sold within Q1 of 2019 at a blended average price of \$1,125 per sq.ft., excluding GST. After deducting incentives, the average selling price has been calculated at approximately \$1,075 per sq.ft., excluding GST. Purchase discounts were being offered on 1 bed, 2 bed and 3 bed homes at \$11,000, \$27,000 and \$34,000, respectively. After Q1-2019, the project has reportedly re-approached sales efforts with an overseas sales campaign in Hong Kong and has sold 38 units as of June 2019, both overseas and locally. Prior to incentives, the project illustrates a blended average of \$1,116 per sq.ft., excluding GST. With the incentive being offered, the project illustrates a blended average of \$1,048 per sq.ft., excluding GST. There was a total of 77 sold units in 2019, followed by 10 new sales in Q1 2020 and 13 new sales in Q2 2020. To date, 100 units have been sold with 94 units remain available. The overall project is currently illustrating a blended average of \$1,116 per sq.ft., excluding GST. Currently, the developer is offering up to \$50,000 in discounts on select plans. Purchasers have been individuals looking to upgrade, downsizers of Chinese descent from Burnaby and surrounding communities in addition to purchasers from Hong Kong.

The following chart illustrates the price range achieved by each unit type within Sun Towers Metrotown (Phase Two):

Sun Towers Metrotown (Phase Two), 6380 - 6420 Silver Avenue, Burnaby

Unit Type	# of Units	Unit Size (sq.ft.)		Listing/ Sale Price (excl. GST)		Price / sq.ft. (excl. GST)	
1 BEDROOM	46	580	- 593	\$628,800	- \$704,800	\$1,084.14	- \$1,188.53
1 BEDROOM + DEN	46	602	- 602	\$649,800	- \$738,800	\$1,079.40	- \$1,227.24
2 BEDROOM	46	850	- 987	\$935,000	- \$1,165,000	\$1,100.00	- \$1,180.34
2 BEDROOM + DEN	23	914	- 914	\$948,800	- \$1,129,800	\$1,038.07	- \$1,236.11
3 BEDROOM	23	1,099	- 1,099	\$1,199,900	- \$1,487,900	\$1,091.81	- \$1,353.87
3 BEDROOM PENTHOUSE	4	1,209	- 1,284	\$1,881,800	- \$1,992,800	\$1,552.02	- \$1,556.49
2 BEDROOM TOWNHOUSE	2	1,221	1,260	\$1,445,800	\$1,490,800	\$1,183.17	\$1,184.11
3 BEDROOM TOWNHOUSE	4	1,453	1,604	\$1,816,800	\$1,932,800	\$1,204.99	\$1,250.38
Range	194	580	- 1,604	\$628,800	- \$1,992,800	\$1,038	- \$1,556
Average		808				\$1,116	

Comparable Three – Maywood On The Park, 6438 – 6468 McKay Avenue, Burnaby

“Maywood on the Park” is a proposed development that consists of a 32 storey, concrete high-rise building. The project is by Intracorp and is located within the Maywood Neighbourhood in the Metrotown area of Burnaby. The proposed development will offer a total of 298 residential units ranging in size from 393 to 1,286 sq.ft., with an average unit size of 668 sq.ft. Layouts include studio, 1 bedroom, 2 bedroom and 3 bedroom with various den and flex spaces. Parking will be provided by a secured underground parkade.



Proposed interior finish is of good quality including laminate hardwood flooring, low E glare windows, (under 700 sq.ft.) Bosch 24" paneled refrigerator. (over 700

sq.ft.) Bosch 30" paneled refrigerator, (under 700 sq.ft.) Bosch 24" stainless steel gas 4 burner cooktop, (over 700 sq.ft.) Bosch 30" stainless steel gas 5 burner cooktop., (under 700 sq.ft.) Bosch 24" stainless steel oven. (over 700 sq.ft.) Bosch 30" stainless steel oven, Bosch 24" integrated dishwasher, (under 700 sq.ft.) 24" hood fan, (over 700 sq.ft.) 30" hood fan, (under 700 sq.ft.) Samsung 24" front loading stacking washer. (over 700 sq.ft.) Whirlpool 27" front loading stacking washer, (under 700 sq.ft.) Samsung 24" front loading stacking dryer. (over 700 sq.ft.) Whirlpool 27" front loading stacking dryer, stone countertops, laminate cabinets, undermount stainless steel sink with Grohe chrome single lever faucet, porcelain backsplash, kitchen island, undermount sink, Duravit toilet and porcelain tile flooring.



Private preview began at the end of October/early November 2018 with studio units starting from \$399,900, excluding GST, (without parking). As of Q4 2018, the project was achieving \$1,171 per sq.ft., excluding GST on average, before applicable to incentive/discount. The public sale commenced in December 2018. Project was reporting 181 firm sales (61% sold). The remaining inventory predominately comprised of 2 bedroom E plans or larger (25th floor & up) units. As of March 2019, 14 new sales were reported. As of June 2019, the developer reported 12 additional units sold over Q2, 2019. The project illustrates a blended average of \$1,171 per sq.ft., excluding GST. After applying incentive/discount, a reduced price of \$1,100 per sq.ft., excluding GST is estimated for the project. The project recorded 30 new sale through Q3 and Q4 2019. Stepping into 2020, 11 firm deals have been reported, bringing the total number of sales to 248. To date, 50 units remain available while the overall project demonstrates a blended average of \$1,171 per sq.ft., excluding GST.

The chart below illustrates the price range achieve by each unit type within Maywood on the Park:

Maywood on the Park, 6438 Mckay Avenue, Burnaby

Unit Type	# of Units	Sold	Unsold	Unit Size (sq.ft.)		Listing/ Sale Price (excl. GST)		Price / sq.ft. (excl. GST)				
STUDIO	28	24	4	394	-	394	\$399,900	-	\$481,900	\$1,014.97	-	\$1,223.10
JR 1 BEDROOM	56	56	0	462	-	462	\$469,900	-	\$558,900	\$1,017.10	-	\$1,209.74
1 BEDROOM	28	28	0	537	-	537	\$540,900	-	\$660,900	\$1,007.26	-	\$1,230.73
1 BEDROOM + DEN	60	57	3	585	-	595	\$662,900	-	\$860,900	\$1,133.16	-	\$1,446.89
2 BEDROOM	58	40	18	753	-	830	\$799,900	-	\$900,900	\$1,062.28	-	\$1,085.42
2 BEDROOM + DEN	32	17	15	897	-	903	\$939,900	-	\$1,124,900	\$1,047.83	-	\$1,245.74
3 BEDROOM	28	24	4	1,039	-	1,039	\$1,038,900	-	\$1,360,900	\$999.90	-	\$1,309.82
3 BEDROOM PENTHOUSE	4	2	2	1,264	-	1,283	\$1,600,000	-	\$2,150,000	\$1,265.82	-	\$1,675.76
2 BEDROOM PENTHOUSE + DEN	4	0	4	1,286	-	1,286	\$2,000,000	-	\$2,150,000	\$1,555.21	-	\$1,671.85
Range	298			394	-	1,286	\$399,900	-	\$2,150,000	\$1,000	-	\$1,676
Average						668						\$1,171

The three comparables analyzed previously are felt to provide relevant market evidence towards an appropriate average selling price for the subject condominium units. We have been instructed by our client that the subject project will offer a mix of unit types including studio, 1 bedroom, 2 bedroom and 3 bedroom accommodations; however even the average unit size, the subject units appear to provide compact design.

Based on our assumptions and preliminary data, we have concluded at an average selling price of **\$1,065** per sq.ft., excluding GST, for the subject condominium units as of the effective date of this appraisal, assuming construction is complete. This is well supported by the latest released project Highline, located on Sussex Avenue, after a slight upward adjustment for the smaller unit size proposed for the subject project. Based on the estimated potential total saleable area of 304,945 sq.ft., the Gross Proceeds from the residential condominium units are calculated at **\$324,766,585** excluding GST and cooperating broker commissions. We reserve the right to amend our valuation upon receiving more detailed information regarding the unit sizes, layouts and interior finishes of the proposed condominium units.

11.1.2 ESTIMATE OF REVENUE– MARKET AND AFFORDABLE RENTAL COMPONENT

Based on a copy of Project Feasibility Study dated July 20, 2020 prepared by ZGF, the 22-storey tower will comprise market rental and CMHC rental components demised into 135 and 68 units, whilst the 8-storey building will offer 97 affordable rental units. Discussion with our client and the architect indicated that the 97 affordable rental units will be rented at 20% below median rental rate set out by the CMHC.

(i)ESTIMATE OF REVENUE–135 MARKET RENTAL UNITS

Upon completion, the market rental units within the 22-storey rental building are expected to comprise superior quality finishes over typical purpose built rental buildings in the City, and comparable to average quality condominium units in the local market. There will also be extensive indoor and outdoor amenities offered for the tenants. We have been provided with a preliminary estimate on unit mix by ZGF Architect which is summarized below:

Market Rental			
Unit Type	Number of Units	%	Average Unit Size (Sq.ft.)
Micro	13	10%	320
Studio	27	20%	350
1 Bedroom	68	50%	525
2 Bedroom	20	15%	725
3 Bedroom	7	5%	925
Total:	135		

We have analyzed potential rental income on a blended average rent per sq.ft. basis. Below is a list of rental comparables leading to our conclusions. The comparable units are located within newer high rise concrete buildings similar to that proposed for the subject. We have assumed the rents are semi gross in nature, consistent with typical residential projects. The landlord is assumed to be responsible for building maintenance, insurance, structural repairs, garbage disposal, hot water and property taxes. The tenants are assumed to be responsible for utilities for the unit, renter's and content insurance, cablevision, telephone, etc.

Apartment Market Rental Data						
No.	Address	Accommodation	Area Sq.ft.	Rent per Month	Rate per Sq.ft.	Comments
1	MetroPlace 6461 Telford Avenue Burnaby	One-Bedroom	505	\$1,850	\$3.66	Located at the southwest corner of Telford Avenue and Beresford Street, near Metrotown. Unfurnished suite. Development built circa 2014.
		Two-Bedroom	900	\$2,650	\$2.94	
2	Gold House 6383 McKay Avenue Burnaby	Two-Bedroom	715 - 773	\$2,300 - \$2,400	\$3.10 - \$3.21	Located on the west side of McKay Avenue and south of Beresford Street. Overall development is known as "Gold House", Constructed Circa 2019. Unfurnished.
3	Station Square 4688 Kingsway Burnaby	One-Bedroom	510	\$1,750	\$3.43	Located on the southwest corner of Kingsway and Station Street, near Metrotown. Unfurnished suite. Overall development comprises multiple phases with construction completed from 2015.
		Two-Bedroom	885	\$2,400	\$2.71	
4	Jewel 6188 Wilson Avenue Burnaby	Two-Bedroom	1,150	\$3,000	\$2.61	Located on the east side of Wilson Avenue and South of Beresford Street, near Metrotown. Furnished suite. Constructed circa 2010.
5	Horizon Towers Apartments 4960 Sanders Street Burnaby	One-Bedroom	610 - 695	\$1,735 - \$1,910	\$2.75 - \$2.85	Located at the southwest corner of Nelson Avenue and Sanders Street, near Metrotown. Furnished Suite. The rental tower was built in 1970.
		Two-Bedroom	806 - 876	\$2,460	\$2.80 - \$3.05	
6	Panarama Tower 4390 Grange Street Burnaby	One-Bedroom	677 - 791	\$1,741 - \$2,731	\$2.57 - \$3.45	Located on the southeast side of Grange Street and Wilson Avenue, near Metrotown. Unfurnished suites. Purpose built rental development constructed circa 1971.
		Two-Bedroom	1,044	\$2,275 - \$2,280	\$2.18	
7	Parkview Towers I & II 4769 Hazel Street Burnaby	One-Bedroom	647 - 677	\$1,600 - \$1,775	\$2.47 - \$2.62	Located on the northwest corner of Hazel Street and McMurray Avenue, near Metrotown. Unfurnished suites. Built in 1971.
		Two-Bedroom	835 - 979	\$2,050 - \$2,200	\$2.24 - \$2.45	
		Three-Bedroom	1325	\$3,295	\$2.49	
8	The George 6860 Royal Oak Avenue Burnaby	Studio	400	\$1,100	\$2.75	Located at the northwest corner of Hastings Street and Alpha Avenue, near Brentwood. Newly built 4 storey wood frame building consisting 20 rental units built in 2016. Each unit include an insuite laundry. Parking stall at \$50 per stall.
		One-Bedroom + Den	603 - 668	\$1,450	\$2.17 - \$2.40	
		Junior Two-Bedroom	632 - 677	\$1,650	\$2.44 - \$2.61	
		Two-Bedroom	754 - 804	\$1,800	\$2.24 - \$2.39	

The units analyzed offer insuite storage and some include parking stalls in the secured underground parkade. We have assumed similar amenities and offerings for the subject rental units.

The subject's 135 market rental units are assumed to provide micro, studio, 1 bedroom, 2 bedroom and 3 bedroom layouts with a total of 77,676 sq.ft. of rentable area. Based on the comparable data and the estimated timeline, we have concluded at an average rental rate of **\$3.20** per sq.ft. over the rentable area of the market rental component. The total gross rental income from Market Rental Units is therefore calculated at **\$2,982,741** per annum, semi gross.

MISCELLANEOUS INCOME**PARKING INCOME**

Parking stalls are typically offered for sale at \$50 to \$125 per month from other purpose built rental buildings. According to the Project Feasibility Study dated July 20, 2020, the subject development will provide 150 residential parking stalls for the market rental component. We have projected an average rate of \$75 per stall per month for the 150 residential parking stalls which is consistent with the current market range established by other similar, newer purpose built rental projects in the City of Burnaby. The total projected annual income from parking has been calculated at \$135,000 per annum for market rental component.

STORAGE LOCKER INCOME

Storage lockers are typically offered at \$25 to \$50 per month from other purpose built rental buildings. According to our client, the subject development will provide 135 storage lockers and we have assumed all the lockers will be allocated to the market rental portion. We have projected an average rate of \$25 per locker per month for the 135 residential storage lockers. The total projected annual income from storage locker has been calculated at \$40,500 per annum.

(ii) ESTIMATE OF REVENUE—68 CMHC MEDIAN RENTAL UNITS

Based on information provided by our client, the 22-storey building within the overall development will also offer 68 CMHC Median Rental Units. We have been instructed by our client to assume the 68 rental units will be guided under the CMHC Median Rental Rates. Perusal under the rental rates published by CMHC indicated the following rental rates in Central Park/Metrotown area within the City of Burnaby.

CMHC Median Rental Rate per Month, Apartment - Central Park/Metrotown	
Bachelor	\$1,100
1 Bedroom	\$1,200
2 Bedroom	\$1,550
3 Bedroom +	\$2,100

To value the 68 CMHC Median Rental Units, we have utilized the income approach to value. We have assumed the rents will be semi gross in nature, consistent with typical residential projects. The landlord is assumed to be responsible for building maintenance, insurance, structural repairs, garbage disposal, hot water and property taxes. The tenants are assumed to be responsible for utilities for the unit, renter's and content insurance, cablevision, telephone, etc.

According to our client as well as the information from the architect, the 68 CMHC Median Rental Unit will comprise the following unit mix:

CMHC Median Rental			
Unit Type	Number of Units	%	Average Unit Size (Sq.ft.)
Micro	7	10%	320
Studio	14	20%	350
1 Bedroom	34	50%	525
2 Bedroom	10	15%	725
3 Bedroom	3	5%	925
Total:	68		

These units will be secured by a housing agreement between the developer and the City of Burnaby and be held under a single ownership as a strata lot or air space parcel. General unit accommodation will include micro, studio, 1 bedroom, 2 bedroom and 3 bedroom units. Given the lack of rental data from CMHC regarding micro units, we have applied a monthly rental rate of \$950 per unit per month for the subject's micro unit accommodation. Given the preliminary status of the subject development, we

reserve our right to amend the set rental rate upon receiving updated information. According to building plans, the rentable area within the CMHC Median Rental Units is approximately 35,340 sq.ft.

CMHC Median Rental Estimates

Unit Type	Number of Units	%	Average Unit Size (Sq.ft.)	CMHC Median Rental Rate	Estimated Rent per Month	Estimated Rent per Annum
Micro	7	10%	320	\$950	\$6,650	\$79,800
Studio	14	20%	350	\$1,100	\$15,400	\$184,800
1 Bedroom	34	50%	525	\$1,200	\$40,800	\$489,600
2 Bedroom	10	15%	725	\$1,550	\$15,500	\$186,000
3 Bedroom	3	5%	925	\$2,100	\$6,300	\$75,600
Total:	68					\$1,015,800

We reserve the right to amend our value upon receiving confirmation regarding the CMHC Median Rental rates for the subject units. Based on the total rentable area of 35,340 sq.ft., the total annual gross income from the 68 CMHC Median Rental Units is calculated at **\$1,015,800 per annum, or \$2.40 per sq.ft.**

(iii) ESTIMATE OF REVENUE—97 AFFORDABLE RENTAL UNITS

The 8-storey building will offer 97 affordable rental units. Discussion with our client indicated that the 97 affordable rental units will be rented at 20% below the median rental rate set out by the CMHC. The following chart illustrates the estimated rental rates for the affordable rental component after applying 20% discount from the CMHC Median Rental Rates:

Estimated 20% Below CMHC Median Rental Rate - Affordable Housing	
Bachelor	\$880
1 Bedroom	\$960
2 Bedroom	\$1,240
3 Bedroom +	\$1,680

To value the 97 Affordable Rental Units, we have utilized the income approach to value. We have assumed the rents will be semi gross in nature, consistent with typical residential projects. The landlord is assumed to be responsible for building maintenance, insurance, structural repairs, garbage disposal, hot water and property taxes. The tenants are assumed to be responsible for utilities for the unit, renter's and content insurance, cablevision, telephone, etc.

A brief unit mix for the affordable rental component is shown below:

20% Below Market - Affordable Rental			
Unit Type	Number of Units	%	Average Unit Size (Sq.ft.)
Micro	10	10%	320
Studio	19	20%	350
1 Bedroom	48	50%	525
2 Bedroom	15	15%	725
3 Bedroom	5	5%	925
Total:	97		

Similar to the market rental and CMHC rental component, the rental restrictions are typically outlined in a Housing Agreement between the City of Burnaby and the developer. General unit accommodation will include micro, studio, 1 bedroom, 2 bedroom and 3 bedroom units. According to preliminary feasibility study prepared by ZGF Architects, the total rentable area within the Affordable Rental Component will be approximately 50,200 sq.ft.

Applying a 20% discount to the published CMHC Median rental rate for the Burnaby Metrotown area, the following rental rates are derived for the affordable rental units proposed within the subject development.

Affordable Rental (20% Below CMHC Median) - Rental Estimates

Unit Type	Number of Units	%	Average Unit Size (Sq.ft.)	CMHC Median Rental Rate	Estimated Rent per Month	Estimated Rent per Annum
Micro	10	10%	320	\$760	\$7,600	\$91,200
Studio	19	20%	350	\$880	\$16,720	\$200,640
1 Bedroom	48	50%	525	\$960	\$46,080	\$552,960
2 Bedroom	15	15%	725	\$1,240	\$18,600	\$223,200
3 Bedroom	5	5%	925	\$1,680	\$8,400	\$100,800
Total:	97					\$1,168,800

We reserve the right to amend our valuation upon receiving confirmation regarding the affordable rental rates for the subject units. Based on the rentable area of 50,200 sq.ft., the total annual gross income from the 97 Affordable Rental Units is projected at **\$1,168,800 per annum, or \$1.94 per sq.ft.**

VACANCY

Rental income reflects the property's fully occupied income; however, income properties may not be fully occupied over their economic lives and vacancy and collection losses must be considered. The "vacancy rate" is normally expressed as a percentage and reflects conditions in the market.

There is a high demand for rental accommodation throughout the Metro Vancouver Area. 2018 and 2019 average vacancy rates for the subject area as reported by CMHC are shown below.

CMHC Rental Reports - Average Vacancy by Area

Area	Bachelor		One Bedroom		Two Bedroom		Three Bedroom	
	2018	2019	2018	2019	2018	2019	2018	2019
Central Park/Metrotown	1.4%	1.5%	3.8%	1.5%	1.9%	1.1%	-	0.0%

Given the subject's central location, the subject units are expected to have good market demand; however, due to the large size of the proposed subject project, we projected a long term vacancy rate of **3.0%** for the market rental units.

There's generally a high demand for CMHC Median Rental Units and Affordable Rental Units, and typically long waiting lists for these types of products are observed. We have assumed a **0.0%** vacancy rate for these two rental components.

OPERATING EXPENSES

Residential leases are typically stated on a semi-gross basis with the landlord paying for property taxes, insurance, maintenance, management, advertising and repairs.

An Income and Expense Statement is not available, and the subject market and affordable rental components do not yet have an operating history. Purpose built rental buildings typically vary in operating expenses on a % of EGI basis from 15 to 40% based on the age and size. The newer the buildings, the lower the % of EGI typically is.

We assume that the units within the proposed building will be placed under a housing covenant restricting the use to rental purposes only and prohibiting sales of individual units. We assume each unit will be individually metered and tenants will pay for their own electricity, heat, telephone and cable. In

conclusion, we have projected an expense to effective gross income ratio (EGI ratio) of 20.0% for the market rental units, and 25.0% for the CMHC Median Rental and Affordable Rental units given the lower gross income achieved by these units; however, property taxes for affordable housing may be significantly less compared to market rental properties.

Based on the previous analysis, the projected net operating income from the subject market rental and CMHC Median Rental/Affordable Rental component has been estimated as:

3925 Kingsway, 5715 Jersey Avenue, Burnaby, BC					
Market Rental Units - Projected Net Income					
<u>As At September 14, 2020</u>					
<u>GROSS ANNUAL INCOME</u>					
Market Rental Units - 135 Units	77,676 sq.ft.	x	\$ 3.20	per sq.ft.	\$2,982,741
Parking Stalls	150 stalls	x	\$75.00	per stall per month	\$135,000
Storage Lockers	135 lockers	x	\$25.00	per locker per month	\$40,500
Projected Gross Income					\$3,158,241
Estimated Vacancy	3.0%				\$94,747
Effective Gross Income					\$3,063,494
<u>Less: Operating Expenses</u>	Approximately	20% of EGI			\$577,599
Projected Net Income					\$2,485,895

3925 Kingsway, 5715 Jersey Avenue, Burnaby, BC					
CMHC Median Rental/Affordable Rental - Projected Net Income					
<u>As At September 14, 2020</u>					
<u>GROSS ANNUAL INCOME</u>					
CMHC Median Rental 68 Units	35,340 sq.ft.	x	\$ 2.40	per sq.ft.	\$1,015,800
CMHC Affordable Rental 97 Units	50,200 sq.ft.		\$ 1.94	per sq.ft.	\$1,168,800
Projected Gross Income					\$2,184,600
Estimated Vacancy	0.0%				\$0
Effective Gross Income					\$2,184,600
<u>Less: Operating Expenses</u>	Approximately	25% of EGI			\$546,150
Projected Net Income					\$1,638,450

ANALYSIS OF CAPITALIZATION RATES

Capitalization is defined in "Introduction to Real Estate Appraising" published by the Appraisal Institute of Canada, as follows:

"Capitalization, in the appraisal of real estate, may be defined as the process of converting into a present worth a series of anticipated future installments of income by the application of a factor, referred to either as a capitalization rate or a present worth factor, depending upon the process used".

A capitalization rate is a conversion factor, appropriate to the property being appraised that is applied to the income stream to convert it into an indication of the market value of a property. In the capitalization process, the following steps are required:

- selection of a method of deriving the capitalization rate
- selection of an appropriate method of capitalization
- analysis of the market for the factors involved

SELECTION OF A CAPITALIZATION RATE

Through the analysis of comparable sales, ratios between selling prices in the marketplace and the net operating income of the property being sold can be derived. With consideration given to the degree of comparability in each instance, these ratios can provide an indication of the overall rate that is applicable. Where comparable sales exist, this method is widely accepted and used in the appraisal of income-producing properties since it is considered reliable, objective, and easily supported. These comparables are summarized in the chart on the following page and are considered to provide a general range of indication of capitalization rates for rental investment properties in the subject area.

We specially focused on newly constructed or newer purpose built rental complexes. These comparables are summarized in the chart on the following page and are considered to provide a general range of indication of capitalization rates for rental investment properties in the subject area.

Capitalization Rate Summary

No.	Address	Sale Price Sale Date	Effective Gross Income	Stabilized Net Income	# of Units	G.I.M.	Price Per Unit	Year Built	Capitalization Rate
1	Galt Street Flats 2328 Galt Street Vancouver	\$15,511,364 (Estimated) Aug-20	N/A	\$511,875	28	N/A	\$553,977	2018	3.30%
2	Harley House 1230 Nelson Street Vancouver	\$51,000,000 Mar-20	N/A	\$1,377,000	107	N/A	\$476,636	1971	2.70%
3	East Village Place 2778 - 2788 East Hastings Street Vancouver	\$16,500,000 Dec-18	\$829,932	\$664,322	36	19.88	\$458,333	2014	4.03%
4	Sunrise Heights Place 2205 - 2215 East Hastings Street Vancouver	\$19,650,000 Dec-18	\$970,482	\$793,637	38	20.25	\$517,105	2014	4.04%
5	Hawthorne at Timber Court 2670 Library Lane District of North Vancouver	Confidential Price Offer Q3 2020	N/A	N/A	75	N/A	N/A	2020	4.00% (Reported)
6	Riverport Flats 14000 & 14088 Riverpot Way Richmond	\$50,295,000 (Listing)	N/A	\$1,911,210 (Estimated)	144	N/A	N/A	2014	3.80% (Reported)
7	Montecito Towers 7360 - 7376 Halifax Street Burnaby	\$90,000,000 Aug-19	N/A	\$2,700,000	252	N/A	\$357,143	1972	3.00%
8	Fusion 13555 - 96th Avenue Surrey	\$56,000,000 Sep-19	\$2,948,718	\$2,300,000	146	18.99	\$383,562	2018	4.11%
9	The Point Apartments 5393 - 201st Street Langley	\$39,000,000 Jun-19	N/A	\$1,700,000	98	N/A	\$397,959	2018	4.36%
10	Willoughby Walk 20839 - 78B Avenue Langley	\$69,600,000 Apr-19	N/A	\$3,000,000	191	N/A	\$364,398	2018	4.31%
Minimum:					28				2.70%
Maximum:					252				4.36%
Average:					112				3.76%

The eleven comparables analyzed illustrate a range of capitalization rates from 2.70% to 4.36%. The transactions involve large sized or newly built rental investments in the market place and are felt to provide sufficient support of an appropriate rate of return for the subject rental units. The comparable properties range in size from 28 to 252 units.

One important consideration in our analysis is older purpose built rental complexes would typically achieve below market rents, indicating rental upsides in the near future as tenant turnover occurs. The subject market rental units are estimated as having market rates, which would typically demand a higher capitalization rate. The below-market rental units are expected to have full occupancy given the

nature of the units, and the investment is considered to be having lower risks, commanding a lower than market normal capitalization rate.

We have held extensive discussion with the rental market specialist Mr. Mark Goodman, who indicated that a cap rate compression has been observed for newly constructed rental projects in the Lower Mainland. Further, projects located within or near the City of Burnaby would be expected to achieve lower capitalization rates compared to those located in the suburban areas further away from the Downtown Core.

It is our opinion that Comparables 5 and 6, Hawthorne at Timber Court, and Riverport Flats, provide the strongest market support for the subject given their building age, and project size. To the best of our knowledge, Riverport Flats was under contract at a capitalization rate close to 3.80%. The comparable project was constructed circa 2014 and provides recent and strong market indication for newer, purpose built rental investment properties in the subject. Hawthorne at Timber Court is another newly constructed purpose built rental project located in North Vancouver. The listing agent Mark Goodman indicated that several offers have been received at approximately 4.00% cap rate.

Based on the previously discussed market data, and taking into consideration of the subject location, building age upon completion, type of products offered, etc., we have concluded at a capitalization rate of 3.85% for the market rental component, and 4.00% for the CMHC Median and Affordable rental components.

We reserve the right to amend our valuation when a Housing Agreement between the City of Burnaby and the developer becomes available with rental rates determined for each unit type.

In consideration of the preceding analysis, the value of the proposed market rental and CMHC Median Rental/Affordable Rental components, as if completed and ready for occupancy as of the effective date of this appraisal, as of September 14, 2020, would be calculated as follows:

Market rental units (135)

<u>NET OPERATING INCOME</u>	=	<u>\$ 2,485,895</u>
OVERALL RATE		<u> 3.85%</u>
	=	\$64,568,704
		Or \$478,287 per unit

Affordable rental units (165)

<u>NET OPERATING INCOME</u>	=	<u>\$ 1,638,450</u>
OVERALL RATE		<u> 4.0 %</u>
	=	\$40,961,250
		Or \$248,250 per unit

11.1.3 ESTIMATE OF GROSS PROCEEDS – STRATA RETAIL

According to the Project Feasibility Study dated July 20, 2020 prepared by ZGF, the subject commercial retail component will comprise a gross buildable area of 54,400 sq.ft. Based on an assumed building efficiency of 95% which is typical of this type of use in the local market, a potential net saleable area of 51,680 sq.ft. is estimated.

In estimating the market value of the subject commercial retail component, we have analyzed sales and listings of comparable strata titled units in mixed-use developments within similar areas of Burnaby based on a price per sq.ft. of floor area. The comparables have been adjusted based on unit size, location, development age and quality providing a good index of value for the subject. They indicate a value range between \$883 and \$2,000 per sq.ft. for units ranging from ±610 to ±2,002 sq.ft. in size as summarized in the chart on the below:

Strata Retail Units Comparables

No.	Address	Sale Price	Sale Date	Unit Size	Price per Sq. Ft.	Building Age
1	Gold House Burnaby					
	#104 & #105 4378 Beresford	\$2,500,000	Jun-20	2,002	\$1,249	0
	#103 4378 Beresford	\$1,034,000	Jun-20	932	\$1,109	
	#102 4378 Beresford	\$756,800	Jun-20	659	\$1,148	
2	Eternity Burnaby					
	5307 Lane Street	\$688,900	Jun-20	708	\$973	1
	5335 Lane Street	\$699,900	Jun-20	708	\$989	
3	Pixel Burnaby					
	6251 Kingsway	\$1,480,000	Apr-19	1,676	\$883	2
	#102 - 6283 Kingsway	\$1,480,000	Feb-19	1,659	\$892	
	6271 Kingsway	\$750,000	Jan-19	775	\$968	
4	Suntowers I Burnaby					
	4458 Beresford Street (Presales)	-	-	800 to 2,000	\$1,800 to \$2,000	0
5	7030 Kingsway Burnaby	\$735,000	Listing	610	\$1,205	25
6	The Link Vancouver					
	3581 - 3595 Kingsway					
	SL 1	\$1,218,800	Listing	1,241	\$982	0
	SL 2	\$1,208,800	Listing	1,365	\$886	
	SL 3	\$1,158,800	Listing	1,260	\$920	
	SL 4	\$1,046,800	Listing	1,099	\$953	
	SL 5	\$992,800	Listing	1,044	\$951	
	SL 6	\$1,068,800	Listing	1,103	\$969	
	SL 7	\$1,110,800	Listing	1,116	\$995	
Minimum	\$688,900			610	\$883	
Maximum	\$2,500,000			2,002	\$2,000	25
Average	\$1,120,638			1,153	\$1,104	5

There is a very limited amount of newer strata retail units that have sold or that are listed for sale within the subject neighbourhood. A majority of the similar space will be introduced by other high density, mixed-use projects that are either currently under construction and have had the units sell during their respective presales period or have yet to be released onto the market. Comparables One and Two provide the best value indication for the subject retail units, representing recent sales of CRU spaces within brand new, mixed-use developments in the Metrotown area. The latest sales under Comparables One and Two illustrate a value range from \$973 to \$1,249 per sq.ft. for units that provide similar quality of retail space as proposed within the subject. Comparable 5 provides inferior value evidence as it is located within an older, low rise wood frame mixed use building within the Highgate neighbourhood and would require a general upward adjustment.

SUMMARY

In estimating a price per square foot of unit area for the subject CRU's, the preceding comparables have been analyzed with consideration of the following items:

- The overall subject development is a high profile project with a large proposed residential base;
- The subject is located at the northwest corner of Kingsway and Jersey Avenue with extensive frontages;
- Prime location within proximity to various commercial establishments and public transportation routes located along Kingsway;
- the C-2 zoning bylaw allows for a variety of CRU tenancy types;
- the subject CRU will be located within a brand new mixed-use development in the immediate neighbourhood;
- Commercial amenities in the immediate vicinity of the subject are relatively scarce. The subject units will be able to provide retail amenities attracting residents and commercial tenants in the area;
- Three levels of underground parking along with street-side parking in the immediate area will service the subject development;
- The subject development has a large commercial retail foot print with 54,400 of gross area in total.

The comparables illustrate a range from \$883 and \$2,000 per sq.ft. with the most relevant market support provided by the recent, 2020 sales of strata retail units located within the Gold House development. The recent transactions illustrate a refined value range from \$1,109 to \$1,249 per sq.ft.

After considering the location and brand new building improvements of the subject CRU, as well as its large floor plate, it is our opinion that an average value of \$1,200 per sq.ft., excluding GST, as bracketed by the comparables, is appropriate for the subject retail component. On this basis, the estimated market value of the subject commercial retail component under the Direct Comparison Approach, as of September 14, 2020, would be calculated at \$62,016,000 based on the total estimated commercial saleable area of 51,680 sq.ft.

11.1.4 SUMMARY OF GROSS AND NET PROCEEDS

To estimate net proceeds from the subject project, we have allowed total sales commission at 3.0% based on the estimated gross proceeds from residential condominiums and commercial retail. This is consistent with market commission structures for projects of this size and type. We note the calculations for sales commissions do not include the market rental and CMHC Median Rental/Affordable Rental housing component. We have allowed a lease up cost equivalent to one month of gross rent for the rental component. The projected total gross and net proceeds are summarized below.

DESCRIPTION	Saleable/ Leasable Areas (sq.ft.)	Per sq.ft.	Subtotals	Total/sq.ft.	Totals
PROCEEDS					
Estimated Proceeds					
Residential Condominiums @	85% Building Efficiency	304,945	\$1,065	\$324,766,585	
Market Rental @	85% Building Efficiency	77,676	\$831	\$64,568,701	
CMHC Median/Affordable Rental @	85% Building Efficiency	85,540	\$479	\$40,961,250	
Commercial Retail @	95% Building Efficiency	<u>51,680</u>	<u>\$1,200</u>	<u>\$62,016,000</u>	
Total Estimated Gross Proceeds (excl. GST)		519,840	(excl GST)		\$947.05 \$492,312,536
Less Sales Commissions @	3.00%			\$32.54	\$11,603,478
Less Leasing Costs	1st month of rent			\$2.64	\$430,612
Total Estimated Net Proceeds (excl. GST)				\$923.90	\$480,278,447

11.2 HARD COSTS

The Hard Costs of construction generally include all aspects of physically constructing the development such as the labour and materials used in the construction of the building, on and off-site servicing, landscaping etc. We assume the subject will offer competitive finish and comparable features in the local market. This has been calculated based on the gross buildable area of the subject project, at 617,177 sq.ft.

According to the Market Intelligence Report published in December 2019 by BTY Group,

PROJECT CATEGORY	BRITISH COLUMBIA			
	ACTUAL 2019		FORECAST 2020	
	\$/sq'	S/ft'	\$/sq'	S/ft'
HEALTH CARE				
Residential Care	2,450 - 3,100	265 - 296	2,960 - 3,320	275 - 303
Ambulatory Care	5,650 - 5,800	525 - 514	5,880 - 6,090	546 - 566
Acute Care	6,990 - 7,300	649 - 754	7,270 - 8,220	675 - 764
LABORATORIES				
Research Laboratories	7,120 - 7,900	661 - 711	7,400 - 8,220	687 - 764
Teaching Laboratories	5,540 - 6,140	515 - 570	5,760 - 6,390	535 - 594
Animal Research	8,840 - 9,830	821 - 913	9,190 - 10,220	854 - 949
HIGH-RISE RESIDENTIAL				
Rental Units	2,680 - 3,290	249 - 297	2,840 - 3,390	264 - 315
Market Units Mid End Specifications	3,180 - 3,660	295 - 340	3,370 - 3,880	313 - 360
Market Units High End Specifications	3,420 - 4,540	318 - 412	3,640 - 4,710	337 - 438
LOW- & MEDIUM-RISE RESIDENTIAL				
Rental Units	1,880 - 2,190	175 - 201	1,990 - 2,320	185 - 216
Market Units Mid End Specifications	2,260 - 2,840	210 - 238	2,400 - 3,060	223 - 259
Market Units High End Specifications	3,250 - 4,070	302 - 378	3,450 - 4,310	321 - 400
TOWNHOUSES (WOOD FRAME)				
Rental Units	1,520 - 1,910	141 - 177	1,610 - 2,020	150 - 188
Market Units Mid End Specifications	1,660 - 2,100	154 - 200	1,760 - 2,310	164 - 215
Market Units High End Specifications	1,970 - 2,720	185 - 255	2,090 - 2,890	194 - 268
SHOPPING CENTRES				
Strip Plaza	1,180 - 2,880	110 - 266	1,220 - 2,970	113 - 276
Enclosed Mall	2,740 - 3,020	255 - 284	2,820 - 4,060	262 - 375
Anchor/Department Store	2,400 - 2,910	223 - 270	2,470 - 3,000	229 - 279
Supermarket	1,470 - 2,440	174 - 230	1,930 - 2,550	179 - 237
Discount Store	1,450 - 2,100	155 - 195	1,490 - 2,160	138 - 201
OFFICE				
Under 5 Storeys	2,280 - 2,740	212 - 255	2,410 - 2,890	224 - 268
5 - 10 Storeys	2,470 - 3,190	229 - 286	2,610 - 3,370	242 - 313
10 - 20 Storeys	2,720 - 3,450	252 - 321	2,860 - 3,640	266 - 338
20 - 30 Storeys	3,110 - 4,300	289 - 395	3,280 - 4,540	305 - 422

the forecasted average hard construction costs are the following:

- High-rise market residential development in Metro Vancouver range from \$313 to \$360 per sq.ft. for mid end finish, and \$337 - \$438 per buildable sq.ft. for high end finish in year 2020. Given the anticipated finish of the subject condominium units, we have concluded at a rate towards the middle to upper end of the range, at \$390 per sq.ft. for the market condominium building.
- High-rise rental development in Metro Vancouver is expected to range from \$264 - \$315 per buildable sq.ft. for year 2020; however, we have gathered market data from other similar development projects in the Lower Mainland, which indicated the cost to construct good quality market rental buildings is generally above this range. We've allowed \$335 per sq.ft. for the 22 storey building comprising market residential and CMHC Median rental units, and \$300 per sq.ft. for the 8 storey, below market rental building.
- For commercial podium, we have projected \$300 per sq.ft. of hard costs and assumed the retail space will comprise shell finish.

In addition, we have allocated a hard cost contingency at approximately 5.0% of the total hard cost. The total hard costs estimated by us equate to \$227,891,806 or a blended rate of \$369.25 per sq.ft. of the gross building area. This is in line with costs reported by other high rise, concrete mixed use and residential development projects in the Lower Mainland.

11.3 SOFT COSTS

"Soft costs" of development typically include such items as professional consultant fees, various municipal charges, DCC's, property taxes, marketing and sales centre construction, warranty, insurance, legal costs, overhead and management costs and financing interest costs. This will also include community amenity contribution paid on the applicable bonus densities. We have compared soft costs reported by other projects in the immediate neighbourhood. The total projected soft costs have been estimated at \$181.03 per buildable sq.ft. or \$111,729,147, which includes an estimated purchase price for the CAC density bonus purchase at \$28,471,500. This is based on a rate of \$190 per buildable sq.ft. for the 1.8 FAR bonus density (1.1 bonus density under RM-4s, and 0.7 rental bonus density).

Bonus Density					
RM4s Bonus Density @1.1 FSR	91,575	sq.ft.	Estimated price for bonus density purchase	\$190 per sq.ft.	\$17,399,250
RM4s Offset Bonus Density @ 0.7 FSR	58,275	sq.ft.	Estimated price for bonus density purchase	\$190 per sq.ft.	\$11,072,250
Total:					\$28,471,500

We have also included a 5% soft cost contingency to total soft costs.

11.4 DEVELOPER'S PROFIT

For this type of development, we observed that a developer would typically expect to achieve a profit in the region of 15% on total development costs, including land cost at market value. We have therefore estimated the developer's profit at approximately \$62,676,337, which also equates to 13.0% of net revenue. This meets the minimum profit margin typically expected and accepted by developers in the Lower Mainland.

11.5 RESIDUAL LAND VALUE SUMMARY

The previous assumptions and calculations have been summarized in the chart below to derive a final estimate of value of the subject land component using the residual land technique.

Residual Land Value for 3925 Kingsway, 5715 Jersey Avenue, Burnaby, BC

DESCRIPTION	Saleable/ Leasable Areas (sq.ft.)	Per sq.ft.	Subtotals	Total/sq.ft.	Totals
PROCEEDS					
Estimated Proceeds					
Residential Condominiums @	85% Building Efficiency	304,945	\$1,065	\$324,766,585	
Market Rental @	85% Building Efficiency	77,676	\$831	\$64,568,701	
CMHC Median/Affordable Rental @	85% Building Efficiency	85,540	\$479	\$40,961,250	
Commercial Retail @	95% Building Efficiency	51,680	\$1,200	\$62,016,000	
Total Estimated Gross Proceeds (excl. GST)		519,840	(excl GST)		\$947.05 \$492,312,536
Less Sales Commissions @	3.00%			\$32.54	\$11,603,478
Less Leasing Costs	1st month of rent			\$2.64	\$430,612
Total Estimated Net Proceeds (excl. GST)				\$923.90	\$480,278,447
GROSS BUILDING AREAS					
Site Area (sq.ft.)	83,250				
Market Residential	358,759				
Market Rental	91,383				
CMHC Median	41,576				
Affordable Rental	59,059				
Commercial	54,400				
Common/Loading/Service/MEP	12,000				
Gross Building Areas for FSR Calculations (sq.ft.)	617,177	7.4	FSR		
COSTS					
Hard Costs					
Construction Costs - Condominiums			\$390.00	\$139,916,010	
Construction Costs - Market Rental			\$335.00	\$30,613,305	
Construction Costs - Below Market Rental			\$300.00	\$30,190,500	
Construction Costs - Commercial			\$300.00	\$16,320,000	
Contingency @	5.0%		\$17.58	\$10,851,991	
Total Hard Costs					\$369.25 \$227,891,806
Soft Costs					
General Soft Costs (Consultants, municipal fees, warranties, insurance, legals, accounting)			\$59.08	\$36,462,689	
Development Management	4%		\$14.77	\$9,115,672	
Marketing Costs			\$2.43	\$1,500,000	
Financing Costs			\$50.00	\$30,858,850	
CAC Density Bonus Purchase (\$190/buildable on RM4 density)			\$46.13	\$28,471,500	
Contingency	5.0%		\$8.62	\$5,320,436	
Total Soft Costs					\$181.03 \$111,729,147
Estimate of Total Construction Costs Excluding Land Costs					\$550.28 \$339,620,952
PROFIT					
Land Value Before Developer's Profit (Net Proceeds - Total Construction Costs)				\$227.90	\$140,657,494
Less Developers profit @ 13.0 % on Net Proceeds	13%				\$62,676,337
Net Value Attributed to Land					\$77,981,157
Estimated Residual Land Value/sq.ft. of base density of 316,350 sq.ft. or 3.8 FAR					\$247

SUMMARY

The Residual Method derived at a final land value of \$77,981,157 which equates to \$247 per buildable sq.ft. if calculated on the blended base density of 3.8 FAR or 316,350 sq.ft. (2.5 FAR on the RM4s portion and 1.3 FAR on the C2 portion). The final estimate of subject land value under the Residual Method, based on our assumptions and limiting conditions, as of September 14, 2020, is concluded at:

SEVENTY-SEVEN MILLION NINE HUNDRED AND EIGHTY THOUSAND DOLLARS
(\$77,980,000)

11.0 DIRECT COMPARISON APPROACH

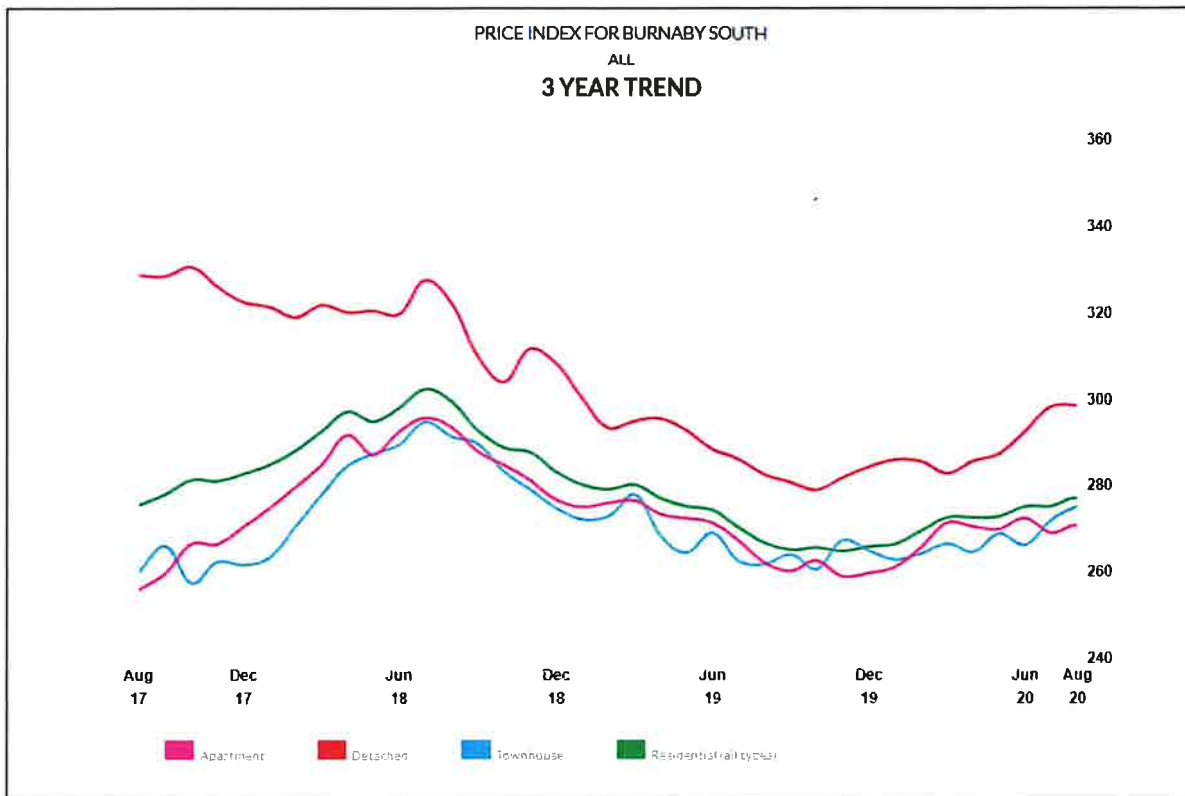
This method involves the process of comparing the Subject with others of similar character that have sold. We considered a number of land sales within the subject neighbourhood.

Development properties are often traded based on their development potential, specifically expressed in potential buildable areas computed from FAR's. The price per sq.ft. of buildable area is a unit of measurement most often used when the development density of a property is clearly depicted. It is also a commonly accepted and widely used method when valuing multi-family residential development properties in the Lower Mainland. However, in situations where development densities are somewhat uncertain and speculative, the price per sq.ft. of site area measurement is typically used. It is also a commonly accepted and widely used method when valuing multi-family residential development properties in the Lower Mainland. Since the subject's development potential (FAR) is clearly indicated in the newly adopted Metrotown Downtown Plan, we have utilized the price per buildable sq.ft. of measurement in our analyses.

The table below illustrates the property value trend for the City of Burnaby South since August 2017 as reported by the MLS® Home Price Index.

HOME PRICE INDEX FOR BURNABY SOUTH						
ALL						
AUGUST 2020						
Benchmark	Price Index	1 Month +/-	6 Month +/-	1 Year +/-	3 Year +/-	5 Year +/-
Residential - All Types						
\$964,100	272.3	-1.8	-0.2	2.6	-2.1	44.6
Detached						
\$1,555,100	297.7	-0.3	5.2	5.9	-9.5	27.4
Townhouse						
\$802,400	276.4	0.4	3.6	4.6	3.8	55.1
Apartment						
\$656,300	263.5	-2.7	-3.0	1.2	1.4	58.9

SITE VALUATION (continued)



The charts above included the Apartment, Detached, and Townhouse segments in Burnaby South. All segments of the residential market saw significant downward movement from late 2018 to mid 2019, with the market experiencing a slight bounce after that. Within the past 12 months, the benchmark price for townhouses in Burnaby South increased by 4.6% while apartment properties had a moderate increase of 1.2%.

Demand for properties along the Burnaby South continues to be supported by the City’s vision for densification along the Expo Line route and its proximity to the Downtown Core, various amenities, parks, schools, and shops. The chart to the top-right traces the monthly change in the home price index for apartment properties across Burnaby South since August 2018. We have loosely based our time adjustments on this general price trend. The statistics demonstrate that the apartment market in Burnaby South witnessed an inclining trend during the early months of the on-going pandemic but experienced a slight decline in June 2020. However, the benchmark price for apartments have shown

signs of recovery leading into August 2020.

REBGV Published Burnaby South Apartment Benchmark Price		
Month	Benchmark Price	% Change as of August 2020
Aug-20	\$656,300	
Jul-20	\$674,500	-2.70%
Jun-20	\$670,500	-2.12%
May-20	\$678,900	-3.33%
Apr-20	\$673,700	-2.58%
Mar-20	\$674,900	-2.76%
Feb-20	\$678,200	-3.23%
Jan-20	\$661,700	-0.82%
Dec-19	\$652,000	0.66%
Nov-19	\$647,300	1.39%
Oct-19	\$645,300	1.70%
Sep-19	\$654,500	0.28%
Aug-19	\$648,500	1.20%
Jul-19	\$653,500	0.43%
Jun-19	\$666,200	-1.49%
May-19	\$676,400	-2.97%
Apr-19	\$679,200	-3.37%
Mar-19	\$681,400	-3.68%
Feb-19	\$689,400	-4.80%
Jan-19	\$687,900	-4.59%
Dec-18	\$685,700	-4.29%
Nov-18	\$689,900	-4.87%
Oct-18	\$701,400	-6.43%
Sep-18	\$709,800	-7.54%
Aug-18	\$717,800	-8.57%

We have also gathered recent sales of similar development properties in the City of Burnaby to provide a market indication for the subject site. The chart on the following page includes sales of development sites that have potential for high density mixed-use and multiple family residential developments. We have considered appropriate adjustments for location, development potential, zoning status, size, orientation, transaction date, etc.

Medium to High Density Land Comparable Chart

Location	Sale Price	Site Size (Sq. Ft.)	Zoning OCF F.A.R.	Price/Sq. Ft. Site Area	Buildable Area (Sq. Ft.)	Price / Buildable (Sq. Ft.)	Comments
1 6540 Marlborough Avenue Burnaby	\$15,000,000 Jul-20 (Closed)	21,756	RM3 High Density Residential RM4s 2.50 (Base)	\$689.46	54,390	\$275.79	Located on the east side of Marlborough Avenue, south of Kingsway. The property is currently zoned RM3 (Multiple Family Residential District) and designated RM4s (High Density Residential) in the Metrotown Downtown Plan. A rezoning application was submitted on October 23 2019 to permit the construction of a high rise residential building. The application remains active at the City. At the time of the sale, the property was improved with a three-storey wood frame apartment building.
2 6588 Willingdon Avenue Burnaby	\$3,880,000 May-20 (Closed)	6,600	R5 High Density Residential RM4s 2.50 (Base)	\$587.88	16,500	\$235.15	Located on the east side of Willingdon Avenue, north of Imperial Street. The property is currently zoned R5 (Residential District) and designated RM4s (High Density Residential) in the Metrotown Downtown Plan. No development permit or rezoning applications have been submitted to the City to date. At the time of the sale, the property was improved with a single family dwelling.
3 6425 Silver Avenue Burnaby	\$31,420,000 Mar-19 (Closed)	32,424	RM3 High Density Residential RM5s 3.40 (Base)	\$969.04	110,242	\$285.01	Located on the west side of Silver Avenue and south of Beresford Street. The property is currently zoned RM-3 and designated High Density Residential (RM5s) within the Metrotown Downtown Plan. This allows a residential development of 5.0 FAR (3.4 FAR base density and 1.6 FAR must be purchased from the City). No formal rezoning application regarding the property has been received by the City as of the valuation date.
4 4275 Grange Street Burnaby	\$37,600,000 Jan-19 (Closed)	45,694	RM4 Mixed Use - High Rise RM4s 2.50 (Base)	\$822.86	114,236	\$329.14	Located on the northwest corner of Grange Street and Halley Avenue. The property is currently zoned RM-3 and designated RM 4 within the Metrotown Downtown Plan. A rezoning application (RZ 18-44) regarding the property has been submitted to the City of Burnaby to rezone the property from RM-3 to RM-4s in order to develop a 31 storey apartment building with street oriented townhomes and a 5 storey non-market rental apartment building. The application received second reading on August 24, 2020.
5 4638 - 4670 Hazel Street Burnaby	\$30,500,000 Nov-19	33,362	R5 High Density Mixed Use RM5s/C3 9.40 (Base)	\$914.21	313,603	\$97.26	Five lot land assembly located on the south side of Hazel Street, west of Sussex Avenue. The site is generally vacant and zoned R5 (Residential District). The OCP designated the land assembly as High Density Mixed-Use which allows for a base FAR of 9.4. A rezoning application RE219-64 was submitted to the City in February 2020 to permit a mixed-use development with retail, office, residential rental and market condominiums. The application remains active and under initial reviews.
6 6112 Sussex Avenue Burnaby	\$7,100,000 Jun-19	7,320	CD High Density Mixed Use RM5s/C3 9.40 (Base)	\$969.95	68,808	\$109.19	Single lot located on the southeast corner of Sussex Avenue and Hazel Street. The lot is zoned CD and designated in the Metrotown Downtown Plan as High Density Mixed-Use which allows for a base FAR of 9.4. No active development permit or rezoning applications have been reported to date.
7 5945 Kathleen Avenue, 4330 Kingsway Burnaby	\$94,999,999 Mar-19	67,378	CD High Density Mixed Use RM5s/C3 9.40 (Base)	\$1,409.96	633,353	\$150.00	Two lots located at the southeast corner of Kathleen Avenue and Kingsway. The property is currently zoned CD with "High Density Mixed-Use" designated in the Metrotown Downtown Plan in accordance to RM5s/C3, allowing a potential base density at 9.4 FAR. At the time of sale, the property was improved with two office tower buildings (Metrotown Place I & III). No formal proposal regarding the property has been received by the City of Burnaby to date.

Comparable One (6540 Marlborough Avenue, Burnaby) provides good evidence of value with a recent, July 2020 sale of a rectangular shaped lot located on the east side of Marlborough Avenue, south of Kingsway. The comparable property is currently zoned RM3 (Multiple Family Residential District) and is designated RM4s (High Density Residential) in the Metrotown Downtown Plan which allows for a base development density of 2.50 FAR. Additional bonus density may be purchased from the City of Burnaby, similar to the subject. The property is significantly smaller than the subject, comprising a site area of 21,756 sq.ft. and sold for \$15,000,000 or \$275.79 per buildable sq.ft. calculated on the base 2.50 FAR. A rezoning application was submitted to the City of Burnaby in October 2019 to permit the development of a high-rise residential building on site. To date, the application remains active at the City. At the time of the sale, similar to the subject, the comparable was improved with an older multi-family wood frame

apartment building. Various rental replacement requirements would be expected for the comparable site. After a negative adjustment for size, a value below \$275.79 per buildable sq.ft. on base density is suggested for the subject.

Comparable Two (6588 Willingdon Avenue, Burnaby) illustrates the May 2020 sale of a smaller, 6,600 sq.ft. single lot located on the east side of Willingdon Avenue, north of Imperial Street. The property is currently zoned R5 (Residential District) and designated RM4s (High Density Residential) in the Metrotown Downtown Plan. To date, no development permit or rezoning applications pertaining to the comparable was submitted to the City. The single lot sold for \$3,880,000 or approximately \$235.15 per buildable sq.ft. based on the minimum development density of 2.50 FAR. At the time of sale, the property was improved with an older single-family dwelling. The comparable provides recent market support for the subject, however we note that the comparable does not yet meet the minimum size requirement for redevelopment, and would require further assemblage. This would translate into a longer holding time frame and costs. We would expect an upward adjustment to the indicated \$235.15 per buildable sq.ft. (calculated on base density only), for the subject site.

Comparable Three (6425 Silver Avenue, Burnaby) is a smaller comparable site located to the southwest of the subject on the west side of Silver Avenue, south of Beresford Street. The property is zoned RM3 and designated RM5s (High Density Residential) within the Metrotown Downtown Plan which allows for a base development density of 3.40 FAR. The comparable comprises a rectangular shaped lot comprising a total area content of 32,424 sq.ft. The sale price of \$31,420,000 illustrates a price of \$285.01 per buildable sq.ft., in accordance with the 3.40 base FAR. A negative adjustment is warranted for the smaller comparable size and the stronger market when the comparable was negotiated and closed in late 2018/early 2019, suggesting a lower price per buildable sq.ft. value for the subject.

Comparable Four (4275 Grange Street, Burnaby) illustrates a January 2019 closed sale of 4275 Grange Street in the Metrotown Area. The property consists of 45,694 sq.ft. and is designated High Density Residential in the Metrotown Plan. A rezoning application (RZ 18-44) was submitted to the City of Burnaby proposing to rezone the property from RM3 to RM4s to permit the development of a 31-storey apartment building with street oriented townhouses and a 5-storey non-market rental apartment building. The application received second reading in August 2020. The sale defines the upper end of the comparable range at \$329.14 per buildable sq.ft. based on a potential base density of 2.50 FAR in

accordance to the proposed RM4s zone. It is our understanding the sale was negotiated months prior to the closing date, suggesting negative adjustments to be applied for the market decline since the negotiations in 2018, the smaller site area and lower potential development density of the comparable site. We would expect a final value below \$329.14 per buildable sq.ft. for the subject site based on its base density.

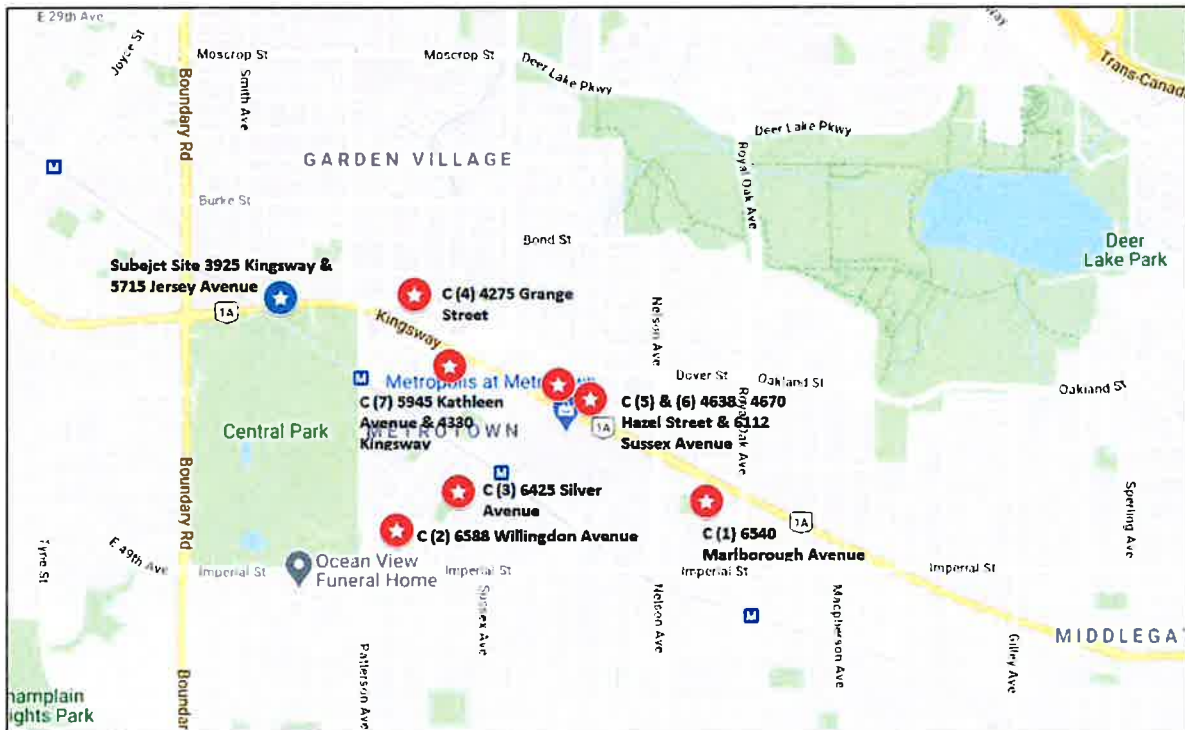
Comparable Five (4638 – 4670 Hazel Street, Burnaby) comprises the November 2019 sale of 5 lot land assembly located on the south side of Hazel Street, west of Sussex Avenue. The land assembly is currently zoned R5 and designated High Density Mixed Use in the Metrotown Plan, indicating a base density of 9.40 FAR. A rezoning application (REZ19-64) was submitted to the City in February 2020 to permit a mixed-use development with retail, office, residential rental and market condominiums. The application remains under initial reviews at the City. The comparable sold for \$30,500,000 or \$97.26 per buildable sq.ft. calculated on the base density of 9.4 FAR. Due to the significantly higher development density of 9.40 FAR, we have made an upward adjustment to the subject, suggesting a value higher than \$97.26 per buildable sq.ft. for the subject land.

Comparable Six (6112 Sussex Avenue, Burnaby) represents the June 2019 sale of a rectangular shaped, single lot located on the southeast corner of Sussex Avenue and Hazel Street. The 7,320 sq.ft lot is zoned CD and has a similar Metrotown designation as Comparable Five, indicating a base development density of 9.40 FAR. The lot sold for \$7,100,000 or \$103.19 per buildable sq.ft. based on a development density of 9.40 FAR. No active rezoning or development permit applications have been reported to date by the City. We note that redevelopment of a single lot may not be feasible without further assemblage, resulting in a longer development time frame and holding costs. Considering this and the significantly higher development density of 9.40 FAR, a higher price per buildable sq.ft. value is suggested for the subject site.

Comparable Seven (5945 Kathleen Avenue, 4330 Kingsway) highlights the March 2019 transaction of a 67,378 sq.ft. land assembly located at the southeast corner of Kathleen Avenue and Kingsway. The comparable property is currently zoned CD and designated “High Density Mixed Use” in accordance with RM5s/C2 within the Metrotown Downtown Plan, permitting a potential base density at 9.4 FAR. To date, no formal rezoning or development permit application regarding the comparable has been received by the City of Burnaby. The property is currently improved with two office towers known as Metrotown

Place I & III. It is our understanding that Metrotown Place II is situated at the southwest corner of Kathleen Avenue and Kingsway. The developer may purchase the adjacent property to complete the whole block assembly for future re-development. The March 2019 sale illustrates \$150.00 per buildable sq.ft. based on the comparable's base density of 9.4 FAR according to the OCP designation. A general upward adjustment is warranted for the much higher base FAR allowed on the comparable site.

FINAL ESTIMATE OF LAND VALUE



In estimating a market value for the subject site, we have analyzed the preceding comparables with consideration to the following items:

- The subject is located at the northwest corner of Kingsway and Jersey Avenue with extensive dual frontages;
- Prime location within proximity to various commercial establishments and public transportation routes located along Kingsway;
- 83,250 sq.ft. site that is currently zoned RM3 (Multiple Family Residential) and designated "High Density Mixed Use" in the Metrotown Downtown Plan (2017).

- The area has been revitalized given the proximity to the Metrotown Centre and Skytrain station. It is the City's goal to promote increased densities in the Metrotown Downtown Core through high-density multifamily and mixed-use building forms.
- The latest released project "Highline" located at 6511 Sussex Avenue and achieved an average selling price of \$1,050 per sq.ft., excluding GST. The project illustrates the current high demand for condominium products in the subject neighbourhood.
- The Metrotown Downtown Plan was adopted by City Council in July 2017. The Metrotown Downtown Plan allows for higher density residential and commercial development in accordance to the RM4s/C2 zoning guidelines on the subject site.
- Potential to accommodate future high-density mixed-used development at a base density of 3.8 FAR on the subject site. Additional bonus densities of 1.8 FAR will be available to purchase to enhance the total FAR under the RM4s zoning guideline. Data obtained for another similar development site in the Metrotown area indicated that the bonus density has been negotiated at \$190 per buildable sq.ft. We note that the purchase price for the bonus densities are negotiated on a case by case basis and may vary.
- Based on a 3.8 FAR base density and the gross site area of 83,250 sq.ft., a potential base gross buildable area of 316,350 sq.ft. is calculated.
- Our client has proposed to construct mixed-use project with a 50-storey high-rise residential tower consisting market condominiums, a 22-storey high-rise residential tower comprising market rental units and CMHC Median Rental units, an 8-storey mid-rise building comprising affordable rental units and a podium consisting ground oriented commercial retail space.

Component	Proposed GBA (Sq.ft.)	FSR
<u>50-Storey Tower</u>		
Market Condominium	358,759	4.3
<u>22-Storey Tower</u>		
Market Rental	91,383	1.1
CMHC Median Rental	41,576	0.5
<u>8-Storey Apartment</u>		
Affordable Rental	59,059	0.7
<u>Podium</u>		
Commercial Retail	54,400	0.7
<u>Misc/Common Area</u>		
Common/Loading/Service/MEP	12,000	0.1
Total:	617,177	7.4

- The proposed building forms and use, including market rental and below market rental suites, are consistent with the City's planning objectives.

- Rezoning of the subject site is required to proceed with a high density mixed-use project on the subject site.
- Market for development sites in Metrotown continues to remain steady, with a slight decline in selling prices from 2018 and early 2019; however, the area still remains as a desirable area for high density redevelopment given the proximity to the Expo Skytrain line and the abundance of commercial establishments and amenities in the area.

The comparables have been selected from a range of sales involving high density mixed-use and multi-family development sites in the Metrotown area of Burnaby. Appropriate adjustments are applied where necessary for location, size, development potential, FAR, planning status, transaction date, etc. It is important to note that all the comparable properties, as well as the subject, are analyzed on their base density in accordance with their respective designation in the Metrotown Downtown Plan. Additional market density will need to be acquired from the City of Burnaby, and various rental requirements including rental replacement will also be in place.

After consideration of all factors pertinent to value and further based on our knowledge of the market, it is our opinion that the market value for the subject site, as of September 14, 2020, assuming a fee simple interest is concluded at **\$250** per buildable sq.ft. based on the base density of 3.8 FAR (2.5 RM4s + 1.3 C2).

Base Buildable Area (sq.ft.)		Price per Buildable Square Foot	= Estimate of Value
316,350 sq.ft.	X	\$250 per sq.ft.	\$79,087,500

ROUNDED TO:

SEVENTY-NINE MILLION NINETY THOUSAND DOLLARS
(\$79,090,000)

12.0 FINAL ESTIMATE OF VALUE

Direct Comparison Approach:	\$79,090,000
Land Residual Technique:	\$77,980,000

DIRECT COMPARISON APPROACH

Using the Direct Comparison Approach, we have analyzed current sales of similar zoned and similar potential medium to high density redevelopment sites in comparable markets to derive a value based upon a price per buildable square foot. This analysis provides a general index of value for the subject site and the comparables analyzed on a price per buildable square foot basis provide a good indication of value for the subject site after adjustments. Given the lack of truly comparable and data, it is our opinion the Direct Comparison Approach is not the most appropriate method to value the subject development parcel.

LAND RESIDUAL TECHNIQUE

The Land Residual Technique involves the estimate of market value "as if complete". Costs such as construction costs, servicing costs, sales commissions, overhead and a profit factor are then estimated and deducted from the estimate of market value. After deducting the costs associated with redevelopment of the property, we estimated a residual land value of the site. The subject is proposed with a complex development project involving various components. The residual technique analyzes the potential revenue and costs for each specific component and is felt to provide a more accurate indication of value over the Direct Comparison Approach.

The Residual Land Technique has derived at \$247 per buildable sq.ft. which is generally consistent with the comparable range. It is our opinion that after appropriate adjustment, the Direct Comparison Approach provides for supplementary support to the value derived under the Land Residual Technique. Given the lack of truly comparable market data, we have utilized the residual approach to value to determine a more accurate value indication for the subject land.

CONCLUSION

The two approaches have demonstrated a close range of value from \$77,980,000 to \$79,090,000. After consideration of the previously discussed factors, we have concluded the final estimate of market value of the subject land component within this range, at **\$78,000,000**, as of the effective date of this appraisal on September 14, 2020:

SEVENTY-EIGHT MILLION DOLLARS
(\$78,000,000)

The concluded value is for the subject land based on its redevelopment potential. No representation of value of each of the existing strata lot is made in this report.

*Given the preliminary nature of the proposed development, we reserve the right to amend our valuation upon receiving updated information on the actual proposed buildable areas.

Our analysis and value conclusions above assume market exposure under typical market conditions. We are not yet able to comment on the potential impact on value due to the current COVID-19 pandemic and reserve the right to amend our value conclusions when more updated economic data becomes available.

13.0 CERTIFICATION

September 16, 2020

Re: 3925 Kingsway, 5715 Jersey Avenue, Burnaby, BC

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

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

CIVIC ADDRESSES AND LEGAL DESCRIPTIONS

101 strata condominium units within a strata titled multi-family residential development located at 3925 Kingsway and 5715 Jersey Avenue, Burnaby, BC

Legal Description: Strata Lots 1 – 101, inclusive, District Lot 34 Group 1 New Westminster District Strata Plan NW289

BASED UPON THE DATA, ANALYSES AND CONCLUSIONS CONTAINED HEREIN, THE MARKET VALUE OF THE INTEREST IN THE PROPERTY DESCRIBED, AS AT SEPTEMBER 14, 2020 IS ESTIMATED AT **\$78,000,000.**

AS SET OUT ELSEWHERE IN THIS REPORT, THIS REPORT IS SUBJECT TO CERTAIN ASSUMPTIONS AND LIMITING CONDITIONS, THE VERIFICATION OF WHICH IS OUTSIDE THE SCOPE OF THIS REPORT.

Respectfully submitted,
L.W. PROPERTY ADVISORS LTD.



Per: Rose Wang
B. Com., AACI, P. App.
AACI Membership No. 902311
Signed: September 16, 2020

14.0 ASSUMPTIONS AND LIMITING CONDITIONS

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

1. This report is prepared at the request of the client and for the specific use referred to herein. It is not reasonable for any other party to rely on this appraisal without first obtaining written authorization from the client, the authors, subject to the qualification below. Liability is expressly denied to any person other than the client and those who obtain written consent and, accordingly, no responsibility is accepted for any damage suffered by any such person as a result of decisions made or actions based on this report. Diligence by all intended users is assumed.
2. Because market conditions, including economic, social and political factors change rapidly and, on occasion, without warning, the market value estimate expressed as of the date of this appraisal cannot be relied upon as of any other date except with further advice from the appraiser and confirmed in writing.
3. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. No registry office search has been performed and the appraiser assumes that the title is good and marketable and free and clear of all encumbrances including leases, unless otherwise noted in this report. The property is appraised on the basis of it being under responsible ownership.
4. The subject site is presumed to comply with government regulations including zoning, building codes and health regulations and, if it doesn't comply, its non-compliance may affect market value.
5. No survey of the property has been made. Any sketch in the appraisal report shows approximate dimensions and is included only to assist the reader of the report in visualizing the property.
6. This report is completed on the basis that testimony or appearance in court concerning this appraisal is not required unless specific arrangements to do so have been made beforehand. Such arrangements will include, but not necessarily be limited to, adequate time to review the appraisal report and data related thereto and the provision of appropriate compensation.

ASSUMPTIONS AND LIMITING CONDITIONS (continued)

7. Unless otherwise stated in this report, the appraiser has no knowledge of any hidden or unapparent conditions of the property (including, but not limited to, its soils, physical structure, mechanical or other operating systems, its foundation, etc.) or adverse environmental conditions (on it or a neighbouring property, including the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable. It has been assumed that there are no such conditions unless they were observed at the time of inspection or became apparent during the normal research involved in completing the appraisal. This report should not be construed as an environmental audit or detailed property condition report, as such reporting is beyond the scope of this report and/or the qualifications of the appraiser. The author makes no guarantees or warranties, express or implied, regarding the condition of the property, and will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. The bearing capacity of the soil is assumed to be adequate.
8. The appraiser is not qualified to comment on environmental issues that may affect the market value of the property appraised, including but not limited to pollution or contamination of land, buildings, water, groundwater or air. Unless expressly stated, the property is assumed to be free and clear of pollutants and contaminants, including but not limited to moulds or mildews or the conditions that might give rise to either, and in compliance with all regulatory environmental requirements, government or otherwise, and free of any environmental condition, past, present or future, that might affect the market value of the property appraised. If the party relying on this report requires information about environmental issues, then that party is cautioned to retain an expert qualified in such issues. We expressly deny any legal liability relating to the effect of environmental issues on the market value of the subject site.
9. The analyses set out in this report relied on written and verbal information obtained from a variety of sources we considered reliable. Unless otherwise stated herein, we did not verify client-supplied information, which we believed to be correct.
10. The term "inspection" refers to observation and reporting of the general material finishing, and conditions seen for the purposes of a standard appraisal inspection. The inspection scope of work includes the identification of marketable characteristics/amenities offered for comparison and valuation purposes only, in accordance with the CUSPAP.

ASSUMPTIONS AND LIMITING CONDITIONS (continued)

11. The opinions of value and other conclusions contained herein assume satisfactory completion of any work remaining to be completed in a good and workmanlike manner. Further inspection may be required to confirm completion of such work. The appraiser has not confirmed that all mandatory building inspections have been completed to date, nor has the availability/issuance of an occupancy permit been confirmed. The appraiser has not evaluated the quality of construction, workmanship or materials. It should be clearly understood that this physical inspection does not imply compliance with any building code requirements as this is beyond the professional expertise of the appraiser.
12. The contents of this report are confidential and will not be disclosed by the author to any party except as provided for by the provisions of the CUSPAP and/or when properly entered into evidence of a duly qualified judicial or quasi-judicial body. The appraiser acknowledges that the information collected herein is personal and confidential and shall not use or disclose the contents of this report except as provided for in the provisions of the CUSPAP and in accordance with the appraiser's privacy policy. The client agrees that in accepting this report, it shall maintain the confidentiality and privacy of any personal information contained herein and shall comply in all material respects with the contents of the appraiser's privacy policy and in accordance with the PIPEDA.
13. The appraiser has agreed to enter into the assignment as requested by the client named in the report for the use specified by the client, which is stated in the report. The client has agreed that the performance of this appraisal and the report format are appropriate for the intended use.
14. Written consent from the authors must be obtained before any part of the appraisal report can be used for any use by anyone except the client and other intended users identified in the report. Where the client is the mortgagee and the loan are insured, liability is extended to the mortgage insurer. Liability to any other party or for any other use is expressly denied regardless of who pays the appraisal fee.
15. This report form is the property of the Appraisal Institute of Canada (AIC) and for use only by AIC members in good standing. Use by any other person is a violation of AIC copyright. This appraisal report, its content and all attachments/addendums and their content are the property of the author. The client, intended users and any appraisal facilitator are prohibited, strictly forbidden and no permission is expressly or implicitly granted or deemed to be granted, to modify, alter, merge, publish (in whole or in part) screen scrape, database scrape, exploit, reproduce, decompile, reassemble or participate in any other activity intended to separate, collect, store, reorganize, scan, copy, manipulate electronically, digitally, manually or by any other means whatsoever this appraisal report, addendum, all attachments and the data contained within for any commercial, or other, use.

ASSUMPTIONS AND LIMITING CONDITIONS (continued)

16. If transmitted electronically, this report will have been digitally signed and secured with personal passwords to lock the appraisal file. Due to the possibility of digital modification, only originally signed reports and those reports sent directly by the appraiser, can be relied upon without fault.

17. Where the intended use of this report is for financing or mortgage lending, it is a condition of reliance on this report that the authorized user has or will conduct loan underwriting and rigorous due diligence in accordance with the standards of a reasonable and prudent lender, including but not limited to ensuring the borrower's demonstrated willingness and capacity to service his/her debt obligations on a timely basis, and to conduct such loan underwriting and due diligence in accordance with the standards set out by the Office of the Superintendent of Financial Institutions (OSFI) Residential Mortgage Underwriting Practices and Procedures B-20, even when not otherwise required by law. Liability is expressly denied to those that do not meet this condition.

18. Where the intended use of this report is for mortgage insurance, it is a condition of reliance on this report that the authorized user will conduct loan insurance underwriting and rigorous due diligence in accordance with the standards of a reasonable and prudent mortgage insurer, including but not limited to ensuring the borrower's demonstrated willingness and capacity to service his/her debt obligations on a timely basis, to conduct such loan insurance underwriting and/ due diligence in accordance with the standards set out by the Office of the Superintendent of Financial Institutions (OSFI) Residential Mortgage Insurance Underwriting Practices and Procedures B-21, even when not otherwise required by law. Liability is expressly denied to those that do not meet this condition.

Appendix "A"

Copies of the Title Information

TITLE SEARCH PRINT

2020-09-14, 15:20:21⁸⁷

File Reference:

Requestor: Joseph Gao

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

Title Issued Under STRATA PROPERTY ACT (Section 249)

Land Title District NEW WESTMINSTER
Land Title Office NEW WESTMINSTER

Title Number WX2117672
From Title Number CA6768226

Application Received 2019-06-28

Application Entered 2019-07-18

Registered Owner in Fee Simple
Registered Owner/Mailing Address: 1161359 B.C. LTD., INC.NO. BC1161359
1130-1185 WEST GEORGIA STREET
VANCOUVER, BC
V6E 4E6

Taxation Authority Burnaby, City of

Description of Land
Parcel Identifier: 000-613-754
Legal Description:
STRATA LOT 39 DISTRICT LOT 34 GROUP 1 NEW WESTMINSTER
DISTRICT STRATA PLAN NW289 TOGETHER WITH AN INTEREST IN
THE COMMON PROPERTY IN PROPORTION TO THE UNIT ENTITLEMENT
OF THE STRATA LOT AS SHOWN ON FORM 1

Legal Notations NONE

Charges, Liens and Interests
Nature: MORTGAGE
Registration Number: CA6769345
Registration Date and Time: 2018-04-30 16:00
Registered Owner: 1162037 B.C. LTD.
INCORPORATION NO. BC1162037
Remarks: INTER ALIA

TITLE SEARCH PRINT

2020-09-14, 15:20:21⁸⁸
Requestor: Joseph Gao

File Reference:

Nature: ASSIGNMENT OF RENTS
Registration Number: CA6769346
Registration Date and Time: 2018-04-30 16:00
Registered Owner: 1162037 B.C. LTD.
INCORPORATION NO. BC1162037
Remarks: INTER ALIA

Nature: MORTGAGE
Registration Number: CA6769537
Registration Date and Time: 2018-04-30 16:44
Registered Owner: GC CAPITAL INC.
INCORPORATION NO. BC1162143
Transfer Number: CA7978675
Remarks: INTER ALIA

Nature: ASSIGNMENT OF RENTS
Registration Number: CA6769538
Registration Date and Time: 2018-04-30 16:44
Registered Owner: GC CAPITAL INC.
INCORPORATION NO. BC1162143
Transfer Number: CA7978676
Remarks: INTER ALIA

Nature: MORTGAGE
Registration Number: CA6769663
Registration Date and Time: 2018-04-30 17:50
Registered Owner: RICHARD JOHN HUI
Remarks: INTER ALIA

Nature: CERTIFICATE OF PENDING LITIGATION
Registration Number: CA7540699
Registration Date and Time: 2019-06-04 15:04
Registered Owner: RICHARD JOHN HUI
Remarks: INTER ALIA

Nature: CERTIFICATE OF PENDING LITIGATION
Registration Number: CA7601507
Registration Date and Time: 2019-07-04 09:18
Registered Owner: 1162037 B.C. LTD.
INCORPORATION NO. BC1162037
Remarks: INTER ALIA

TITLE SEARCH PRINT

2020-09-14, 15:20:21⁸⁹
Requestor: Joseph Gao

File Reference:

Nature: CERTIFICATE OF PENDING LITIGATION
Registration Number: CA7654661
Registration Date and Time: 2019-07-30 14:28
Registered Owner: GC CAPITAL INC.
INCORPORATION NO. BC1162143
Remarks: INTER ALIA

Nature: JUDGMENT
Registration Number: CA7736273
Registration Date and Time: 2019-09-09 11:17
Registered Owner: RICHARD JOHN HUI
Remarks: INTER ALIA

Nature: JUDGMENT
Registration Number: CA7909159
Registration Date and Time: 2019-12-04 12:35
Registered Owner: ANDREW HING CHUEN LEE
EXECUTOR OF THE WILL OF FONG KIU LEE, DECEASED, SEE
CA7909159
Remarks: INTER ALIA

Nature: JUDGMENT
Registration Number: CA7954787
Registration Date and Time: 2019-12-30 14:35
Registered Owner: 1162037 B.C. LTD.
INCORPORATION NO. BC1162037
Remarks: INTER ALIA

Nature: JUDGMENT
Registration Number: CA8042787
Registration Date and Time: 2020-02-19 10:34
Registered Owner: GC CAPITAL INC.
INCORPORATION NO. BC1162143
Remarks: INTER ALIA

Duplicate Indefeasible Title NONE OUTSTANDING

Transfers NONE

Pending Applications NONE

TITLE SEARCH PRINT

2020-09-14, 15:20:54⁹⁰

File Reference:

Requestor: Joseph Gao

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

Title Issued Under STRATA PROPERTY ACT (Section 249)

Land Title District NEW WESTMINSTER
Land Title Office NEW WESTMINSTER

Title Number WX2117678
From Title Number CA6768234

Application Received 2019-06-28

Application Entered 2019-07-18

Registered Owner in Fee Simple
Registered Owner/Mailing Address: 1161359 B.C. LTD., INC.NO. BC1161359
1130-1185 WEST GEORGIA STREET
VANCOUVER, BC
V6E 4E6

Taxation Authority Burnaby, City of

Description of Land
Parcel Identifier: 001-263-528
Legal Description:
STRATA LOT 60 DISTRICT LOT 34 GROUP 1 NEW WESTMINSTER DISTRICT
STRATA PLAN NW289 TOGETHER WITH AN INTEREST IN THE COMMON
PROPERTY IN PROPORTION TO THE UNIT ENTITLEMENT OF THE STRATA
LOT AS SHOWN ON FORM 1

Legal Notations NONE

Charges, Liens and Interests
Nature: MORTGAGE
Registration Number: CA6769345
Registration Date and Time: 2018-04-30 16:00
Registered Owner: 1162037 B.C. LTD.
INCORPORATION NO. BC1162037
Remarks: INTER ALIA

TITLE SEARCH PRINT

File Reference:

Nature: ASSIGNMENT OF RENTS
Registration Number: CA6769346
Registration Date and Time: 2018-04-30 16:00
Registered Owner: 1162037 B.C. LTD.
INCORPORATION NO. BC1162037
Remarks: INTER ALIA

Nature: MORTGAGE
Registration Number: CA6769537
Registration Date and Time: 2018-04-30 16:44
Registered Owner: GC CAPITAL INC.
INCORPORATION NO. BC1162143
Transfer Number: CA7978675
Remarks: INTER ALIA

Nature: ASSIGNMENT OF RENTS
Registration Number: CA6769538
Registration Date and Time: 2018-04-30 16:44
Registered Owner: GC CAPITAL INC.
INCORPORATION NO. BC1162143
Transfer Number: CA7978676
Remarks: INTER ALIA

Nature: MORTGAGE
Registration Number: CA6769663
Registration Date and Time: 2018-04-30 17:50
Registered Owner: RICHARD JOHN HUI
Remarks: INTER ALIA

Nature: CERTIFICATE OF PENDING LITIGATION
Registration Number: CA7540699
Registration Date and Time: 2019-06-04 15:04
Registered Owner: RICHARD JOHN HUI
Remarks: INTER ALIA

Nature: CERTIFICATE OF PENDING LITIGATION
Registration Number: CA7601507
Registration Date and Time: 2019-07-04 09:18
Registered Owner: 1162037 B.C. LTD.
INCORPORATION NO. BC1162037
Remarks: INTER ALIA

TITLE SEARCH PRINT

2020-09-14, 15:20:54⁹²
Requestor: Joseph Gao

File Reference:

Nature: CERTIFICATE OF PENDING LITIGATION
Registration Number: CA7654661
Registration Date and Time: 2019-07-30 14:28
Registered Owner: GC CAPITAL INC.
INCORPORATION NO. BC1162143
Remarks: INTER ALIA

Nature: JUDGMENT
Registration Number: CA7736273
Registration Date and Time: 2019-09-09 11:17
Registered Owner: RICHARD JOHN HUI
Remarks: INTER ALIA

Nature: JUDGMENT
Registration Number: CA7909159
Registration Date and Time: 2019-12-04 12:35
Registered Owner: ANDREW HING CHUEN LEE
EXECUTOR OF THE WILL OF FONG KIU LEE, DECEASED, SEE
CA7909159
Remarks: INTER ALIA

Nature: JUDGMENT
Registration Number: CA7954787
Registration Date and Time: 2019-12-30 14:35
Registered Owner: 1162037 B.C. LTD.
INCORPORATION NO. BC1162037
Remarks: INTER ALIA

Nature: JUDGMENT
Registration Number: CA8042787
Registration Date and Time: 2020-02-19 10:34
Registered Owner: GC CAPITAL INC.
INCORPORATION NO. BC1162143
Remarks: INTER ALIA

Duplicate Infeasible Title NONE OUTSTANDING

Transfers NONE

Pending Applications NONE

Appendix "B"

**Copies of the RM3(s), RM4(s) and
C-2 Zoning Bylaws**

203. MULTIPLE FAMILY RESIDENTIAL DISTRICT (RM3)

This District provides for a medium density multiple family area.
(B/L No. 13940-18-12-03)

203.1 Uses Permitted:

- (1) Uses, other than group homes, permitted in the R6 Residential District, subject to the regulations contained therein.
- (2) Multiple family dwellings, or groups of multiple family dwellings.
- (3) Dormitory units, or groups of dormitory units, provided that such development is situated within 300 m (984.25 ft.) of the boundaries of the lands and premises occupied by the institution which it serves.
- (4) Boarding, lodging and rooming houses, subject to the condition that such use is included as part of a comprehensive development plan to which the provisions of the Comprehensive Development District apply.
- (5) Accessory buildings and uses.
- (6) Child care facilities.
- (7) Category A supportive housing facilities, subject to the following conditions:
 - (a) the use shall be included as part of a comprehensive development plan subject to the CD (Comprehensive Development) District; and
 - (b) each living unit shall have a minimum floor area of 27 m² (290.6 sq.ft.).
- (8) Category B supportive housing facilities, subject to the following conditions:
 - (a) the use shall be included as part of a comprehensive development plan subject to the CD (Comprehensive Development) District;
 - (b) each living unit shall have a minimum floor area
 - (i) of 33 m² (355.22 sq.ft.) for a studio unit
 - (ii) of 41 m² (441.4 sq.ft.) for a junior one-bedroom unit
 - (iii) of 46 m² (495.16 sq.ft.) for a one bedroom unit;
 - (c) the number of studio units shall not be more than 25 percent of the total number of living units in the facility; and

- (d) the number of studio units and junior one-bedroom units together shall not be more than 50 percent of the total number of living units in the facility.
- (9) Rest homes and private hospitals, subject to the condition that such use is included as part of a comprehensive development plan subject to the CD (Comprehensive Development) District.
- (10) Temporary shelters. (B/L No. 14003-19-07-29)

203.2 Uses Permitted in the RM3s Zoning District:

Uses permitted in the RM3 District, excluding uses permitted in the R6 District, dormitory units or groups of dormitory units, and boarding, lodging and rooming houses.

203.3 Uses Permitted in the RM3r Zoning District:

- (1) Multiple family dwellings, or groups of multiple family dwellings, provided that dwelling units are restricted to rental dwelling units only.
- (2) Home occupations.
- (3) Accessory buildings and uses.

203.4 Height of Buildings:

The height of a building shall not exceed 12.0 m (39.37 ft.) nor 3 storeys.

203.5 Lot Area and Width:

Each lot shall have an area of not less than 1,110 m² (11,948.33 sq.ft.) and a width of not less than 30 m (98.43 ft.).

203.6 Floor Area Ratio:

- (1) The maximum floor area ratio shall be 0.90, except where underground parking is provided, an amount may be added to the floor area ratio equal to 0.20 multiplied by the ratio of parking spaces provided in the underground parking to the total parking spaces provided, but in no case shall the floor area ratio exceed 1.10.
- (2) Notwithstanding subsection (1) of this section, where amenities or affordable or special needs housing are provided in accordance with section 6.22 the floor area ratio may be increased by 0.15, but except as provided in subsection (3) in no case shall the floor area ratio exceed 1.25.

- (3) Notwithstanding subsection (1) of this section, in the RM3s District where amenities or affordable or special needs housing are provided in accordance with section 6.22 the floor area ratio may be increased by a further 0.25, but in no case shall the floor area ratio exceed 1.50.
- (4) Notwithstanding subsections (1) and (2) of this section, in the RM3r District, the maximum floor area ratio shall be 0.90, except where underground parking is provided, an amount may be added to the floor area ratio equal to 0.20 multiplied by the ratio of parking spaces provided in the underground parking to the total parking spaces provided, but in no case shall the floor area ratio exceed 1.10. For clarity, the maximum floor area ratio permitted in the RM3r District shall be in addition to the FAR permitted for any other zoning district on the lot.
- (5) Notwithstanding subsections (1), (2), (3) and (4) of this section, in the RM3, RM3r and RM3s Districts the floor area ratio may be increased by a further 0.55, but in no case shall exceed 2.05, provided that:
- (a) the lot is rezoned to Comprehensive Development District; and
 - (b) at least 20% of the dwelling units on the lot are rental dwelling units with maximum rents of 20% below CMHC Market Average Rent for the size of the dwelling unit.
- (B/L No. 14034-19-07-29)

203.7 Front Yard:

A front yard shall be provided of not less than 4.57 m (15 ft.) in depth.

203.8 Side Yard:

A side yard shall be provided on each side of the building of not less than 4.57 m (15 ft.) in width.

203.9 Rear Yard:

A rear yard shall be provided of not less than 4.57 m (15 ft.) in depth.

203.10 Off-Street Parking:

Off-street parking shall be provided and maintained in accordance with Schedule VIII of this Bylaw.

203.11 Car Wash Stall:

One car wash stall with a "No Parking" sign affixed to it shall be provided for each 100 dwelling units.

204. MULTIPLE FAMILY RESIDENTIAL DISTRICT (RM4)

This District provides for a medium to high density multiple family area.
(B/L No. 13940-18-12-03)

204.1 Uses Permitted:

- (1) Multiple family dwellings, or groups of multiple family dwellings.
- (2) Home occupations.
- (3) Accessory buildings and uses.
- (4) Child care facilities.
- (5) Category A supportive housing facilities, subject to the following conditions:
 - (a) the use shall be included as part of a comprehensive development plan subject to the CD (Comprehensive Development) District; and
 - (b) each living unit shall have a minimum floor area of 27 m² (290.6 sq.ft.).
- (6) Category B supportive housing facilities, subject to the following conditions:
 - (a) the use shall be included as part of a comprehensive development plan subject to the CD (Comprehensive Development) District;
 - (b) each living unit shall have a minimum floor area
 - (i) of 33 m² (355.22 sq.ft.) for a studio unit
 - (ii) of 41 m² (441.4 sq.ft.) for a junior one-bedroom unit
 - (iii) of 46 m² (495.16 sq.ft.) for a one bedroom unit;
 - (c) the number of studio units shall not be more than 25 percent of the total number of living units in the facility; and
 - (d) the number of studio units and junior one-bedroom units together shall not be more than 50 percent of the total number of living units in the facility.
- (7) Rest homes and private hospitals, subject to the condition that such use is included as part of a comprehensive development plan subject to the CD (Comprehensive Development) District.
- (8) Temporary shelters. (B/L No. 14003-19-07-29)

204.2 Uses Permitted in the RM4s Zoning District:

Uses permitted in the RM4 District, excluding home-based child care facilities.

204.3 Uses Permitted in the RM4r Zoning District:

- (1) Multiple family dwellings, or groups of multiple family dwellings, provided that dwelling units are restricted to rental dwelling units only.
- (2) Home occupations.
- (3) Accessory buildings and uses.

204.4 Lot Area and Width:

Each lot shall have an area of not less than 1,670 m² (17,976.32 sq.ft.) and a width of not less than 37 m (121.39 ft.).

204.5 Building Separation:

Notwithstanding section 6.3 of this bylaw, portions of a building above 6 storeys shall be set back from all other buildings by not less than:

- (a) 24.38 m (80 ft.) as measured corner to corner, and
- (b) 30.48 m (100 ft.) as measured face to face.

204.6 Floor Area Ratio:

- (1) The maximum floor area ratio shall be 1.40, except where underground parking is provided, the floor area ratio may be increased by 0.30 multiplied by the ratio of underground parking spaces to the total parking spaces, but in no case shall the increase exceed 0.30.
- (2) Notwithstanding subsection (1) of this section, where amenities or affordable or special needs housing are provided in accordance with section 6.22 the floor area ratio may be increased by 0.30, but except as provided in subsection (3) in no case shall the floor area ratio exceed 2.00.
- (3) Notwithstanding subsection (1) of this section, in the RM4s District where amenities or special needs housing are provided in accordance with section 6.22 the floor area ratio may be increased:
 - (a) up to a further 0.8 determined in accordance with section 6.22(3); plus
 - (b) an additional supplement equal to the increase under subsection (a);

but in no case shall the floor area ratio exceed 3.6.

- (4) Notwithstanding subsections (1) and (2) of this section, in the RM4r District, the maximum floor area ratio shall be 1.40 except, where underground parking is provided, the floor area ratio may be increased by 0.30 multiplied by the ratio of underground parking spaces to the total parking spaces, but in no case shall the increase exceed 0.30. For clarity, the maximum floor area ratio permitted in the RM4r District shall be in addition to the FAR permitted for any other zoning district on the lot.
- (5) Notwithstanding subsections (1), (2), (3) and (4) of this section, in the RM4, RM4r and RM4s Districts the floor area ratio may be increased by a further 0.85, but in no case shall exceed 4.45, provided that:
- (a) the lot is rezoned to Comprehensive Development District; and
 - (b) at least 20% of the dwelling units on the lot are rental dwelling units with maximum rents of 20% below CMHC Market Average Rent for the size of the dwelling unit.
- (B/L No. 14034-19-07-29)

204.7 Front Yard:

A front yard shall be provided of not less than 4.57 m (15 ft.) in depth.

204.8 Side Yard:

A side yard shall be provided on each side of the building of not less than 4.57 m (15 ft.) in width.

204.9 Rear Yard:

A rear yard shall be provided of not less than 4.57 m (15 ft.) in depth.

204.10 Off-Street Parking:

Off-street parking shall be provided and maintained in accordance with Schedule VIII of this Bylaw.

204.11 Car Wash Stall:

One car wash stall with a "No Parking" sign affixed to it shall be provided for each 100 dwelling units.

302. COMMUNITY COMMERCIAL DISTRICT (C2)

This District provides for the daily and occasional shopping needs of residents of several neighbourhoods, as well as providing for rental dwelling units located above the business premises. (B/L No. 13940-18-12-03)

302.1 Uses Permitted in a C2 Zoning District:

- (1) Animal hospitals. (B/L No. 9322-90-02-19)
- (1a) Banks. (B/L No. 9322-90-02-19)
- (1b) Beverage container return centres, subject to a maximum gross floor area of 280m² (3,013.99 sq. ft.). (B/L No. 10799-98-10-05)
- (2) Business and professional offices.
- (3) Cafes or restaurants (excluding drive-in restaurants).
- (4) Clubs or lodges.
- (5)
 - (a) Conventional gasoline service stations, subject to the regulations of the C6 (Gasoline Service Station) District.
 - (b) Self-serve gasoline service stations, which were constructed or converted for this use on or before 1977 January 01, subject to the regulations of the C6 (Gasoline Service Station) District. (B/L 6906-77-01-31)
- (5a) Fitness and health facilities. (B/L No. 11204-01-02-12)
- (6) Personal service establishments including: barbershops, beauty parlours, dry cleaning establishments, electrical appliance repair shops, florist shops, laundromats, optical or watch repair shops, outdoor produce shops, outdoor garden shops (for not more than six months in any year), photographic studios, shoe repair shops, tailor shops, dressmaking shops and similar establishments. (B/L No. 11941-05-08-29)
- (7) Public assembly and entertainment uses, excluding drive-in theatres. (B/L No. 13731-17-04-10)
- (7a) Residential sales centre. (B/L No. 13188-13-04-15)
- (8) Retail stores that sell new or used goods and cater to the daily and occasional shopping needs of the residents of several neighbourhoods. (B/L No. 8916-88-01-11)
- (9) Shopping centres.
- (10) Accessory buildings and uses.
- (11) Taxi Dispatch Offices. (B/L No. 5752-70-08-24)
- (12) Liquor licence establishments in premises that were being lawfully used for that purpose on January 13, 2003. (B/L No. 11517-03-05-12)
- (13) Establishments, of not more than 140 m² (1506.90 sq.ft.) in gross floor area, providing photocopy and duplicating services. (B/L No. 7631-81-06-15)
- (14) Retail sale of new or used furniture. (B/L No. 8916-88-01-11)

- (15) Commercial schools and self-improvement schools.
(B/L No. 10384-96-06-10)
- (16) Repealed. (B/L No. 12099-06-06-19)
- (17) Mobile retail carts not exceeding three in number as a use accessory to a principal retail use other than a gasoline service station.
(B/L No. 10209-95-06-19)
- (18) Child care facilities. (B/L No. 13929-18-09-24)
- (19) Two or more rental dwelling units located above the first storey, subject to the following conditions:
 - (a) that the use is included as part of a comprehensive development plan subject to the CD (Comprehensive Development) District;
 - (b) that a completely separate public entrance to the residential accommodation shall be provided from the first storey front elevation, except:
 - on a corner lot access may be from the first storey side street elevation, or
 - where a public pedestrian walkway exists, access may be from the first storey walkway elevation; and
 - (c) that the gross floor area attributable to the rental dwelling units, including access, is less than the gross floor area attributable to all other permitted commercial uses.
(B/L No. 13940-18-12-03)
- (20) Home occupations other than the operation of a home-based childcare facility.
(B/L No. 13940-18-12-03)
- (21) Temporary shelters. (B/L No. 14003-19-07-29)

302.1A Uses Permitted in a C2a Zoning District:

- (1) Uses permitted in Community Commercial District C2.
- (2) Liquor stores. (B/L No. 9085-88-10-11)

302.1B Uses Permitted in a C2c Zoning District:

- (1) Uses permitted in Community Commercial District C2.
- (2) Billiard Halls. (B/L No. 9952-93-09-07)

302.1C Uses Permitted in a C2f Zoning District:

- (1) Uses permitted in the Community Commercial District C2.
- (2) Liquor licence establishments having the capacity to serve not more than one hundred (100) persons at one time.
(B/L No. 11517-03-05-12)

302.1D Uses Permitted in a C2h Zoning District:

- (1) Uses permitted in Community Commercial District C2.
- (2) Licensee retail stores.
(B/L No. 11883-05-04-11)

302.1E Uses Permitted in a C2i Zoning District:

- (1) Uses permitted in Community Commercial District C2.
- (2) Government cannabis stores.
(B/L No. 13928-18-09-24)

302.2 Conditions of Use:

- (1) Every business or undertaking shall be conducted within a completely enclosed building except for
 - (a) parking and loading facilities,
 - (b) gasoline service stations,
 - (c) outdoor produce shops,
 - (d) outdoor garden shops,
 - (e) outdoor seating at cafes, restaurants or other facilities where food or drink is served,
 - (f) mobile retail carts, and
 - (g) outdoor play areas.
 (B/L No. 14065-19-11-18)
- (2) All goods produced on the premises shall be sold at retail on the same premises.
- (3) Repealed. (B/L No. 13940-18-12-03)
- (4) All principal uses shall be oriented to pedestrian needs and be so located and designed as to avoid vehicular interference with pedestrian movement.

302.3 Height of Buildings:

- (1) The height of a building shall be measured from the lower of the front and rear average elevations to the highest point of the structure and shall not exceed 12.0m (39.37ft.) nor three storeys.
- (2) The third storey of any building shall be set back a minimum of 3.0m (10ft.) from the second storey building face at the front and rear of the building and on any side where a side yard is required. (B/L No. 10796-98-09-14)

302.4 Lot Area and Width:

Each lot shall have an area of not less than 560 m² (6027.99 sq.ft.) and a width of not less than 15.0 m (49.21 ft.).

302.41 Lot Coverage:

The maximum coverage shall be 50 percent of the lot area. (B/L No. 10796-98-09-14)

302.5 Floor Area Ratio:

The maximum floor area ratio shall be 1.00 except where underground parking is provided an amount may be added to the floor area ratio equal to 0.30 multiplied by the ratio of parking spaces provided in the underground parking to the total spaces provided, but in no case shall the floor area ratio exceed 1.30. (B/L No. 11888-05-04-11)

302.6 Front Yard:

A front yard shall be provided of not less than 2.0m (6.5ft.). (B/L No. 10796-98-09-14)

302.7 Side Yards:

- (1) No side yards shall be required, except that where a lot abuts a lot in an A, R or RM District, or in a CD District based on an A, R, or RM District, or is separated by a street or lane therefrom, a side yard shall be provided of a width not less than the required side yard of the abutting lot on the same side, but need not exceed 3.0 m (9.84 ft.) in width. (B/L No. 12976-11-09-12)
- (2) Where a side yard is provided when not required by the provisions of this Bylaw, the side yard adjoining an abutting lot shall be not less than 3.5 m (11.48 ft.) in width. (B/L No. 5042-66-11-28)

302.8 Rear Yard:

A rear yard shall be provided of not less than 3.0 m (9.84 ft.) in depth, except where a lot abuts a lot in an A, R or RM District, or in a CD District based on an A, R, or RM District, such rear yard shall be not less than 6.0 m (19.69 ft.) in depth. (B/L No. 12976-11-09-12)

302.9 Off-Street Parking:

Off-street parking shall be provided and maintained in accordance with Schedule VIII of this Bylaw.

302.10 Off-Street Loading:

Off-street loading shall be provided and maintained in accordance with Schedule IX of this Bylaw.

Appendix "C"

**Copy of Contract of Purchase and Sale Agreement dated
February 7, 2019**

Execution Copy: February 28, 2019

AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT dated February 7 2019 is

BETWEEN:

1137825 B.C. LTD., (BC1137825)

("Buyer")

AND:

1161359 BC LTD., (BC1161359)

(the "Company" and sometimes the "Registered Owner")

AND:

CAMERAY GARDEN HOLDINGS LTD., (BC1155044)

(the "Beneficial Owner" and sometimes the "Shareholder")

AND:

HELEN CHAN SUN and DEVINDER GREWAL, businesspeople,
c/o 1100 - 510 Burrard Street, Vancouver, B.C. V6C 3A8

(together, the "Indemnifier")

PART 1

DEFINED TERMS

1.1 Defined Terms. In this Agreement:

- (a) "Agreement" means this agreement as it may be amended from time to time;
- (b) "Assignee" will have the meaning attributed thereto in paragraph 9.16;
- (c) "Building" means all buildings and other improvements on the Lands at the time this offer is made;
- (d) "Business Day" means any day except Saturday, Sunday and any statutory holiday in British Columbia;
- (e) "Closing" means the completion of the sale and purchase of the Property in accordance with paragraph 7.6;
- (f) "Closing Conditions" means those conditions set out in paragraph 3.3;
- (g) "Closing Date" means February 28, 2020, subject to the extension rights set out in PART 6, or such other date as the Buyer and the Seller may otherwise agree upon in writing;
- (h) "Company Shares" means all of the issued and outstanding shares of the Company;

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- (i) "Conditions Precedent" means those conditions set out in paragraph 3.1, if any;
- (j) "Contract of Purchase and Sale" means, collectively, each contract of purchase and sale for a Strata Lot or Strata Lots including any amendments thereto;
- (k) "Deposit" means the deposit made in accordance with paragraph 2.2(a) and any increases thereto in accordance with this Agreement;
- (l) "Development" means the Lands and the Building and is sometimes known as Strata Plan NW289 and/or Cameray Gardens. For greater certainty, each Strata Lot is part of the Development and the Development includes each Strata Lot;
- (m) "Effective Date" means the date by which the Buyer and the Seller have both executed and delivered this Agreement;
- (n) "Hazardous Substance" means any pollutants, contaminants, wastes, special wastes, or hazardous or toxic substance or materials including without limitation those defined, judicially interpreted or identified in any federal, provincial, or local laws, by-laws, regulations, orders, guidelines and policies relating to the protection of the natural environment or public health and safety;
- (o) "Lands" means the lands described in Schedule B, together with all easements, rights of way and other rights enjoyed by the owner(s) of the Lands from time to time appurtenant to, or in conjunction with, the lands;
- (p) "Leases" means the leases, agreements to lease and any agreements relating to the occupancy of all or any part of the Lands or Building (including, for certainty, any Strata Lot) and all amendments or modifications to any of them;
- (q) "New Mortgage" means any mortgage to be granted by the Buyer in connection with the purchase of the Property;
- (r) "Option" has the meaning ascribed to it in paragraph 2.7;
- (s) "Parties" means the Buyer and the Seller and the Indemnifier and "Party" means any one of them;
- (t) "Permitted Encumbrances" means those encumbrances described in Schedule B;
- (u) "Person" means an individual, corporation, society, partnership, government or governmental department or agency, trustee, and unincorporated organization;
- (v) "Purchased Strata Lots" means the Strata Lots which are legally and beneficially owned by the Seller;
- (w) "Property" means the Development;
- (x) "Purchase Price" will have the meaning attributed thereto in paragraph 2.2;
- (y) "Seller" means the Registered Owner and the Beneficial Owner together;

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- (z) "Strata Lot" means a strata lot in the Development and includes, without limitation, the strata lot's interest in the common property in proportion to the unit entitlement of such strata lot;

1.2 Schedules. The following are the schedules attached to and incorporated in this Agreement by reference and are considered to be a part hereof:

- Schedule B Legal Description of the Lands;
 Schedule C Company Share Purchase Provisions;

PART 2

PURCHASE AND SALE

2.1 Purchase and Sale. The Buyer agrees to buy and the Seller agrees to sell the Property on the Closing Date, free and clear of all claims, charges, liens and encumbrances, except the Permitted Encumbrances, for the price and on the terms set out below.

2.2 Purchase Price. The Purchase Price will be Seventy-Five Million Dollars (\$75,000,000.00) subject to adjustment as provided in paragraph 7.9. The Purchase Price will be paid in the following manner:

- (a) on or prior to March 7, 2019, the sum of \$200,000 payable by the Buyer to the Seller ("Deposit"). The Seller acknowledges and agrees that the Buyer has already paid to the Seller the sum of \$110,000 prior to the execution of this Agreement on account of the payment required under this paragraph (a) such that the Buyer only has to pay to the Seller \$90,000 prior to March 7, 2019 to comply with its obligation under this paragraph (a);
- (b) on or prior to April 30, 2019, the Buyer shall increase the Deposit such that it is equal to the product of the following formula: [$\$30,000 \times$ the number of Purchased Strata Lots as of April 30, 2019] will be paid by the Buyer as an increase to the Deposit. The Seller shall provide notice to the Buyer, on or before April 15, 2019, as to the amount required to be paid pursuant to this paragraph (b), which notice shall include sufficient supporting documentation for the Buyer to confirm, acting reasonably, such calculation of the amount payable pursuant to this paragraph (b) and the total Deposit to be paid as of April 30, 2019. The increases to the Deposit as contemplated herein shall be payable directly to the Seller.
- (c) on or prior to the last day of June, 2019 and each subsequent month until and including January, 2020, by increases to the Deposit by the following amount:
- (i) $\$30,000 \times$ [the number of Purchased Strata Lots as of the last day of the month immediately prior to the month in which such increase in Deposit is being made LESS the number of Purchased Strata Lots as of the last day of the month two months prior to the month in which such increase in Deposit is being made].

By way of example, if the number of Purchased Strata Lots as of April 30, 2019 is 47 and the number of Purchased Strata Lots as of May 31, 2019 is 52, then the Buyer shall increase the Deposit by \$150,000 [$\$30,000 \times 5$] on or prior to June

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30, 2019. The Seller shall provide evidence satisfactory to the Buyer, acting reasonably, on or before the end of each month, commencing May 31, 2019 to and including January, 2020, as to the number of Purchased Strata Lots as of the end of such month.

- (d) the balance of the Purchase Price to be paid on Closing as provided in paragraph 7.6.

2.3 Application of Deposit. If the sale provided for in this Agreement is completed on the Closing Date in accordance with the terms of this Agreement, the Deposit together with all interest thereon will be applied on account of the Purchase Price.

2.4 Return of Deposit. In the event that the sale contemplated hereunder is not completed and such failure is not the result of a default of the Buyer of its obligations under this Agreement, or if this Agreement is terminated under any term or condition under which the Buyer is entitled to the return of the Deposit, the Deposit together with all interest earned thereon will be repaid to the Buyer without prejudice to any rights which the Buyer may have against the Seller.

2.5 Forfeiture of Deposit. Subject to paragraph 2.4, the Deposit, together with all accrued interest, will be paid to the Seller on account of damages suffered by the Seller if the Buyer fails to complete the sale when obligated to do so under this Agreement and that payment will preclude any further claim by the Seller against the Buyer in respect of such failure.

2.6 Option to Acquire Company. The Buyer has the option, exercisable at any time prior to the Closing Date, to purchase from the Shareholder, the Company Shares for a purchase price of \$1.00 in addition to all closing amounts payable pursuant to this Agreement of Purchase and Sale. If the Buyer elects to purchase the Company Shares, the provisions of Schedule C of this Agreement will apply to this Agreement (in addition to the terms set out in the body of the Agreement).

2.7 Option to Purchase. It is a condition precedent to the Buyer's obligation to pay any increase to the Deposit, including without limitation, the increases contemplated by paragraph 2.2(b) and 2.2(c), that the Buyer has registered an Option against title to each Purchased Strata Lot (as such term is defined as of the date of the payment of the increase in Deposit). The Buyer will, at its sole expense, promptly register an option to purchase (the "Option") in a form acceptable to the Buyer, acting reasonably, on title to the Purchased Strata Lots (as defined from time to time) within a reasonable period of time of a Strata Lot becoming a Purchased Strata Lot. The Seller shall duly execute the Option in registrable form within 3 business days of receipt from the Buyer and the Seller acknowledges that the Option must be executed in the presence of a lawyer or notary public. The Buyer shall register the Option within 3 business days of its receipt of the same from the Seller. The Seller shall, from time to time, execute and deliver, in registrable form if necessary, at the request of the Buyer, all such further documents, deeds, and instruments and do or cause to be done such further acts and things and give all such further assurances as may be necessary or desirable to facilitate the granting and registration of the Option. Should the Seller require removal of the Option for the purpose of obtaining financing, the Buyer shall discharge the Option immediately prior to the registration of security in connection with the financing, provided arrangements satisfactory to the Buyer are made such that the Buyer may register the Option immediately after the registration of the security in connection with the financing. The Seller shall pay for all reasonable costs in connection with the discharge and registration of the financing.

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PART 3**CONDITIONS PRECEDENT AND CLOSING CONDITIONS**

- 3.1 Conditions Precedent.** Intentionally deleted.
- 3.2 Non-Fulfilment of Conditions Precedent.** Intentionally deleted.
- 3.3 Closing Conditions.** Intentionally deleted.
- 3.4 Non-Fulfilment of Closing Conditions.** Intentionally deleted.
- 3.5 Consideration for Non-Revocation.** Intentionally deleted.
- 3.6 Waiver.** The Buyer waives the right to be provided with a site profile of the Lands and Building by the Seller under the British Columbia *Environmental Management Act (Supplement)*, and any amendments or regulations to that Act.

PART 4**SELLER'S REPRESENTATIONS AND WARRANTIES**

4.1 Representations and Warranties. The Seller represents and warrants to the Buyer that:

- (a) **Status of Seller.** Each party comprising the Seller is duly incorporated, or registered extra-provincially, under the laws of the Province of British Columbia, and is in good standing and has the capacity and authority to enter into this Agreement and to carry out the transactions contemplated in it, all of which will by the Closing Date have been effectively authorized by all required corporate proceedings;
- (b) **The Leases.**
- (i) The Leases will be in the forms presented by the Seller to the Buyer for its review;
 - (ii) The Leases will be the only leases, agreements to lease or agreements relating to the occupancy of all or any part of the Lands or Building;
 - (iii) The Leases will constitute the only agreements between the Seller and the respective tenants concerning their tenancies;
 - (iv) The Leases will be bona fide and made at arm's length;
 - (v) The Leases will not be fixed term tenancies or will be fixed term tenancies which expire within ninety (90) days of the Closing Date;
 - (vi) Each of the Leases may be terminated by the landlord in accordance with the *Residential Tenancy Act*,

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- (vii) Each of the Leases are residential leases made in compliance with all applicable legislations;
- (c) Taxes.
 - (i) There are no taxes, rates, levies, assessments or local improvement charges outstanding and relating to the Lands and Building of any kind, excepting federal and provincial income tax or capital taxes payable by the Seller, and there is no pending appeal or other proceedings with respect to any taxes, rates, levies, assessments, or local improvement charges, and neither the Seller nor the Indemnifier has received any notice of any special levies or local improvement charges;
 - (ii) There are no outstanding present capital levies, local improvement rates, special assessments, deferred or instalment charges against the Property;
 - (iii) There are no amounts owing under the Corporation Capital Tax Act, Workers Compensation Act, Employment Standards Act, or any other federal or provincial statute which could result in a lien being registered against the Property;
- (d) Title. As of the Closing Date, the Seller will be, together, the registered and beneficial owner of the Property and the Seller, together, will hold good and marketable title to the Property free and clear of all claims, liens, charges and encumbrances except those set out in Schedule B;
- (e) Development.
 - (i) There are One Hundred One (101) Strata Lots;
 - (ii) The Seller owns, or will own by the Closing Date, the Development;
 - (iii) The Registered Owner is or will be on the Closing Date, the registered owner of each Strata Lot and the Development and shall, on the Closing Date, hold good and marketable title to each Strata Lot and the Development free and clear of all claims, liens, charges and encumbrances except those set out in Schedule B and those encumbrances which are to be discharged in accordance with this Agreement;
 - (iv) The Beneficial Owner is, or will be on the Closing Date, the beneficial owner of each Strata Lot and the Development and shall, on the Closing Date, hold good and marketable title to each Strata Lot and the Development free and clear of all claims, liens, charges and encumbrances except those set out in Schedule B and those encumbrances which are to be discharged in accordance with this Agreement;
- (f) General.
 - (i) The Registered Owner holds, or will hold by the Closing Date, the registered interest in each Strata Lot and the Development pursuant to a

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nominee and agency agreement(s) on substantially the terms and conditions of the first nominee and agency agreement provided to the Buyer pursuant to paragraph 5.1(a)(i);

- (ii) There are no actions, suits or proceedings pending or threatened against the Property or the Seller and its employees, agents or any of them which would affect the Property;
 - (iii) The Seller is not in default of any of its obligations under any agreement which is intended to be assigned or transferred to the Buyer under this Agreement;
 - (iv) The Seller is not a non-resident of Canada for the purposes of the *Income Tax Act (Canada)*;
 - (v) There are no agreements relating to the maintenance or operation of the Lands and Building which cannot by their terms be terminated without penalty as of the Closing Date;
 - (vi) There are no expropriation or similar proceedings actual or threatened, against the Lands and Building or any part thereof;
 - (vii) The Seller has not knowingly withheld any facts relating to the Property which would be material to an intending buyer thereof;
 - (viii) The Seller maintains, and is in good standing in respect of, all-risk, boiler, loss of rents, public liability, property damage and any other customary classes of insurance covering the Lands and Building, which insurance in respect of loss or damage to the Building is in an amount at least equal to the replacement value thereof;
 - (ix) the Seller has not entered into any registered or unregistered agreement or understanding affecting the Property or the Lands or the Development with any third party, including but not limited to the City of Burnaby, which has not been disclosed to the Buyer, and the Seller will not enter into any such agreement or understanding hereafter without the express written consent of the Buyer, which may be withheld in the Buyer's sole and absolute discretion;
- (g) Hazardous Substances.
- (i) To the best of the knowledge of the Seller and Indemnifier, the Lands and Building have never been used to manufacture, refine, handle, store or dispose of any Hazardous Substance, except in compliance with all applicable laws, regulations and orders;
 - (ii) To the best of the knowledge of the Seller and Indemnifier, the Lands and Building do not contain, nor to the knowledge of the Seller have they ever contained, any Hazardous Substance;

The Seller will indemnify and hold harmless the Buyer from and against any and all liabilities, losses, claims and damages incurred or suffered by



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the Buyer by reason of, or in any way related to, the breach of the immediately foregoing representations and warranties.

4.2 Reliance and Survival. The Seller acknowledges that the Buyer is relying on each of the representations and warranties made by the Seller, all of which not merge on Closing. The liability of the Seller in respect of any of those representations or warranties will not be diminished by the receipt by the Buyer of any information relating to any of them, and the Buyer is not obligated to make any enquiry concerning them.

4.3 Representations will be true on Closing Date. All representations and warranties of the Seller contained in this PART 4 will be true on the Closing Date as if made on that date (to the best of the knowledge of the Seller and Indemnifier, if applicable) except changes occurring prior to the Closing Date of which the Seller has advised the Buyer in writing before Closing.

PART 5

SELLER'S AND INDEMNIFIER'S COVENANTS

5.1 Covenants of the Seller. The Seller will:

- (a) deliver to the Buyer within 3 Business Days after the Effective Date, and thereafter, from time to time, promptly and in any event, within 3 Business Days of such additional documents becoming available, the following:
 - (i) the nominee and agency agreement whereby the Registered Owner holds the registered interest in the Strata Lots for and on behalf of the Beneficial Owner;
 - (ii) each of the Leases in effect from time to time;
 - (iii) title searches for each of the Purchased Strata Lots;
 - (iv) any specifications and architectural, structural, mechanical, engineering and plumbing drawings for the Building on an "as built" basis in the possession or control of the Seller;
 - (v) the complete minute book for the Company, and income tax returns and related notices of assessment for the Company for the most recent three filing years.
- (b) obtain or maintain, as applicable, insurance coverage of a prudent owner, in respect of the Purchased Strata Lots until the Closing Date;
- (c) cooperate with the Buyer's investigation of the Property whether by the Buyer or its consultants and provide, to the extent possible, the information relating to the Property which the Buyer reasonably requests;
- (d) co-operate reasonably with the Buyer in any efforts to progress the rezoning of the Development;
- (e) not publicly oppose, or take any action that may negatively impact, the development or rezoning of the Development;

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- (f) make commercially reasonable efforts to:
- (i) provide the Buyer and any of its consultants or advisors with access to the Development from time to time on not less than 24 hours' prior written notice during reasonable business hours;
 - (ii) permit the Buyer and the Buyer's employees, engineers, agents and advisors to enter onto the Development and carry out such inspections, tests, studies, surveys and investigations of the Development as the Buyer may reasonably require, provided such inspections tests, studies, surveys and investigations will be carried out during normal business hours, will not unduly interfere with the occupants of the Development and will not injure the Development and provided further that the Buyer will be responsible for all damages, costs, expenses and other adverse consequences of the Buyer's actions pursuant to the exercise of its rights under this clause;
 - (iii) allow the Buyer to erect any signage that complies with the City of Burnaby's bylaws and strata bylaws as required by the Buyer for any reason (the cost of which signage will be borne by the Buyer);
 - (iv) authorize and direct all municipal, provincial, federal and other authorities having jurisdiction over the Property to conduct such inspections and provide the Buyer with such information, certificates, clearances and statements relating to the Property as the Buyer may require, and forthwith execute any letters of authority or consents required by the Buyer in connection with the foregoing;
 - (v) permit the Buyer and its employees, agents and advisors to make rezoning, development, servicing or any other application deemed necessary by the Buyer with respect to the Property;
- (g) make commercially reasonable efforts to include provisions in each Contract of Purchase and Sale and the Leases which:
- (i) provide the Buyer and any of its consultants or advisors with access to the Development from time to time on not less than 24 hours' prior written notice during reasonable hours;
 - (ii) permit the Buyer and the Buyer's employees, engineers, agents and advisors to enter onto the Development and carry out such inspections, tests, studies, surveys and investigations of the Development as the Buyer may reasonably require, provided such inspections tests, studies, surveys and investigations will be carried out during normal business hours, will not unduly interfere with the occupants of the Development and will not injure the Development;
 - (iii) allow the Buyer to erect any signage that complies with the City of Burnaby's bylaws as required by the Buyer for any reason;
 - (iv) authorize and direct all municipal, provincial, federal and other authorities having jurisdiction over the Development to conduct such inspections and provide the Buyer with such information, certificates, clearances and

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statements relating to the Development as the Buyer may require, and forthwith execute any letters of authority or consents required by the Buyer in connection with the foregoing;

- (v) permit the Buyer and its employees, agents and advisors to make rezoning, development, servicing or any other application deemed necessary by the Buyer with respect to the Property;
- (vi) require the seller of the Strata Lot to:
 - (A) co-operate reasonably with the Buyer in any efforts to progress the rezoning of the Development; and
 - (B) not publicly oppose, or take any action that may negatively impact, the development or rezoning of the Development;
- (h) execute, or cause to be executed, and return to the Buyer or the Buyer's solicitors as soon as is reasonably possible and in any case within three (3) Business Days after request, all consents or letters of authority which it may be necessary for the Seller to execute in order for the Buyer to conduct such due diligence searches or cause inspections or tests to be made with respect to the purchase of the Property (including searches relating to the Company, if applicable) as the Buyer determines to be necessary, acting reasonably;
- (i) until the Closing Date cause the Development and each Strata Lot therein to be maintained in the manner of a prudent owner;
- (j) pay when due any indebtedness of the Seller to any governmental authority which, by operation of law or otherwise, could become a lien, charge, or encumbrance against the Property from and after the Closing Date, including without limitation, corporation capital taxes and workers' compensation payments;
- (k) not modify, amend, or cancel any of the Permitted Encumbrances without the prior written approval of the Buyer;
- (l) not enter into any lease, agreement to lease or any occupancy agreement or any amendment or modification to any of them which would result in the Seller being in breach of its representations and warranties hereunder and will promptly deliver to the Buyer copies of each of them; and
- (m) between the Effective Date and the Closing Date, operate the Lands and Building in a good, proper, efficient and competent manner.

5.2 Indemnifier's Covenants

- (a) The Indemnifier shall indemnify the Buyer against all liabilities, claims, demands, actions, causes of action, damages, losses, costs and expenses (including legal fees on a solicitor and own client basis) suffered or incurred by the Buyer, directly or indirectly, by reason of or arising out of:
 - (i) any warranties or representations on the part of the Seller (or either of them) being untrue; and

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- (ii) a breach of any agreement, term or covenant on the part of the Seller (or either of them) made or to be observed or performed under this Agreement; or
- (iii) the existence of any liability of the Seller (or either of them) which arose for any reason whatsoever up to and including the Closing Date including without limiting the generality of the foregoing, any liability for any debts or for taxes of any kind which should be assessed or reassessed against the Seller (or either of them).

PART 6

EXTENSION OF CLOSING DATE

6.1 Buyer's Right to Extend Closing Date

- (a) The Buyer shall have the right, from time to time, to extend the Closing Date for no more than six one-month periods on the terms and conditions set out in this paragraph 6.1.
- (b) The Buyer shall provide notice of its desire to extend the scheduled Closing Date, along with confirmation of the new Closing Date, to the Seller at least sixty (60) days prior to the scheduled Closing Date.
- (c) For each full month the Closing Date is extended by the Buyer in accordance with this paragraph 6.1, the Buyer shall pay to the Seller an extension fee as follows: Fifty Thousand Dollars (\$50,000.00) for each of the first three month extensions and One Hundred Thousand Dollars for each of the remaining three month extensions, such extension fee to be payable upon delivery of the notice extending the scheduled Closing Date.

PART 7

COMPLETION OF PURCHASE

7.1 Preclosing Procedure

- (a) The Buyer will cause its solicitors to prepare and deliver to the Seller's solicitor not less than 3 Business Days before the Closing Date those documents (as required in the reasonable opinion of the Buyer or its solicitor) described in paragraphs 7.3(a), (e), (g) and (h);
- (b) The Seller will cause its solicitor to deliver to the Buyer's solicitor not less than 5 Business Days before the Closing Date, duly executed copies of those documents described in paragraphs 7.3(b), (c), (d) and (f). The Seller shall annex to the SSOA (as defined in 7.3(b)), details of the calculations used to arrive at all debits and credits on the SSOA. The Seller will give the Buyer and its representatives reasonable access to all working papers and back-up materials in order to verify the SSOA.

7.2 Settlement of Form of Documents. The terms and form of all documents to be delivered on Closing will be in accordance with the terms of this Agreement and will be settled, by the Parties and their respective solicitors, not less than Two Business Days before the Closing Date;

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7.3 Delivery of Documents - Seller. On or before Closing (or earlier, if required pursuant to paragraph 7.1), the Seller will deliver to the Buyer the following documents, settled in the manner described in paragraph 7.2, and executed by the Seller in favour of the Buyer, or as otherwise specified below (to the extent prepared or delivered pursuant to paragraph 7.1):

- (a) a Freehold Transfer of the Purchased Strata Lots in registrable form and an unregistered transfer by the Beneficial Owner in favour of the Buyer of a beneficial interest in the Property;
- (b) a Seller's statement of adjustments (the "SSOA");
- (c) an assignment of the Seller's interest in the Leases;
- (d) a discharge of each encumbrance against the Property which is not one of the Permitted Encumbrances (unless other arrangements satisfactory to the solicitors for the Buyer have been made for the discharge of those encumbrances in accordance with paragraph 7.8);
- (e) a certificate of an officer of the Seller certifying that the Seller has complied with all of its obligations under this Agreement and that the representations and warranties of the Seller set out in this Agreement are true and correct as of the Closing Date;
- (f) a certified copy of a resolution of the directors of the Seller authorizing the sale of the Property and the execution and delivery of this Agreement and its documents;
- (g) an undertaking to readjust; and
- (h) all additional documents and assurances the Buyer's solicitors will reasonably require.

7.4 Delivery of Documents - Buyer. On or immediately before Closing, the Buyer will deliver to the Seller the following documents, settled in the manner described in paragraph 7.2, and executed by the Buyer in favour of the Seller (to the extent prepared or delivered pursuant to paragraph 7.1):

- (a) signed counterparts of each of the documents set out in paragraph 7.3 requiring the Buyer's signature; and
- (b) a GST Certificate (as defined in paragraph 9.18).

7.5 Delivery of Funds - Buyer. On Closing, the Buyer will deliver to its solicitors the balance of the Purchase Price, or if part of the Purchase Price is to be provided from mortgage funds, the Buyer will deliver to its solicitors the balance of the Purchase Price less the mortgage funds.

7.6 Closing Procedure. All documents and cheques or bank drafts delivered by the Buyer and the Seller, except the Freehold Transfer of the Lands, and any releases delivered pursuant to paragraph 7.3(d), shall be held in trust by the Buyer's solicitors in the Buyer's solicitor's offices until the Freehold Transfer of the Lands, and any releases delivered pursuant to paragraph 7.3(d), if any, have been accepted for registration in the Lower Mainland Land Title Office and a satisfactory post index check search has been received showing that title to the




Lands will be registered in the name of the Buyer subject only to Permitted Encumbrances and any encumbrances granted by or claimed through the Buyer and any encumbrances to be discharged in accordance with paragraph 7.8, at which time all documents and monies will be released to the appropriate parties.

It will be a condition of the Closing that all matters of payment, execution and delivery of documents by each party to the other and the acceptance for registration of documents in the Land Title Office, all pursuant to the terms hereof, shall be deemed to be concurrent requirements and it is specifically agreed that nothing will be complete at the Closing until everything required as a condition precedent at the closing has been paid, executed and delivered and until title in and to the Lands will be registered in the name of the Buyer as aforesaid. Upon completion in this manner, the Seller will deliver vacant possession of the Lands and Building to the Buyer, subject to the Leases.

7.7 Buyer's Financing. If the Buyer is relying upon a New Mortgage to finance the Purchase Price, the Buyer may wait to pay the Purchase Price to the Seller until one Business Day after the New Mortgage documents have been submitted for registration in the Land Title Office and after the Buyer's solicitor's receipt of the proceeds of the New Mortgage. The Seller acknowledges and agrees that provided the New Mortgage has been registered on the Closing Date, the Seller's solicitor's receipt of the Purchase Price on the next Business Day following the Closing Date shall not be deemed a breach of the Buyer's obligations hereunder.

7.8 Seller's Financing. If the Seller has existing financial charges to be cleared from title to the Property (whether or not such financial charges were granted by a previous owner of the applicable Strata Lot), the Seller, while still required to clear such financial charges, may wait to pay and discharge existing financial charges until immediately after receipt of the Purchase Price, but in this event, the Buyer or its solicitors shall pay the Purchase Price to the Seller's lawyer, in trust, on undertakings to pay and discharge (or cause to be paid and discharged, as applicable) the financial charges within a reasonable period of time and remit the balance, if any, to or to the order of the Seller. If the parties are unable to agree on the precise form of undertakings, the parties shall use the CBA (BC) Standard Undertakings (March 31, 2003).

7.9 Adjustments. All adjustments concerning rents and other income, security deposits, property taxes, insurance premiums, operating expenses, taxes, utilities, fuel, licences and other revenue and expense items normally adjusted between a seller and buyer will be made in respect of the Property as at the Closing Date with the Buyer receiving all revenues and bearing all expenses from and including the Closing Date. Such adjustments will be documented by in the SSOA to be executed and delivered upon Closing as set forth herein.

To the extent that there are any liens or claims registered against the Property (including those which arise or may arise under any statute, regulation or law) or any part of the Property on the Closing Date (other than Permitted Encumbrances), the Buyer will have the right (but not the obligation) to deduct from the Purchase Price an amount sufficient to satisfy all such liens and claims and is irrevocably authorized by the Seller to pay such liens or claims, or, in the case of builders liens, to pay such monies into Court to have them removed from title. The rights of the Buyer under this paragraph are in addition to, and not in substitution for, any other rights of the Buyer under this Agreement.

7.10 Allocation of Purchase Price. The Purchase Price will be allocated as between elements comprising the Property by the Buyer and the Seller, both acting reasonably, not later than 5 Business Days prior to the Closing Date. If the Buyer and Seller are unable, or fail to agree upon such allocation, each of the Buyer and the Seller will be responsible for calculating

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its own allocation and neither Party will be bound by the allocation determined by the other Party.

7.11 Risk. Until Closing the Property will be and remain at the risk of the Seller and the Seller will hold all policies of insurance and proceeds thereof subject to the interest of the Buyer. If, prior to Closing, any part of the Property is substantially damaged, the Seller shall notify the Buyer and the Buyer shall close this transaction with the insurance proceeds assigned and paid to the Buyer and the insurance deductible being paid by the Seller. For the purpose of this will have the meaning attributed thereto in paragraph "substantially damaged" means loss or damage to or destruction of the Property to such an extent in either event that the replacement or repair thereof cannot be substantially completed at a construction cost to the Seller (or Buyer, as applicable) of less than \$1,000.

7.12 Additional Remedies. If the Seller fails to complete the transaction contemplated in this Agreement through no fault of the Buyer then in addition to any other remedy available to the Buyer at law or in equity, the Buyer will be entitled to seek the remedy of injunctive relief or specific performance in respect of the same.

PART 8

MORTGAGE TO SECURE DEPOSIT

8.1 Deposit Mortgage. The Seller shall prior to March 7, 2019 and in any event, prior to the Buyer paying the balance of the Deposit as required pursuant to paragraph 2.2(a) to the Seller, provide to the Buyer's solicitors, an executed mortgage and such other security and supporting documents and opinions as is reasonably required by the Buyer to be held in escrow on the following conditions:

- (a) the mortgage and other security and supporting documents and opinions (collectively, the "Security") shall be prepared by the Buyer's solicitors on the Buyer's solicitor's standard form, subject to reasonable amendments agreed to by the Buyer and Seller;
- (b) the Security shall be security for the Deposit and other amounts paid by the Buyer to the Seller hereunder and only released from escrow under the following circumstances:
 - (i) if the sale provided for in this Agreement is not completed other than by reason of a default by the Buyer of its obligations under this Agreement, and the Deposit is not, within 2 business days of the Closing Date, repaid to the Buyer; or
 - (ii) If this Agreement is terminated under any term or condition under which the Buyer is entitled to the return of the Deposit and the Deposit is not, within 2 business days of the date the Agreement is terminated, repaid to the Buyer
- (c) the escrow agreement shall be on terms and conditions reasonably acceptable to the Buyer and Seller and the Buyer's solicitors.

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PART 9**GENERAL**

9.1 Amendment. This Agreement may be amended or supplemented only by a written document signed by the party intended to be obligated by it, and need not be executed under seal.

9.2 Canadian Dollars. All dollar amounts referred to in this Agreement are in Canadian funds unless otherwise stated.

9.3 Entire Agreement. This Agreement is the entire agreement between the Parties relating to the subject matter of this Agreement and supersedes any prior agreement and neither Party is bound by any representation, warranty or agreement not included in this Agreement, and in particular no representation or warranty of a party not expressed in this Agreement are to be implied.

9.4 Extended Meanings. In this Agreement, words importing one gender include the others where appropriate.

9.5 Headings. In this Agreement, headings are for convenient reference only and will not affect how this Agreement is interpreted.

9.6 Binding Agreement. This Agreement will bind and benefit each of the Parties, and each of their respective successors, heirs, executors, personal representatives and permitted assigns.

9.7 Governing Law and Jurisdiction. This Agreement will be governed by, and construed in accordance with, British Columbia law and applicable Canadian law and will be treated in all respects as a British Columbia contract.

9.8 Further Assurances. Each of the Parties will at all times hereafter execute and deliver at the request of the other party all such further documents, deeds and instruments, and will do and perform all such further acts as may be reasonably necessary to give full effect to the intent and meaning of this Agreement.

9.9 Expenses. Each of the Parties will be responsible for its own legal fees and other charges incurred in connection with the purchase and sale of the Property, all negotiations between the Parties and the consummation of the transactions contemplated hereby. The Buyer will pay all fees in connection with the registration of the Transfer and all other documents requiring registration provided however that the Seller will pay any costs of clearing title of encumbrances.

9.10 Commissions. The Seller agrees to indemnify and save harmless the Buyer from and against any claims whatsoever for any commission or other remuneration payable or alleged to be payable to any broker, agent or other intermediary retained by the Seller in connection with the sale of the Property.

9.11 Tender. Any tender of documents, notices or money hereunder may be made upon the Seller or the Buyer or the solicitor acting for either of them and money may be tendered by solicitor's trust cheque or bank draft.

9.12 Notices. In this Agreement:



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- (a) any notice or communication required or permitted to be given under the Agreement will be in writing and will be considered to have been given if delivered by hand, transmitted by email or facsimile transmission or mailed by prepaid registered post in Canada, to the address or email or facsimile transmission number of each Party set out below:

- (i) if to the Seller or Indemnifier:

1100 - 510 Burrard Street
Vancouver, B.C. V6C 3A8

Attention: Helen Chan Sun & David Grewal
Fax No: 604-737-2780

AND GUARDIAN LAW CORP.
1130 - 1185 W GEORGIA
MICHELLE GUY
604-901-3477

- (ii) if to the Buyer:

700-4211 Kingsway,
Burnaby, B.C., V5H 1Z6

Attention: Daljit Thind/Bonnie Leung
Fax No: 604.451.7740

with a copy to:

700-401 W. Georgia St.
Vancouver, B.C. V6B 5A1

Attention: Aneez Devji
Email: adevji@rbs.ca

or to such other address or email or facsimile transmission number as any Party may designate in the manner set out above. Any notice, document or communication will be deemed to have been given when delivered.

9.13 Time of Essence. Time is of the essence of this Agreement.

9.14 Joint and Several. If the Seller or Indemnifier is more than one Person under this Agreement every warranty, representation, covenant and agreement on the part of the Seller or Indemnifier, as applicable, to be observed and performed hereunder will be the joint and several representation, warranty, covenant and agreement of each of the persons comprising the Seller or Indemnifier, as applicable.

9.15 Non-Merger. None of the provisions of this Agreement will merge in the transfer of the Property and all of the provisions of this Agreement will survive the Closing Date and the completion of the transfer of the Property to the Buyer.

9.16 Assignment - Buyer. The Buyer will have the right to assign its interest under this Agreement at its discretion to any party (individually and collectively the "Assignee"), provided that Daljit Thind is either a director or officer of the Assignee or the Assignee appoints Daljit Thind to execute documents on behalf of the Assignee in connection with the transaction contemplated herein. For greater certainty, regardless of any such assignment the Buyer shall continue to be responsible for all of its obligations under this Agreement.

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9.17 Insurance. Until Closing, the Seller will maintain in effect all policies of insurance now in effect, or renewals thereof, concerning the Property and take out, at the expense of the Buyer, such additional insurance as may be reasonably requested by the Buyer and give all notices and present all claims under all policies of insurance in a due and timely fashion.

9.18 Excise Tax Act. The Seller and the Buyer by their acceptance hereof hereby represent and warrant that each of them is and will be at the Closing Date a resident of Canada for the purposes of the Income Tax Act (Canada) and the Seller and the Buyer confirm that they will be registered with Canada Revenue Agency or any successor thereto ("CRA") in compliance with Part IX of the Excise Tax Act (Canada) relating to the federal goods and services tax ("GST") on the Closing Date. The Purchase Price does not include GST and the Buyer confirms that it will be responsible for any GST payable with respect to the subject transaction, will account directly to CRA with respect thereto and will confirm its GST registration number to the Seller on the Closing Date by providing a signed certificate in the customary form (the "GST Certificate"). The Buyer and Seller represent and warrant that they have complied and will comply in all respects with the requirements of the Act as it relates to the Property.

9.19 Confidential. The parties shall keep confidential all information provided to them respectively by any other party hereto pursuant to this Agreement and shall keep confidential the terms of this Agreement, except:

- (a) for the purposes of any litigation which ensues relating to this Agreement;
- (b) for the purposes of any reports required to be made by them respectively under any statute or by law;
- (c) for the purpose of dealings with their accountants, lawyers and other professionals in the administration of their respective business; and
- (d) for the purpose of anything required under this Agreement.

9.20 Invalidity of Provisions. The invalidity or unenforceability of any provision of this Agreement will not affect the validity or enforceability of any other provision hereof and any such invalid or unenforceable provision will be considered to be severable.

9.21 Execution. This Agreement, to be valid and binding, will be executed and delivered by the Parties by no later than 5:00 pm on MARCH 04, 2019. This Agreement, and any document contemplated herein or to be delivered hereunder, may be executed by the Parties and transmitted by fax, email or other electronic means and if so executed and transmitted this Agreement will be for all purposes as effective as if the parties had delivered an executed original thereof. This Agreement, and any document contemplated herein or to be delivered hereunder, may be executed in any number of counterparts and all counterparts so executed (including those executed and delivered by fax, e-mail or other electronic means), taken together, will be deemed to constitute one agreement.

1137825 B.C. LTD.

By: 
Authorized Signatory

Dated: 5/March/2019

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h

1161359 BC LTD.

By: [Signature]
Authorized Signatory

Dated: MARCH 04/2019

CAMERAY GARDEN HOLDINGS LTD.

By: [Signature]
Authorized Signatory

Dated: MARCH 04/2019

SIGNED, SEALED AND DELIVERED by
HELEN CHAN SUN in the presence of:

[Signature]
Witness Signature
307 - 1788 W 5 Ave
Address
Vancouver, BC
Manager
Occupation

[Signature]
HELEN CHAN SUN

SIGNED, SEALED AND DELIVERED by
DEVINDER GREWAL in the presence of:

[Signature]
Witness Signature
1285 West 41st Ave
Address
Vancouver B.C.
Business woman
Occupation

[Signature]
DEVINDER GREWAL

7758432.2

[Handwritten mark]

(20)

Execution Copy: February 28, 2019

Schedule B

Legal Description of the Lands

Strata Lots 1 - 101, DL 34 Group 1 NWD Strata Plan NW289

Permitted Encumbrances

NIL

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K

Execution Copy: February 28, 2019

Schedule C

Company Share Purchase Provisions

1. **Additional Representations and Warranties.** The Shareholder represents and warrants to the Buyer that:
- (a) the Company will have complied with all of its obligations under this Agreement as of the Closing Date and the representations and warranties of the Company set out in this Agreement are true and correct as of the Closing Date
 - (b) the Company has carried on no business or activity of any kind whatsoever other than being the registered owner of the Purchased Strata Lots;
 - (c) there are no shareholder or similar agreements between the parties comprising the Shareholder;
 - (d) the Company has the corporate power, capacity and authority to hold legal title to the Property in trust for the Beneficial Owner;
 - (e) the Company is a body corporate duly incorporated and validly existing under the laws of the British Columbia, has never been dissolved and is in good standing in the Office of the Registrar of Companies for British Columbia with respect to the filing of annual reports;
 - (f) the minute book of the Company has been maintained as required by all governing laws, is accurate, complete and current, and contains complete and accurate minutes of meetings and of all resolutions passed by the directors and shareholders of the Company since the date of incorporation of the Company;
 - (g) the Company Shares constitute all of the issued and outstanding shares in the share structure of the Company and no one shall have the right to acquire any shares of the Company from the Company's treasury;
 - (h) the Shareholder is the sole legal and beneficial owner of the Company Shares, which Company Shares have been duly and validly allotted and issued and are fully paid and non-assessable and are legally and beneficially owned by the Shareholder, free and clear of any lien, charge, claim, option, set-off or encumbrance, voting agreement, voting trust, shareholder's agreement or other agreement, limitation or restriction of any nature;
 - (i) the articles, bylaws and other constituting documents of the Company, as amended to the date hereof, and the corporate records of the Company as contained in the Company's minute book are complete and correct in all respects and copies of each of those documents have been delivered to the Buyer;
 - (j) the accounting and financial books and records of the Company set out and disclose all material financial transactions and such transactions have been accurately recorded in such books and records and all such books and records are not wholly or partly recorded, stored, or maintained or otherwise held by any means (including electronic, mechanical or photographic process) not available to the Company in the ordinary course of its business;

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- (k) the financial statements of the Company and the results of its operations for the last year ended are prepared in accordance with generally accepted accounting principles consistently applied and are true and correct in all material particulars and will be delivered to the Buyer;
- (l) no director, officer or employee or former director, officer or employee of the Company, or any other person, has made or asserted, or will be entitled to make or assert any claim of any nature against the Company, the Company Shares or the Property;
- (m) none of the Company, the Company Shares or the Property is subject to any guarantee, indemnity or other contingent or indirect obligation other than in respect of the Permitted Encumbrances;
- (n) no person has or will have any right, agreement or option, present or future, contingent or absolute, or any other right capable of becoming a right, agreement or option to require the Company to allot or issue any further or other shares or any other security or other instrument convertible or exchangeable into shares or to convert or exchange any security or instrument into or for shares or for the allotment or issuance of any of the unissued shares of the Company;
- (o) as of the Closing Date, the Company will have no direct or indirect liabilities of any kind whatsoever, whether or not accrued, and whether known or unknown, determined or undetermined, contingent or otherwise, in respect of which the Company is or may be liable on or after the Closing Date except with respect to liabilities for the current year's property taxes which are the responsibility of the Shareholder and are adjusted as between the Seller and Buyer on the Closing Date in the SSOA, and except with respect to liabilities under the Permitted Encumbrances;
- (p) there is no action or proceeding pending or to the Shareholder's knowledge threatened against the Company before any court, arbitration panel, or administrative tribunal or agency, which if decided adversely might materially adversely affect the Shareholder's ability to perform its obligations hereunder;
- (q) the Company has filed all tax returns and has otherwise complied with all of its obligations under all applicable laws and regulations, including without limitation, the *Income Tax Act* and the *Excise Tax Act* and will, as of the Closing Date, have no liability, contingent or otherwise for any taxes (other than real property taxes); the Company has not collected any HST or GST and has not claimed any input tax credits in respect of any HST or GST;
- (r) from and after the Closing Date, the Company is not and shall not be a party to any agreement which remains binding on the Company except for this Agreement;
- (s) the Company has not entered into, and is not party to any unregistered easements, statutory rights of way, Section 219 covenants, restrictive covenants or other similar agreements which if registered against title to the Lands would constitute an encumbrance against the Lands;



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- (t) the Company has no assets other than the Property which, until the Closing Date, it will hold as bare trustee for and on behalf of the Beneficial Owner and after the Closing Date, it will hold legal and registered title to the Property as bare trustee for and on behalf of the Buyer;
- (u) the Company has no shareholder loans;
- (v) the Company is not a party to or bound by any agreement which would restrict or limit its right to carry on any business or activity or to solicit business from any person or in any geographical area or otherwise to conduct the business as the Company may determine; and
- (w) the Company does not have, nor has it ever had, any employees or any commitments to any employees and the Company is not a party to any written or oral employment, service or consulting agreement relating to any one or more persons.

These representations and warranties will not merge on Closing.

2. Additional Provisions.

- (a) The Shareholder hereby adopts the obligations of the Company pursuant to this Agreement (including, without limitation, those obligations set out in PART 5), and covenants with the Buyer to honour the Company's obligations pursuant to this Agreement, *mutatis mutandis*.
- (b) It is the intention of the Parties that upon the Buyer's purchase of the Company Shares, the Buyer is to be in the same position with respect to the assets and liabilities of the Company as it would have been in, had it purchased the Property pursuant to this Agreement rather than the Company Shares.
- (c) The Shareholder is not a non-resident of Canada for the purposes of the *Income Tax Act (Canada)*.
- (d) Not later than three months following the Closing Date the Shareholder shall, at its expense, cause the Company to prepare and file a tax return for the financial period ending upon the Closing Date and, from its funds, shall pay all income and other taxes due by the Company up to and including the Closing Date. Prior to causing the tax return to be filed the Shareholder shall provide a copy of same to the Buyer for its approval, which approval shall not be unreasonably withheld if the method of determining the Company's income does not cause or increase the likelihood of the Company being liable for any income taxes in the future, if there is an alternate method of determining the Company's income for such period which would not cause or increase the likelihood of the Company being liable for any income taxes in the future.
- (e) The Indemnifier shall indemnify the Buyer against all liabilities, claims, demands, actions, causes of action, damages, losses, costs and expenses (including legal fees on a solicitor and own client basis) suffered or incurred by the Buyer, directly or indirectly, by reason of or arising out of:
 - (i) any warranties or representations on the part of either the Seller or the Shareholder hereunder being untrue; or

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- (ii) a breach of any agreement, term or covenant on the part of either the Seller or the Shareholder made or to be observed or performed under this Agreement; or
 - (iii) the existence of any liability of the Seller which arose for any reason whatsoever up to and including the Closing Date including without limiting the generality of the foregoing, any liability for any debts or for taxes of any kind which should be assessed or reassessed against the Seller.
- (f) If the Shareholder or Indemnifier is more than one Person, every warranty, representation, covenant and agreement on the part of the Shareholder or Indemnifier to be observed and performed hereunder will be the joint and several representation, warranty, covenant and agreement of each of the persons comprising the Shareholder or Indemnifier, as the case may be.

3. Additional Closing Documents.

- (a) The Shareholder will provide the following additional closing documents in form and content satisfactory to the Buyer, acting reasonably:
- (i) the resignation of all directors and officers of the Company;
 - (ii) all original share certificates in respect of the Company Shares duly endorsed by the Shareholder and transferred into the name of the Buyer;
 - (iii) a release by the Shareholder, as owner of the Company Shares, of all claims against the Company;
 - (iv) resolutions of the director(s) of the Company causing to be elected as directors and officers of the Company such persons as the Buyer may direct;
 - (v) resolutions required by the Buyer's lender in connection with the purchase contemplated by this Agreement and the financing thereof;
 - (vi) releases from each of the current directors and officers of the Company in favour of the Company;
 - (vii) resolutions of the directors of the Company authorizing the transfer of the Company Shares to the Buyer (or as otherwise directed by the Buyer), the registration of the Company Shares in the name of the Buyer (or as otherwise directed by the Buyer) and the issuance of a new share certificate representing the Company Shares in the name of the Buyer (or as otherwise directed by the Buyer);
 - (viii) an indemnity from the Indemnifier in favour of the Buyer with respect to the indemnity in paragraph 2(e) above;
 - (ix) an indemnity in favour of the Buyer, indemnifying the Buyer in respect of any losses, costs, damages or liabilities incurred by the Buyer or the Company as a result of the inaccuracy of any of the representations or warranties contained in this Agreement on the part of the Seller or the Shareholder, such indemnity to survive Closing in perpetuity; and

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- (x) a copy of the Company's corporation income tax return, as filed with Canada Revenue Agency, for the period commencing on the first day of the Company's current tax year and ending on the day preceding the Closing Date.
- (b) The closing procedure described in PART 7 of this Agreement shall in such case be amended to delete the requirement for the registration of a Freehold Transfer in the relevant Land Title Office. In addition, the Shareholder shall execute and deliver to the Buyer, not less than five (5) business days prior to the Closing Date, the Closing Documents described in this Schedule C so as to permit the officers and directors designated by the Buyer, as the new officers and directors of the Company, to execute for and on behalf of the Company, such documents as any lender may require in connection with any mortgage to be registered against title to the Lands.
- (c) If the Buyer has elected to purchase the Company Shares, the Buyer shall assume no liability whatsoever, with respect to any third party liability or injury (including death) occurring to any person or persons on or about the Lands prior to the Closing Date, and the Shareholder (and its insurers) shall remain liable for and shall indemnify the Buyer in respect of all such third party liability or injuries (including death) and any and all claims, lawsuits or other actions arising from or as a result of such injuries or death.



Appendix "D"

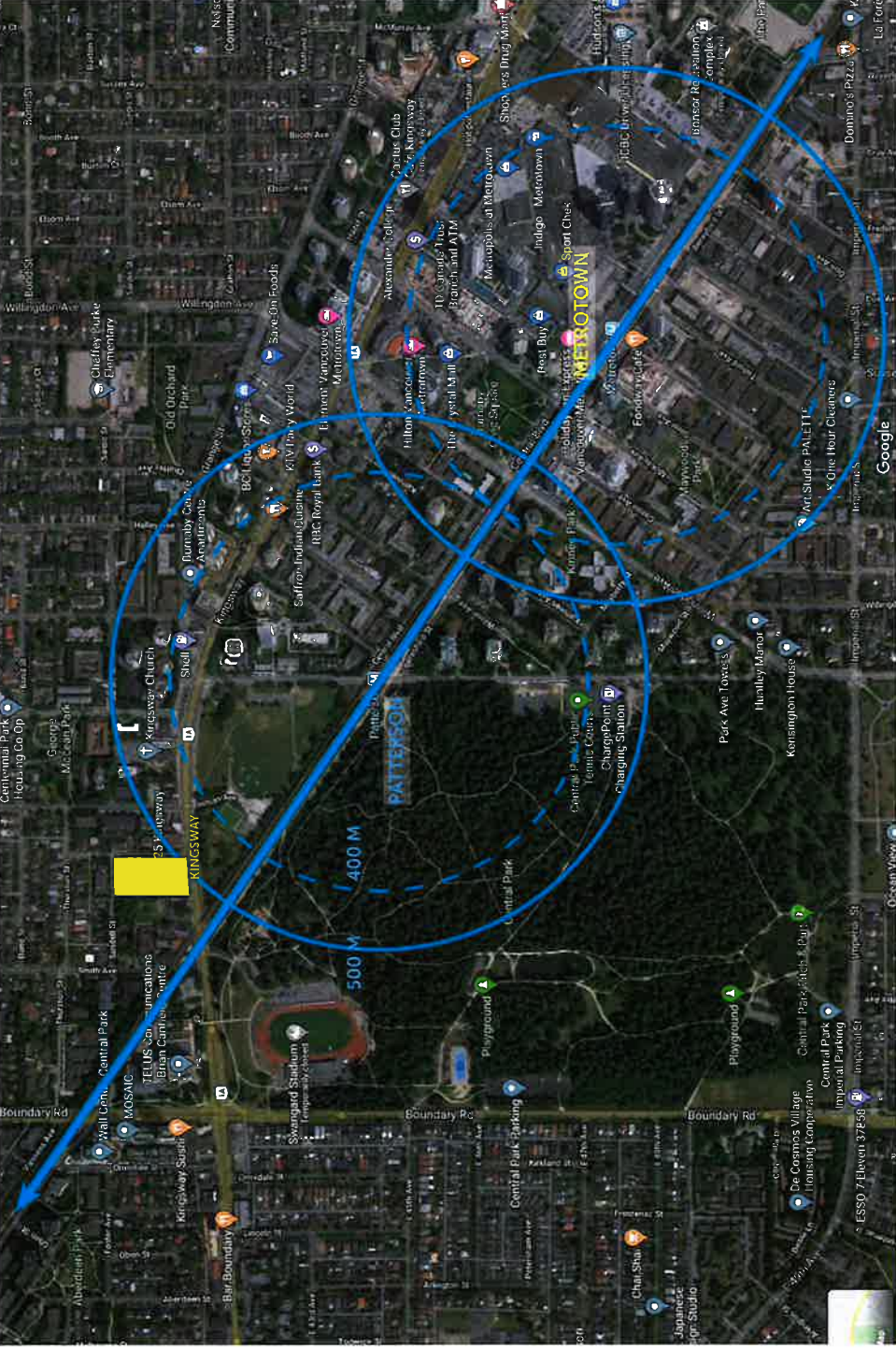
**Copies of Project Feasibility Study
dated July 20, 2020 prepared by
ZGF**

3925 Kingsway & 5725 Jersey Ave.

Density Study

July 20, 2020

LOCATION



3925 Kingsway
& 5725 Jersey

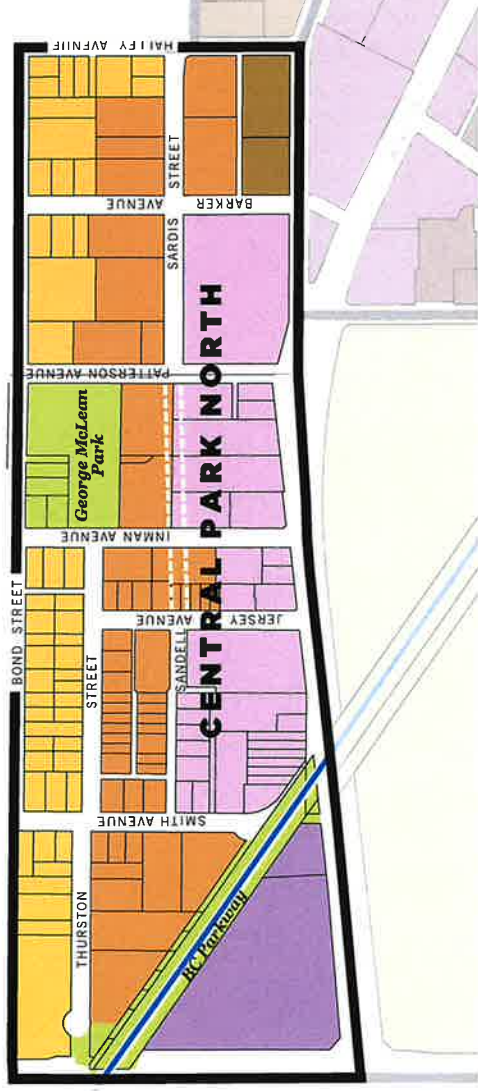
Burnaby, BC

ZONING

4.3.3

Central Park North

Central Park North is a gateway into the Downtown from the west.



LEGEND



GENERAL LAND USE MAP DESIGNATIONS	MAXIMUM RESIDENTIAL FAR	MAXIMUM COMMERCIAL FAR	MAXIMUM TOTAL FAR
RM5s/C3	5.0	6.0	11.0
RM4s/C3	3.6	6.0	9.6
RM5s/C2	5.0	1.3	6.3
RM4s/C2	3.6	1.3	4.9
RM5s	5.0	0.0	5.0
RM4s	3.6	0.0	3.6
RM5	2.6	0.0	2.6
RM3s	1.5	0.0	1.5
C1	0.0	1.0	1.0

DENSITY

Site Area
 83,250 SF
MAX Density
 7.45 FAR

Residential (3.6 FAR)
 299,700 SF
Rental Density (1.7 FAR)
 141,525 SF
Maximum Permitted GFA
 620,197 SF

Commercial (1.3 FAR)
 108,225 SF
Required Affordable Rental*
 0.72 FAR

Density Offset (0.85 FAR)
 70,762 SF
Residual Rental **
 0.98 FAR

Site Area m2	Zone	RMs (Strata or Rental)		RMs (Rental)		Offset (Strata or Rental)	C2 Commercial		Total Density	Total FAR m2	Total FAR ft. sq.
		Base FAR	Bonus FAR	Supplementary Base FAR (Sup. Base = Sup. Bonus)	Supplementary Bonus FAR		Requirement 20% below CMHC Median (TBD by # of RMs Units)	Residual CMHC Median (Market = CMHC Median)			
7734	RM4	1.7	0.3	0.8	0.8	0.85	0.66	0.64	7.45	57,618.30	620,197.62

* Affordable rental units: Requirement: 20% below CMHC Median (TBD by # of RMs Units)
 ** The residual RMr is required to be provided at a 1.1 ratio between market and CMHC market median rents

PROGRAM

Proposed GFA

617,176 SF

Proposed Density

7.4 FAR

Site Area

83,250 SF

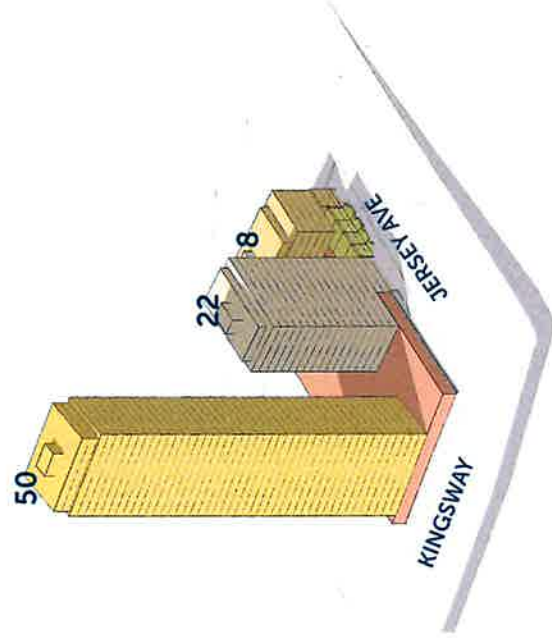
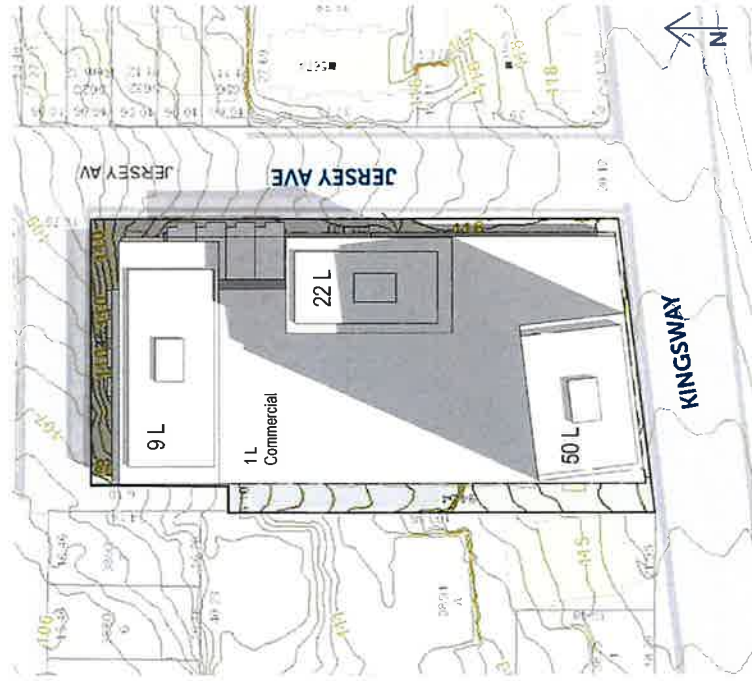
PROPOSED PROGRAM			
MARKET			
RM5	Condo	3.6	299,700
RM5 Offset	Additional Condo	0.7	59,059
		4.3	358,759
	Subtotal market		
RENTAL			
RMr - required	Minimum affordable units (20% below CMHC median)	0.7	59,059
RMr optional	CMHC median	0.5	41,576
C2 - Rental	Market rental	0.6	46,324
	Rental (replacing commercial)	0.5	45,059
	Subtotal rental	2.3	192,018
COMMERCIAL			
C2	Commercial	0.7	54,400
BUILDING COMMON			
	Common / loading / service / MEP	0.1	12,000
TOTAL		7.4	617,176

REQUIRED PARKING			
Condo		1.1	638
Rental		0.5	150
Retail/commercial		0.0020	110
TOTAL			898
LEVELS BELOW GRADE			3

PARKING ASSUMPTIONS			
Condo		1.85 per unit	
Rental		1.1 with traffic study	
Commercial		0.6 per unit	
		0.5 with traffic study	
		1 per 495.16 sf GFA	



OPTION A- 2 TOWERS



Density
617,100 sf

7.4 FAR

Market Condo
359,000 sf

Commercial
55,100 sf

Rental- Required
60,000 sf

Rental- Residual
143,000 sf

Appendix "E"

Qualifications of the Appraiser

QUALIFICATIONS

ROSE SHUYANG WANG, B.Com., AACI, P.App.

Experience with a variety of assignments involving medium to large scale proposed mixed use and multifamily projects, commercial and residential development sites, commercial retail, office and industrial properties in the Metro Vancouver area. Designated member of the Appraisal Institute of Canada. Membership #902311

EXPERIENCE:

- | | |
|---------------------|---|
| Present | Principal
L.W. Property Advisors Ltd.
Specializing in medium to large scale proposed development projects, holding properties and development sites, and various asset classes in Metro Vancouver. |
| 2012 – 2019 | Appraisal Contractor
Garnett Wilson Realty Advisors Ltd.
Specialized in proposed multifamily and mixed use developments throughout Metro Vancouver. |
| 2011 – 2012: | Director of Residential Development
Carmichael Wilson Property Consultants Ltd. (CWPC). Specialized in appraisals of proposed multifamily and mixed use development projects, development parcels and master planned communities in Greater Vancouver Area. |
| 2003 – 2011 | Senior Property Consultant / Property Consultant
Carmichael Wilson Property Consultants Ltd. (CWPC). Involved in all aspects of commercial appraisals and consulting work in British Columbia. |

PROFESSIONAL LIABILITY INSURANCE:

- | | |
|--------------------|--|
| Since 2003: | Appraisal Institute of Canada
Type of Practice: Fee Appraiser (Claim Free)
Trisura Guarantee Insurance Company |
|--------------------|--|
-

PROFESSIONAL QUALIFICATIONS AND MEMBERSHIPS:

- May 2005:** Awarded use of the professional designations AACI (Accredited Appraiser Canadian Institute) and P.App. (Professional Appraiser) by the Appraisal Institute of Canada (Vancouver Chapter).
- 2001 - Present:** Real Estate Institute of BC
- 2002 - Present:** Urban Development Institute
- 2015 - Present:** BC Expropriation Association

EDUCATION:

- April 2005:** University of British Columbia: Fulfilled academic requirements for the Appraisal Institute of Canada's AACI and P.App designations by completing the Business 499 (demo report) course through the Department of Real Estate.
- May, 2003:** University of British Columbia: Completed Bachelor of Commerce degree program. Major in Urban Land Economics/Real Estate.

PURCHASE AND SALE AGREEMENT

THIS AGREEMENT is dated for reference September 8th, 2022.

BETWEEN:

THE OWNERS, STRATA PLAN NW289
c/o Lawson Lundell LLP
1600 Cathedral Place
925 West Georgia Street
Vancouver, British Columbia
V6C 3L2

(the "Vendor")

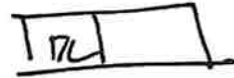
This is Exhibit "B" referred to in the affidavit of Kush Bhatia made before me on this 23rd day of February, 2024



A Commissioner for taking Affidavits in British Columbia
TARANEH ASHRAFI
Barrister & Solicitor
DENNIS JAMES AITKEN LLP
800 - 543 Granville Street
Vancouver, BC V6C 1X8
(604) 235-0119

AND:

— DEVELOPMENT



BELLMONT PACIFIC GROUP LTD.
c/o Harper Grey LLP
#3200 - 650 W Georgia St,
Vancouver, BC
V6B 4P7

(the "Purchaser")

WHEREAS:

- A. The Vendor is a strata corporation that is the duly authorized entity to offer for sale the Property and the Liquidator will be the legal and beneficial owner of the Property on the Completion Date; and
- B. The Purchaser wishes to purchase all of the legal and beneficial interest in the Property from the Vendor and/or the Liquidator, and the Vendor wishes to sell all of the legal and beneficial interest in the Property to the Purchaser on the terms and conditions set out herein.

NOW THEREFORE, in consideration of the premises and the mutual covenants, agreements, conditions and provisos contained herein, and the payment of \$10.00 by each of the parties to the other and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each of the parties, the parties covenant and agree with each other as follows:

ARTICLE 1 DEFINITIONS

1.1 Definitions

The following terms will have the following meanings:

- (a) “**Agent**” means the Vendor’s Agent and the Purchaser’s Agent;
- (b) “**Appliances**” means all washers, dryers, refrigerators, ovens, stoves, and built in dishwashers within any of the Strata Lots as of the date hereof or replacements thereof in working order;
- (c) “**Assignment of Leases**” has the meaning ascribed thereto in subsection 7.1(b);
- (d) “**Assignment of Service Contracts**” has the meaning ascribed thereto in subsection 7.1(h);
- (e) “**BCSC**” has the meaning ascribed thereto in subsection 6.1(b);
- (f) “**Business Day**” means a day that is not a Saturday, Sunday or a day when land title offices are closed in British Columbia;
- (g) “**Completion Date**” has the meaning ascribed thereto in subsection 3.1;
- (h) “**Contamination**” means the presence of any explosives, radioactive materials, asbestos materials, urea formaldehyde, chlorobiphenyls, hydrocarbon contaminants, underground tanks, pollutants, contaminants, hazardous, corrosive or toxic substances, special waste or waste of any kind or any other substance the storage, manufacture, disposal, treatment, generation, use (including as part of any existing building or improvement), transport, remediation or release into the environment of which is prohibited, controlled, regulated or licensed under Environmental Laws or the existence of which in or as part of the soils or groundwater of the Property will or may require the remediation thereof under Environmental Laws;
- (i) “**Court Order**” has the meaning ascribed thereto in subsection 6.1(b);
- (j) “**Deposit**” means collectively, the First Deposit and, when paid, and any subsequent deposits;
- (k) “**Environmental Laws**” means any and all statutes, laws, regulations, orders, bylaws, permits and other lawful requirements of any federal, provincial, municipal or other governmental authority having jurisdiction over the Property in force with respect, in any way, to the environment, health or occupational health and safety, including with respect, in any way, to the protection of people, plants, animals, natural ecosystems and the natural environment (including in the context of the development of land, workplace safety and otherwise), and including all

applicable policies, guidelines and standards with respect to the foregoing as adopted by any of those governmental authorities from time to time;

- (l) “**Equipment**” means all the chattels, personal property, goods, equipment, inventory and supplies used by the Vendor or anyone on the Vendor’s behalf exclusively in connection with the operation, use, enjoyment, maintenance or management of the Property and owned by the Vendor or subject to a conditional sale agreement in favour of the Vendor as of the reference date set out above, but for clarity shall not include any Appliances;
- (m) “**ETA**” means the *Excise Tax Act* (Canada);
- (n) “**Execution Date**” means the date this Agreement is fully executed and delivered by each of the parties hereto;
- (o) “**Expense Items**” has the meaning ascribed thereto in Section 3.3;
- (p) “**First Conditions**” has the meaning ascribed thereto in subsection 6.1(a);
- (q) “**First Conditions Period**” means the period of Sixty (60) days from the Execution Date, or such longer period as the Vendor and Purchaser may agree in writing;
- (r) “**First Deposit**” means the amount paid by the Purchaser pursuant to subsection 2.3(a);
- (s) “**General Assignment**” has the meaning ascribed thereto in subsection 7.1(l);
- (t) “**GST**” means federal goods and services tax and/or any other similar or replacement tax;
- (u) “**Individual Strata Lot Contracts**” has the meaning ascribed thereto in section 10.1;
- (v) “**Land Title Office**” has the meaning ascribed thereto in Section 3.4;
- (w) “**Leases**” means every agreement, whether written or oral, partly written and partly oral, pursuant to which any person has any interest in the Property in the nature of a tenancy or a right to occupy premises, including any modification or extension thereof, and “**Lease**” means any of such Leases;
- (x) “**Liquidator**” means the liquidator appointed in respect of, and vested with the ownership of, the Property in furtherance of the terms hereof;
- (y) “**Permitted Encumbrances**” means the charges, reservations and restrictions set out in Schedule A hereto;
- (z) “**Person**” includes a firm, partnership, limited partnership, corporation or other entity;

- (aa) **“Project Documents”** means:
- (i) current surveys or real property reports of the Property;
 - (ii) copies of plans and specifications for and relating to the Building, including mechanical, architectural, electrical and “as-built” drawings and building specifications, and any development, building or occupancy permits for the Property, all if in the Vendor's possession;
 - (iii) all environmental reports on the Property in the Vendor’s possession;
 - (iv) copies of all Service Contracts that the Vendor requires the Purchaser to assume;
 - (v) any and all Leases in the possession and control of the Vendor; and
 - (vi) copies of all current *Strata Property Act* Form K’s in the possession or control of the Vendor.
- (bb) **“Property”** means all of the lands and premises within Strata Plan NW289, municipally located at 3925 Kingsway, Burnaby, British Columbia, V5H 3Y7 and 5715 Jersey Avenue, Burnaby, British Columbia, V5H 2L3 and more particularly described in Schedule “B” hereto together with all improvements thereon and rights and benefits appurtenant thereto;
- (cc) **“Purchase Price”** means the amount set out in Section 2.2;
- (dd) **“Purchaser's Agent”** means Multiple Realty Ltd. and its agent Steven Dong - Steven Dong Personal Real Estate Corporation
- (ee) **“Purchaser’s Solicitors”** means Harper Grey LLP or such other firm or firms of lawyers qualified to practice law in British Columbia as may be retained by the Purchaser from time to time and notice of which is provided to the Vendor;
- (ff) **“Sale Approval”** has the meaning ascribed thereto in subsection 6.1(b);
- (gg) **“Second Condition”** has the meaning ascribed thereto in subsection 6.1(b);
- (hh) **“Second Condition Period”** means the period of Ninety (90) days from the waiver or satisfaction of the First Conditions, or such longer period as the Vendor and Purchaser may agree in writing;
- (ii) **“Service Contracts”** means all agreements entered into by the Vendor with respect to the furnishing of supplies or services to the Property or with respect to the management or operation of the Property (including agreements with janitors, building managers and other management or maintenance personnel other than owners, officers and employees of the Vendor);

- (jj) **“Strata Lot Owners”** means all of the owners of the Strata Lots, and **“Strata Lot Owner”** means the owner of any Strata Lot;
- (kk) **“Strata Lots”** means all of the strata lots in the Strata Plan, and **“Strata Lot”** means any of the Strata Lots;
- (ll) **“Strata Plan”** has the meaning ascribed thereto in subsection 6.1(b);
- (mm) **“Transfer”** has the meaning ascribed thereto in subsection 7.1(a);
- (nn) **“Vendor's Agent”** means the Brokers and the Designated Agents as defined in the Exclusive Listing Agreement made among the Vendor, the Brokers and the Designated Agents dated June 28, 2022; and
- (oo) **“Vendor’s Solicitors”** means Lawson Lundell LLP.

ARTICLE 2 PURCHASE PRICE AND PAYMENT

2.1 Agreement

The Purchaser hereby agrees to purchase the Property, the Equipment, the Project Documents and the Appliances from the Vendor and/or the Liquidator, subject to and on the terms and conditions set forth herein, and the Vendor agrees to sell the Property to the Purchaser, subject to and on the terms and conditions set forth herein.

2.2 Purchase Price

The purchase price for the Property will be **Sixty-One Million Dollars (\$61,000,000)** subject to adjustment pursuant to section 3.3.

2.3 Payment of Purchase Price

The Purchase Price will be paid as follows:

- (a) as to Three Million Dollars (\$ 3,000,000) (the **“First Deposit”**), by payment of such amount by the Purchaser to the Purchaser’s Solicitors in trust within three (3) Business Days of the satisfaction of all of the conditions precedent set out in subsection 6.1(a); and
- (b) as to the balance of the Purchase Price (subject to the adjustments made pursuant to Section 3.3), by payment of such amount by the Purchaser to the Liquidator by way of solicitor’s certified trust cheque, bank draft or wire transfer on behalf of the Vendor on the Completion Date.

2.4 Investment of Deposit

The Deposit will be invested by the Purchaser Solicitors in an interest-bearing trust account or certificate of deposit, with interest for the account of the Purchaser unless the Deposit and

interest thereon is paid to the Liquidator on behalf of the Purchaser pursuant to subsection 2.5(a)(ii).

2.5 Application of Deposit

Upon waiver or satisfaction of the Second the Vendor and Purchaser authorizes the Purchaser's solicitors to release from the Deposit up to \$100,000 in aggregate, to pay the Vendor's costs to satisfy the Second Conditions, including legal and liquidator fees, provided the Vendor has first given the Purchaser an accounting of such costs.

The remainder of the Deposit will be:

- (a) paid to the Liquidator on behalf of the Purchaser:
 - (i) on the Completion Date on account of the Purchase Price, if the Liquidator and the Purchaser complete the sale and purchase of the Property on the Completion Date; or
 - (ii) together with interest earned on the Deposit, upon the default of the Purchaser, if the Purchaser is in default of its obligation to complete the purchase of the Property hereunder, unless such default is waived in writing by the Liquidator, and the Deposit so paid to the Liquidator will be absolutely forfeited to the Liquidator on behalf of the Vendor as liquidated damages as the Liquidator's and Vendor's sole and exclusive remedy and this Agreement will terminate forthwith upon such payment being made; or
- (b) paid to the Purchaser (less the \$10.00 paid by the Purchaser to the Vendor pursuant to Section 6.1):
 - (i) together with interest earned on the Deposit, if the Vendor and the Liquidator, respectively, do not notify the Purchaser of the satisfaction of all of the conditions precedent set out in subsections 6.1(b) in the manner and within the time provided herein;
 - (ii) together with interest earned on the Deposit, if the Purchaser does not notify the Vendor of the satisfaction or waiver of all of the First Conditions set out in subsection 6.1(a) in the manner and within the time provided herein;
 - (iii) together with interest earned on the Deposit, upon the default of the Liquidator, if the Liquidator is in default of its obligation to complete the sale of the Property hereunder, unless such default is waived in writing by the Purchaser or the Purchaser has elected to complete the purchase of the Property, without prejudice to any other right or remedy of the Purchaser; or
 - (iv) if the Purchaser terminates this Agreement pursuant to Section 3.4.

ARTICLE 3
COMPLETION, POSSESSION AND ADJUSTMENTS

3.1 Completion

The completion of the transactions contemplated by this Agreement will occur on October 25, 2023 (the “**Completion Date**”), or such other date as may be agreed to in writing by the Vendor and the Purchaser, and the place of closing will be the offices of the Purchaser’s Solicitors in Vancouver, British Columbia.

3.2 Possession

The Liquidator will deliver to the Purchaser possession of the Property free from all liens, claims, charges, encumbrances and legal notations other than the Permitted Encumbrances on the Completion Date.

3.3 Adjustments

The Purchaser will be responsible for all taxes, rates, assessments and other charges and will be entitled to receive all income relating to the Property from and including the Completion Date and all adjustments, both incoming and outgoing, of whatsoever nature will be made as of the Completion Date and the payment due pursuant to subsection 2.3(b) will be adjusted accordingly. Adjustments will be made for rent, taxes, local improvement rates and charges, water and assessment rates, utilities, fuel costs and all other items ordinarily adjusted in similar transactions in the City of Burnaby (all such items, excluding rent, are hereinafter referred to as the “**Expense Items**”). If any of the Expense Items has not been paid up to the Completion Date, the Purchaser shall have the right to pay out of the portion of the Purchase Price due on completion such amount or amounts as may be necessary to bring the Expense Item completely current as of the Completion Date. Any tenant inducements, damage deposits, leasing commissions and landlord’s work and tenant improvements outstanding at the Completion Date (whether due before or after the Completion Date) shall be for the Vendor’s account and adjusted in favour of the Purchaser on the Completion Date. The Liquidator on behalf of the Vendor shall not be credited for arrears of rent or other accounts receivable (if any) which accrue prior to the Completion Date. Such amounts (if any) shall remain the property of the Liquidator on behalf of the Vendor and the Liquidator on behalf of the Vendor shall retain the right to pursue recovery of the same. The Vendor acknowledges and agrees that the Vendor will not be entitled to an adjustment in respect of strata fees paid by Owners to the Vendor for the month in which this transaction completes.

If the sale and purchaser of the Property proceeds in accordance with Section 10.1, the solicitor for the Strata Lot Owners will hold and deal with the Holdback Amount in accordance with this Section 3.3.

3.4 Risk

The Property will be at the Vendor’s risk until the acceptance of the Transfer for registration in the applicable Land Title Office (the “**Land Title Office**”) and thereafter at the Purchaser’s risk. Pending completion, the Vendor, or the Liquidator on behalf of the Vendor, will hold all insurance policies and any proceeds derived therefrom in trust for the Purchaser and in the event

of loss or damage to the Property occurring before such time by reason of fire, tempest, lightning, earthquake, flood or other act of God, explosion, riot, civil commotion, insurrection, war or otherwise howsoever, the Purchaser may, at its option, apply the amount of such insurance proceeds paid or payable to the Vendor with respect thereto (and any applicable deductible amount) in reduction of the Purchase Price and complete the purchase of the Property or terminate this Agreement.

ARTICLE 4
VENDOR'S COVENANTS AND REPRESENTATIONS AND WARRANTIES

4.1 Vendor's Covenants

The Vendor covenants and agrees that it will:

- (a) permit the Purchaser and the Purchaser's employees, engineers, agents and advisors to enter onto the Property upon reasonable written notice and carry out such inspections, tests, studies, surveys and investigations of the Property as the Purchaser may reasonably require, including, but not limited to, taking samples of soils, groundwater and other materials located in, on or under the Property;
- (b) deliver, or cause to be delivered, to the Purchaser, within ten (10) Business Days of the Execution Date:
 - (i) copies of all Leases in the Vendor's possession;
 - (ii) a list of all of the Service Contracts together with copies of all written Service Contracts and relevant particulars of all unwritten Service Contracts; and
 - (iii) the Project Documents;
- (c) maintain in force insurance covering loss or damage to the Property and covering public liability, in both cases against such risks and to such limits as are in accordance with past practices;
- (d) from the Execution Date until the Completion Date, conduct or cause to be conducted all business in respect of the Property in accordance with prudent business practices given the nature of the Property, and without limiting the generality of the foregoing:
 - (i) provide the Purchaser with particulars of any Service Contract entered into or modified after delivery of the material referred to in subsection 4.1(b);
 - (ii) use its commercially reasonable efforts to preserve the Property intact as would a prudent owner;

- (iii) not enter into or permit to be entered into any contract or agreement or any transaction whatsoever in respect of the Property other than in the ordinary and usual course of business;
- (iv) if any Strata Lot Owner enters into, modifies, terminates or accepts a surrender of any Lease, or enters into a replacement Lease on similar terms, the Vendor will provide or cause to be provided a copy of same, and of any new *Strata Property Act* Form K received, to the Purchaser as soon as reasonably possible. The Vendor shall not be in breach of this Agreement, if any of the Strata Lot Owners enters into a month-to-month lease of their Strata Lot and fails to provide the same to the Vendor;
- (e) cancel and terminate, or cause to be cancelled and terminated, all contracts, including the Service Contracts, which relate to the Property excepting only those that the Purchaser elects in writing before the expiry of the Second Conditions Period to have assigned to it, effective as of the Completion Date;
- (f) pay all amounts due, owing or payable pursuant to the Service Contracts to and including the Completion Date;
- (g) execute, or cause to be executed, and return to the Purchaser or the Purchaser's Solicitors as soon as is reasonably possible all consents or letters of authority which it may be necessary for the Vendor to execute in order for the Purchaser to conduct such due diligence searches with respect to the Vendor and the Property as it determines to be necessary in connection with the transactions contemplated herein;
- (h) does hereby consent to and authorize the Purchaser to enter into discussions and negotiations with the City of Burnaby or any other relevant authority and to make applications, in the name of the Vendor, for any permits or approvals required by the Purchaser in connection with any proposed development of the Property, and the Vendor will execute and deliver, or cause to be executed and delivered, any consents requested in respect of such applications and agrees not to oppose or otherwise seek to hinder or delay, or permit any opposition, hindrance or delay with respect to, any such discussions, negotiations or applications, or any approvals arising therefrom; and
- (i) upon removal by the Purchaser of the First Conditions, use commercially reasonable efforts to fulfill the Second Conditions.

4.2 Vendor's Representations and Warranties

The Vendor represents and warrants to the Purchaser as representations and warranties that are true at the date hereof and will be true at the time of completion and that are to continue and to survive the purchase of the Property by the Purchaser thereafter regardless of any independent investigations that the Purchaser may cause to be made and regardless of the removal or waiver of any condition precedent, that, subject to the limitations, if any, expressed herein:

- (a) the Liquidator will have good and marketable legal and beneficial title to the Property on the Completion Date, free and clear of all liens, claims, charges, encumbrances and legal notations other than the Permitted Encumbrances;
- (b) all necessary action on the part of the Vendor and the Strata Lot Owners has been or will be taken to authorize and approve the execution and delivery of this Agreement and the completion of the transactions contemplated herein;
- (c) there is no action, suit, claim, litigation or proceeding pending or to the Vendor's knowledge threatened against the Vendor or in respect of the Property or the use or occupancy thereof before any court, arbiter, arbitration panel or administrative tribunal or agency which, if decided adversely to the Vendor, might materially affect the Vendor's ability to perform any of the Vendor's obligations hereunder and no state of facts exists which could constitute the basis of any such action, suit, claim, litigation or proceeding;
- (d) except as contemplated herein, no consent or approval of or registration, declaration or filing with, any governmental commission, board, court or other regulatory body is required for the execution or delivery of this Agreement by the Vendor, the validity or enforceability of this Agreement against the Vendor or the Liquidator;
- (e) neither the Vendor entering into this Agreement nor the performance by the Vendor of the terms hereof will result in the breach of or constitute a default under any term or provision of any instrument, document or agreement to which the Vendor is bound or subject;
- (f) the Property and the use thereof do not contravene any registered covenant and the Vendor has not received and has no knowledge of any notice or request from any governmental authority or official, insurance company or board of fire underwriters requesting the performance of any work or alteration in respect of any of the Property;
- (g) the Vendor is "resident" in Canada for the purposes of the *Income Tax Act* (Canada) though individual Strata Lot Owners may not be;
- (h) the Vendor has no present or future obligation to construct or provide, or to pay any amount to any person in connection with, off site services, utilities or similar services in connection with the Property;
- (i) to the best of the Vendor's knowledge, there is no improvement on any lands adjoining the Property encroaching upon the Property and no improvement on the Property encroaching on any adjoining lands;
- (j) the Vendor has received no notice of and has no knowledge of any proposed expropriation of the Property or any part thereof or any intention of the applicable municipal authority to alter its zoning bylaw so as to affect or potentially affect the Property;

- (k) to the best of the Vendor's knowledge, all materials, services and utilities in use for the operation, use or occupation of the Property (including, without limitation, mechanical, drainage, electrical, plumbing, ventilating systems, elevators, sidewalks, streets, curbs, sewers, storm and water main connections):
 - (i) have been maintained in all material respects in a manner which a prudent strata corporation of a similar property of a similar age would adopt;
 - (ii) are in normal operating condition and in a reasonable state of repair and are free of all material defects, normal wear and tear excepted; and
 - (iii) have been paid for in full and all installation and connection fees and all local improvement, municipal, real property, school and other taxes and assessments of any kind whatsoever levied by any governmental authority having jurisdiction which are due or payable by the Vendor in respect of the foregoing, are paid in full to the due date for payment thereof except for current charges for utilities consumed in the Property and, except as disclosed to the Purchaser in writing on the Completion Date, will be paid in full to the Completion Date or adjusted for as of the Completion Date;
- (l) the Equipment will, on the Completion Date:
 - (i) be free and clear of all claims, liens, charges and encumbrances;
 - (ii) be assignable by the Vendor to the Purchaser; and
 - (iii) have been maintained in a manner which a prudent owner of such property would adopt, subject to normal wear and tear;
- (m) to the best of the Vendor's knowledge, there are no Leases except those disclosed pursuant to Section 4.1(b)(i);
- (n) each of the Service Contracts is in good standing and assignable to the Purchaser, there being no default thereunder by the Vendor or the other contracting parties thereto, and contains the entire agreement between the parties identified therein;
- (o) the Vendor will not have any employees or be party to any employment agreements as of the Completion Date; and
- (p) the Vendor has not failed to disclose to the Purchaser any material fact or information relating to or concerning the Property of which the Vendor is aware.

4.3 Survival of Representations and Warranties and Indemnity

The representations and warranties contained in Section 4.2 shall survive the Completion Date for a period of 12 months. The Vendor will indemnify the Purchaser against, and save it harmless from, any loss, cost or damage of any nature whatsoever sustained by the Purchaser directly or indirectly by reason of a breach, inaccuracy or incompleteness of any of the warranties or representations set forth in Section 4.2. The Vendor acknowledges and agrees that

the Purchaser has entered into this Agreement relying on such warranties and representations and the other warranties, representations, terms and conditions set out in this Agreement.

4.4 As Is Where is

The Purchaser acknowledges and agrees that other than the representations and warranties made by the Vendor in Section 4.2, the Vendor makes no representations or warranties respecting the Property and Equipment or the condition, including environmental condition (respecting which the Vendor shall have no obligation to provide a site profile) thereof, and that the Purchaser is purchasing the same on an "as is, where is" basis and shall satisfy itself as to all aspects thereof.

ARTICLE 5 PURCHASER'S REPRESENTATIONS, WARRANTIES AND COVENANTS

5.1 Purchaser's Representations and Warranties

The Purchaser hereby represents and warrants to the Vendor as representations and warranties that are true at the date hereof and will be true as of the Completion Date as follows:

- (a) the Purchaser is a body corporate duly continued and validly existing under the laws of the Province of British Columbia and duly qualified to purchase and own the Property and the Purchaser has full power, authority and capacity to enter into this Agreement and carry out the transactions contemplated herein;
- (b) all necessary corporate action on the part of the directors and shareholders of the Purchaser has been taken to authorize and approve the execution and delivery of this Agreement and the completion of the transaction contemplated herein;
- (c) there is no action or proceeding pending or to the Purchaser's knowledge threatened against the Purchaser before any court, arbiter, arbitration panel, administrative tribunal or agency which, if decided adversely to the Purchaser, might materially affect the Purchaser's ability to perform its obligations hereunder; and
- (d) neither the Purchaser entering into this Agreement nor the performance of its terms will result in the breach of or constitute a default under any term or provision of any indenture, mortgage, deed of trust or other agreement to which the Purchaser is bound or subject.

5.2 Survival of Representations and Warranties and Indemnity

The representations and warranties contained in Section 5.1 shall survive the Completion Date for a period of 12 months. The Purchaser will indemnify the Vendor against, and save it harmless from, any loss, cost or damage of any nature whatsoever sustained by the Vendor directly or indirectly by reason of a breach, inaccuracy or incompleteness of any of the warranties or representations set forth in Section 5.1. The Purchaser acknowledges and agrees that the Vendor has entered into this Agreement relying on such warranties and representations and the other warranties, representations, terms and conditions set out in this Agreement.

ARTICLE 6
CONDITIONS PRECEDENT

6.1 Conditions Precedent

The obligation of the Purchaser and the Vendor to complete the purchase of the Property on the Completion Date is subject to the following conditions precedent being satisfied, or waived if expressly permitted hereunder, in the manner and within the time provided herein:

- (a) by 4:00 p.m. (Vancouver time) on the last day of the First Conditions Period, the Purchaser will have satisfied itself in its sole discretion as to
- (i) the state of title to the Property;
 - (ii) the physical condition of the Property, including the results of any environmental and geotechnical investigations by or on behalf of the Purchaser;
 - (iii) the status, form and substance of the Leases (including the rent payable and the tenants' covenants thereunder), and the Service Contracts;
 - (iv) the Purchaser being satisfied in its sole discretion with respect to the overall suitability, and the financial and market feasibility, of the Property for the Purchaser's intended development project on the Property,
- (collectively, the "**First Conditions**");
- (b) by 4:00 p.m. (Vancouver time) on the last day of the Second Condition Period, this Agreement having been approved and ratified by a resolution passed by a three quarter (3/4) vote resolution of the Strata Lot Owners at a special general meeting of the Vendor
- (i) the sale of the Property in accordance with the terms and conditions of this Agreement by the Liquidator to the Purchaser having been approved by the BCSC (the "**Sale Approval**"); and
 - (ii) all applicable appeal periods in respect of the Court Order and the Sale Approval will have expired without any appeal of the Court Order and/or the Sale Approval being filed,
- (collectively, the "**Second Conditions**").

The parties agree that this Agreement will become an unconditional contract for the sale and purchase of the Property forthwith upon the satisfaction or waiver of all of the Second Conditions.

On the Completion Date, prior to the filing of the Transfer (as defined in Section 7.1(a)) by the Purchaser' Solicitors pursuant to Section 8.2, the Liquidator will file the Court Order with the Land Title Office for the purposes of vesting in the Liquidator title to the Property, obtain a post-

filing registration check of the property index in accordance with Section 8.3, and provide same to the Purchaser. The parties agree and acknowledge that full registration of the Court Order and related documents, and issuance of a title for the resulting consolidated Property by the Land Title Office is a condition of closing for the benefit of the Purchaser, subject always to section 10.1

In consideration of \$10.00 non-refundable to be paid by the Purchaser to the Vendor and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Vendor, the Vendor agrees not to revoke its acceptance of this Agreement while this Agreement remains subject to any of the Second Conditions. For greater certainty, the Purchaser acknowledges and agrees that the \$10.00 paid to the Vendor pursuant to this paragraph is the absolute property of the Vendor and in no event shall such \$10.00 be returnable to or paid to the Purchaser pursuant to subsection 2.5(b).

6.2 Satisfaction and Waiver of Conditions Precedent

- (a) The First Conditions are for the Purchaser's sole benefit and each may be waived unilaterally by the Purchaser, at the Purchaser's election, and if the Purchaser does not give the Vendor notice of the satisfaction or waiver of such conditions precedent within the time herein provided then the Purchaser's obligation to purchase the Property will be at an end and, subject to subsection 2.5(b), this Agreement will forthwith terminate. However, if the Purchaser does not waive or satisfy the First Conditions, it shall provide the Vendor with a written summary of its due diligence results including copies of any written reports commissioned and received by the Purchaser.
- (b) The Second Condition is for the mutual benefit of the Purchaser and the Vendor and may not be declared satisfied or waived unilaterally by either party. If the Vendor or the Liquidator, in the case of the Second Condition, does not give the Purchaser notice of the satisfaction of such conditions precedent (together with reasonable supporting documentation to show that such conditions precedent have been satisfied) within the time herein provided then the Purchaser's obligation to purchase the Property will be at an end and, subject to subsection 2.5(b), this Agreement will forthwith terminate.

ARTICLE 7 PREPARATION OF CLOSING DOCUMENTS

7.1 Vendor's Delivery of Closing Documents

On or before the Completion Date, the Vendor will cause the Vendor's Solicitors to deliver to the Purchaser's Solicitors, the following items, duly executed by the Vendor, and/or the Liquidator, as applicable, and in registrable form wherever appropriate, to be dealt with pursuant to Article 8:

- (a) a Form A Freehold Transfer (the "**Transfer**") conveying the Property from the Liquidator to the Purchaser, subject only to the Permitted Encumbrances;

- (b) an assignment (the “**Assignment of Leases**”) to the Purchaser of the interest of the Liquidator in the Leases, including provision for continued responsibility of the Vendor, or any Strata Lot Owners, for liabilities and defaults thereby incurred or committed prior to the Completion Date and an indemnity therefrom in favour of the Purchaser with respect thereto and an assumption by the Purchaser of the landlord obligations under the Leases for the period from and after the Completion Date and an indemnity in favour of the Vendor and the Liquidator in respect of liabilities arising or defaults occurring during the period from and after the Completion Date;
- (c) copies of the Leases;
- (d) directions to all tenants of the Property directing the tenants to pay future rental payments to the Purchaser or as directed by the Purchaser;
- (e) a certificate pursuant to Section 116 of the *Income Tax Act* (Canada) confirming that the Vendor is not a non-resident of Canada;
- (f) a Vendor’s statement of adjustments prepared in accordance with Section 3.3;
- (g) a registrable bill of sale conveying and assuring to the Purchaser good and marketable title in and to all of the Appliances and all of the Equipment, free and clear from any lien, claim, charge or encumbrance of any kind or nature whatsoever, and all warranties in respect of the Equipment which are assignable;
- (h) an assignment (the “**Assignment of Service Contracts**”) to the Purchaser of any Service Contracts that the Purchaser has elected to acquire in accordance with subsection 4.1(e);
- (i) a notification to all contracting parties (other than the Vendor) to each Service Contract that the Purchaser has elected to acquire in accordance with subsection 4.1(e), that such Service Contract has been assigned to the Purchaser together with the consent of such contracting parties to the assignment if required pursuant to the Service Contract;
- (j) a copy of the notices by which the Liquidator has terminated the Service Contracts excepting those only, if any, which the Purchaser has elected to acquire in accordance with subsection 4.1(e);
- (k) an agreement by which the Vendor agrees to indemnify and save harmless the Purchaser from any claim pursuant to the Services Contracts not assigned to the Purchaser;
- (l) a general assignment (the “**General Assignment**”) to the Purchaser of all right, title and interest and benefit in and to all contracts, covenants, warranties, representations, indemnities, studies, tests, reports, plans, drawings, applications and permits or any other benefits or rights which are assignable and which pertain to the Property and which the Purchaser has elected to have assigned to it;

- (m) all keys and like devices for the Property which are in the possession or control of the Vendor or the Liquidator;
- (n) all instructions, manuals, plans and other documents associated with any of the Equipment or any of the improvements on the Property which are in the possession or control of the Vendor or the Liquidator;
- (o) a certificate of a member of the strata council of the Vendor on the Completion Date that each of the warranties and representations of the Vendor set out herein is true and accurate on the Completion Date except as disclosed therein;
- (p) a reference plan prepared pursuant to section 100(1)(A) of the *Land Title Act* consolidating the Strata Lots into a single lot; and
- (q) such other usual and customary documents for real estate transactions of the nature set out in this Agreement as may be required by the Liquidator or the Purchaser, each acting reasonably, or which are reasonably necessary to complete the purchase and sale of the Property.

7.2 Preparation of Closing Documents

The closing documents contemplated in Section 7.1, will be prepared by the Purchaser's Solicitors or the Purchaser's land surveyor (to the extent that preparation is required) at the Purchaser's sole cost and expense and delivered to the Vendor's Solicitors prior to the Completion Date.

7.3 Purchaser's Delivery of Closing Documents

On or before the Completion Date, the Purchaser will cause the Purchaser's Solicitors to deliver to the Vendor's Solicitors the following items, duly executed by the Purchaser, to be dealt with pursuant to Article 8:

- (a) the Assignment of Leases;
- (b) the Assignment of Service Contracts, if any;
- (c) the General Assignment;
- (d) a certificate of an officer of the Purchaser on the Completion Date that each of the warranties and representations of the Purchaser set out herein is true and accurate on the Completion Date except as disclosed therein; and
- (e) such other usual and customary documents for real estate transactions of the nature set out in this Agreement as may be required by the Vendor or Purchaser, each acting reasonably, or which are reasonably necessary to complete the purchase and sale of the Property.

ARTICLE 8 CLOSING PROCEDURE

8.1 Payment in Trust

On or before the Completion Date the Purchaser will pay to the Purchaser's Solicitors in trust the amount due to the Vendor pursuant to subsection 2.3(b), as adjusted pursuant to Section 3.3, less the amount to be advanced to the Purchaser on the Completion Date under any mortgage financing arranged by the Purchaser.

8.2 Registration

Forthwith following the payment in Section 8.1 and after receipt by the Purchaser's Solicitors of the documents and items referred to in Section 7.1, on the Completion Date, the Purchaser will cause the Purchaser's Solicitors to file the Transfer in the appropriate Land Title Office concurrently with any security documents applicable to any mortgage financing arranged by the Purchaser in connection with the purchase of the Property.

8.3 Closing

Forthwith following the filing referred to in Section 8.2 and upon the Purchaser's Solicitors being satisfied as to the Purchaser's title to the Property after conducting a post-filing for registration check of the property index disclosing only the following:

- (a) the existing title number to the Property;
- (b) the Permitted Encumbrances;
- (c) the pending number assigned to the Transfer;
- (d) the pending numbers assigned to any security documents applicable to any mortgage financing arranged by the Purchaser in connection with the purchase of the Property; and
- (e) any charges granted by the Purchaser,

the Purchaser will cause the Purchaser's Solicitors, forthwith upon receipt by them of the proceeds of any mortgage financing arranged by the Purchaser in connection with the purchase of the Property, to either wire transfer or make available for pick up by the Vendor's Solicitors at the offices of the Purchaser's Solicitors a solicitor's certified trust cheque or bank draft for the amount due to the Vendor pursuant to the Vendor's statement of adjustments, and to release the items referred to in Section 7.1 to the Purchaser and concurrently therewith the Deposit will be released to the Vendor's Solicitors and any interest earned on the Deposit will be released by the Vendor's Solicitors to the Purchaser.

8.4 Concurrent Requirements

It is a condition of this Agreement that all requirements of this Article 8 are concurrent requirements and it is specifically agreed that nothing will be completed on the Completion Date

until everything required to be paid, executed and delivered on the Completion Date has been so paid, executed and delivered and until the Purchaser's Solicitors have satisfied themselves as to the Purchaser's title pursuant to Section 8.3.

8.5 Clearing Vendor's Title

If the Property is encumbered by any encumbrance or charge that is not a Permitted Encumbrance, the Vendor's Solicitors shall be entitled to use the proceeds received pursuant to Section 8.3 to obtain a discharge of such encumbrances or charges on or after the Completion Date provided the Vendor's Solicitors undertake to the Purchaser's Solicitors to cause such encumbrances or charges to be discharged from title to the Property.

ARTICLE 9 INTERPRETATION

9.1 References

Any reference in this Agreement to a designated "Article", "section", "subsection", "paragraph" or other subdivision is a reference to the designated Article, section, subsection, paragraph or other subdivision of this Agreement and the words "herein", "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, section, subsection, paragraph or other subdivision of this Agreement.

9.2 Headings

The headings used in and the organization of this Agreement are solely for convenience of reference and will not in any way affect, limit, amplify or modify the terms hereof and will not be construed in any way in the interpretation hereof to be part of this Agreement.

9.3 Non-limiting

The word "including", when following any general statement, will be construed to refer to all other things that could reasonably fall within the scope of such general statement, whether or not non-limiting language (such as "without limitation") is used with reference thereto.

9.4 Gender and Number

Words importing the masculine gender include the feminine and neuter genders and words in the singular include the plural, and vice versa.

9.5 Governing Law

This Agreement and all matters arising hereunder will be governed by and construed in accordance with the laws of the Province of British Columbia, which will be deemed to be the proper law hereof, and the courts of the Province of British Columbia will have the non-exclusive jurisdiction to entertain and determine all claims and disputes arising out of or in any way connected with this Agreement and the validity, existence and enforceability hereof.

9.6 Statutes

Any reference to a statute includes and is a reference to such statute and to the regulations made pursuant thereto, with all amendments made thereto and in force from time to time, and to any statutes or any regulations that may be passed which have the effect of supplementing or superceding such statutes or regulations.

9.7 Confidentiality

The parties agree that the contents of this Agreement shall remain confidential and shall not be disclosed to any person with the exception of each party's legal, accounting and tax advisors, agents, lenders, consultants, advisors, potential investors, affiliates, the Strata Lot Owners, or as required by law. If any such person is required by law to disclose the terms of this Agreement to persons other than those identified above, all other parties shall be notified immediately.

ARTICLE 10 MISCELLANEOUS

10.1 Conversion to Individual Strata Lot Contracts

If one hundred percent (100%) of the Strata Lot Owners approve and ratify this Agreement at a special general meeting of the Vendor pursuant to subsection 6.1(b) above, the Purchaser and the Strata Lot Owners, with the consent and approval of the Vendor, may enter into individual contracts of purchase and sale (the "**Individual Strata Lot Contracts**") to facilitate the sale of all of the Strata Lots without having to obtain the Court Order pursuant to subsection 6.1(b); and wind up the Vendor. If the Purchaser and the Strata Lot Owners, with the consent of the Vendor, choose to enter into Individual Strata Lot Contracts, the following terms shall apply:

- (a) the Strata Lot Contract shall be on a form of contract to be prepared by the Vendor's Solicitors, with reasonable amendments as may be agreed to by a Strata Lot Owner and the Purchaser;
- (b) the completion date for each Strata Lot Contract shall be on October 25, 2023, or such other date as may be agreed to in writing by the Vendor and the Purchaser, and the place of closing will be the offices of the Purchaser's Solicitors in Vancouver, British Columbia;
- (c) notwithstanding the execution and delivery of the Individual Strata Lot Contracts, this Agreement shall remain in effect with the provisions thereof regarding the Completion Date being held in abeyance pending the completion of the transactions contemplated in the Individual Strata Lot Contracts.

If all Strata Lot Owners agree to enter into the Individual Strata Lot Contracts prior to the special general meeting of the Vendor pursuant to subsection 6.1(b) above, then the completion date for the Individual Strata Lot Contracts shall be on the Completion Date.

10.2 Increase in Purchase Price

If one hundred percent (100%) of the Strata Lot Owners enter into the Strata Lot Contracts, the Purchase Price shall be increased by an amount equal to fifty percent (50%) of the Property Transfer Tax Savings.

10.3 Contingency Reserve Fund and Operating Fund

Notwithstanding that the Purchaser intends to purchase the Property from the Vendor and/or Liquidator, the Purchaser and Vendor acknowledge and agree that the Purchaser will have no right to the funds maintained by the Vendor on account of the Vendor's operating fund or contingency reserve fund, and that all such monies may be transferred by the Vendor to the Vendor's Solicitors on the Completion Date, or held by the Vendor's strata management firm, with such funds to be used to pay any accounts of the Vendor due up to the Completion Date and subsequently disbursed to the Strata Lot Owners.

10.4 Time

Time will be of the essence of this Agreement and will remain of the essence notwithstanding the extension of any of the dates hereunder. If any date or deadline for the doing of any action or delivery of any item or notice falls on a day that is not a Business Day, such date or deadline shall be extended to the next occurring day that is a Business Day.

10.5 No Waiver

No failure or delay on the part of either party in exercising any right, power or privilege under this Agreement will operate as a waiver thereof, nor will any single or partial exercise of any right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege. Except as may be limited herein, either party may, in its sole discretion, exercise any and all rights, powers, remedies and recourses available to it under this Agreement or any other remedy available to it and such rights, powers, remedies and recourses may be exercised concurrently or individually without the necessity of making any election.

10.6 Tender

It is agreed that any tender of documents or money may be made upon the respective solicitors for the parties and that it will be sufficient to tender a solicitor's trust cheque rather than cash.

10.7 GST

With respect to GST exigible in respect of the purchase and sale of the Property:

- (a) the Vendor declares that the sale of the Property is exempt from GST under Section 2, Part I of Schedule V to the ETA;
- (b) if the foregoing declaration is incorrect, the Purchase Price shall be deemed to include any GST exigible with respect to the sale of the Property in accordance with Section 194 of the ETA and the Vendor shall account for and pay or cause to

be paid such GST as required under the ETA and indemnify and save harmless the Purchaser from any liability for such payment; and

- (c) the Vendor represents and warrants to the Purchaser that:
- (i) the Property being sold hereunder is a "multiple unit residential complex" within the meaning of the term as defined for the purposes of the ETA;
 - (ii) the Vendor is not a "builder", within the meaning of the term as defined for the purposes of the ETA, of the Property or any addition to the Property;
 - (iii) neither the Vendor nor any Strata Lot Owner has undertaken a "substantial renovation" of the Property, within the meaning of that term as defined for the purposes of the ETA; and
 - (iv) neither the Vendor nor any Strata Lot Owner has claimed nor will it claim any input tax credits for GST paid or payable in respect of the Vendor's or any Strata Lot Owner's last acquisition of the Property or any part thereof or in respect of any "improvement" to the Property, within the meaning of the term as defined for the purposes of the ETA.

10.8 Fees and Expenses

Except as provided in Section 2.5, each party will pay its own legal fees. The Purchaser will be responsible for all registration fees and property transfer taxes payable in connection with the registration of the Transfer.

10.9 Agent's Commission

The Vendor will pay any real estate commission payable to the Vendor's Agent as a result of the purchase and sale of the Property contemplated herein and will indemnify and hold the Purchaser and the Liquidator harmless therefrom. The Vendor will pay any real estate commission payable to the Vendor's Agent any other agent or broker of the Vendor resulting from the purchase and sale of the Property contemplated herein and will indemnify and hold the Purchaser harmless therefrom. The Vendor confirms that it has not dealt with any real estate broker other than the Vendor's Agent.

The Vendor will pay any real estate commission payable to the Purchaser's Agent being an amount equal to 1.0% of the Purchase Price as a result of the purchase and sale of the Property contemplated herein and will indemnify and hold the Purchaser harmless therefrom. The Vendor will pay any real estate commission payable to the Purchaser's Agent any other agent or broker of the Purchaser resulting from the purchase and sale of the Property contemplated herein and will indemnify and hold the Purchaser harmless therefrom. The Purchaser confirms that it has not dealt with any real estate broker other than the Purchaser's Agent.

10.10 Disclosure

The Vendor and the Purchaser acknowledge and agree that:

(a) in accordance with the Code of Ethics of the Canadian Real Estate Association the Vendor's Agent is represented by:

- (i) Marshall MacLeod of NAI-Commercial;
- (ii) Brett Aura of TRG Commercial;
- (iii) David Ho of CBRE Limited; and
- (iv) Robert Veerman of CBRE Limited

(together, the "designated agents") have disclosed that they are representing the Vendor in the transaction described in this Agreement;

and

(b) in accordance with the Code of Ethics of the Canadian Real Estate Association the Purchaser's Agent is represented by:

- (i) Steven Dong of Multiple Realty Ltd.

(the "Purchaser Agent") have disclosed that he is representing the Purchaser in the transaction described in this Agreement;

(c) the Vendor shall pay the commission and compensation plus applicable taxes due to the Agent pursuant to the transaction described in this Agreement to the Agent.

10.11 Entire Agreement

This Agreement and the schedules hereto and the agreements, instruments and other documents entered into pursuant to this Agreement set forth the entire agreement and understanding of the parties with respect to the subject matter hereof and supersede all prior agreements and understandings among the parties with respect to the matters herein and there are no oral or written agreements, promises, warranties, terms, conditions, representations or collateral agreements whatsoever, express or implied, other than those contained in this Agreement.

10.12 Survival of Representations and Warranties

All representations, warranties, guarantees, promises and agreements made by the parties will survive the Completion Date and the transfer of the Property to the Purchaser.

10.13 Delayed Possession

Each Strata Lot Owner whose Strata Lot is not occupied by a tenant, and is occupied by the Owner of a family member, on the Closing Date will have a period of up to Two (2) months beginning on the day after the Closing Date without payment of any rent or license fee to the Purchaser.

In the event the Strata Lot is not occupied by Owner but is occupied by a tenant, the Purchaser shall assume the tenancy as required by the Residential Tenancy Act.

10.14 Amendment

This Agreement may be altered or amended only by an agreement in writing signed by the parties hereto.

10.15 Further Assurances

Each of the parties hereto will at all times and from time to time and upon reasonable request do, execute and deliver all further assurances, acts and documents for the purpose of evidencing and giving full force and effect to the covenants, agreements and provisions in this Agreement.

10.16 Notices

Any demand or notice which may be given pursuant to this Agreement will be in writing and delivered, sent by facsimile or other electronic means or sent by postage prepaid mail and addressed to the parties as follows:

to the Vendor:

The Owners, Strata Plan NW289
c/o Lawson Lundell LLP
1600 Cathedral Place
925 West Georgia Street
Vancouver, British Columbia
V6C 3L2

Attention: Edward L. Wilson
Facsimile: (604) 669-1620
Email: ewilson@lawswonlundell.com

with a copy to:

Cameray Gardens Real Estate Agents Group

Email: Robert.Veerman@cbre.com;
David.Ho@cbre.com;
mmacleod@naicommercial.ca;
brett.aura@trgcommercial.ca>>

to the Purchaser:

BELLMONT PACIFIC GROUP LTD.
c/o Steven Dong
768 Kingsway
Vancouver, BC
V5V 3C1

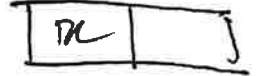
Attention: Steven Dong
Email: Vancouvertoprealestate.co@gmail.com

DEVELOPMENT

DL

with a copy to Purchaser Lawyer:

DEVELOPMENT



BELLMONT PACIFIC GROUP LTD.
c/o Harper Grey LLP
#3200 - 650 W Georgia St,
Vancouver, BC
V6B 4P7

Attention: Jennifer Williams
Email: jwilliams@harpergrey.com

or at such other address as either party may specify in writing to the other. The time of giving and receiving any such notice will be deemed to be on the day of delivery or transmittal if delivered or sent by facsimile or other electronic means, or on the third Business Day after the day of mailing thereof if sent by mail. In the event of any disruption of mail services, all notices will be delivered or sent by facsimile or other electronic means rather than mailed.

10.17 Assignment

The Purchaser may, without the consent of the Vendor, assign this Offer to Purchase directly or indirectly (including by way of any change of control of the Purchaser) to any other person without the prior written consent of the Vendor. Any and all proceeds are to benefit, monetary or otherwise, will be for the benefit of the Purchaser. Upon any assignment of the rights and interest of the Purchaser under this Agreement:

- (i) the Purchaser will not be released from and will remain liable for all terms, covenants, conditions, representations, warranties, provisions and obligations (including releases and indemnities) of the Purchaser hereunder;
- (ii) any assignee of the Purchaser's interest hereunder will have the benefit of all covenants, representations, warranties and obligations (including releases and indemnities) of the Vendor hereunder, in each case without any further act or agreement being required on the part of the parties.

10.18 Change of Control

Any actual or proposed transfer or issue by sale, assignment, bequest, inheritance, operation of law or other disposition, or by subscription, from time to time of all or any part of the corporate shares or partnership interests of the Purchaser or of any parent or subsidiary corporation or partnership of the Purchaser or any corporation or partnership which is an associate or affiliate of the Purchaser (as those terms are defined in the British Columbia *Business Corporations Act*), which results in any change in:

- (a) the present effective voting control of the Purchaser by the person holding such voting control at the date of execution of this Agreement (or at the date an assignment of this Agreement to a corporation or partnership is permitted); and/or

- (b) the identity(ies) of the person(s) with decision-making power, directly or indirectly, in respect of: (i) the exercise of some or all of the Purchaser's rights under this Agreement; and/or (ii) the performance of some or all of the Purchaser's obligations under this Agreement, whether such change is or might be immediate, deferred, conditional, exclusive, non-exclusive, permanent or temporary and whether by operation of law or otherwise, but specifically excluding any changes in the identity(ies) of the directors and/or officers of: (x) the Purchaser; or (y) any corporation which is an associate or affiliate of the Purchaser,

("control" or a "change of control", as the context requires),

then any such action resulting in any such change of control of the Purchaser shall be deemed to be an assignment for the purposes of this Agreement, and all provisions in Section 10.17 applicable to an assignment shall apply to any such any change of control of the Purchaser. The Purchaser shall make available to the Vendor, or its lawful representatives, all corporate or partnership books and records of the Purchaser for inspection at all reasonable times, in order to ascertain whether there has been any change of control of the Purchaser corporation or partnership.

However, this Section 10.18 shall not apply to the Purchaser if and so long as:

- (c) the Purchaser is a public corporation whose shares are traded and listed on any recognized stock exchange in Canada or the United States; or
- (d) the Purchaser is a private corporation but is controlled by a public corporation defined as aforesaid;

so long as in either case prior to or as soon as reasonably possible after any such change of control of the Purchaser, the Vendor receives assurances satisfactory to the Vendor that there shall be continuity of the existing management of the Purchaser, and of its business practices and policies (including those affecting the advertising and promotion of the business in the Premises), notwithstanding any such change of control. The Purchaser may not assign its interest in this Agreement except with the written consent of the Vendor and such consent may unreasonably withheld.

10.19 No Side Deals

The Vendor and Purchaser agree that, except as contemplated by Section 10.1, all negotiations and other dealings regarding the potential winding up and sale of the Property (including any Strata Lots therein), will be conducted solely between the Vendor and the Purchaser, or their authorized agents. For certainty, during the term of this Agreement, the Purchaser will not enter into any agreements with any Strata Lot Owners regarding the Purchaser's purchase of the Property (including any Strata Lots therein) such that any Strata Lot Owner receives a payment or any other consideration from the sale of the Property or that Owner's Strata Lot that all other Owners are not entitled to receive or to participate in, pursuant to the terms of this Agreement.

10.20 Counterparts

This Agreement may be executed in any number of original counterparts, with the same effect as if all the parties had signed the same document, and will become effective when one or more counterparts have been signed by all of the parties and delivered to each of the other parties. All counterparts will be construed together and evidence only one agreement, which, notwithstanding the dates of execution of any counterparts, will be deemed to be dated the reference date set out above, and only one of which need be produced for any purpose.

10.21 Binding Effect

This Agreement will enure to the benefit of and be binding upon the successors and permitted assigns of the parties, as applicable.

10.22 Electronic Execution

This Agreement may be executed by the parties and transmitted by facsimile or other electronic means and if so executed and transmitted this Agreement will be for all purposes as effective as if the parties had delivered an executed original Agreement.

10.23 Currency

All dollar amounts referred to are Canadian dollars.

10.24 Construction

The division and headings of this Agreement are for reference only and are not to affect construction or interpretation.

10.25 Governing Law

This Agreement shall be governed by the laws of British Columbia.

10.26 Acceptance Date

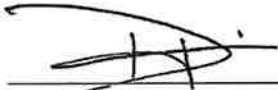
This offer, or counter-offer, will be open for acceptance until 5:00 p.m. on September 12th, 2022, unless withdrawn in writing by the Purchaser.

[Signature Page Follows]

IN WITNESS WHEREOF the parties have executed this Agreement.

Executed by the Vendor this 12th day of September, 2022.

**THE OWNERS, STRATA PLAN NW289 by
its Liquidator Crowe Mackay & Company
Ltd.**

Per: 
Name: Derek Lai
Licensed Insolvency Trustee

Executed by the Purchaser this ____ day of September, 2022.

BELLMONT PACIFIC GROUP LTD.  

Per: _____
Name: Kush Bhatia
Title: Director

I have authority to bind the Corporation.

Per: _____
Name: Steven Dong
Title: REALTOR®

I hereby Witness this Signature

IN WITNESS WHEREOF the parties have executed this Agreement.

Executed by the Vendor this _____ day of September, 2022.

THE OWNERS, STRATA PLAN NW289

Per: _____
Name:
Title: Strata Council Member

Per: _____
Name:
Title: Strata Council Member

We have authority to bind the Strata Corporation.

Executed by the Purchaser this 8th day of September, 2022.

BELLMONT PACIFIC GROUP LTD.

DEVELOPMENT

TA

DocuSigned by:
Kush Bhatia
CDEE123389F04BA
Per: _____
Name: Kush Bhatia
Title: Director

I have authority to bind the Corporation.

DocuSigned by:
Steven Dong
57C491BC027040D
Per: _____
Name: Steven Dong
Title: REALTOR®

I hereby Witness this Signature

SCHEDULE A

PERMITTED ENCUMBRANCES

Title to each strata lot:

Nil

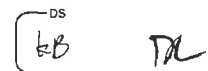
Common Property Index:

Nil

Leases (existing) and replacement Leases entered into by Strata Lot Owners on similar terms, between the Execution Date and the Completion Date.

**SCHEDULE B
LEGAL DESCRIPTION AND TITLE SEARCH OF THE LANDS**

PID	LEGAL DESCRIPTION	ADDRESS
001-262-921	STRATA LOT 1	105 – 3925 KINGSWAY
001-262-939	STRATA LOT 2	106 – 3925 KINGSWAY
001-262-947	STRATA LOT 3	107 – 3925 KINGSWAY
001-262-963	STRATA LOT 4	108 – 3925 KINGSWAY
001-262-971	STRATA LOT 5	109 – 3925 KINGSWAY
001-262-980	STRATA LOT 6	110 – 3925 KINGSWAY
001-262-998	STRATA LOT 7	111 – 3925 KINGSWAY
001-263-005	STRATA LOT 8	112 – 3925 KINGSWAY
000-938-530	STRATA LOT 9	114 – 3925 KINGSWAY
001-263-013	STRATA LOT 10	115 – 3925 KINGSWAY
001-263-021	STRATA LOT 11	116 – 3925 KINGSWAY
001-263-030	STRATA LOT 12	117 – 3925 KINGSWAY
001-263-048	STRATA LOT 13	118 – 3925 KINGSWAY
001-263-056	STRATA LOT 14	119 – 3925 KINGSWAY
001-263-064	STRATA LOT 15	101 – 3925 KINGSWAY
001-263-081	STRATA LOT 16	102 – 3925 KINGSWAY
000-859-389	STRATA LOT 17	103 – 3925 KINGSWAY
000-739-979	STRATA LOT 18	104 – 3925 KINGSWAY
001-263-099	STRATA LOT 19	205 – 3925 KINGSWAY
001-263-102	STRATA LOT 20	206 – 3925 KINGSWAY
001-263-111	STRATA LOT 21	207 – 3925 KINGSWAY
001-263-137	STRATA LOT 22	208 – 3925 KINGSWAY
001-263-145	STRATA LOT 23	209 – 3925 KINGSWAY
001-263-153	STRATA LOT 24	210 – 3925 KINGSWAY
001-263-161	STRATA LOT 25	211 – 3925 KINGSWAY



PID	LEGAL DESCRIPTION	ADDRESS
001-263-170	STRATA LOT 26	212 – 3925 KINGSWAY
001-263-188	STRATA LOT 27	214 – 3925 KINGSWAY
001-263-196	STRATA LOT 28	215 – 3925 KINGSWAY
001-263-200	STRATA LOT 29	216 – 3925 KINGSWAY
001-263-218	STRATA LOT 30	217 – 3925 KINGSWAY
001-263-226	STRATA LOT 31	218 – 3925 KINGSWAY
001-263-234	STRATA LOT 32	219 – 3925 KINGSWAY
001-263-242	STRATA LOT 33	201 – 3925 KINGSWAY
001-263-251	STRATA LOT 34	202 – 3925 KINGSWAY
001-263-269	STRATA LOT 35	203 – 3925 KINGSWAY
001-263-277	STRATA LOT 36	204 – 3925 KINGSWAY
001-263-285	STRATA LOT 37	305 – 3925 KINGSWAY
001-263-293	STRATA LOT 38	306 – 3925 KINGSWAY
000-613-754	STRATA LOT 39	307 – 3925 KINGSWAY
001-025-953	STRATA LOT 40	308 – 3925 KINGSWAY
001-263-307	STRATA LOT 41	309 – 3925 KINGSWAY
001-263-315	STRATA LOT 42	310 – 3925 KINGSWAY
001-263-323	STRATA LOT 43	311 – 3925 KINGSWAY
001-263-340	STRATA LOT 44	312 – 3925 KINGSWAY
001-263-358	STRATA LOT 45	314 – 3925 KINGSWAY
001-263-366	STRATA LOT 46	315 – 3925 KINGSWAY
001-263-374	STRATA LOT 47	316 – 3925 KINGSWAY
001-263-382	STRATA LOT 48	317 – 3925 KINGSWAY
001-263-391	STRATA LOT 49	318 – 3925 KINGSWAY
000-564-885	STRATA LOT 50	319 – 3925 KINGSWAY
001-263-404	STRATA LOT 51	301 – 3925 KINGSWAY
001-263-421	STRATA LOT 52	302 – 3925 KINGSWAY
001-263-439	STRATA LOT 53	303 – 3925 KINGSWAY

B-2

PID	LEGAL DESCRIPTION	ADDRESS
001-263-447	STRATA LOT 54	304 – 3925 KINGSWAY
001-263-455	STRATA LOT 55	112 – 5715 JERSEY AVENUE
000-814-377	STRATA LOT 56	114 – 5715 JERSEY AVENUE
001-263-463	STRATA LOT 57	115 – 5715 JERSEY AVENUE
001-263-480	STRATA LOT 58	116 – 5715 JERSEY AVENUE
001-263-498	STRATA LOT 59	101 – 5715 JERSEY AVENUE
001-263-528	STRATA LOT 60	102 – 5715 JERSEY AVENUE
001-263-544	STRATA LOT 61	103 – 5715 JERSEY AVENUE
001-263-561	STRATA LOT 62	104 – 5715 JERSEY AVENUE
001-035-118	STRATA LOT 63	105 – 5715 JERSEY AVENUE
001-263-579	STRATA LOT 64	106 – 5715 JERSEY AVENUE
001-263-595	STRATA LOT 65	107 – 5715 JERSEY AVENUE
001-263-609	STRATA LOT 66	108 – 5715 JERSEY AVENUE
001-263-617	STRATA LOT 67	109 – 5715 JERSEY AVENUE
001-263-625	STRATA LOT 68	110 – 5715 JERSEY AVENUE
001-263-633	STRATA LOT 69	111 – 5715 JERSEY AVENUE
001-263-641	STRATA LOT 70	214 – 5715 JERSEY AVENUE
001-263-650	STRATA LOT 71	215 – 5715 JERSEY AVENUE
001-263-676	STRATA LOT 72	216 – 5715 JERSEY AVENUE
001-263-684	STRATA LOT 73	217 – 5715 JERSEY AVENUE
001-263-706	STRATA LOT 74	201 – 5715 JERSEY AVENUE
001-263-714	STRATA LOT 75	202 – 5715 JERSEY AVENUE
001-263-731	STRATA LOT 76	203 – 5715 JERSEY AVENUE
001-263-749	STRATA LOT 77	204 – 5715 JERSEY AVENUE
001-263-757	STRATA LOT 78	205 – 5715 JERSEY AVENUE
000-473-774	STRATA LOT 79	206 – 5715 JERSEY AVENUE
001-263-765	STRATA LOT 80	207 – 5715 JERSEY AVENUE
001-263-773	STRATA LOT 81	208 – 5715 JERSEY AVENUE

B-3

PID	LEGAL DESCRIPTION	ADDRESS
001-263-781	STRATA LOT 82	209 – 5715 JERSEY AVENUE
001-263-790	STRATA LOT 83	210 – 5715 JERSEY AVENUE
001-263-811	STRATA LOT 84	211 – 5715 JERSEY AVENUE
001-263-820	STRATA LOT 85	212 – 5715 JERSEY AVENUE
001-263-838	STRATA LOT 86	314 – 5715 JERSEY AVENUE
001-263-846	STRATA LOT 87	315 – 5715 JERSEY AVENUE
001-263-854	STRATA LOT 88	316 – 5715 JERSEY AVENUE
001-263-862	STRATA LOT 89	317 – 5715 JERSEY AVENUE
001-263-871	STRATA LOT 90	301 – 5715 JERSEY AVENUE
001-263-889	STRATA LOT 91	302 – 5715 JERSEY AVENUE
001-263-897	STRATA LOT 92	303 – 5715 JERSEY AVENUE
001-263-919	STRATA LOT 93	304 – 5715 JERSEY AVENUE
001-263-927	STRATA LOT 94	305 – 5715 JERSEY AVENUE
001-263-935	STRATA LOT 95	306 – 5715 JERSEY AVENUE
001-263-943	STRATA LOT 96	307 – 5715 JERSEY AVENUE
001-263-951	STRATA LOT 97	308 – 5715 JERSEY AVENUE
001-263-960	STRATA LOT 98	309 – 5715 JERSEY AVENUE
001-263-978	STRATA LOT 99	310 – 5715 JERSEY AVENUE
001-263-994	STRATA LOT 100	311 – 5715 JERSEY AVENUE
001-264-001	STRATA LOT 101	312 – 5715 JERSEY AVENUE
	ALL OF DISTRICT LOT 34 GROUP 1 NEW WESTMINSTER DISTRICT STRATA PLAN NW289 TOGETHER WITH AN INTEREST IN THE COMMON PROPERTY IN PROPORTION TO THE UNIT ENTITLEMENT OF THE STRATA LOT AS SHOWN ON FORM 1	

B-4




From: Kulwant Chauhan <kulwant@sevilleinvestments.ca>

To: "MacLeod, Marshall" <Marshall.MacLeod@colliers.com>, "Veerman, Robert @ Vancouver" <Robert.Veerman@cbre.com>

Subject: FW: Kingsway and Jersey leases

Date: Thu, 29 Sep 2022 04:16:54 +0000

Importance: Normal

Attachments: 5715_Jersey_Avenue_Oct_2022_rent_roll_.xlsx; 3925_Kingsway_Oct_2022_rent_roll_.xlsx

External

Marshall/Robert

However, when we foreclosed on the units we inherited some bad tenants etc. so we had to balance quickly renting out 29 units versus maximizing rents. Attached are the rent rolls. Below shows what are renting for – a 2 bedroom is over \$2,000 and one bedroom in \$1,850. All contracts we entered into are on standardized apartment rental contract. Some tenants we inherited don't/won't have a contract.

1. 315J 2Bdr - Current rent \$1650 plus \$50 parking. Signed for another one-year lease for \$1800 include parking.
2. 316J 2Bdr - Agreed to sign another one-year lease for rent amount of \$1750. starting November 1st. (Carpeted flooring both bedrooms and hallway)
3. 317J 2Bdr- I have offered them \$1800 also, which includes parking and will let me know and they will check it from the tenancy branch. (fully renovated includes new flooring)
4. 217J 2Bdr - Agreed for \$1750 for another one-year fixed term lease which includes parking. (Carpeted flooring).
5. 317K 1bdr - I have offered one year fix term lease for \$1450 but they will check and let me know. (laminated flooring) (current rent \$1350)
6. 212K 1Bdr - I am hoping that this family will move out, but I have offered them \$1500, and they were not agreeable, and they will check the tenancy branch. (laminated flooring and current rent \$1400)
7. 117K - A new lease agreement signed for \$1450 for a one-year fix term lease.
8. 107K - lease expiring in December I have not talked to them yet.
9. 119K - Lease expiring in November and have not talked to them yet.

This is Exhibit "C" referred to in the affidavit of Kush Bhatia made before me on this 23rd day of February, 2024



A Commissioner for taking
Affidavits in British Columbia

TARANEH ASHRAFI
Barrister & Solicitor
DENNIS JAMES AITKEN LLP
800 - 543 Granville Street
Vancouver, BC V6C 1X8
(604) 238-0118

PURCHASE AND SALE AGREEMENT

THIS AGREEMENT is dated for reference December 07, 2022.

BETWEEN:

THE OWNERS, STRATA PLAN NW289
c/o Lawson Lundell LLP
1600 Cathedral Place
925 West Georgia Street
Vancouver, British Columbia
V6C 3L2

(the "Vendor")

This is Exhibit "D" referred to in
the affidavit of Kush Bhatia made
before me on this 23rd day of
February, 2024



A Commissioner for taking
Affidavits in British Columbia

AND:

1038573 B.C. LTD.
c/o Purchaser's Agent

(the "Purchaser")

TARANEH ASHRAFI
Barrister & Solicitor
DENNIS JAMES AITKEN LLP
800 - 543 Granville Street
Vancouver, BC V6C 1X8
(604) 235-0119

WHEREAS:

- A. The Vendor is a strata corporation that is the duly authorized entity to offer for sale the Property and the Liquidator will be the legal and beneficial owner of the Property on the Completion Date; and
- B. The Purchaser wishes to purchase all of the legal and beneficial interest in the Property from the Vendor and/or the Liquidator, and the Vendor wishes to sell all of the legal and beneficial interest in the Property to the Purchaser on the terms and conditions set out herein.

NOW THEREFORE, in consideration of the premises and the mutual covenants, agreements, conditions and provisos contained herein, and the payment of \$10.00 by each of the parties to the other and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each of the parties, the parties covenant and agree with each other as follows:

ARTICLE 1 DEFINITIONS

1.1 Definitions

The following terms will have the following meanings:



- (a) “**Agent**” means the Vendor’s Agent and the Purchaser’s Agent;
- (b) “**Appliances**” means all washers, dryers, refrigerators, ovens, stoves, and built in dishwashers within any of the Strata Lots as of the date hereof or replacements thereof in working order;
- (c) “**Assignment of Leases**” has the meaning ascribed thereto in subsection 7.1(b);
- (d) “**Assignment of Service Contracts**” has the meaning ascribed thereto in subsection 7.1(h);
- (e) “**BCSC**” has the meaning ascribed thereto in subsection 6.1(b);
- (f) “**Business Day**” means a day that is not a Saturday, Sunday or a day when land title offices are closed in British Columbia;
- (g) “**Completion Date**” has the meaning ascribed thereto in subsection 3.1;
- (h) “**Contamination**” means the presence of any explosives, radioactive materials, asbestos materials, urea formaldehyde, chlorobiphenyls, hydrocarbon contaminants, underground tanks, pollutants, contaminants, hazardous, corrosive or toxic substances, special waste or waste of any kind or any other substance the storage, manufacture, disposal, treatment, generation, use (including as part of any existing building or improvement), transport, remediation or release into the environment of which is prohibited, controlled, regulated or licensed under Environmental Laws or the existence of which in or as part of the soils or groundwater of the Property will or may require the remediation thereof under Environmental Laws;
- (i) “**Court Order**” has the meaning ascribed thereto in subsection 6.1(b);
- (j) “**Deposit**” means collectively, the First Deposit and, when paid, and any subsequent deposits;
- (k) “**Environmental Laws**” means any and all statutes, laws, regulations, orders, bylaws, permits and other lawful requirements of any federal, provincial, municipal or other governmental authority having jurisdiction over the Property in force with respect, in any way, to the environment, health or occupational health and safety, including with respect, in any way, to the protection of people, plants, animals, natural ecosystems and the natural environment (including in the context of the development of land, workplace safety and otherwise), and including all applicable policies, guidelines and standards with respect to the foregoing as adopted by any of those governmental authorities from time to time;
- (l) “**Equipment**” means all the chattels, personal property, goods, equipment, inventory and supplies used by the Vendor or anyone on the Vendor’s behalf exclusively in connection with the operation, use, enjoyment, maintenance or management of the Property and owned by the Vendor or subject to a conditional

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sale agreement in favour of the Vendor as of the reference date set out above, but for clarity shall not include any Appliances;

- (m) “**ETA**” means the *Excise Tax Act* (Canada);
- (n) “**Execution Date**” means the date this Agreement is fully executed and delivered by each of the parties hereto;
- (o) “**Expense Items**” has the meaning ascribed thereto in Section 3.3;
- (p) “**First Conditions**” has the meaning ascribed thereto in subsection 6.1(a);
- (q) “**First Conditions Period**” means January 25, 2023, or such longer period as the Vendor and Purchaser may mutually agree to in writing;
- (r) “**First Deposit**” means the amount paid by the Purchaser pursuant to subsection 2.3(a);
- (s) “**General Assignment**” has the meaning ascribed thereto in subsection 7.1(l);
- (t) “**GST**” means federal goods and services tax and/or any other similar or replacement tax;
- (u) “**Individual Strata Lot Contracts**” has the meaning ascribed thereto in section 10.1;
- (v) “**Land Title Office**” has the meaning ascribed thereto in Section 3.4;
- (w) “**Leases**” means every agreement, whether written or oral, partly written and partly oral, pursuant to which any person has any interest in the Property in the nature of a tenancy or a right to occupy premises, including any modification or extension thereof, and “**Lease**” means any of such Leases;
- (x) “**Liquidator**” means the liquidator appointed in respect of, and vested with the ownership of, the Property in furtherance of the terms hereof;
- (y) “**Permitted Encumbrances**” means the charges, reservations and restrictions set out in Schedule A hereto;
- (z) “**Person**” includes a firm, partnership, limited partnership, corporation or other entity;
- (aa) “**Project Documents**” means:
 - (i) current surveys or real property reports of the Property;
 - (ii) copies of plans and specifications for and relating to the Building, including mechanical, architectural, electrical and “as-built” drawings and

- building specifications, and any development, building or occupancy permits for the Property, all if in the Vendor's possession;
- (iii) all environmental reports on the Property in the Vendor's possession;
 - (iv) copies of all Service Contracts that the Vendor requires the Purchaser to assume;
 - (v) any and all Leases in the possession and control of the Vendor; and
 - (vi) copies of all current *Strata Property Act* Form K's in the possession or control of the Vendor.
- (bb) "**Property**" means all of the lands and premises within Strata Plan NW289, municipally located at 3925 Kingsway, Burnaby, British Columbia, V5H 3Y7 and 5715 Jersey Avenue, Burnaby, British Columbia, V5H 2L3 and more particularly described in Schedule "B" hereto together with all improvements thereon and rights and benefits appurtenant thereto;
 - (cc) "**Purchase Price**" means the amount set out in Section 2.2;
 - (dd) "**Purchaser's Agent**" means the agent as designated by the Purchaser in writing;
 - (ee) "**Purchaser's Solicitors**" means the solicitor, firm or firms of lawyers qualified to practice law in British Columbia as may be retained by the Purchaser from time to time and notice of which is provided to the Vendor;
 - (ff) "**Sale Approval**" has the meaning ascribed thereto in subsection 6.1(b);
 - (gg) "**Second Condition**" has the meaning ascribed thereto in subsection 6.1(b);
 - (hh) "**Second Condition Period**" means the period of Ninety (90) days from the waiver or satisfaction of the First Conditions, or such longer period as the Vendor and Purchaser may agree in writing;
 - (ii) "**Service Contracts**" means all agreements entered into by the Vendor with respect to the furnishing of supplies or services to the Property or with respect to the management or operation of the Property (including agreements with janitors, building managers and other management or maintenance personnel other than owners, officers and employees of the Vendor);
 - (jj) "**Strata Lot Owners**" means all of the owners of the Strata Lots, and "**Strata Lot Owner**" means the owner of any Strata Lot;
 - (kk) "**Strata Lots**" means all of the strata lots in the Strata Plan, and "**Strata Lot**" means any of the Strata Lots;
 - (ll) "**Strata Plan**" has the meaning ascribed thereto in subsection 6.1(b);

- (mm) "Transfer" has the meaning ascribed thereto in subsection 7.1(a);
- (nn) "Vendor's Agent" means the Brokers and the Designated Agents as defined in the Exclusive Listing Agreement made among the Vendor, the Brokers and the Designated Agents dated June 28, 2022; and
- (oo) "Vendor's Solicitors" means Lawson Lundell LLP.

**ARTICLE 2
PURCHASE PRICE AND PAYMENT**

2.1 Agreement

The Purchaser hereby agrees to purchase the Property, the Equipment, the Project Documents and the Appliances from the Vendor and/or the Liquidator, subject to and on the terms and conditions set forth herein, and the Vendor agrees to sell the Property to the Purchaser, subject to and on the terms and conditions set forth herein.

2.2 Purchase Price

The purchase price for the Property will be **Sixty One Million Dollars (\$61,000,000)** subject to adjustment pursuant to section 3.3.

2.3 Payment of Purchase Price

The Purchase Price will be paid as follows:

- (a) as to Three Million Dollars (\$ 3,000,000) (the "First Deposit"), by payment of such amount by the Purchaser to the Purchaser's Solicitors in trust within three (3) Business Days of the satisfaction of all of the conditions precedent set out in subsection 6.1(a); and
- (b) as to the balance of the Purchase Price (subject to the adjustments made pursuant to Section 3.3), by payment of such amount by the Purchaser to the Liquidator by way of solicitor's certified trust cheque, bank draft or wire transfer on behalf of the Vendor on the Completion Date.

2.4 Investment of Deposit

The Deposit will be invested by the Purchaser Solicitors in an interest-bearing trust account or certificate of deposit, with interest for the account of the Purchaser unless the Deposit and interest thereon is paid to the Liquidator on behalf of the Purchaser pursuant to subsection 2.5(a)(ii).

2.5 Application of Deposit

Upon waiver or satisfaction of the Second the Vendor and Purchaser authorizes the Purchaser's solicitors to release from the Deposit up to \$100,000 in aggregate, to pay the Vendor's costs to

satisfy the Second Conditions, including legal and liquidator fees, provided the Vendor has first given the Purchaser an accounting of such costs.

The remainder of the Deposit will be:

- (a) paid to the Liquidator on behalf of the Purchaser:
 - (i) on the Completion Date on account of the Purchase Price, if the Liquidator and the Purchaser complete the sale and purchase of the Property on the Completion Date; or
 - (ii) together with interest earned on the Deposit, upon the default of the Purchaser, if the Purchaser is in default of its obligation to complete the purchase of the Property hereunder, unless such default is waived in writing by the Liquidator, and the Deposit so paid to the Liquidator will be absolutely forfeited to the Liquidator on behalf of the Vendor as liquidated damages as the Liquidator's and Vendor's sole and exclusive remedy and this Agreement will terminate forthwith upon such payment being made; or
- (b) paid to the Purchaser (less the \$10.00 paid by the Purchaser to the Vendor pursuant to Section 6.1):
 - (i) together with interest earned on the Deposit, if the Vendor and the Liquidator, respectively, do not notify the Purchaser of the satisfaction of all of the conditions precedent set out in subsections 6.1(b) in the manner and within the time provided herein;
 - (ii) together with interest earned on the Deposit, if the Purchaser does not notify the Vendor of the satisfaction or waiver of all of the First Conditions set out in subsection 6.1(a) in the manner and within the time provided herein;
 - (iii) together with interest earned on the Deposit, upon the default of the Liquidator, if the Liquidator is in default of its obligation to complete the sale of the Property hereunder, unless such default is waived in writing by the Purchaser or the Purchaser has elected to complete the purchase of the Property, without prejudice to any other right or remedy of the Purchaser; or
 - (iv) if the Purchaser terminates this Agreement pursuant to Section 3.4.

ARTICLE 3 COMPLETION, POSSESSION AND ADJUSTMENTS

3.1 Completion

The completion of the transactions contemplated by this Agreement will occur on October 25, 2023 (the "Completion Date"), or such other date as may be agreed to in writing by the Vendor

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and the Purchaser, and the place of closing will be the offices of the Purchaser's Solicitors in Vancouver, British Columbia.

3.2 Possession

The Liquidator will deliver to the Purchaser possession of the Property free from all liens, claims, charges, encumbrances and legal notations other than the Permitted Encumbrances on the Completion Date.

3.3 Adjustments

The Purchaser will be responsible for all taxes, rates, assessments and other charges and will be entitled to receive all income relating to the Property from and including the Completion Date and all adjustments, both incoming and outgoing, of whatsoever nature will be made as of the Completion Date and the payment due pursuant to subsection 2.3(b) will be adjusted accordingly. Adjustments will be made for rent, taxes, local improvement rates and charges, water and assessment rates, utilities, fuel costs and all other items ordinarily adjusted in similar transactions in the City of Burnaby (all such items, excluding rent, are hereinafter referred to as the "Expense Items"). If any of the Expense Items has not been paid up to the Completion Date, the Purchaser shall have the right to pay out of the portion of the Purchase Price due on completion such amount or amounts as may be necessary to bring the Expense Item completely current as of the Completion Date. Any tenant inducements, damage deposits, leasing commissions and landlord's work and tenant improvements outstanding at the Completion Date (whether due before or after the Completion Date) shall be for the Vendor's account and adjusted in favour of the Purchaser on the Completion Date. The Liquidator on behalf of the Vendor shall not be credited for arrears of rent or other accounts receivable (if any) which accrue prior to the Completion Date. Such amounts (if any) shall remain the property of the Liquidator on behalf of the Vendor and the Liquidator on behalf of the Vendor shall retain the right to pursue recovery of the same. The Vendor acknowledges and agrees that the Vendor will not be entitled to an adjustment in respect of strata fees paid by Owners to the Vendor for the month in which this transaction completes.

If the sale and purchaser of the Property proceeds in accordance with Section 10.1, the solicitor for the Strata Lot Owners will hold and deal with the Holdback Amount in accordance with this Section 3.3.

3.4 Risk

The Property will be at the Vendor's risk until the acceptance of the Transfer for registration in the applicable Land Title Office (the "Land Title Office") and thereafter at the Purchaser's risk. Pending completion, the Vendor, or the Liquidator on behalf of the Vendor, will hold all insurance policies and any proceeds derived therefrom in trust for the Purchaser and in the event of loss or damage to the Property occurring before such time by reason of fire, tempest, lightning, earthquake, flood or other act of God, explosion, riot, civil commotion, insurrection, war or otherwise howsoever, the Purchaser may, at its option, apply the amount of such insurance proceeds paid or payable to the Vendor with respect thereto (and any applicable deductible amount) in reduction of the Purchase Price and complete the purchase of the Property or terminate this Agreement.

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ARTICLE 4
VENDOR'S COVENANTS AND REPRESENTATIONS AND WARRANTIES

4.1 Vendor's Covenants

The Vendor covenants and agrees that it will:

- (a) permit the Purchaser and the Purchaser's employees, engineers, agents and advisors to enter onto the Property upon reasonable written notice and carry out such inspections, tests, studies, surveys and investigations of the Property as the Purchaser may reasonably require, including, but not limited to, taking samples of soils, groundwater and other materials located in, on or under the Property;
- (b) deliver, or cause to be delivered, to the Purchaser, within ten (10) Business Days of the Execution Date:
 - (i) copies of all Leases in the Vendor's possession;
 - (ii) a list of all of the Service Contracts together with copies of all written Service Contracts and relevant particulars of all unwritten Service Contracts; and
 - (iii) the Project Documents;
- (c) maintain in force insurance covering loss or damage to the Property and covering public liability, in both cases against such risks and to such limits as are in accordance with past practices;
- (d) from the Execution Date until the Completion Date, conduct or cause to be conducted all business in respect of the Property in accordance with prudent business practices given the nature of the Property, and without limiting the generality of the foregoing:
 - (i) provide the Purchaser with particulars of any Service Contract entered into or modified after delivery of the material referred to in subsection 4.1(b);
 - (ii) use its commercially reasonable efforts to preserve the Property intact as would a prudent owner;
 - (iii) not enter into or permit to be entered into any contract or agreement or any transaction whatsoever in respect of the Property other than in the ordinary and usual course of business;
 - (iv) if any Strata Lot Owner enters into, modifies, terminates or accepts a surrender of any Lease, or enters into a replacement Lease on similar terms, the Vendor will provide or cause to be provided a copy of same, and of any new *Strata Property Act* Form K received, to the Purchaser as soon as reasonably possible. The Vendor shall not be in breach of this

Agreement, if any of the Strata Lot Owners enters into a month-to-month lease of their Strata Lot and fails to provide the same to the Vendor;

- (e) cancel and terminate, or cause to be cancelled and terminated, all contracts, including the Service Contracts, which relate to the Property excepting only those that the Purchaser elects in writing before the expiry of the Second Conditions Period to have assigned to it, effective as of the Completion Date;
- (f) pay all amounts due, owing or payable pursuant to the Service Contracts to and including the Completion Date;
- (g) execute, or cause to be executed, and return to the Purchaser or the Purchaser's Solicitors as soon as is reasonably possible all consents or letters of authority which it may be necessary for the Vendor to execute in order for the Purchaser to conduct such due diligence searches with respect to the Vendor and the Property as it determines to be necessary in connection with the transactions contemplated herein;
- (h) does hereby consent to and authorize the Purchaser to enter into discussions and negotiations with the City of Burnaby or any other relevant authority and to make applications, in the name of the Vendor, for any permits or approvals required by the Purchaser in connection with any proposed development of the Property, and the Vendor will execute and deliver, or cause to be executed and delivered, any consents requested in respect of such applications and agrees not to oppose or otherwise seek to hinder or delay, or permit any opposition, hindrance or delay with respect to, any such discussions, negotiations or applications, or any approvals arising therefrom; and
- (i) upon removal by the Purchaser of the First Conditions, use commercially reasonable efforts to fulfill the Second Conditions.

4.2 Vendor's Representations and Warranties

The Vendor represents and warrants to the Purchaser as representations and warranties that are true at the date hereof and will be true at the time of completion and that are to continue and to survive the purchase of the Property by the Purchaser thereafter regardless of any independent investigations that the Purchaser may cause to be made and regardless of the removal or waiver of any condition precedent, that, subject to the limitations, if any, expressed herein:

- (a) the Liquidator will have good and marketable legal and beneficial title to the Property on the Completion Date, free and clear of all liens, claims, charges, encumbrances and legal notations other than the Permitted Encumbrances;
- (b) all necessary action on the part of the Vendor and the Strata Lot Owners has been or will be taken to authorize and approve the execution and delivery of this Agreement and the completion of the transactions contemplated herein;



- (c) there is no action, suit, claim, litigation or proceeding pending or to the Vendor's knowledge threatened against the Vendor or in respect of the Property or the use or occupancy thereof before any court, arbiter, arbitration panel or administrative tribunal or agency which, if decided adversely to the Vendor, might materially affect the Vendor's ability to perform any of the Vendor's obligations hereunder and no state of facts exists which could constitute the basis of any such action, suit, claim, litigation or proceeding;
- (d) except as contemplated herein, no consent or approval of or registration, declaration or filing with, any governmental commission, board, court or other regulatory body is required for the execution or delivery of this Agreement by the Vendor, the validity or enforceability of this Agreement against the Vendor or the Liquidator;
- (e) neither the Vendor entering into this Agreement nor the performance by the Vendor of the terms hereof will result in the breach of or constitute a default under any term or provision of any instrument, document or agreement to which the Vendor is bound or subject;
- (f) the Property and the use thereof do not contravene any registered covenant and the Vendor has not received and has no knowledge of any notice or request from any governmental authority or official, insurance company or board of fire underwriters requesting the performance of any work or alteration in respect of any of the Property;
- (g) the Vendor is "resident" in Canada for the purposes of the *Income Tax Act* (Canada) though individual Strata Lot Owners may not be;
- (h) the Vendor has no present or future obligation to construct or provide, or to pay any amount to any person in connection with, off site services, utilities or similar services in connection with the Property;
- (i) to the best of the Vendor's knowledge, there is no improvement on any lands adjoining the Property encroaching upon the Property and no improvement on the Property encroaching on any adjoining lands;
- (j) the Vendor has received no notice of and has no knowledge of any proposed expropriation of the Property or any part thereof or any intention of the applicable municipal authority to alter its zoning bylaw so as to affect or potentially affect the Property;
- (k) to the best of the Vendor's knowledge, all materials, services and utilities in use for the operation, use or occupation of the Property (including, without limitation, mechanical, drainage, electrical, plumbing, ventilating systems, elevators, sidewalks, streets, curbs, sewers, storm and water main connections):
 - (i) have been maintained in all material respects in a manner which a prudent strata corporation of a similar property of a similar age would adopt;

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- (ii) are in normal operating condition and in a reasonable state of repair and are free of all material defects, normal wear and tear excepted; and
 - (iii) have been paid for in full and all installation and connection fees and all local improvement, municipal, real property, school and other taxes and assessments of any kind whatsoever levied by any governmental authority having jurisdiction which are due or payable by the Vendor in respect of the foregoing, are paid in full to the due date for payment thereof except for current charges for utilities consumed in the Property and, except as disclosed to the Purchaser in writing on the Completion Date, will be paid in full to the Completion Date or adjusted for as of the Completion Date;
- (l) the Equipment will, on the Completion Date:
- (i) be free and clear of all claims, liens, charges and encumbrances;
 - (ii) be assignable by the Vendor to the Purchaser; and
 - (iii) have been maintained in a manner which a prudent owner of such property would adopt, subject to normal wear and tear;
- (m) to the best of the Vendor's knowledge, there are no Leases except those disclosed pursuant to Section 4.1(b)(i);
- (n) each of the Service Contracts is in good standing and assignable to the Purchaser, there being no default thereunder by the Vendor or the other contracting parties thereto, and contains the entire agreement between the parties identified therein;
- (o) the Vendor will not have any employees or be party to any employment agreements as of the Completion Date; and
- (p) the Vendor has not failed to disclose to the Purchaser any material fact or information relating to or concerning the Property of which the Vendor is aware.

4.3 Survival of Representations and Warranties and Indemnity

The representations and warranties contained in Section 4.2 shall survive the Completion Date for a period of 12 months. The Vendor will indemnify the Purchaser against, and save it harmless from, any loss, cost or damage of any nature whatsoever sustained by the Purchaser directly or indirectly by reason of a breach, inaccuracy or incompleteness of any of the warranties or representations set forth in Section 4.2. The Vendor acknowledges and agrees that the Purchaser has entered into this Agreement relying on such warranties and representations and the other warranties, representations, terms and conditions set out in this Agreement.

4.4 As Is Where is

The Purchaser acknowledges and agrees that other than the representations and warranties made by the Vendor in Section 4.2, the Vendor makes no representations or warranties respecting the Property and Equipment or the condition, including environmental condition (respecting which

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the Vendor shall have no obligation to provide a site profile) thereof, and that the Purchaser is purchasing the same on an "as is, where is" basis and shall satisfy itself as to all aspects thereof.

**ARTICLE 5
PURCHASER'S REPRESENTATIONS, WARRANTIES AND COVENANTS**

5.1 Purchaser's Representations and Warranties

The Purchaser hereby represents and warrants to the Vendor as representations and warranties that are true at the date hereof and will be true as of the Completion Date as follows:

- (a) the Purchaser is a body corporate duly continued and validly existing under the laws of the Province of British Columbia and duly qualified to purchase and own the Property and the Purchaser has full power, authority and capacity to enter into this Agreement and carry out the transactions contemplated herein;
- (b) all necessary corporate action on the part of the directors and shareholders of the Purchaser has been taken to authorize and approve the execution and delivery of this Agreement and the completion of the transaction contemplated herein;
- (c) there is no action or proceeding pending or to the Purchaser's knowledge threatened against the Purchaser before any court, arbiter, arbitration panel, administrative tribunal or agency which, if decided adversely to the Purchaser, might materially affect the Purchaser's ability to perform its obligations hereunder; and
- (d) neither the Purchaser entering into this Agreement nor the performance of its terms will result in the breach of or constitute a default under any term or provision of any indenture, mortgage, deed of trust or other agreement to which the Purchaser is bound or subject.

5.2 Survival of Representations and Warranties and Indemnity

The representations and warranties contained in Section 5.1 shall survive the Completion Date for a period of 12 months. The Purchaser will indemnify the Vendor against, and save it harmless from, any loss, cost or damage of any nature whatsoever sustained by the Vendor directly or indirectly by reason of a breach, inaccuracy or incompleteness of any of the warranties or representations set forth in Section 5.1. The Purchaser acknowledges and agrees that the Vendor has entered into this Agreement relying on such warranties and representations and the other warranties, representations, terms and conditions set out in this Agreement.

**ARTICLE 6
CONDITIONS PRECEDENT**

6.1 Conditions Precedent

The obligation of the Purchaser and the Vendor to complete the purchase of the Property on the Completion Date is subject to the following conditions precedent being satisfied, or waived if expressly permitted hereunder, in the manner and within the time provided herein:

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- (a) by 4:00 p.m. (Vancouver time) on the last day of the First Conditions Period, the Purchaser will have satisfied itself in its sole discretion as to
- (i) the physical condition of the Property, including the results of any environmental and geotechnical investigations by or on behalf of the Purchaser;
 - (ii) the status, form and substance of the Leases (including the rent payable and the tenants' covenants thereunder), and the Service Contracts;
 - (iii) the Purchaser being, satisfied in its sole discretion, able to secure satisfactory financing for the purchase and development of the Property,
- (collectively, the "First Conditions");
- (b) by 4:00 p.m. (Vancouver time) on the last day of the Second Condition Period, this Agreement having been approved and ratified by a resolution passed by a three quarter (3/4) vote resolution of the Strata Lot Owners at a special general meeting of the Vendor
- (i) the sale of the Property in accordance with the terms and conditions of this Agreement by the Liquidator to the Purchaser having been approved by the BCSC (the "Sale Approval"); and
 - (ii) all applicable appeal periods in respect of the Court Order and the Sale Approval will have expired without any appeal of the Court Order and/or the Sale Approval being filed,
- (collectively, the "Second Conditions").

The parties agree that this Agreement will become an unconditional contract for the sale and purchase of the Property forthwith upon the satisfaction or waiver of all of the Second Conditions.

On the Completion Date, prior to the filing of the Transfer (as defined in Section 7.1(a)) by the Purchaser' Solicitors pursuant to Section 8.2, the Liquidator will file the Court Order with the Land Title Office for the purposes of vesting in the Liquidator title to the Property, obtain a post-filing registration check of the property index in accordance with Section 8.3, and provide same to the Purchaser. The parties agree and acknowledge that full registration of the Court Order and related documents, and issuance of a title for the resulting consolidated Property by the Land Title Office is a condition of closing for the benefit of the Purchaser, subject always to section 10.1

In consideration of \$10.00 non-refundable to be paid by the Purchaser to the Vendor and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Vendor, the Vendor agrees not to revoke its acceptance of this Agreement while this Agreement remains subject to any of the Second Conditions. For greater certainty, the Purchaser acknowledges and agrees that the \$10.00 paid to the Vendor pursuant to this paragraph is the

absolute property of the Vendor and in no event shall such \$10.00 be returnable to or paid to the Purchaser pursuant to subsection 2.5(b).

6.2 Satisfaction and Waiver of Conditions Precedent

- (a) The First Conditions are for the Purchaser's sole benefit and each may be waived unilaterally by the Purchaser, at the Purchaser's election, and if the Purchaser does not give the Vendor notice of the satisfaction or waiver of such conditions precedent within the time herein provided then the Purchaser's obligation to purchase the Property will be at an end and, subject to subsection 2.5(b), this Agreement will forthwith terminate. However, if the Purchaser does not waive or satisfy the First Conditions, it shall provide the Vendor with a written summary of its due diligence results including copies of any written reports commissioned and received by the Purchaser.
- (b) The Second Condition is for the mutual benefit of the Purchaser and the Vendor and may not be declared satisfied or waived unilaterally by either party. If the Vendor or the Liquidator, in the case of the Second Condition, does not give the Purchaser notice of the satisfaction of such conditions precedent (together with reasonable supporting documentation to show that such conditions precedent have been satisfied) within the time herein provided then the Purchaser's obligation to purchase the Property will be at an end and, subject to subsection 2.5(b), this Agreement will forthwith terminate.

ARTICLE 7 PREPARATION OF CLOSING DOCUMENTS

7.1 Vendor's Delivery of Closing Documents

On or before the Completion Date, the Vendor will cause the Vendor's Solicitors to deliver to the Purchaser's Solicitors, the following items, duly executed by the Vendor, and/or the Liquidator, as applicable, and in registrable form wherever appropriate, to be dealt with pursuant to Article 8:

- (a) a Form A Freehold Transfer (the "**Transfer**") conveying the Property from the Liquidator to the Purchaser, subject only to the Permitted Encumbrances;
- (b) an assignment (the "**Assignment of Leases**") to the Purchaser of the interest of the Liquidator in the Leases, including provision for continued responsibility of the Vendor, or any Strata Lot Owners, for liabilities and defaults thereby incurred or committed prior to the Completion Date and an indemnity therefrom in favour of the Purchaser with respect thereto and an assumption by the Purchaser of the landlord obligations under the Leases for the period from and after the Completion Date and an indemnity in favour of the Vendor and the Liquidator in respect of liabilities arising or defaults occurring during the period from and after the Completion Date;
- (c) copies of the Leases;

- (d) directions to all tenants of the Property directing the tenants to pay future rental payments to the Purchaser or as directed by the Purchaser;
- (e) a certificate pursuant to Section 116 of the *Income Tax Act* (Canada) confirming that the Vendor is not a non-resident of Canada;
- (f) a Vendor's statement of adjustments prepared in accordance with Section 3.3;
- (g) a registrable bill of sale conveying and assuring to the Purchaser good and marketable title in and to all of the Appliances and all of the Equipment, free and clear from any lien, claim, charge or encumbrance of any kind or nature whatsoever, and all warranties in respect of the Equipment which are assignable;
- (h) an assignment (the "**Assignment of Service Contracts**") to the Purchaser of any Service Contracts that the Purchaser has elected to acquire in accordance with subsection 4.1(e);
- (i) a notification to all contracting parties (other than the Vendor) to each Service Contract that the Purchaser has elected to acquire in accordance with subsection 4.1(e), that such Service Contract has been assigned to the Purchaser together with the consent of such contracting parties to the assignment if required pursuant to the Service Contract;
- (j) a copy of the notices by which the Liquidator has terminated the Service Contracts excepting those only, if any, which the Purchaser has elected to acquire in accordance with subsection 4.1(e);
- (k) an agreement by which the Vendor agrees to indemnify and save harmless the Purchaser from any claim pursuant to the Services Contracts not assigned to the Purchaser;
- (l) a general assignment (the "**General Assignment**") to the Purchaser of all right, title and interest and benefit in and to all contracts, covenants, warranties, representations, indemnities, studies, tests, reports, plans, drawings, applications and permits or any other benefits or rights which are assignable and which pertain to the Property and which the Purchaser has elected to have assigned to it;
- (m) all keys and like devices for the Property which are in the possession or control of the Vendor or the Liquidator;
- (n) all instructions, manuals, plans and other documents associated with any of the Equipment or any of the improvements on the Property which are in the possession or control of the Vendor or the Liquidator;
- (o) a certificate of a member of the strata council of the Vendor on the Completion Date that each of the warranties and representations of the Vendor set out herein is true and accurate on the Completion Date except as disclosed therein;

- (p) a reference plan prepared pursuant to section 100(1)(A) of the *Land Title Act* consolidating the Strata Lots into a single lot; and
- (q) such other usual and customary documents for real estate transactions of the nature set out in this Agreement as may be required by the Liquidator or the Purchaser, each acting reasonably, or which are reasonably necessary to complete the purchase and sale of the Property.

7.2 Preparation of Closing Documents

The closing documents contemplated in Section 7.1, will be prepared by the Purchaser's Solicitors or the Purchaser's land surveyor (to the extent that preparation is required) at the Purchaser's sole cost and expense and delivered to the Vendor's Solicitors prior to the Completion Date.

7.3 Purchaser's Delivery of Closing Documents

On or before the Completion Date, the Purchaser will cause the Purchaser's Solicitors to deliver to the Vendor's Solicitors the following items, duly executed by the Purchaser, to be dealt with pursuant to Article 8:

- (a) the Assignment of Leases;
- (b) the Assignment of Service Contracts, if any;
- (c) the General Assignment;
- (d) a certificate of an officer of the Purchaser on the Completion Date that each of the warranties and representations of the Purchaser set out herein is true and accurate on the Completion Date except as disclosed therein; and
- (e) such other usual and customary documents for real estate transactions of the nature set out in this Agreement as may be required by the Vendor or Purchaser, each acting reasonably, or which are reasonably necessary to complete the purchase and sale of the Property.

ARTICLE 8 CLOSING PROCEDURE

8.1 Payment in Trust

On or before the Completion Date the Purchaser will pay to the Purchaser's Solicitors in trust the amount due to the Vendor pursuant to subsection 2.3(b), as adjusted pursuant to Section 3.3, less the amount to be advanced to the Purchaser on the Completion Date under any mortgage financing arranged by the Purchaser.

8.2 Registration

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Forthwith following the payment in Section 8.1 and after receipt by the Purchaser's Solicitors of the documents and items referred to in Section 7.1, on the Completion Date, the Purchaser will cause the Purchaser's Solicitors to file the Transfer in the appropriate Land Title Office concurrently with any security documents applicable to any mortgage financing arranged by the Purchaser in connection with the purchase of the Property.

8.3 Closing

Forthwith following the filing referred to in Section 8.2 and upon the Purchaser's Solicitors being satisfied as to the Purchaser's title to the Property after conducting a post-filing for registration check of the property index disclosing only the following:

- (a) the existing title number to the Property;
- (b) the Permitted Encumbrances;
- (c) the pending number assigned to the Transfer;
- (d) the pending numbers assigned to any security documents applicable to any mortgage financing arranged by the Purchaser in connection with the purchase of the Property; and
- (e) any charges granted by the Purchaser,

the Purchaser will cause the Purchaser's Solicitors, forthwith upon receipt by them of the proceeds of any mortgage financing arranged by the Purchaser in connection with the purchase of the Property, to either wire transfer or make available for pick up by the Vendor's Solicitors at the offices of the Purchaser's Solicitors a solicitor's certified trust cheque or bank draft for the amount due to the Vendor pursuant to the Vendor's statement of adjustments, and to release the items referred to in Section 7.1 to the Purchaser and concurrently therewith the Deposit will be released to the Vendor's Solicitors and any interest earned on the Deposit will be released by the Vendor's Solicitors to the Purchaser.

8.4 Concurrent Requirements

It is a condition of this Agreement that all requirements of this Article 8 are concurrent requirements and it is specifically agreed that nothing will be completed on the Completion Date until everything required to be paid, executed and delivered on the Completion Date has been so paid, executed and delivered and until the Purchaser's Solicitors have satisfied themselves as to the Purchaser's title pursuant to Section 8.3.

8.5 Clearing Vendor's Title

If the Property is encumbered by any encumbrance or charge that is not a Permitted Encumbrance, the Vendor's Solicitors shall be entitled to use the proceeds received pursuant to Section 8.3 to obtain a discharge of such encumbrances or charges on or after the Completion Date provided the Vendor's Solicitors undertake to the Purchaser's Solicitors to cause such encumbrances or charges to be discharged from title to the Property.

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**ARTICLE 9
INTERPRETATION**

9.1 References

Any reference in this Agreement to a designated "Article", "section", "subsection", "paragraph" or other subdivision is a reference to the designated Article, section, subsection, paragraph or other subdivision of this Agreement and the words "herein", "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, section, subsection, paragraph or other subdivision of this Agreement.

9.2 Headings

The headings used in and the organization of this Agreement are solely for convenience of reference and will not in any way affect, limit, amplify or modify the terms hereof and will not be construed in any way in the interpretation hereof to be part of this Agreement.

9.3 Non-limiting

The word "including", when following any general statement, will be construed to refer to all other things that could reasonably fall within the scope of such general statement, whether or not non-limiting language (such as "without limitation") is used with reference thereto.

9.4 Gender and Number

Words importing the masculine gender include the feminine and neuter genders and words in the singular include the plural, and vice versa.

9.5 Governing Law

This Agreement and all matters arising hereunder will be governed by and construed in accordance with the laws of the Province of British Columbia, which will be deemed to be the proper law hereof, and the courts of the Province of British Columbia will have the non-exclusive jurisdiction to entertain and determine all claims and disputes arising out of or in any way connected with this Agreement and the validity, existence and enforceability hereof.

9.6 Statutes

Any reference to a statute includes and is a reference to such statute and to the regulations made pursuant thereto, with all amendments made thereto and in force from time to time, and to any statutes or any regulations that may be passed which have the effect of supplementing or superceding such statutes or regulations.

9.7 Confidentiality

The parties agree that the contents of this Agreement shall remain confidential and shall not be disclosed to any person with the exception of each party's legal, accounting and tax advisors, agents, lenders, consultants, advisors, potential investors, affiliates, the Strata Lot Owners, or as

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required by law. If any such person is required by law to disclose the terms of this Agreement to persons other than those identified above, all other parties shall be notified immediately.

**ARTICLE 10
MISCELLANEOUS**

10.1 Conversion to Individual Strata Lot Contracts

If one hundred percent (100%) of the Strata Lot Owners approve and ratify this Agreement at a special general meeting of the Vendor pursuant to subsection 6.1(b) above, the Purchaser and the Strata Lot Owners, with the consent and approval of the Vendor, may enter into individual contracts of purchase and sale (the "**Individual Strata Lot Contracts**") to facilitate the sale of all of the Strata Lots without having to obtain the Court Order pursuant to subsection 6.1(b); and wind up the Vendor. If the Purchaser and the Strata Lot Owners, with the consent of the Vendor, choose to enter into Individual Strata Lot Contracts, the following terms shall apply:

- (a) the Strata Lot Contract shall be on a form of contract to be prepared by the Vendor's Solicitors, with reasonable amendments as may be agreed to by a Strata Lot Owner and the Purchaser;
- (b) the completion date for each Strata Lot Contract shall be on October 25, 2023, or such other date as may be agreed to in writing by the Vendor and the Purchaser, and the place of closing will be the offices of the Purchaser's Solicitors in Vancouver, British Columbia;
- (c) notwithstanding the execution and delivery of the Individual Strata Lot Contracts, this Agreement shall remain in effect with the provisions thereof regarding the Completion Date being held in abeyance pending the completion of the transactions contemplated in the Individual Strata Lot Contracts.

If all Strata Lot Owners agree to enter into the Individual Strata Lot Contracts prior to the special general meeting of the Vendor pursuant to subsection 6.1(b) above, then the completion date for the Individual Strata Lot Contracts shall be on the Completion Date.

10.2 Increase in Purchase Price

If one hundred percent (100%) of the Strata Lot Owners enter into the Strata Lot Contracts, the Purchase Price shall be increased by an amount equal to fifty percent (50%) of the Property Transfer Tax Savings.

10.3 Contingency Reserve Fund and Operating Fund

Notwithstanding that the Purchaser intends to purchase the Property from the Vendor and/or Liquidator, the Purchaser and Vendor acknowledge and agree that the Purchaser will have no right to the funds maintained by the Vendor on account of the Vendor's operating fund or contingency reserve fund, and that all such monies may be transferred by the Vendor to the Vendor's Solicitors on the Completion Date, or held by the Vendor's strata management firm,

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with such funds to be used to pay any accounts of the Vendor due up to the Completion Date and subsequently disbursed to the Strata Lot Owners.

10.4 Time

Time will be of the essence of this Agreement and will remain of the essence notwithstanding the extension of any of the dates hereunder. If any date or deadline for the doing of any action or delivery of any item or notice falls on a day that is not a Business Day, such date or deadline shall be extended to the next occurring day that is a Business Day.

10.5 No Waiver

No failure or delay on the part of either party in exercising any right, power or privilege under this Agreement will operate as a waiver thereof, nor will any single or partial exercise of any right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege. Except as may be limited herein, either party may, in its sole discretion, exercise any and all rights, powers, remedies and recourses available to it under this Agreement or any other remedy available to it and such rights, powers, remedies and recourses may be exercised concurrently or individually without the necessity of making any election.

10.6 Tender

It is agreed that any tender of documents or money may be made upon the respective solicitors for the parties and that it will be sufficient to tender a solicitor's trust cheque rather than cash.

10.7 GST

With respect to GST exigible in respect of the purchase and sale of the Property:

- (a) the Vendor declares that the sale of the Property is exempt from GST under Section 2, Part I of Schedule V to the ETA;
- (b) if the foregoing declaration is incorrect, the Purchase Price shall be deemed to include any GST exigible with respect to the sale of the Property in accordance with Section 194 of the ETA and the Vendor shall account for and pay or cause to be paid such GST as required under the ETA and indemnify and save harmless the Purchaser from any liability for such payment; and
- (c) the Vendor represents and warrants to the Purchaser that:
 - (i) the Property being sold hereunder is a "multiple unit residential complex" within the meaning of the term as defined for the purposes of the ETA;
 - (ii) the Vendor is not a "builder", within the meaning of the term as defined for the purposes of the ETA, of the Property or any addition to the Property;

- (iii) neither the Vendor nor any Strata Lot Owner has undertaken a "substantial renovation" of the Property, within the meaning of that term as defined for the purposes of the ETA; and
- (iv) neither the Vendor nor any Strata Lot Owner has claimed nor will it claim any input tax credits for GST paid or payable in respect of the Vendor's or any Strata Lot Owner's last acquisition of the Property or any part thereof or in respect of any "improvement" to the Property, within the meaning of the term as defined for the purposes of the ETA.

10.8 Fees and Expenses

Except as provided in Section 2.5, each party will pay its own legal fees. The Purchaser will be responsible for all registration fees and property transfer taxes payable in connection with the registration of the Transfer.

10.9 Agent's Commission

The Vendor will pay any real estate commission payable to the Vendor's Agent as a result of the purchase and sale of the Property contemplated herein and will indemnify and hold the Purchaser and the Liquidator harmless therefrom. The Vendor will pay any real estate commission payable to the Vendor's Agent any other agent or broker of the Vendor resulting from the purchase and sale of the Property contemplated herein and will indemnify and hold the Purchaser harmless therefrom. The Vendor confirms that it has not dealt with any real estate broker other than the Vendor's Agent.

The Vendor will pay any real estate commission payable to the Purchaser's Agent being an amount equal to 1.0% of the Purchase Price as a result of the purchase and sale of the Property contemplated herein and will indemnify and hold the Purchaser harmless therefrom. The Vendor will pay any real estate commission payable to the Purchaser's Agent any other agent or broker of the Purchaser resulting from the purchase and sale of the Property contemplated herein and will indemnify and hold the Purchaser harmless therefrom. The Purchaser confirms that it has not dealt with any real estate broker other than the Purchaser's Agent.

10.10 Disclosure

The Vendor and the Purchaser acknowledge and agree that:

- (a) in accordance with the Code of Ethics of the Canadian Real Estate Association the Vendor's Agent is represented by:
 - (i) Marshall MacLeod of NAI-Commercial;
 - (ii) Brett Aura of TRG Commercial;
 - (iii) David Ho of CBRE Limited; and
 - (iv) Robert Veerman of CBRE Limited

(together, the "designated agents") have disclosed that they are representing the Vendor in the transaction described in this Agreement;

and

- (b) the Purchaser's Agent representative is to be confirmed in writing by the Purchaser in accordance with the Code of Ethics of the Canadian Real Estate Association;
- (c) the Vendor shall pay the commission and compensation plus applicable taxes due to the Agent pursuant to the transaction described in this Agreement to the Agent.

10.11 Entire Agreement

This Agreement and the schedules hereto and the agreements, instruments and other documents entered into pursuant to this Agreement set forth the entire agreement and understanding of the parties with respect to the subject matter hereof and supersede all prior agreements and understandings among the parties with respect to the matters herein and there are no oral or written agreements, promises, warranties, terms, conditions, representations or collateral agreements whatsoever, express or implied, other than those contained in this Agreement.

10.12 Survival of Representations and Warranties

All representations, warranties, guarantees, promises and agreements made by the parties will survive the Completion Date and the transfer of the Property to the Purchaser.

1.1 Delayed Possession

Each Strata Lot Owner whose Strata Lot is not occupied by a tenant, and is occupied by the Owner of a family member, on the Closing Date will have a period of up to Two (2) months beginning on the day after the Closing Date without payment of any rent or license fee to the Purchaser.

In the event the Strata Lot is not occupied by Owner but is occupied by a tenant, the Purchaser shall assume the tenancy as required by the Residential Tenancy Act.

10.13 Amendment

This Agreement may be altered or amended only by an agreement in writing signed by the parties hereto.

10.14 Further Assurances

Each of the parties hereto will at all times and from time to time and upon reasonable request do, execute and deliver all further assurances, acts and documents for the purpose of evidencing and giving full force and effect to the covenants, agreements and provisions in this Agreement.

10.15 Notices

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Any demand or notice which may be given pursuant to this Agreement will be in writing and delivered, sent by facsimile or other electronic means or sent by postage prepaid mail and addressed to the parties as follows:

to the Vendor:

The Owners, Strata Plan NW289
c/o Lawson Lundell LLP
1600 Cathedral Place
925 West Georgia Street
Vancouver, British Columbia
V6C 3L2

Attention: Edward L. Wilson
Facsimile: (604) 669-1620
Email: ewilson@lawswonlundell.com

with a copy to:

Cameray Gardens Real Estate Agents Group

Email: Robert.Veerman@cbre.com;
David.Ho@cbre.com;
mmacleod@naicommercial.ca;
brett.aura@trgcommercial.ca>>

to the Purchaser:

1038573 B.C. LTD.
c/o Purchaser's Agent
contact information to be confirmed in writing
by the Purchaser

with a copy to Purchaser's Lawyer:

1038573 B.C. LTD.
c/o Purchaser's Solicitors
contact information to be confirmed in writing
by the Purchaser

or at such other address as either party may specify in writing to the other. The time of giving and receiving any such notice will be deemed to be on the day of delivery or transmittal if delivered or sent by facsimile or other electronic means, or on the third Business Day after the day of mailing thereof if sent by mail. In the event of any disruption of mail services, all notices will be

delivered or sent by facsimile or other electronic means rather than mailed.

10.16 Assignment

The Purchaser may, without the consent of the Vendor, assign this Offer to Purchase directly or indirectly (including by way of any change of control of the Purchaser) to any other person without the prior written consent of the Vendor. Any and all proceeds are to benefit, monetary or otherwise, will be for the benefit of the Purchaser. Upon any assignment of the rights and interest of the Purchaser under this Agreement:

- (i) the Purchaser will not be released from and will remain liable for all terms, covenants, conditions, representations, warranties, provisions and obligations (including releases and indemnities) of the Purchaser hereunder;
- (ii) any assignee of the Purchaser's interest hereunder will have the benefit of all covenants, representations, warranties and obligations (including releases and indemnities) of the Vendor hereunder, in each case without any further act or agreement being required on the part of the parties.

10.17 Change of Control

Any actual or proposed transfer or issue by sale, assignment, bequest, inheritance, operation of law or other disposition, or by subscription, from time to time of all or any part of the corporate shares or partnership interests of the Purchaser or of any parent or subsidiary corporation or partnership of the Purchaser or any corporation or partnership which is an associate or affiliate of the Purchaser (as those terms are defined in the British Columbia *Business Corporations Act*), which results in any change in:

- (a) the present effective voting control of the Purchaser by the person holding such voting control at the date of execution of this Agreement (or at the date an assignment of this Agreement to a corporation or partnership is permitted); and/or
- (b) the identity(ies) of the person(s) with decision-making power, directly or indirectly, in respect of: (i) the exercise of some or all of the Purchaser's rights under this Agreement; and/or (ii) the performance of some or all of the Purchaser's obligations under this Agreement, whether such change is or might be immediate, deferred, conditional, exclusive, non-exclusive, permanent or temporary and whether by operation of law or otherwise, but specifically excluding any changes in the identity(ies) of the directors and/or officers of: (x) the Purchaser; or (y) any corporation which is an associate or affiliate of the Purchaser,

("control" or a "change of control", as the context requires),

then any such action resulting in any such change of control of the Purchaser shall be deemed to be an assignment for the purposes of this Agreement, and all provisions in Section 10.17 applicable to an assignment shall apply to any such any change of control of the Purchaser. The

Purchaser shall make available to the Vendor, or its lawful representatives, all corporate or partnership books and records of the Purchaser for inspection at all reasonable times, in order to ascertain whether there has been any change of control of the Purchaser corporation or partnership.

However, this Section 10.18 shall not apply to the Purchaser if and so long as:

- (c) the Purchaser is a public corporation whose shares are traded and listed on any recognized stock exchange in Canada or the United States; or
- (d) the Purchaser is a private corporation but is controlled by a public corporation defined as aforesaid;

so long as in either case prior to or as soon as reasonably possible after any such change of control of the Purchaser, the Vendor receives assurances satisfactory to the Vendor that there shall be continuity of the existing management of the Purchaser, and of its business practices and policies (including those affecting the advertising and promotion of the business in the Premises), notwithstanding any such change of control. The Purchaser may not assign its interest in this Agreement except with the written consent of the Vendor and such consent may unreasonably withheld.

10.18 No Side Deals

The Vendor and Purchaser agree that, except as contemplated by Section 10.1, all negotiations and other dealings regarding the potential winding up and sale of the Property (including any Strata Lots therein), will be conducted solely between the Vendor and the Purchaser, or their authorized agents. For certainty, during the term of this Agreement, the Purchaser will not enter into any agreements with any Strata Lot Owners regarding the Purchaser's purchase of the Property (including any Strata Lots therein) such that any Strata Lot Owner receives a payment or any other consideration from the sale of the Property or that Owner's Strata Lot that all other Owners are not entitled to receive or to participate in, pursuant to the terms of this Agreement.

10.19 Counterparts

This Agreement may be executed in any number of original counterparts, with the same effect as if all the parties had signed the same document, and will become effective when one or more counterparts have been signed by all of the parties and delivered to each of the other parties. All counterparts will be construed together and evidence only one agreement, which, notwithstanding the dates of execution of any counterparts, will be deemed to be dated the reference date set out above, and only one of which need be produced for any purpose.

10.20 Binding Effect

This Agreement will enure to the benefit of and be binding upon the successors and permitted assigns of the parties, as applicable.

10.21 Electronic Execution

This Agreement may be executed by the parties and transmitted by facsimile or other electronic means and if so executed and transmitted this Agreement will be for all purposes as effective as if the parties had delivered an executed original Agreement.

10.22 Currency

All dollar amounts referred to are Canadian dollars.

10.23 Construction

The division and headings of this Agreement are for reference only and are not to affect construction or interpretation.

10.24 Governing Law

This Agreement shall be governed by the laws of British Columbia.

10.25 Acceptance Date


This offer, or counter-offer, will be open for acceptance until 5:00 p.m. on December _____, 2022, unless withdrawn in writing by the Purchaser.

[Signature Page Follows]

IN WITNESS WHEREOF the parties have executed this Agreement.

Executed by the Vendor this 2nd day of December, 2022.

**THE OWNERS, STRATA PLAN NW289 by
its Liquidator Crowe MacKay & Company
Ltd.**

Per: 
Name: Derek Lai
Title: Insolvency Trustee

Executed by the Purchaser this 07 day of December, 2022.

1038573 B.C. LTD.

Per: 
Name: Kush Bhatia
Title: Director

I have authority to bind the Corporation.

SCHEDULE A

PERMITTED ENCUMBRANCES

Title to each strata lot:

Nil

Common Property Index:

Nil

Leases (existing) and replacement Leases entered into by Strata Lot Owners on similar terms, between the Execution Date and the Completion Date.

**SCHEDULE B
LEGAL DESCRIPTION AND TITLE SEARCH OF THE LANDS**

PID	LEGAL DESCRIPTION	ADDRESS
001-262-921	STRATA LOT 1	105 – 3925 KINGSWAY
001-262-939	STRATA LOT 2	106 – 3925 KINGSWAY
001-262-947	STRATA LOT 3	107 – 3925 KINGSWAY
001-262-963	STRATA LOT 4	108 – 3925 KINGSWAY
001-262-971	STRATA LOT 5	109 – 3925 KINGSWAY
001-262-980	STRATA LOT 6	110 – 3925 KINGSWAY
001-262-998	STRATA LOT 7	111 – 3925 KINGSWAY
001-263-005	STRATA LOT 8	112 – 3925 KINGSWAY
000-938-530	STRATA LOT 9	114 – 3925 KINGSWAY
001-263-013	STRATA LOT 10	115 – 3925 KINGSWAY
001-263-021	STRATA LOT 11	116 – 3925 KINGSWAY
001-263-030	STRATA LOT 12	117 – 3925 KINGSWAY
001-263-048	STRATA LOT 13	118 – 3925 KINGSWAY
001-263-056	STRATA LOT 14	119 – 3925 KINGSWAY
001-263-064	STRATA LOT 15	101 – 3925 KINGSWAY
001-263-081	STRATA LOT 16	102 – 3925 KINGSWAY
000-859-389	STRATA LOT 17	103 – 3925 KINGSWAY
000-739-979	STRATA LOT 18	104 – 3925 KINGSWAY
001-263-099	STRATA LOT 19	205 – 3925 KINGSWAY
001-263-102	STRATA LOT 20	206 – 3925 KINGSWAY
001-263-111	STRATA LOT 21	207 – 3925 KINGSWAY
001-263-137	STRATA LOT 22	208 – 3925 KINGSWAY
001-263-145	STRATA LOT 23	209 – 3925 KINGSWAY
001-263-153	STRATA LOT 24	210 – 3925 KINGSWAY
001-263-161	STRATA LOT 25	211 – 3925 KINGSWAY
001-263-170	STRATA LOT 26	212 – 3925 KINGSWAY

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001-263-188	STRATA LOT 27	214 – 3925 KINGSWAY
001-263-196	STRATA LOT 28	215 – 3925 KINGSWAY
001-263-200	STRATA LOT 29	216 – 3925 KINGSWAY
001-263-218	STRATA LOT 30	217 – 3925 KINGSWAY
001-263-226	STRATA LOT 31	218 – 3925 KINGSWAY
001-263-234	STRATA LOT 32	219 – 3925 KINGSWAY
001-263-242	STRATA LOT 33	201 – 3925 KINGSWAY
001-263-251	STRATA LOT 34	202 – 3925 KINGSWAY
001-263-269	STRATA LOT 35	203 – 3925 KINGSWAY
001-263-277	STRATA LOT 36	204 – 3925 KINGSWAY
001-263-285	STRATA LOT 37	305 – 3925 KINGSWAY
001-263-293	STRATA LOT 38	306 – 3925 KINGSWAY
000-613-754	STRATA LOT 39	307 – 3925 KINGSWAY
001-025-953	STRATA LOT 40	308 – 3925 KINGSWAY
001-263-307	STRATA LOT 41	309 – 3925 KINGSWAY
001-263-315	STRATA LOT 42	310 – 3925 KINGSWAY
001-263-323	STRATA LOT 43	311 – 3925 KINGSWAY
001-263-340	STRATA LOT 44	312 – 3925 KINGSWAY
001-263-358	STRATA LOT 45	314 – 3925 KINGSWAY
001-263-366	STRATA LOT 46	315 – 3925 KINGSWAY
001-263-374	STRATA LOT 47	316 – 3925 KINGSWAY
001-263-382	STRATA LOT 48	317 – 3925 KINGSWAY
001-263-391	STRATA LOT 49	318 – 3925 KINGSWAY
000-564-885	STRATA LOT 50	319 – 3925 KINGSWAY
001-263-404	STRATA LOT 51	301 – 3925 KINGSWAY
001-263-421	STRATA LOT 52	302 – 3925 KINGSWAY
001-263-439	STRATA LOT 53	303 – 3925 KINGSWAY
001-263-447	STRATA LOT 54	304 – 3925 KINGSWAY
001-263-455	STRATA LOT 55	112 – 5715 JERSEY AVENUE
000-814-377	STRATA LOT 56	114 – 5715 JERSEY AVENUE

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001-263-463	STRATA LOT 57	115 – 5715 JERSEY AVENUE
001-263-480	STRATA LOT 58	116 – 5715 JERSEY AVENUE
001-263-498	STRATA LOT 59	101 – 5715 JERSEY AVENUE
001-263-528	STRATA LOT 60	102 – 5715 JERSEY AVENUE
001-263-544	STRATA LOT 61	103 – 5715 JERSEY AVENUE
001-263-561	STRATA LOT 62	104 – 5715 JERSEY AVENUE
001-035-118	STRATA LOT 63	105 – 5715 JERSEY AVENUE
001-263-579	STRATA LOT 64	106 – 5715 JERSEY AVENUE
001-263-595	STRATA LOT 65	107 – 5715 JERSEY AVENUE
001-263-609	STRATA LOT 66	108 – 5715 JERSEY AVENUE
001-263-617	STRATA LOT 67	109 – 5715 JERSEY AVENUE
001-263-625	STRATA LOT 68	110 – 5715 JERSEY AVENUE
001-263-633	STRATA LOT 69	111 – 5715 JERSEY AVENUE
001-263-641	STRATA LOT 70	214 – 5715 JERSEY AVENUE
001-263-650	STRATA LOT 71	215 – 5715 JERSEY AVENUE
001-263-676	STRATA LOT 72	216 – 5715 JERSEY AVENUE
001-263-684	STRATA LOT 73	217 – 5715 JERSEY AVENUE
001-263-706	STRATA LOT 74	201 – 5715 JERSEY AVENUE
001-263-714	STRATA LOT 75	202 – 5715 JERSEY AVENUE
001-263-731	STRATA LOT 76	203 – 5715 JERSEY AVENUE
001-263-749	STRATA LOT 77	204 – 5715 JERSEY AVENUE
001-263-757	STRATA LOT 78	205 – 5715 JERSEY AVENUE
000-473-774	STRATA LOT 79	206 – 5715 JERSEY AVENUE
001-263-765	STRATA LOT 80	207 – 5715 JERSEY AVENUE
001-263-773	STRATA LOT 81	208 – 5715 JERSEY AVENUE
001-263-781	STRATA LOT 82	209 – 5715 JERSEY AVENUE
001-263-790	STRATA LOT 83	210 – 5715 JERSEY AVENUE
001-263-811	STRATA LOT 84	211 – 5715 JERSEY AVENUE
001-263-820	STRATA LOT 85	212 – 5715 JERSEY AVENUE




001-263-838	STRATA LOT 86	314 – 5715 JERSEY AVENUE
001-263-846	STRATA LOT 87	315 – 5715 JERSEY AVENUE
001-263-854	STRATA LOT 88	316 – 5715 JERSEY AVENUE
001-263-862	STRATA LOT 89	317 – 5715 JERSEY AVENUE
001-263-871	STRATA LOT 90	301 – 5715 JERSEY AVENUE
001-263-889	STRATA LOT 91	302 – 5715 JERSEY AVENUE
001-263-897	STRATA LOT 92	303 – 5715 JERSEY AVENUE
001-263-919	STRATA LOT 93	304 – 5715 JERSEY AVENUE
001-263-927	STRATA LOT 94	305 – 5715 JERSEY AVENUE
001-263-935	STRATA LOT 95	306 – 5715 JERSEY AVENUE
001-263-943	STRATA LOT 96	307 – 5715 JERSEY AVENUE
001-263-951	STRATA LOT 97	308 – 5715 JERSEY AVENUE
001-263-960	STRATA LOT 98	309 – 5715 JERSEY AVENUE
001-263-978	STRATA LOT 99	310 – 5715 JERSEY AVENUE
001-263-994	STRATA LOT 100	311 – 5715 JERSEY AVENUE
001-264-001	STRATA LOT 101	312 – 5715 JERSEY AVENUE
	ALL OF DISTRICT LOT 34 GROUP 1 NEW WESTMINSTER DISTRICT STRATA PLAN NW289 TOGETHER WITH AN INTEREST IN THE COMMON PROPERTY IN PROPORTION TO THE UNIT ENTITLEMENT OF THE STRATA LOT AS SHOWN ON FORM 1	

B

W

C-33

1553074870-6593-1841

38585.180191.ELW.21876090.2

Cameray Gardens

**PURCHASE AND SALE AGREEMENT
ADDENDUM**

Further to the Purchase and Sale Agreement dated for reference December 7, 2022 and the Purchase and Sale Agreement Addendum dated January 27, 2023

Between: **The Owners, Strata Plan NW289 (the "Vendor")**

And: **1038573 B.C. Ltd. (the "Purchaser")**

The Purchaser hereby informs the Vendor they are satisfied and waive the following Conditions Precedent:

6.1(a) By 4:00 p.m. (Vancouver time) on the last day of the First Conditions Period, the Purchaser will have satisfied itself in its sole discretion as to

(iii) The Purchaser being, satisfied in its sole discretion, able to secure satisfactory financing for the purchase and development of the Property.

In consideration of \$1.00 now paid by the Purchaser and the Vendor, each to the other, the receipt and sufficiency of which is hereby acknowledged, the parties agree that the Purchase and Sale Agreement shall be amended as follows:

1. To removed Section 3.1 in its entirety and replace with the following:

"3.1 Completion

The completion of the transactions contemplated by this Agreement will occur on December 15, 2023 (the "**Completion Date**"), or such other date as may be agreed to in writing by the Vendor and the Purchaser, and the place of closing will be the offices of the Purchaser's Solicitors in Vancouver, British Columbia."

Dated this 24th day of February, 2023.

PURCHASER:

1038573 B.C. LTD.

Per: Kush Bhatia
CDEE123399P018A
 Name: Kush Bhatia
 Title: Director
 I have authority to bind the Corporation

This is Exhibit "E" referred to in the affidavit of Kush Bhatia made before me on this 23rd day of February, 2024


[Signature]
 A Commissioner for taking Affidavits in British Columbia

TARANEH ASHRAFI
 Barrister & Solicitor
DENNIS JAMES AITKEN LLP
 800 - 543 Granville Street
 Vancouver, BC V6C 1X8
 (604) 235-0119

Acknowledged and Agreed to this 24th day of February, 2023.

VENDOR:

THE OWNERS, STRATA PLAN NW289
by its Liquidator Crowe MacKay & Company Ltd.

Per: 
Name: Derek Lai
Title: Insolvency Trustee

MUTUAL NOTICE OF SECOND CONDITION SATISFACTION AND/OR WAIVER

Further to the Purchase and Sale Agreement dated for reference December 7, 2022

Between: **The Owners, Strata Plan NW289** (the “Vendor”)

And: **1038573 B.C. Ltd.** (the “Purchaser”)

- A. WHEREAS on May 20, 2023, the Vendor held a special general meeting at which a resolution was proposed to approve the Purchase and Sale Agreement (the “**Resolution**”);
- B. AND WHEREAS the Resolution achieved over 75% support from the owners present in person or by proxy and was therefore approved.

NOW THEREFORE, for the payment of \$10.00 by each of the parties to the other and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each of the parties, the parties covenant and agree with each other as follows:

- 1. The parties hereby agree that the Conditions Precedent contained in Section 6.1(b) of the Purchase and Sale Agreement is satisfied and/or waived.

Dated this 24th day of May, 2023.

VENDOR:

THE OWNERS, STRATA PLAN NW289
by its Liquidator Crowe MacKay & Company Ltd.

Per: _____
Name: Derek Lai
Title: Insolvency Trustee

This is Exhibit "F" referred to in the affidavit of Kush Bhatia made before me on this 23rd day of February, 2024

PURCHASER:

1038573 B.C. Ltd. DocuSigned by:
Per: *Kush Bhatia*
Name: Kusha Bhatia
Title: Director
I have authority to bind the Corporation

Calli
A Commissioner for taking Affidavits in British Columbia

TARANEH ASHRAFI
Barrister & Solicitor
DENNIS JAMES AITKEN LLP
800 – 543 Granville Street
Vancouver, BC V6C 1X8
(604) 235-0119

Acknowledged and Agreed to this 24th day of May, 2023.

MUTUAL NOTICE OF SECOND CONDITION SATISFACTION AND/OR WAIVER

Further to the Purchase and Sale Agreement dated for reference December 7, 2022

Between: **The Owners, Strata Plan NW289** (the “Vendor”)

And: **1038573 B.C. Ltd.** (the “Purchaser”)

- A. WHEREAS on May 20, 2023, the Vendor held a special general meeting at which a resolution was proposed to approve the Purchase and Sale Agreement (the “**Resolution**”);
- B. AND WHEREAS the Resolution achieved over 75% support from the owners present in person or by proxy and was therefore approved.


NOW THEREFORE, for the payment of \$10.00 by each of the parties to the other and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each of the parties, the parties covenant and agree with each other as follows:

- 1. The parties hereby agree that the Conditions Precedent contained in Section 6.1(b) of the Purchase and Sale Agreement is satisfied and/or waived.

Dated this 24rd day of May, 2023.

VENDOR:

THE OWNERS, STRATA PLAN NW289
by its Liquidator Crowe MacKay & Company Ltd.

Per: 
DocuSigned by:
 Name: **Derek Lai**
 Title: Insolvency Trustee

PURCHASER:

1038573 B.C. Ltd.

Per: _____
 Name: Kusha Bhatia
 Title: Director
 I have authority to bind the Corporation

Acknowledged and Agreed to this 24th day of May, 2023.

From: Margaret Kwan <mkwan@harpergrey.com>
Sent: Friday, June 9, 2023 11:32 AM
To: Ed Wilson <ewilson@lawsonlundell.com>
Cc: Jennifer Williams <jwilliams@harpergrey.com>; Joanne Kwan <jkwan@harpergrey.com>
Subject: RE: Cameray Gardens

Good Morning Ed,

Further to the below, pursuant to the Purchase and Sale Agreement, please provide our office with the accounting of the costs with respect to the release of the \$100,000.

Our client is open to separate contracts with each individual strata lot owner, but of course it has to be 100%.

Side note – Jenn loved your CLE yesterday.

Margaret Kwan
Harper Grey LLP
Designated Paralegal to Jennifer M. Williams
Commissioner for Taking Affidavits for British Columbia
T 604.895.2896 | F 604.669.9385
[Website](#) | [Unsubscribe](#) | mkwan@harpergrey.com

This is Exhibit "G" referred to in the affidavit of Kush Bhatia made before me on this 23rd day of February, 2024



A Commissioner for taking Affidavits in British Columbia

TARANEH ASHRAFI
Barrister & Solicitor
DENNIS JAMES AITKEN LLP
800 – 543 Granville Street
Vancouver, BC V6C 1X8
(604) 235-0119

PLA00136.00001

From: Ed Wilson <ewilson@lawsonlundell.com>
Sent: Tuesday, June 6, 2023 3:42 PM
To: Jennifer Williams <jwilliams@harpergrey.com>
Cc: Lisa Frey <lfrey@lawsonlundell.com>
Subject: Cameray Gardens


Jennifer:

A few things:

1. \$100,000 Deposit: now that we have had the successful SGM, we want to apply \$100,000 of the deposit to our client's current legal fees and liquidator's fees. Our fees and the liquidator's fees relating to satisfying the Second Condition the SGM are well in excess of the \$100,000. The deposit will be split between Lawson Lundell and the Liquidator proportionally. Can you confirm we may do so?
2. 100% Support:
 - (a) While officially we had 76 of the owners vote for the Belmont PSA, there is an owner who controlled 11 additional units but could not vote as strata liens were filed against the title to their various strata lots. However, they were supportive of the Belmont PSA and would have voted in favour of the Belmont if they could.
 - (b) Another owner in the same situation owns 2 units.
 - (c) One owner who did not provide a proxy and did not attend the meeting, has now advised that they tried to submit a proxy but it did not reach us. They would also have voted in favour of the Belmont PSA.

So there were only 4 owners that did not attend the meeting, did not provide a proxy or could not vote. We do not know the position of these 4 owners, but we have no reason to believe they were not supportive of the Belmont PSA.

We can approach these 4 owners and get their position, assuming that Belmont is willing to extend the "100% bonus" to the situation were we to get 100% of the owners on side in the next few weeks. If that is agreeable to Belmont, we can provide you with the form of Contract of Purchase and Sale we propose to use, for your prior review and approval.

 **EDWARD L. WILSON*** (he/him) | Senior Counsel
 D 604.631.9148 | M 604.219.4006 | F 604.694.2955 | E ewilson@lawsonlundell.com
LAWSON LUNDELL LLP 1600 - 925 West Georgia Street, Vancouver, BC V6C 3L2
 Vancouver | Calgary | Yellowknife | Kelowna
 *Law Corporation



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From: Aaron Chee <aaron.chee@vsmcapital.com>
Date: Thu, Oct 5, 2023 at 4:35 PM
Subject: Jersey/Kingsway Project - Tax sale for some units
To: Kush Bhattia <brixton.dev@gmail.com>

This is Exhibit "H" referred to in the affidavit of Kush Bhatia made before me on this 23rd day of February, 2024



A Commissioner for taking Affidavits in British Columbia

Hey Kush:

I wanted to bring to your attention that some of the strata units in the Kingsway/.Jersey project had unpaid taxes for a number of years and faced a tax sale by the city. See attached (highlighted in orange). There is a possibility that this complicates things and slow things down. Might want to alert your lawyer.

Thanks,

Aaron Chee

Vancouver Structured Mortgage Capital Inc.

1641 East Pender Street, Vancouver, BC, V5L 1W2

Direct: 604.518.1805

TARANEH ASHRAFI
Barrister & Solicitor
DENNIS JAMES AITKEN LLP
800 - 543 Granville Street
Vancouver, BC V6C 1X8
(604) 235-0119

--
Kush Bhatia
C: 604-360-4433
E: brixton.dev@gmail.com
W: Bellmontgroup.com

PLA00284.00001

From: **Marshall MacLeod** <mmacleod@naicommercial.ca>
Date: Tue, Oct 10, 2023 at 8:17 AM
Subject: Cameray
To: Brixton <brixton.dev@gmail.com>

Hi Kush,

Attached is a Rent Roll for 18 Units which are owned by one Company. They will try and also get the Rent Roll for 18 others which they control.

Other Units rented out are done by individual Owners and are harder to obtain.

Also, I have requested the current Maintenance Contracts and will send upon my receipt.

Regards,

Marshall

Marshall MacLeod
Personal Real Estate Corporation
mmacleod@naicommercial.ca
NAI Commercial
Cell +1 604 671 9479

**This is Exhibit "I" referred to in the
affidavit of Kush Bhatia made before
me on this 23rd day of February, 2024**



**A Commissioner for taking
Affidavits in British Columbia**
TARANEH ASHRAFI
Barrister & Solicitor
DENNIS JAMES AITKEN LLP
800 - 543 Granville Street
Vancouver, BC V6C 1X8
(604) 235-0119

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PLA00288.00001

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Kush Bhatia
C: 604-360-4433
E: brixton.dev@gmail.com
W: Belmontgroup.com

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Kush Bhatia
C: 604-360-4433
E: brixton.dev@gmail.com
W: Belmontgroup.com

Sep-23

Unit	Type	Rent	Parking	Total
107	1	\$1,428.00		\$1,428.00
110	2	\$2,400.00		\$2,400.00
117	1	\$1,450.00		\$1,450.00
119	2	\$1,530.00		\$1,530.00
202	1	\$1,428.00		\$1,428.00
210	2	\$1,020.00		\$1,020.00
211	1	\$1,479.00		\$1,479.00
212	1	\$1,428.00		\$1,428.00
215	2	\$1,683.00		\$1,683.00
303	1	\$1,800.00		\$1,800.00
304	2	\$2,000.00		\$2,000.00
307	1	\$1,525.00		\$1,525.00
309	2	\$2,050.00	\$50.00	\$2,100.00
310	2	\$1,683.00		\$1,683.00
311	1	\$1,525.00		\$1,525.00
314	1	\$1,268.00		\$1,268.00
317	1	\$1,900.00		\$1,900.00
Total		\$27,597.00	\$50.00	\$27,647.00

\$52,599.00

Unit #	Unit type	Actual Rent	Parking	Total
102	2	\$1,683.00	\$50.00	\$1,733.00
103	2	\$2,050.00		\$2,050.00
203	2	\$1,850.00		\$1,850.00
205	2	\$1,000.00		\$1,000.00
209	1	\$1,428.00		\$1,428.00
217	2	\$2,150.00	\$50.00	\$2,200.00
301	2	\$2,500.00		\$2,500.00
302	2	\$1,000.00		\$1,000.00
303	2	\$2,050.00		\$2,050.00
308	1	\$1,625.00		\$1,625.00
315	2	\$1,800.00		\$1,800.00
316	2	\$2,183.00		\$2,183.00
317	2	\$1,683.00	\$50.00	\$1,733.00
Total		\$23,002.00	\$150.00	\$23,152.00
New Unit		Rent		Total Rent
111		\$ 1,750.00	\$ 50.00	\$1,800.00
112 Hans		\$ -		
				\$24,952.00

Forwarded message
From: **Michelle Child** <michelle@francandco.com>
Date: Thu, Nov 9, 2023 at 2:08 PM
Subject: Cameray Gardens
To: Kush <brixton.dev@gmail.com>

This is Exhibit "J" referred to in the affidavit of Kush Bhatia made before me on this 23rd day of February, 2024

Hi Kush,


A Commissioner for taking Affidavits in British Columbia

As discussed, here are the draft loan proposal terms from KingSett, subject to the further diligence as noted below (my comments are in red):

- Loan Amount: \$25M-\$35M **will be based on a roughly 75% LTV on the existing building which will be determined by the NOI available once we have all of the leases in place. With the numbers I provided we are around \$31 - \$32m.**
- Interest Rate: Prime + 3.50% (floor of 10.70%)
- 1-year fee: 1.00%
- Unlimited Guarantee from Kush Bhatia

TARANEH ASHRAFI
Barrister & Solicitor
DENNIS JAMES AITKEN LLP
800 - 543 Granville Street
Vancouver, BC V6C 1X8
(604) 235-0119

Further diligence items required:

1. **BCA I can engage once we have an actual term sheet**
2. Breakdown of owner-occupied units vs. rented units
 - a. **Need rental rates and terms – I can go through leases if you send them to me as they become available. This is the most important item.**
3. Most recent condo financial statements (this should provide all opex details, and details on existing contracts in-place)
 - a. **I have a bunch of contracts but not the actual financials, if you could provide**
4. Condo disclosure statement
 - a. **I'm not sure if they would have this or if it's necessary so let's focus on the other conditions first**
5. Confirm Borrowers plan:
 - a. Lease all vacant units (i.e. currently owner-occupied units)?
 - b. Estimate of capex required prior to re-leasing?
 - c. Will they begin any of this work and/or start pre-leasing prior to closing?

224
They want to know if there is any work to be done to the individual units to prepare them to be leased and if so what, how much and when will it occur? Then what the plan is for re-leasing the remaining units which will be easier to work through when we understand how many units will be delivered vacant.

6. Confirm ownership structure

Additionally, two things they talked about on the phone are confirming the source of cash for closing and management of the property through the term of the loan.

I have the attached two agreement that are in place for management right now – will these remain?

Michelle Child

Franc & Co.

647-334-8474

1055 West Georgia St, Suite 2400

Vancouver, B.C.

Mortgage License #MB600267



--
Kush Bhatia
C: 604-360-4433
E: brixton.dev@gmail.com
W: Bellmontgroup.com

STRATA PROPERTY MANAGEMENT SERVICE AGREEMENT

THIS AGREEMENT made effective this **20th** day of **JUNE, 2022**.

BETWEEN:

CROWE MACKAY & COMPANY LTD., in its capacity as
COURT APPOINTED LIQUIDATOR OF THE OWNERS,
STRATA PLAN NWS289 and not in its personal capacity

(the "**NWS289 Liquidator**")

OF THE FIRST PART

AND:

FRASER PARK REALTY LTD.
210 – 10330 152ND Street
Surrey, BC V3R 4G8

Tel: (604) 398-7275
Fax: (604) 398-7276

(the "**Managing Agent**")

OF THE SECOND PART

WHEREAS:

- A. The NWS289 Liquidator was appointed at the special general meeting of the Owners, Strata Plan NWS289 ("**Cameray Gardens**") on February 15, 2022 and the appointment was confirmed by court order on June 17, 2022 (the "**Wind-Up Order**")
- B. Pursuant to the Wind-Up Order and the *Strata Property Act* of British Columbia (the "**Act**"), the NWS289 Liquidator has responsibility for the control, management and administration of the common property, common facilities and the assets of Cameray Gardens (the "**Common Property**").
- C. The NWS289 Liquidator desires to provide management service for the Common Property and the affairs of Cameray Gardens.
- C. The NWS289 Liquidator has agreed to engage the Managing Agent to provide such management service.

NOW THEREFORE THIS AGREEMENT WITNESS THAT in consideration of the premises and of the mutual covenants herein contained, the parties hereto agree each with the other as follows:

ARTICLE I

1. APPOINTMENT

- 1.1 Subject to the terms and conditions contained in this Agreement, the NWS289 Liquidator hereby appoints the Managing Agent to act, from the effective date of **20th day of June 2022 to 20th day of June, 2023**. The contract shall be for a one (1) year term unless notice is given pursuant to Article 10.1 as the exclusive agent of the NWS289 Liquidator to manage, maintain and administer the Common Property and the operations and activities comprising or associated with or carried on in connection with the Common Property and the affairs of the Cameray Gardens during the term for the service of **Strata Lots 1 to 101** with location of **3925 Kingsway Street, Burnaby, BC, V5H 2L3** and **5715 Jersey Ave, Burnaby, BC, V5H 3Y7**. Unless notice is given pursuant to Article 10.1, the contract will be automatically renewed, save and except for the amount of remuneration to the Managing Agent, for a one year term each year unless notice is given at least two (2) months in advance of the end date in accordance with article 10.1.
- 1.2 The Managing Agent hereby accepts the appointment made hereunder and covenants and agrees to manage, maintain and administer such Common Property and such affairs on behalf of and as agent of the NWS289 Liquidator as herein contained.
- 1.3 The Managing Agent confirms that it is licensed pursuant to the provisions of the *Real Estate Services Act* and *Strata Property Act* of British Columbia.

ARTICLE 2

2. KNOWLEDGE OF STRATA PROPERTY ACT & BY-LAWS

- 2.1 The Managing Agent acknowledges that it is familiar with the provisions of the Act and undertakes to become familiar with the By-Laws of Cameray Gardens.

ARTICLE 3

3. FINANCIAL MANAGEMENT

- 3.1 The Managing Agent hereby covenants and agrees to and with the NWS289 Liquidator to:
- (1) Prepare an annual operating budget detailed, to reflect expected operations. This budget is established to show expected receipts and operating disbursements and is used primarily to establish the common expense levy for the ensuing year and the contingency reserve fund;
 - (2) Prepare on a monthly basis the financial statements, general ledger,

accounts receivable and ageing report. Forward a copy via e-mail to a designated member of the NWS289 Liquidator within 20 days following the end of the month.

- (3) Analyze and compare operating receipts and disbursements against the approved budget. Where a significant variation is shown, or expected above or below the budgeted amount, the Managing Agent will prepare a memo of explanation to accompany the financial statement and suggest corrective recommendations, if applicable;
- (4) Collect Strata Fees and Special Levies and deposit them in a trust account on behalf of the NWS289 Liquidator and maintain comprehensive records thereof any interest earned on monies collected shall be for the account of Cameray Gardens;
- (5) Mail notices of delinquency to any owner whose account is in arrears and exert every reasonable effort to collect delinquent accounts through the use of letters, telephone and personal contact;
- (6) In the event of failure to collect delinquent accounts and at the direction of the NWS289 Liquidator, pursue payment through collection agencies or legal channels, and any other NWS289 Liquidator-authorized method; all for a contract administration fee stipulated in Article 8.2;
- (7) Examine routine expense invoices of Cameray Gardens for accuracy and effect payment; if the disbursements are in excess of the assessments collected, the NWS289 Liquidator hereby agrees to pay such excess promptly to the Managing Agent within fifteen (15) days following demand by the Managing Agent;
- (8) Prepare forms, pay taxes where directly invoiced to Cameray Gardens and file reports as required based on the fee schedule Article 8 – 8.2;
- (9) On behalf of the NWS289 Liquidator, keep all records required to be kept by the Act, the By-Laws, this Agreement and the Strata Corporation;
- (10) Permit a review of the Cameray Gardens accounts within 120 days of the Managing Agent's year end on a sample test basis in accordance with the provisions of Part 7-7 of Real Estate Council of British Columbia Rules under Brokerage Accounts and Financial Requirements as the pro-rated expense of Cameray Gardens based on fee schedule Article 8 - 8.2.

ARTICLE 4

4. PHYSICAL MANAGEMENT

4.1 The Managing Agent hereby covenants and agrees to and with the NWS289

Liquidator to:

- (1) Maintain the common property in good order and in continual repair to reflect Owner pride and to enhance property values, subject to the level of quality requested by Cameray Gardens strata council, funds available, approved budget, and by-laws of the Corporation.
- (2) Compile, assemble and analyze data, prepare scope of work and call for bids for routine maintenance and repairs as per Cameray Gardens' annual operating budget. Contracts outside of the operating budget in excess of ten thousand (\$10,000.00) dollars may be subject to a Manager's Fee to be approved by Council for services such as (a) Analyze and Compare bids, (b) Issue Contracts, (c) Coordinate with trade consultants and residents including home warranty program claims, premature building component failure and capital projects.
- (3) Enter into contracts and supervise services for elevators, refuse hauling, landscaping and such other maintenance services as may be required, provided, however, all such contracts have first been approved by the NWS289 Liquidator except in the case of emergency where such approval cannot be obtained.

ARTICLE 5

5. ADMINISTRATIVE MANAGEMENT

5.1 The Managing Agent hereby covenants and agrees to and with the NWS289 Liquidator to:

- (1) Exercise close liaison and supervision over all the onsite staff, if any, to ensure proper operational maintenance and promote Management Resident/Tenant-Owner relationships;
- (2) Inspect contractual scheduled service for building maintenance for satisfactory performance. Prepare any necessary compliance letters to suppliers;
- (3) Collect, organize and maintain a complete file of all legal documents including reports, by-laws, insurance policies, owners list, correspondence and House Rules. Blueprints and specifications of the construction of the Common Property shall be supplied by the NWS289 Liquidator to the Managing Agent;
- (4) Assist in resolving individual Owner's problems as they pertain to the common areas, governing rules and regulations and bylaws;

- (5) Exercise close supervision over its employed personnel and shall ensure compliance with all labour laws including Wage and Hours and Worker's Compensation Laws;
- (6) Administer the development in accordance with adopted by-laws and promote a pleasant and harmonious relationship within the complex at all times;
- (7) Obtain and analyze bids for insurance coverage specified in the bylaws and recommend modifications or additional coverage. Prepare claims when required and follow up on payment; act as NWS289 Liquidator's representative in negotiating settlement;
- (8) Provide advice to the NWS289 Liquidator in any negotiation or disputes with local agencies or regulatory bodies;
- (9) Act at the request of the NWS289 Liquidator in regulating and controlling the actions of the individual owners who are in any way infringing upon regulations or by-laws;
- (10) Attend up to **Ten (10)** scheduled meetings and **one (1) AGM** in the first year of management. Regular meetings not to exceed two (2) hours;
- (11) Provide accurate and detailed Minutes of the meeting of the Strata Council of Cameray Gardens and any general meeting of the owners; and
- (12) Prepare and distribute the notices, proxies and agenda for the Annual General Meeting and any Special General Meetings.

ARTICLE 6

6. STRATA COUNCIL

- 6.1 The Managing Agent will act at the request and direction of the NWS289 Liquidator, provided that the NWS289 Liquidator shall indemnify the Managing Agent from all liability, claims, costs, actions or loss which the Managing Agent may suffer by reason of so acting, but the NWS289 Liquidator shall not indemnify the Managing Agent from its own negligence or the negligence of its employees, contractors and agents.
- 6.2 Except as otherwise set out in the *Strata Property Act* in all matters requiring the attention of the Managing Agent hereunder, the Managing Agent may act at the request and direction of the NWS289 Liquidator and the receipt by the Managing Agent of a written request or direction signed by the NWS289 Liquidator shall be full and sufficient authority for the Managing Agent so to act.

ARTICLE 7

7. GENERAL AUTHORITY

- 7.1 It is agreed and declared that the Managing Agent is clothed with such general authority and powers as may be necessary or required to carry out its duties hereunder or in the spirit and intent of this Agreement.
- 7.2 The NWS289 Liquidator hereby confers on the Managing Agent the authority to act as Agent of the NWS289 Liquidator for the purposes of making all agreements, signing all documents and doing all other things that shall be necessary for the Managing Agent to discharge its responsibility hereunder with a limit of **\$1,500.00** dollars for any one expenditure without seeking NWS289 Liquidator approval except that in the event of an emergency and in order to mitigate the damages or loss the Managing Agent shall have the authority to contract for additional expense and agrees to make every reasonable effort to advise the NWS289 Liquidator immediately of the event and the measures the Managing Agent is taking.
- 7.3 The Managing Agent shall at all times be deemed to be acting as an independent contractor or agent for the NWS289 Liquidator. If the Managing Agent deems it advisable, or necessary, or upon instruction of the NWS289 Liquidator, Managing Agent shall hire or discharge contractors or employees other than its own. It is agreed, however, that all such contractors or employees are in the employ of the NWS289 Liquidator and not of the Managing Agent, and that the Managing Agent is in no way liable to the NWS289 Liquidator for any act or omission on the part of the contractor or employee, whether due to the negligence of the contractor, employee, Managing Agent or otherwise.
- 7.4 **The NWS289 Liquidator authorizes the Agent, subject to any relevant restrictions under the Personal Information Protection Act of B.C.** and any other applicable legislation, to make available for inspection at the office of the Agent, and in accordance with the Act, at the request of the NWS289 Liquidator, any owner and anyone else entitled by the Act to make such a request, all documents to which they are entitled pursuant to Section 35 of the *Strata Property Act*.

ARTICLE 8

8. REMUNERATION TO THE MANAGING AGENT

- 8.1 The NWS289 Liquidator shall pay to the Managing Agent, for services rendered in accordance with this contract a fee of **Two Thousand Two Hundred Fifty Dollars and Zero Cents (\$2,250.00) plus GST as applicable**, per month to be payable in arrears on the last day of each and every month during the term of the Agreement commencing on the date contained in Article 1.1.

- 8.2 The NWS289 Liquidator shall reimburse the Managing Agent for extra duties beyond the scope of the contract, as well as for stationery, courier, cheques, photocopies, envelopes, postage and similar articles supplied by the Managing Agent to and on behalf of the NWS289 Liquidator. See “**Schedule A**”

ARTICLE 9

9. COVENANTS OF THE NWS289 Liquidator

9.1 The NWS289 Liquidator hereby covenants and agrees to and with the Managing Agent to:

- (1) Include the Managing Agent as an "Additional Insured" in all insurance policies held by Cameary Gardens;
- (2) Indemnify and save the Managing Agent harmless against all actions, claims, costs, expenses, loss or damage which the Managing Agent may suffer, incur or be put to in connection with the performance of the Managing Agent's duties hereunder and from liability for injuries suffered by an employee or any other person whomsoever and to carry at Cameray Gardens' expense public liability insurance adequate to protect the interest of the parties hereto which policy or policies shall be so written as to protect the Managing Agent in the same manner and to the same extent as they protect the NWS289 Liquidator and will name the Managing Agent as an insured;
- (3) Pay all WorkSafe BC assessments for Cameray Gardens employees;
- (4) Provide the Managing Agent with all documents, records and stationery, and to pay the cost of printing, reproducing and distribution which may be required by the Managing Agent to properly manage and operate the property of the NWS289 Liquidator and to perform its duties hereunder. Such documents and records shall remain the property of Cameray Gardens;
- (5) Provide the Managing Agent with the required documents of the Cameray Gardens records of section 35 of the Act.

ARTICLE 10

10. TERMINATION OF AGREEMENT

10.1 This agreement shall terminate upon any of the following events:

- (1) The insolvency or bankruptcy of the Managing Agent;
- (2) On two (2) months' written notice by the Managing Agent, or the

NWS289 Liquidator, without either party incurring liability for breach of contract.

ARTICLE 11

11. STRATA PROPERTY ACT & BY-LAWS

- 11.1 The NWS289 Liquidator and the Managing Agent shall abide by the *Strata Property Act* and the bylaws of Cameray Gardens.
- 11.2 The NWS289 Liquidator and the Managing Agent covenant and agree each with the other that this Agreement is subject to the provisions of the *Strata Property Act* as the same is applicable to this Agreement and that the Managing Agent will perform its duties in a manner consistent with the by-laws of Cameray Gardens or any amendment thereto with respect to which notice has been received by the Managing Agent.

ARTICLE 12

12. INTERPRETATION

- 12.1 The undernoted expressions where the same appear in this Agreement shall be construed as having the meaning hereunder set forth:
- (1) "Act" shall mean the *Strata Property Act* of the Province of British Columbia or any subsequent replacement legislation or enactment;
 - (2) The words "Strata Council" or "Strata Lot" or "Owner" or "Owners of a Strata Lot" shall have the meaning provided in the Act; and
 - (3) The words "Extra/Additional" or "Extra/Additional Service" shall have meaning of services not covered by this Agreement, or services agreed to be additional by Management and Council.

ARTICLE 13

13. TRUST ACCOUNTS

NWS289 Liquidator hereby grants the Managing Agent the following authority:

- 13.1 Managing Agent will establish and hold on behalf of the NWS289 Liquidator trust accounts relating to the following:
- (i) Contingency Reserve Fund;
 - (ii) Operating Fund; and

(iii) Special Levy Fund (as applicable).

- 13.2 Managing Agent shall have the authority to sign cheques and make disbursements on behalf of Cameray Gardens.
- 13.3 Invest money held in trust by the Managing Agent on behalf of the NWS289 Liquidator as directed and instructed by the NWS289 Liquidator.
- 13.4 Managing Agent shall have the authority to transfer funds between brokerage trust accounts maintained on behalf of the NWS289 Liquidator with the NWS289 Liquidator's prior approval.

ARTICLE 14

14. BINDING

- 14.1 This Agreement shall enure to the benefit of and be binding upon the respective successors and assigns of the parties hereto.

ARTICLE 15

15. CONFLICT RESOLUTION ARBITRATION

- 15.1 Any dispute, controversy or claims arising out of or relating to this contract or the breach or termination thereof, the two parties will make every effort to resolve it themselves in a one on one meeting and negotiations.

If an agreement is not reached in negotiations, the dispute shall be settled by a single arbitrator under the Rules of the British Columbia Arbitration and Mediation Institute (BCAMI); the hearing shall be held in Metro Vancouver, British Columbia. The decision by the arbitrator shall be binding on both parties.

ARTICLE 16

16. DISCLOSURES

- 16.1 Disclosures that Brokerage and Licensees Must Make:

The RECBC Rules require a licensee who anticipates receiving remuneration from a party other than the Strata Corporation, as a result of providing strata management services to or on behalf of the Strata Corporation, to disclose to the NWS289 Liquidator the source and amount of remuneration to be received, as well as all relevant facts relating to the payment.

- (1) Disclosure of Remuneration – Forms and Documents

When the brokerage wishes to receive payments from owners, buyers,

Realtors®, lawyers or notaries for providing forms and/or copies of strata documents on behalf of the Strata Corporation, before receiving such payments, the brokerage must first disclose it to the NWS289 Liquidator the amount to be received or, if the amount is not known, the likely amount or the method of calculation of the amount.

The disclosure is not required each time the brokerage collects such fees. The disclosure may be made in the service agreement. If the amount or method of calculating the amount is to change, this change must also be disclosed.

The disclosure pursuant to the above is provided in 8.2

(2) Disclosure of Remuneration pertaining to a Recommendation

Licensees must make disclosure to the NWS289 Liquidator where the brokerage or Strata Manager receives remuneration for recommending clients to service providers.

Disclosure under these circumstances shall be provided under a separate written document provided to the Strata Council.

(3) Disclosure of Benefits

If the brokerage or individual providing strata management services anticipated receiving benefit from making an expenditure on behalf of the Strata Corporation, disclosure is required.

When the brokerage or strata manager hires contractors on behalf of the NWS289 Liquidator that are related to the brokerage, the strata manager or to parties associated with brokerage or strata manager, disclosure must be made in writing and in a document separate from the service agreement.

ARTICLE 17

17. PRIVACY POLICY

Fraser Park Realty Ltd.'s Commitment regarding Personal Information:

Fraser Park Realty Ltd. is committed to protecting the personal information of its owners, tenants and occupants.

17.1 Why Fraser Park Realty Ltd. collects Personal Information:

- To identify and communicate with the owners, tenants and occupants;
- To process payments;

- To respond to emergencies;
- To ensure the orderly management of the Fraser Park Realty Ltd.;
- To comply with requirements imposed by the Strata Property Act and other applicable laws; and
- To allow for the use of video and other surveillance to ensure the safety of the complex's owners, tenants, occupants and visitors.

17.2 What Information does Fraser Park Realty Ltd. may collect, use or disclose:

Typically, Fraser Park Realty Ltd. collects the following information from or about owners, tenants, employees and occupants:

- Name(s), address(es) and phone number(s), as applicable
- Banking information
- Emergency contact information
- Vehicle description/license plates

Owners, tenants and occupants may give consent either orally or in writing. Consent will be implied when the purpose for collecting, using or disclosing personal information would be considered obvious and the individual voluntarily provides his or her personal information for that obvious purpose.

17.3 Collection, Use and Disclosure of Personal Information by the Fraser Park Realty Ltd:

Except where the Fraser Park Realty Ltd. is legally authorized (for example, pursuant to a bylaw or by the Court of Law) or consent is otherwise not required (as discussed below under the next heading), Fraser Park Realty Ltd. will seek consent before collecting, using or disclosing personal information.

Fraser Park Realty Ltd. will only collect, use or disclose the personal information that is necessary to fulfill the identified purposes and will not collect, use or disclose personal information in other circumstances unless Fraser Park Realty Ltd. first receives further consent from the person involved.

Fraser Park Realty Ltd. will make reasonable efforts to ensure that the personal information that it collects, uses or discloses is accurate and complete. If an owner, tenant or occupant is aware that the personal information Fraser Park Realty Ltd. has about them needs to be corrected, please advise the Fraser Park Realty Ltd. about the correction in writing.

17.4 What Personal Information Fraser Park Realty Ltd. can collect, use or Disclose

without Consent:

- With respect to a owner(s), the owner's name, the address, the mailing address if different from the address, the strata lot number, any parking stall number, and the unit entitlement of the owner's strata lot;
- Information authorized by a bylaw;
- The names and addresses of individual mortgagees who have filed a Mortgage Request for Notification;
- The names of tenants or employees of a strata lot, if any;
- With respect to a council member, the telephone number or some other method by which the council member can be contacted at short notice;
- Information for an investigation or a legal proceeding if collection with consent would compromise its availability or accuracy;
- Information already available to the public from any of the following: a telephone directory, a professional or business directory, a registry, or a printed or electronic publication;
- If the Strata Corporation is collecting money owed by an owner, tenant or occupant; and
- If the personal information is required to be collected, used or disclosed by law.

17.5 Withdrawing Consent:

Except where withdrawing consent would frustrate the performance of a legal obligation, an owner, tenant or occupant can withdraw consent at any time by giving Fraser Park Realty Ltd. reasonable notice. If consent is withdrawn, Fraser Park Realty Ltd. will inform the person withdrawing the consent of the likely consequences of that step.

17.6 Retention of Personal Information:

Fraser Park Realty Ltd. will only retain personal information for as long as necessary to fulfill the identified purposes or as long as required for a legal or business purpose. If the information of an owner, tenant or occupant is used to help Fraser Park Realty Ltd. render a decision, the information will be retained for a two (2) years period.

17.7 Security of Personal Information:

Fraser Park Realty Ltd. has implemented reasonable security arrangements to

prevent against risks associated with personal information, such as unauthorized access, collection, use, disclosure, copying, modification or disposal.

If Fraser Park Realty Ltd. retains another organization to do work for the corporation that involves personal information, the corporation will ensure that there is an agreement in place that commits that organization to adhere to this privacy policy.

17.8 Access to Personal Information:

An owner, tenant or occupant is entitled access to their own personal information that is under Fraser Park Realty Ltd.'s control and is also entitled to know the ways in which that information has been used or disclosed.

Any request by an owner, tenant or occupant for that personal information must be made in writing and directed to the Fraser Park Realty Ltd.'s Privacy Officer:

**Privacy Officer of Fraser Park Realty Ltd.
210- 10330 152nd Street Surrey, BC V3R 4G8**

Fraser Park Realty Ltd. will charge a minimum fee when an access request is made and the amount should be verified when the request is made.

Fraser Park Realty Ltd. will respond to a written request within 30 business days of receipt of the request; however, Fraser Park Realty Ltd. may be entitled in some circumstances to extend the response period. In providing the response, Fraser Park Realty Ltd. will inform the requesting party whether he or she is entitled to access the requested information, and if access is denied, the reason for the denial, and the name and contact information of the Fraser Park Realty Ltd.'s Privacy Officer who can answer any questions about the response.

When providing personal information in response to a request, Fraser Park Realty Ltd. will edit out certain information as required or authorized by law, including any personal information about other individuals and/or the personal information about the requesting party that is subject to an investigation or a legal proceeding.

If a requesting person is not satisfied with a response from Fraser Park Realty Ltd., that person may complain to the British Columbia Office of the Information and Privacy Commissioner (www.oipcbc.ca).

Should any portion of this Policy be deemed unenforceable by any court of competent jurisdiction, then for the purposes of interpretation and enforcement of this Policy each sub-paragraph hereof shall be deemed a separate provision and severable, and the balance of the provisions contained herein shall remain in full force and effect.

ARTICLE 18

18. HEADINGS

18.1 The headings of the clauses or sub-clauses in this Agreement have been inserted for convenience and reference only and in no way define, limit or enlarge the scope or meaning of this Agreement.

IN WITNESS WHEREOF this Agreement has been executed by the parties hereto as of the date first above written,

FRASER PARK REALTY LTD.
(Authorized Signatory)

PRINT NAME:

CROWE MACKAY & COMPANY LTD.,
COURT APPOINTED LIQUIDATOR OF THE OWNERS, STRATA PLAN NWS289
AND NOT IN ITS PERSONAL CAPACITY

Schedule A

Disbursement Charges

Copy/Printing Costs: (subject to change on 60 days notice)

- White Paper \$0.25 per page.
- Color Paper \$0.50 per page.
- Photo \$1.00 per page
- Fax/scanning \$0.65 per page

Mailing Costs:

- Current Postal Rates plus 20%
- envelope, label and stationary costs \$0.35

Disbursements:

- such as courier services, EFT processing fees, etc. will be charged back to strata at: cost plus 15%

Legal:

- Demand Notice (Charged back to Owner) \$70.00 + Mail
 - Document Filing Land Title Office \$60.00 per filing
 - Drafting/ Filing of Bylaws \$100.00 per hour
 - Title Search \$35.00
 - Litigation Support & Historical Research: Strata Managing Agent \$125.00/hour, Support Staff \$75.00/hour.
- Charges to Strata Lot Owners' Account but paid by NWS289 Liquidator to Agent: NSF Returned cheque, Stop Payment or Account Closed - fee of \$35.00 per item.
 - Charges to Strata Lot Owners' Account but paid by NWS289 Liquidator to Agent: Filing and removal of Liens as requested by Council \$600.00. (subject to change with 60 days notice).

Projects:

- Any project costing over \$10,000 requesting the involvement of the Strata Manager may be subject to project management fees, which is negotiable. If it is agreed to by the Strata Corporation the Standard fee is 10% Fee for projects under \$1,000,000.00 & 7% fee for Projects over a \$1,000,000.00.

Extra Meetings:

- Additional fee of \$375.00 for each meeting over the maximum number of meetings agreed to as per the contract.

- Hourly rate charges for time spent over the standard two (2) hours allocated for strata meetings: \$150.00.
- Long distance rates free in Canada.
- Preparation and filing of GST returns (for commercial strata only): \$150.00 per annum plus disbursements

RENTAL MANAGEMENT AGREEMENT

THIS AGREEMENT is dated for reference this ___ day of .

BETWEEN:

**THE OWNERS STRATA PLAN NW-289 "CAMERAY GARDENS"
5715 JERSEY AVENUE & 3925 KINGSWAY
BURNABY, BC, V5H 2L3**

(the "Owner")

OF THE FIRST PART

AND:

**FRASER PARK REALTY LTD.
#210 – 10330 152 Street
Surrey, B.C.
V3R 4G8**

(the "Manager")

OF THE SECOND PART

A. The Owner is the registered Owner of those lands and premises in the Province of British Columbia; known as and legally described as:

- 1. **Unit 108, 5715 Jersey Avenue, Burnaby, BC
Strata Lot 66 Block 5N Plan NW 289 District Lot 34, Land District 36
TOGETHER WITH AN INTEREST IN THE COMMON PROPERTY IN
PROPORTION TO THE UNIT ENTITLEMENT OF THE STRATA LOT AS
SHOWN ON FORM V AS APPROPRIATE.**

(the "Property")

B. The Manager has agreed with the Owner to manage, operate and maintain the Property in accordance with the terms of this Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the premises and of the mutual covenants and agreements hereinafter contained the parties hereto covenant and agree each with the other as follows:

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ARTICLE I

APPOINTMENT OF MANAGER

SERVICES TO BE PERFORMED

1.1 Appointment of Manager

The Owner hereby engages and retains the Manager as sole and exclusive Manager of the Property, and the Manager hereby accepts such appointment on the terms and conditions hereinafter set forth, it being understood that this Agreement shall cause the Manager to be, at law, an independent contractor and shall not result in the creation of an agency or other relationship between the Manager and the Owner, express or implied.

1.2 General Duties

The Manager shall devote its best efforts to performing its duties hereunder to manage, operate and maintain the Property in a diligent, careful and vigilant manner. The Manager shall make available to the Owner the full benefit of the judgement, experience and advice of the members of the Manager's organization and staff with respect to the policies to be pursued by the Owner relating to the operation of the Property.

1.3 Specific Duties

Without restricting the generality of the foregoing, the specific duties shall include the following:

a) Rental Duties

As part of its overall duties and in consideration of a rental fee as per 3.1 (ii), the Manager shall perform the reasonable Property Manager's rental duties and, as such the Manager shall use its best efforts to rent all rentable space which shall be or become vacant from time to time during the term of this Agreement and to negotiate rental agreements and rental renewals on behalf of the Owner upon terms and conditions approved by the Owner. As part of its rental program the following provisions of this subsection (a) shall be applicable:

- (i) the Manager shall advertise at the cost of the Owner all vacant space in the Property and shall diligently investigate all offers and inquiries;
- (ii) the Manager shall keep the Owner notified of the rental status of the Property;
- (iii) the Manager shall conduct all rental negotiations and shall prepare all rental agreements.

b) Rental Obligations

The Manager shall perform all duties of the Landlord under all rental agreements insofar as such duties relate to operation, maintenance and day-to-day management. The Manager shall also provide or cause to be provided, at the Owner's expense, all services

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normally provided to tenants of like premises, including where applicable and without limitation, gas, electricity or other utilities required to be furnished to tenants under rental agreements, normal repairs and maintenance and cleaning and janitorial service. The Manager shall arrange for and supervise the performance of all installations and improvements in space rented to any tenant which are either expressly required under the terms of the rental agreement of such space or which are customarily provided to tenants.

c) Maintenance

The Manager shall arrange for repairs to the property and to engage and to pay for trades persons in this regard, with all costs therefor to be paid as a Rental Expense provided that the Manager shall obtain the Owner's prior written approval for any expenditure in this regard greater than ONE THOUSAND DOLLARS (\$1,000.00), other than a recurring operating expense or emergency expense if, in the Manager's opinion, the expense is required to maintain service to the Tenants in accordance with the Owner's obligations to the Tenants and The Residential Tenancy Act of British Columbia.

d) Compliances with Governmental Orders

The Manager shall do or cause to be done all things necessary or desirable to comply with all legal requirements affecting the Property, including the obtaining of all required licenses and permits, subject to the same limitations with respect to the amount of any one expenditure as are contained in Section 1.3(c). The Manager shall forward to the Owner promptly upon receipt all notices of violation or other notices from any governmental authority, any notice from the Insurer's Advisory Organization of Canada or any similar body and shall make such recommendations regarding compliance with such notices as shall be appropriate.

e) Utilities and Equipment

The Manager shall, on behalf of the Owner, enter into or renew contracts for electricity, gas, steam, landscaping, telephone, fuel, oil, maintenance, vermin extermination and other services as are customarily furnished or rendered in connection with the operation of similar buildings in the area or as it, in its reasonable judgement, shall deem prudent. The Manager shall also purchase or rent all supplies and equipment which the Manager shall deem necessary to maintain and operate the Property, provided that no such purchase or lease which is not in the ordinary course of business or which is of a nature not reimbursed by tenants shall be made by the Manager without the prior consent of the Owner.

f) Expenses

The Manager shall analyze all bills received for services, work and supplies in connection with maintaining and operating the Property, pay all such bills and, if requested by the Owner, pay, from funds held by the Manager on behalf of the Owner, property taxes and assessments, all insurance premiums and any other amounts payable in respect of the Property. The Owner may from time to time require that the Manager forward certain bills and invoices to the Owner promptly after receipt, and the Manager shall comply with any such request. The Manager shall promptly forward to the Owner upon receipt copies of all notices of property taxes and assessments. It is understood that mortgage payments will be the direct responsibility of the Owner.

g) Moneys Collected

The Manager shall collect all rent and other moneys from tenants and any sums otherwise due the Owner with respect to the Property in the ordinary course of business. In collecting such moneys, the Manager shall inform tenants of the Property that all remittances are to be in the form of a cheque, money order or cash.

All funds received by the Manager for or on behalf of the Owner shall be deemed Trust Funds and remain the property of the Owner (less any sums properly deducted by the Manager pursuant to any provisions of this Agreement). Pursuant to the Real Estate Services Act of British Columbia, the Manager shall cause such Trust Accounts to be audited annually (if required) at cost to Owner and shall inform Owner if any exceptions are noted.

The Owner hereby authorizes the Manager to request, demand, collect and receipt for all such rent and other moneys and upon the prior consent by the Owner to institute legal proceedings in the name and at the costs of the Owner for the collection thereof and for the termination of a rental agreement and the eviction of any tenant in default proceedings, the Manager shall engage only such legal counsel as the Owner shall approve.

h) Tenant Complaints

The Manager shall maintain business-like relations with the tenants of the Property. Complaints of a serious nature shall, after thorough investigation, immediately be reported to the Owner. Manager will co-operate with the Owner and any prospective purchaser of the property to provide them with updated rental deposit expense report.

1.4 Approval of Rentals, Contracts, Etc.

On behalf of Owner, the Manager shall approve and execute all rental agreements or contracts pertaining to the property.

1.5 Accounting Records and Reports(a) Records

The Manager shall maintain and keep copies of each invoice received for services, work and supplies ordered in connection with the maintenance and operations of the Property. All such records, books and accounts shall be maintained by the Manager in accordance with generally accepted accounting principles consistently applied. The Owner and persons designated by the Owner shall at all reasonable times and by giving the Manager 15 days' notice in writing have access to make independent examinations of such records, books and accounts and all vouchers, files and all other material pertaining to the Property and this Agreement.

(b) Monthly Reports

The Manager will render an accounting of revenues and expenses in respect of the property to the Owner by way of a written statement for each calendar month within thirty (30) days after the end of the preceding calendar month.

(c) Returns Required by Law

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The Owner being or upon becoming a non-resident of Canada agrees to inform the Manager in writing. If the Owner is a non-resident of Canada for purposes of the Income Tax Act of Canada, the Manager will deduct and remit to Revenue Canada Taxation all withholding taxes required to be so remitted with respect to rental receipts and shall coordinate with Owner's accountants in their preparation and filing with Revenue Canada all necessary forms in that regard. Refer to Appendix A regarding associated non-resident fees.

(d) Notices

Promptly after receipt, the Manager shall deliver to the Owner all notices from any tenant or any governmental authority which are not of a routine nature. The Manager shall also report expeditiously to the Owner notice of any extensive damage to any part of the Property.

(e) Operating Funds

The Owner shall maintain with Manager at all times a minimum of \$1,000.00 operating fund and hereby authorizes the Manager to utilize such funds from time to time, if necessary, for purposes of covering Expenses related to the management of the proper as outlined in his Agreement.

ARTICLE II

EXPENSES

2.1 Owner's Expense

Except as otherwise specifically provided, all costs and expenses incurred hereunder by the Manager shall be for the account of and on behalf of the Owner. All costs and expenses incurred in the operation of the Property for which the Owner is responsible under this Agreement shall be paid by the Manager out of the operating account.

ARTICLE III

MANAGER'S COMPENSATION

3.1 Manager's Fee

Commencing on the date hereof, the Owner shall pay to the Manager, as compensation for its services hereunder:

- (i) **Basic Fee** – a basic fee equal to the gross revenue or a minimum of One Hundred Fifty Dollars (\$150.00) per month plus applicable taxes, whichever is greater during the term hereof, which fee will be paid monthly.
- (ii) **Rental Fee** – As compensation for renting and leasing vacant space in the Property, Owner shall pay the Manager a fee of One (1) month of the gross rent plus applicable taxes.

Initials

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- (iii) **Extraordinary Services Fees** – for attendance at arbitrations, legal proceedings, major building rehabilitation/renovations and any other services beyond the normal scope of Property Management Services to be provided will be in addition to the above noted fee but shall be subject to Owner’s prior approval. Refer to Appendix A regarding associated fees;
- (iii) **Supervision Fee** – a fee of 10% of the first \$10,000.00 plus 5% of the balance, plus applicable taxes of the total amount of capital expended for major capital repairs and/or replacements previously approved by the Owner, which the Manager is required to undertake supervision; and
- (iv) **Miscellaneous Expenses** – the Owner agrees to pay the Manager for additional various expenses which may arise from time to time which relate directly to running the affairs of the Property, including but not limited to Appendix A of this agreement.

ARTICLE IV

INSURANCE AND INDEMNIFICATION

4.1 Insurance to be Carried

At the cost of Owner, the Property shall be insured by the Manager against such hazards deem appropriate. All liability policies shall provide sufficient insurance coverage reasonably satisfactory to both the Owners and the Manager and shall name the Manager as an additional insured.

4.2 Indemnification

Except to the extent coverage is provided under the Owner’s premises liability policy referred to in Section 4.1, the Owner shall hold the Manager harmless from any and all claims, actions, suits, liabilities, damages, costs and expenses whatsoever for any injury or damage to any person or property or any loss.

ARTICLE V

TERM. TERMINATION

5.1 Term

The appointment of the Manager hereunder shall be for an indefinite term commencing the 1st day of July 2021 and shall continue unless terminated in accordance with the provisions of this Agreement.

The Owner and/or Manager may terminate this Agreement by giving the other one (1) month written notice of termination.

Upon such termination, the obligations of the parties hereto shall cease, provided, however, that the Manager shall comply with the provisions hereof applicable in the event of termination and shall be entitled to receive all compensation which may be due hereunder up to the date of such termination.

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5.2 Owner and Manager's Obligations, after Termination

Upon the termination of this agreement and within thirty (30) days of such termination, the Manager shall have the following duties:

- (a) the Manager shall deliver to the Owner, or its designee, all books and records with respect to the Property;
- (b) the Manager shall transfer and assign to the Owner, or its designee, all service contracts and personal property relating to or used in the operation and maintenance of the Property, except personal property paid for and owned by the Manager;
- (c) the Manager shall render to the Owner an accounting of all funds of the Owner's Representative in its possession.
- (d) The Owner shall continue to be responsible for any outstanding expenses previously incurred by the Manager on behalf of the Owner within the authority of this Management Agreement during its term as Manager.
- (e) The Owner agrees that during the term of this Agreement and that for three (3) years after termination hereof, will not engage or contract directly or indirectly with any present or past employee of the Manager, to perform services the same or similar as the Manager is engaged to provide under this Agreement.

ARTICLE VI

MISCELLANEOUS

6.1 Notices

All notices, approvals, consents and other communications hereunder shall be in writing and, addressed to the parties where indicated on page 1 of this Agreement, or to such other addresses as the parties hereto may from time to time advise upon 10 days' notice.

6.2 Waiver

The failure of the Owner to seek redress for violation, or to insist on the strict performance of any covenant or condition of this Agreement, shall not constitute a waiver thereof for the future.

6.3 Management Signs

The Manager shall have the exclusive right during the currency of its appointment under this agreement to place management and for lease signs on or about the Property.

6.4 Resale of Property

The Owner shall allow the Manager the first right to bid on acting as sales agent on behalf of the Owner in the event the property are offered for sale.

6.5 Headings

The headings of the various subdivisions of this Agreement are for convenience of reference only and shall not be define or limit any of the terms or provisions hereof.

6.6 Governing Law

This Agreement and the terms hereto shall be construed in accordance with the laws of the Province of British Columbia, and the parties agree to abide by the Residential Tenancy Act, the Real Estate Services Act and the Personal Information Protection Act of British Columbia.

6.7 Time of the Essence

Time shall be of the essence of the Agreement.

6.8 No Partnership

Anything contained herein to the contrary notwithstanding, neither the Owners nor the Manager shall become a partner or a covenantor with the other hereunder. Neither the Owners nor the Manager shall have the right to bind or obligate the other except to the extent specifically provided in this Agreement.

6.9 Independent Legal Advice and Language Translation

The Owner has been advised to seek independent legal advice and a communications translator concerning this Agreement. The Manager shall not be responsible for any misinterpretations regarding this Agreement and any other agreements that may bind the Owner and Manager. English shall be the primary language used in any written correspondence between the Owner and Manager and should there be any confusion in regards to this Agreement or any other agreements made between the Owner and the Manager, the English language shall prevail.

IN WITNESS WHEREOF the parties hereto have hereunto affixed their acceptance in the presence of their duly authorized officers in that behalf the day and year first above written.

**STRATA PLAN – NW 289 “CAMERAY GARDENS”
 (“OWNER”)**

Per: *Norm Leech*

Authorized Signatory

**FRASER PARK REALTY LTD.
 (“MANAGER”)**

Per:

Authorized Signatory

Initials

NL	
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APPENDIX A

COMMERCIAL AND RENTAL PROPERTY

Standard charge for services which are beyond the normal scope of routine monthly Property Management Services, are in addition to the monthly basic management fee:

1. Attendance at various legal proceedings, arbitrations, third party meetings and the like
2. Building Superintendent Service if and when required;
3. Management, administration and accounting support for special projects, such as renovations, building rehabilitation, major repair and replacements and the like which are not part of the routine services provided on a regular basis, if and when required.

Accounting Fees:

Cheque issuing	\$0.25/cheque
Certified cheques	\$35.00 plus bank charges NSF
checks & stop payment	\$35.00 plus bank charges
Preparation and Filing of HST	\$150.00/annum plus disbursements
Pre Authorized Debit processing	\$25.00/month/corporation
Any other requests	\$60.00/hour

All above are subject to applicable taxes, and may be amended from time to time.

Miscellaneous charges which are not listed above shall be determined on a case by case basis as they occur.

10

Initials
NL

From: **Michelle Child** <michelle@francandco.com>
Date: Thu, Dec 14, 2023 at 12:01 PM
Subject: Kingsway
To: Kush <brixton.dev@gmail.com>

This is Exhibit "K" referred to in the affidavit of Kush Bhatia made before me on this 23rd day of February, 2024

Hi Kush,

TARANEH ASHRAFI
Barrister & Solicitor
DENNIS JAMES AITKEN LLP
800 - 543 Granville Street
Vancouver, BC V6C 1X8
(604) 235-0119


A Commissioner for taking
Affidavits in British Columbia

As discussed over the phone, I have a couple lenders who want to do the loan but they can't move forward without knowing the rental income on the site.

To date, I have received some of the leases but we need to have the leases for every unit in the property that is rented to tenants.

The reason for this requirement is because the Lenders are lending on the asset as is, so they need to know what income is being generated in order to determine the loan amount.

Until I get this, I'm not able to move forward.

Michelle Child

Franc & Co.

647-334-8474

1055 West Georgia St, Suite 2400

Vancouver, B.C.



--
Kush Bhatia
C: 604-360-4433
E: brixton.dev@gmail.com
W: Bellmontgroup.com

This is Exhibit "L" referred to in the affidavit of Kush Bhatia made before me on this 23rd day of February, 2024



A Commissioner for taking Affidavits in British Columbia

From: Kevin Dhesi <kevin@multipleinsurance.ca>
Date: Mon, Jan 8, 2024 at 10:55 AM
Subject: Insurance
To: Kush Bhattia <brixton.dev@gmail.com>

TARANEH ASHRAFI
Barrister & Solicitor
DENNIS JAMES AITKEN LLP
800 - 543 Granville Street
Vancouver, BC V6C 1X8
(604) 235-0119

Hi Kush

For your insurance request for the property on 3925 Kingsway and 5715 Jersey ave I will need info on the units which are tenanted and the ones which are owner occupied . I will need copies of all leases . We will also need a property inspection report from strata and all maintenance records for the buildings. Once I get this info I can get you a quote on the insurance requirements.

Kevin

Kevin Dhesi

Direct line (604)307-0997

Sent from my iPhone

Sorry for any typos

--

Kush Bhatia

C: 604-360-4433

E: brixton.dev@gmail.com

W: Bellmontgroup.com

December 7, 2023

Via Email (ewilson@lawsonlundell.com)

Lawson Lundell LLP
1600 Cathedral Place
925 West Georgia St.
Vancouver, BC V6C 3L2

Attention: Edward Wilson

Dear Sirs/Mesdames:

Re: **Camaray Gardens (“Property”)**

We write on behalf of our client, 1038573 B.C. Ltd. (“573”) in respect of the purchase and sale agreement dated December 7, 2022 (“PSA”) between 573 and your client, The Owners, Strata Plan NW289 (“Vendor”).

We note that the PSA is scheduled to close on December 15, 2023 (“Completion Date”).

We write to seek confirmation and documentary evidence that the Vendor and the Liquidator will on the Completion Date be in compliance with the representation and warranty set out in s. 4.2(a) of the PSA, excerpted in full below:

The Vendor represents and warrants to the Purchaser as representations and warranties that are true at the date hereof and will be true at the time of completion and that are to continue and to survive the purchase of the Property by the Purchaser thereafter regardless of any independent investigations that the Purchaser may cause to be made and regardless of the removal or waiver of any condition precedent, that, subject to the limitations, if any, expressed herein:

(a) the Liquidator will have good and marketable legal and beneficial title to the Property on the Completion Date, free and clear of all liens, claims, charges, encumbrances and legal notations other than the Permitted Encumbrances;

In this regard, and without limiting the generality of the above request, we note the following:

- (i) the outstanding claim in SCBC Vancouver Registry Action No. S204200, and the nature of the relief sought in that action;
- (ii) what we understand to be ongoing issues regarding claims by the City of Burnaby to tax arrears on several strata units; and
- (iii) what we understand to be multiple strata unit owners having entered into leases of their respective strata units, beyond the limited number of leases contemplated in the

This is Exhibit "M" referred to in the affidavit of Kush Bhatia made before me on this 23rd day of February, 2024



A Commissioner for taking
Affidavits in British Columbia

TARANEH ASHRAFI
Barrister & Solicitor
DENNIS JAMES AITKEN LLP
800 – 543 Granville Street
Vancouver, BC V6C 1X8
(604) 235-0119

PSA (the number of these additional leases, and their respective terms, are at present not known to our client).

We ask that any response to the above please be provided by not later than the close of business on December 8, 2023. Our client reserves all rights.

Many thanks.

Yours truly,

Dennis James Aitken LLP

A handwritten signature in blue ink, appearing to read 'Craig Dennis', is positioned above the typed name and contact information.

Craig Dennis, K.C.

604-659-9480

cdennis@djacounsel.com

CPD/sc

c.c.: Jennifer Williams

Client

TARANEH ASHRAFI
Barrister & Solicitor
DENNIS JAMES AITKEN LLP
800 – 543 Granville Street
Vancouver, BC V6C 1X8
(604) 235-0119

December 13, 2023

Via Email (proberts@lawsonlundell.com)

Lawson Lundell LLP
1600 Cathedral Place
925 West Georgia St.
Vancouver, BC V6C 3L2

Attention: Peter Roberts, K.C.

Dear Sirs/Mesdames:

Re: Cameray Gardens

This is Exhibit "N" referred to in the affidavit of Kush Bhatia made before me on this 23rd day of February, 2024



A Commissioner for taking
Affidavits in British Columbia

We write further to your letter of December 12, 2023, and our letter of December 7, 2023.

In our letter of December 7, we asked for confirmation that the Vendor will on closing be in a position to deliver title "free and clear of all liens, claims, charges, encumbrances and legal notations other than the Permitted Encumbrances" (PSA s. 4.2(a)).

Your response of December 12 fails to provide that confirmation. Instead, it acknowledges that the Vendor will not be in a position to fulfill its obligations on closing by posing alternative terms that do not form part of the PSA.

First, the Community Fire Claim (SCBC Vancouver Registry Action No. S204200) is an outstanding claim against the Property, in breach of PSA s. 4.2(a) and, thus, PSA s. 4.2(c) (as it "might materially affect the Vendor's ability to perform any of the Vendor's obligations" – namely, the obligation to deliver clear title). Further, the Community Fire Claim does assert a claim against the Property – the plaintiff seeks relief including (i) a builders lien registered as first charge against each strata unit, (ii) general and special damages, (iii) a certificate of pending litigation, (iv) legal costs, (v) that the Property be sold to satisfy any judgment, and (vi) "such further and other relief as the nature of this case may require and this Honourable Court may deem proper."

Your client proposes a holdback mechanism whereby the Liquidator would retain funds and conduct of the action (notwithstanding that 573, on closing, acquires all of the Strata Lots comprising the Strata Corporation, and thus becomes the defendant under the action). As such, to your assertion, your client will not have the right or the standing to conduct the ongoing defence of the claim. The ongoing holdback mechanism is not contemplated in the PSA, and your client's acknowledgment that a holdback is required is a clear acknowledgment that the Vendor is not in a position to comply with the PSA.

Second, to the tax sale notices: if these claims by the City of Burnaby have been resolved, as you suggest, we again ask for confirmation and documents evidencing those resolutions. To the extent any of those claims remain outstanding, they are (as with the Community Fire Claim) a breach of PSA ss. 4.2(a) and 4.2(c).

Third, the additional tenancies beyond the 13 permitted in the PSA are a breach of the Vendor's obligation to deliver clear title. A "replacement lease" under Schedule A of the PSA is what the

term suggests – a replacement for one of the permitted 13 leases. The PSA does not contemplate the leasing of units beyond the permitted 13 leases. These unpermitted tenancies are encumbrances on their respective strata units, contrary to PSA s. 4.2(a).

Section 4.1(d)(iv), which you have quoted, does not amend or expand the Permitted Encumbrances to include any other leases over and above the 13 leases and their replacements. The language only refers to the strata lot owners providing copies of any month-to-month leases to the Vendor, and neither amends the obligation of the Vendor to deliver title subject only to the 13 leases nor releases the Vendor from its representation and warranty regarding the leases being only the 13 leases (PSA s. 4.2(m)).

The Vendor has aggravated these breaches by failing to confirm for 573 the exact number of these unpermitted tenancies, nor their terms. The suggestion that these leases are a “practical benefit” to 573 appears to be an acknowledgment that the Vendor is in breach. In any event, there is no “practical benefit” to 573 when the Vendor has withheld from 573 details regarding encumbrances on the Property which 573 is to acquire. These unpermitted tenancies create both uncertainty and liability risk, as our client has not had the opportunity to vet any of the tenants nor approve of the lease terms.

Our client considers the Vendor’s conduct – refusing to provide the requested confirmation, and instead proposing alternative terms – to be a repudiation of the PSA. Our client does not accept the repudiation. By this letter we put you and your client on notice that our client intends to commence an action for specific performance.

Yours truly,

Dennis James Aitken LLP



Craig Dennis, K.C.

604-659-9480

cdennis@djacounsel.com

CPD/sc

c.c.: Edward Wilson
Jennifer Williams
Client

December 18, 2023

Via Email (proberts@lawsonlundell.com)

Lawson Lundell LLP
1600 Cathedral Place
925 West Georgia St.
Vancouver, BC V6C 3L2

Attention: Peter Roberts, K.C.

Dear Sirs/Mesdames:

Re: Cameray Gardens

We write further to our letter of December 13, 2023.

By reason of the breaches set out in our letter of December 13, The Owners, Strata Plan NW289 (“Vendor”) has repudiated the purchase and sale agreement dated December 7, 2022 (“PSA”). As stated in that letter, 1038573 B.C. Ltd. (“573”) does not accept that repudiation, and 573 insists on specific performance.

Please advise if you will accept service of 573’s notice of civil claim on behalf of the Vendor.

Because, due to the Vendor’s breaches, neither party was in a position on December 15, 2023 to close the PSA, 573 designates March 15, 2024 as the new Completion Date under the PSA. Time continues to be of the essence.

573 looks forward to working with the Vendor to close the PSA on March 15, 2024.

Many thanks.

Yours truly,

Dennis James Aitken LLP


Craig Dennis, K.C.
604-659-9480
cdennis@djacounsel.com

CPD/sc

c.c.: Edward Wilson
Jennifer Williams
Client

This is Exhibit "O" referred to in the affidavit of Kush Bhatia made before me on this 23rd day of February, 2024


A Commissioner for taking
Affidavits in British Columbia
TARANEH ASHRAFI
Barrister & Solicitor
DENNIS JAMES AITKEN LLP
800 – 543 Granville Street
Vancouver, BC V6C 1X8
(604) 235-0119

Vancouver Office
1800, 401 West Georgia Street
Vancouver, BC Canada V6B 5A1
T 604.687.1323
F 604.687.2347

Langley Office
400, 8621 - 201 Street
Langley, BC Canada V2Y 0G9
T 604.888.5811
F 604.888.6565

www.lklaw.ca



Lindsay Kenney LLP
Barristers & Solicitors
Founded in 1980

OUR FILE: 20221235

REPLY TO: Trevor S. Fowler*
EMAIL: tfowler@lklaw.ca
DIRECT: 778.289.9500

February 13, 2024

1038573 B.C. Ltd.
c/o Registered & Records Office
215 – 13737 – 72 Avenue
Surrey, B.C. V3W 2P2

1038573 B.C. Ltd.
c/o Dennis James Aitken LLP
800 – 543 Granville Street
Vancouver, B.C. V6C 1X8

Re: Bayfield Mortgage Investment Corp. v. 1237765 BC Ltd., Chao ZHANG et al.
SCBC New Westminster Registry No. H252390
Properties: #209 and #204 – 3925 Kingsway, Burnaby, B.C.

I am counsel for Bayfield Mortgage Investment Corp. which commenced foreclosure proceedings in regard to the above-noted properties. Please find enclosed for service upon you as a named Respondent, the *Petition to the Court, Affidavit* in support and *Informational Notice for Foreclosure Proceedings*.

Please acknowledge service by signing and returning the enclosed copy of this letter at your earliest convenience. We assume you will file a *Response to Petition* and look forward to receipt of that document. We will thereafter provide you with notice of the Order Nisi application and deliver to you copies of the relevant documents.

The office of Dennis James Aitken LLP, registered a Certificate of Pending Litigation (CB1083710) on behalf of the Respondent, 1038573 BC LTD. on December 18, 2023. Please advise if you are instructed to accept service of the enclosed *Petition to the Court, Affidavit* and *Informational Notice*, and if so, whether you will be filing a Response to Petition on behalf of the Respondent, 1038573 BC LTD.

Yours truly,

Lindsay Kenney LLP

Trevor S. Fowler

Per:

Trevor S. Fowler*

TSF:an

Encl.

ec: client

This is Exhibit "P" referred to in the affidavit of Kush Bhatia made before me on this 23rd day of February, 2024

A Commissioner for taking
Affidavits in British Columbia

TARANEH ASHRAFI
Barrister & Solicitor
DENNIS JAMES AITKEN LLP
800 – 543 Granville Street
Vancouver, BC V6C 1X8
(604) 235-0119

* Law Corporation

Vancouver Office
1800, 401 West Georgia Street
Vancouver, BC Canada V6B 5A1
T 604.687.1323
F 604.687.2347

Langley Office
400, 8621 - 201 Street
Langley, BC Canada V2Y 0G9
T 604.888.5811
F 604.888.6565

www.lklaw.ca



Lindsay Kenney LLP
Barristers & Solicitors
Founded in 1980

OUR FILE: 20221235

REPLY TO: Trevor S. Fowler*
EMAIL: tfowler@lklaw.ca
DIRECT: 778.289.9500

February 13, 2024

1038573 B.C. Ltd.
c/o Registered & Records Office
215 – 13737 – 72 Avenue
Surrey, B.C. V3W 2P2

1038573 B.C. Ltd.
c/o Dennis James Aitken LLP
800 – 543 Granville Street
Vancouver, B.C. V6C 1X8

**Re: Bayfield Mortgage Investment Corp. v. 1237765 BC Ltd., Chao ZHANG et al.
SCBC New Westminster Registry No. H252390
Properties: #209 and #204 – 3925 Kingsway, Burnaby, B.C.**

I am counsel for Bayfield Mortgage Investment Corp. which commenced foreclosure proceedings in regard to the above-noted properties. Please find enclosed for service upon you as a named Respondent, the *Petition to the Court, Affidavit* in support and *Informational Notice for Foreclosure Proceedings*.

Please acknowledge service by signing and returning the enclosed copy of this letter at your earliest convenience. We assume you will file a *Response to Petition* and look forward to receipt of that document. We will thereafter provide you with notice of the Order Nisi application and deliver to you copies of the relevant documents.

The office of Dennis James Aitken LLP, registered a Certificate of Pending Litigation (CB1083710) on behalf of the Respondent, 1038573 BC LTD. on December 18, 2023. Please advise if you are instructed to accept service of the enclosed *Petition to the Court, Affidavit* and *Informational Notice*, and if so, whether you will be filing a Response to Petition on behalf of the Respondent, 1038573 BC LTD.

Yours truly,

Lindsay Kenney LLP

Trevor S. Fowler

Per:

Trevor S. Fowler*

TSF:an
Encl.
ec: client

Receipt of enclosed is hereby acknowledged this	
22 nd	day of February, 2024.
<i>Keith Sambhi</i>	
Print Name:	
<i>[Signature]</i>	
Signature:	

* Law Corporation



NO. *Court File No.* **NEW-S-H-252390**
NEW WESTMINSTER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN

BAYFIELD MORTGAGE INVESTMENT CORP.

PETITIONER

AND

1237765 B.C. LTD.,
CHAO ZHANG,
THE CROWN IN RIGHT OF BRITISH COLUMBIA,
1038573 B.C. LTD.,
JOHN DOE and JANE DOE (TENANTS)

RESPONDENTS

PETITION TO THE COURT

This proceeding has been started by the Petitioner for the relief set out in Part 1 below.

If you intend to respond to this petition, you or your lawyer must

- (a) file a response to petition in Form 67 in the above-named registry of this court within the time for response to petition described below, and
- (b) serve on the petitioner(s)
 - (i) 2 copies of the filed response to petition, and
 - (ii) 2 copies of each filed affidavit on which you intend to rely at the hearing.

Orders, including orders granting the relief claimed, may be made against you, without any further notice to you, if you fail to file the response to petition within the time for response.

TIME FOR RESPONSE TO PETITION

A response to petition must be filed and served on the petitioner(s),

- (a) if you reside anywhere within Canada, within 21 days after the date on which a copy of the filed petition was served on you,
- (b) if you reside in the United States of America, within 35 days after the date on which a copy of the filed petition was served on you,

- 2 -

- (c) if you reside elsewhere, within 49 days after the date on which a copy of the filed petition was served on you, or
- (d) if the time for response has been set by order of the court, within that time.

- (1) The address of the Registry is:

The Law Courts
651 Carnarvon Street
New Westminster, B.C.

- (2) The ADDRESS FOR SERVICE of the Petitioner is:

LINDSAY KENNEY LLP
Barristers & Solicitors
#400 - 8621 - 201st Street
Langley, BC V2Y 0G9
Attention: Trevor S. Fowler

Fax number address for service of the Petitioner: 604-888-6565

E-mail address for service of the Petitioner: tfowler@lklaw.ca

****service by email only accepted on a reciprocal basis****

- (3) The name and office address of the Petitioner's lawyer is:

LINDSAY KENNEY LLP
Barristers & Solicitors
#400 - 8621 - 201st Street
Langley, BC V2Y 0G9
Attention: Trevor S. Fowler

CLAIMS OF THE PETITIONER

PART 1: ORDER(S) SOUGHT

1. a declaration that pursuant to a mortgage dated January 29, 2020, and registered in the New Westminster Land Title Office on January 29, 2020, under number CA8007956 (the "Mortgage"), the Petitioner BAYFIELD MORTGAGE INVESTMENT CORP. is entitled to a

- 3 -

mortgage charging *inter alia* the lands and premises located at or near #209 - 3925 Kingsway, in the City of Burnaby, in the Province of British Columbia, legally known and described as:

Parcel Identifier: 001-263-145

Strata Lot 23
 District Lot 34
 Group 1
 New Westminster District
 Strata Plan NW289
 TOEGTHER WITH AN INTEREST IN THE COMMON PROPERTY
 IN PROPORTION TO THE UNIT ENTITLEMENT OF THE
 STRATA LOT AS SHOWN ON FORM 1

and the lands and premises located at or near #204 - 3925 Kingsway, in the City of Burnaby, in the Province of British Columbia, legally known and described as:

Parcel Identifier: 001-263-277

Strata Lot 36
 District Lot 34
 Group 1
 New Westminster District
 Strata Plan NW289
 TOEGTHER WITH AN INTEREST IN THE COMMON PROPERTY
 IN PROPORTION TO THE UNIT ENTITLEMENT OF THE
 STRATA LOT AS SHOWN ON FORM 1

(collectively the "Lands and Premises")

ranking in priority to the interests in the Lands and Premises of the Respondents and their heirs, executors, administrators, successors, and assigns of the Respondent and all persons claiming by, through, or under them;

2. a declaration that the Respondents 1237765 B.C. LTD and CHAO ZHANG have individually and collectively made default under the Mortgage and that all monies secured by the Mortgage and charged upon the Lands and Premises are due and owing to the Petitioner;

- 4 -

3. a declaration that the amount required to redeem the Lands and Premises and which is due and owing to the Petitioner BAYFIELD MORTGAGE INVESTMENT CORP. pursuant to the terms and conditions of the Mortgage is \$886,123.31 together with interest at the rate of 9.99% compounded monthly from and including January 1, 2024, until payment is received together with the costs of the Petitioner in these proceedings and such further and other costs, expenses and compound interest which may be paid by, or payable to, the Petitioner by virtue of the terms of the Mortgage;
4. an Order that such time be given for redemption of the Lands and Premises as this Court deems just and proper;
5. if the Respondents 1237765 B.C. LTD and CHAO ZHANG fail to redeem the Lands and Premises within the time allowed by this Honourable Court, an order that the Lands and Premises be sold out of Court by private sale subject to the approval of the Court and that the Petitioner BAYFIELD MORTGAGE INVESTMENT CORP. have conduct of the sale and be authorized to list the Lands and Premises for sale with a duly licensed real estate agent or firm and pay such agent or firm a commission no exceeding 7.0% on the first \$100,000.00 of the purchase price and 2.5% on the balance, plus applicable taxes, such commission to be paid from the proceeds of any sale and that in the event that the Lands and Premises are found to be vacant or abandoned, that the duly authorized agent or agents of the Petitioner have the right of forced entry to same to show them to any prospective purchaser or purchasers;
6. an Order that the Petitioner BAYFIELD MORTGAGE INVESTMENT CORP. recover Judgment against the Respondents 1237765 B.C. LTD and CHAO ZHANG, and each of them, in the sum of \$886,123.31 together with interest at the rate of 9.99% compounded monthly from and including January 1, 2024, to the date of Judgment pursuant to the terms and conditions of the Mortgage, plus such further and other costs and expenses which may be paid by, or payable to, the Petitioner by virtue of the terms of the Mortgage;
7. an Order that the Petitioner BAYFIELD MORTGAGE INVESTMENT CORP. be at liberty to apply for a further accounting of the monies becoming due and owing to the

Petitioner pursuant to the terms and conditions of the Mortgage herein since the date of the filing of the Petition;

8. an Order that in default of the Respondents 1237765 B.C. LTD and CHAO ZHANG, or any of them, paying into Court to the credit of this proceeding at the New Westminster Registry, 651 Carnarvon Street, New Westminster, British Columbia, the amount required to redeem the Mortgage, the Petitioner BAYFIELD MORTGAGE INVESTMENT CORP. shall be at liberty to apply for an Order that the Respondent, and his respective heirs, executors, administrators, successors and assigns, and all persons claiming by, through or under them, shall stand and be absolutely and forever debarred and foreclosed of and from any and all right, title, interest, claim, estate and equity in and to the Lands and Premises;

9. an Order that in default of payment as aforesaid, the Petitioner BAYFIELD MORTGAGE INVESTMENT CORP. recover vacant possession of the Lands and Premises;

10. an Order fixing an occupational rent for the Lands and Premises and directing payment thereof;

11. an Order that in the event that the Lands and Premises are vacant or become vacant at any time during the course of this proceeding, the Petitioner or any duly authorized agent of the Petitioner be entitled to enter onto the Lands and Premises and into the relevant buildings, and to change the locks in order to preserve and secure the Lands and Premises and to do all things reasonably incidental thereto, and that the Petitioner not be deemed to be a mortgagee in possession by virtue thereof;

12. an Order for a Certificate of Pending Litigation;

13. costs pursuant to the terms of the Mortgage or the *Rules of Court*;

14. an Order for all necessary accounts, directions and enquiries together with such further or corollary relief as to this Honourable Court may deem just.

PART 2: FACTUAL BASIS

1. The Petitioner BAYFIELD MORTGAGE INVESTMENT CORP. is a company incorporated under the laws of the Province of British Columbia and has its registered office at #101 - 19909 - 64th Avenue, in the Township of Langley, in the Province of British Columbia.
2. The Respondent 1237765 B.C. LTD. is a company incorporated under the laws of the Province of British Columbia and has its registered office at 268 – 8191 Westminster Highway, in the City of Richmond, in the Province of British Columbia.
3. The Respondent CHAO ZHANG whose occupation is unknown to the Petitioner, is believed to be residing at #42 - 12333 English Avenue, in the City of Richmond, in the Province of British Columbia.
4. By a Mortgage dated January 29, 2020, and registered in the New Westminster Land Title Office on January 29, 2020, under number CA8007956 (the “Mortgage”), between the Respondent 1237765 B.C. LTD. as Mortgagor, the Respondent CHAO ZHANG as covenantor, and the Petitioner BAYFIELD MORTGAGE INVESTMENT CORP. as Mortgagee, the Respondents 1237765 B.C. LTD and CHAO ZHANG did each grant and mortgage *inter alia* unto the Petitioner BAYFIELD MORTGAGE INVESTMENT CORP. the lands and premises located at or near #209 - 3925 Kingsway, in the City of Burnaby, in the Province of British Columbia, legally known and described as:

Parcel Identifier: 001-263-145

Strata Lot 23
 District Lot 34
 Group 1
 New Westminster District
 Strata Plan NW289
 TOEGTHER WITH AN INTEREST IN THE COMMON PROPERTY
 IN PROPORTION TO THE UNIT ENTITLEMENT OF THE
 STRATA LOT AS SHOWN ON FORM 1

and the lands and premises located at or near #204 - 3925 Kingsway, in the City of Burnaby, in the Province of British Columbia, legally known and described as:

- 7 -

Parcel Identifier: 001-263-277

Strata Lot 36

District Lot 34

Group 1

New Westminster District

Strata Plan NW289

TOEGTHER WITH AN INTEREST IN THE COMMON PROPERTY
IN PROPORTION TO THE UNIT ENTITLEMENT OF THE
STRATA LOT AS SHOWN ON FORM 1

(collectively the "Lands and Premises")

as security for repayment to the Petitioner BAYFIELD MORTGAGE INVESTMENT CORP. of the principal sum of \$866,250.00 together with interest at the initial rate of 7.99% compounded monthly, payable in equal monthly installments of \$6,016.64 on the 1st day of each month.

5. The renewal documents for the period commencing March 1, 2023, changed the interest rate to 9.99% compounded monthly, payable in equal monthly installments of \$7,325.68 on the 1st day of each month.

6. A copy of the *Prescribed Standard Mortgage Terms* for the Mortgage is attached as an Exhibit to the Affidavit filed in support of this Petition.

7. By an Assignment of Rents dated January 29, 2020, and registered in the New Westminster Land Title Office on January 29, 2020, under number CA8007957 (the "Assignment"), the Respondents 1237765 B.C. LTD and CHAO ZHANG did each assign to the Petitioner BAYFIELD MORTGAGE INVESTMENT CORP. all leases of the Lands and Premises and the benefits arising therefrom, including any rents payable from time to time pursuant to any such leases.

8. The Respondent 1237765 B.C. LTD is the registered owners of the Lands and Premises.

- 8 -

9. The Respondents 1237765 B.C. LTD and CHAO ZHANG have individually and collectively made default under the terms and conditions of the Mortgage in that they have each failed to make instalments of principal and interest as such has become due.

10. Pursuant to the terms and conditions of the Mortgage, the Petitioner BAYFIELD MORTGAGE INVESTMENT CORP. exercised the option contained in the Mortgage and has declared the outstanding amount secured by the Mortgage due and payable in full.

11. The amount owing by the Respondents 1237765 B.C. LTD and CHAO ZHANG, and each of them, pursuant to the terms and conditions of the Mortgage as at January 1, 2024, was \$886,123.31, together with interest at the rate of 9.99% compounded monthly plus such further and other costs and expenses which may be paid by, or payable to, the Petitioner by virtue of the terms of the Mortgage.

12. On November 28, 2023, the Petitioner BAYFIELD MORTGAGE INVESTMENT CORP., through its solicitors, demanded that the Respondents 1237765 B.C. LTD and CHAO ZHANG, and each of them, repay to the Petitioner the full amount owing pursuant to the terms and conditions of the Mortgage.

13. The Respondents 1237765 B.C. LTD and CHAO ZHANG have individually and collectively failed or neglected to pay the amount owing.

14. The Mortgage matured and was renewed. The Mortgage has matured again, and has not been renewed.

15. The following sets out the holders of charges, nature of the charges and registration number of the charges registered in the New Westminster Land Title Office against the title to the Lands and Premises, all of which charges rank in priority after the interest of the Petitioner:

<u>Respondent</u>	<u>Nature Of Charge</u>	<u>Registration #</u>
THE CROWN IN RIGHT OF BRITISH COLUMBIA <i>PID 001-263-277</i>	Crown Lien	CB624085

THE CROWN IN RIGHT
OF BRITISH COLUMBIA
inter alia over both PIDs

Crown Lien

CB635662

THE CROWN IN RIGHT
OF BRITISH COLUMBIA
inter alia over both PIDs

Crown Lien

CB961314

1038573 B.C. LTD
inter alia over both PIDs

Certificate of Pending
Litigation

CB1083710

PART 3: LEGAL BASIS

1. The Petitioner will rely on the *Supreme Court Civil Rules* including Rule 21-7; and,
2. Such other basis as counsel may advise.

PART 4: MATERIAL TO BE RELIED ON

1. Affidavit #1 of Teresa Doerksen sworn January 24, 2024; and,
2. Such other material as counsel may advise.

The Petitioner estimates that the hearing of the Petition will take 5 - 10 minutes.

DATED: January 24, 2024

Trevor S. Fowler

Signature of Trevor S. Fowler
Lawyer for the Petitioner
BAYFIELD MORTGAGE INVESTMENT CORP.

To be completed by the court only:

Order made

- in the terms requested in paragraphs _____ of Part 1 of this Petition.
- with the following variations and additional terms:

Date:

Signature of
 Judge Associate Judge



T. Doerksen #01
Sworn: January 24, 2024

NO. Court File No. **NEW-S-H-252390**
NEW WESTMINSTER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN

BAYFIELD MORTGAGE INVESTMENT CORP.

PETITIONER

AND

1237765 B.C. LTD.,
CHAO ZHANG,
THE CROWN IN RIGHT OF BRITISH COLUMBIA,
1038573 B.C. LTD.,
JOHN DOE and JANE DOE (TENANTS)

RESPONDENTS

AFFIDAVIT

I, Teresa Doerksen, Account Manager, of #101 - 19909 - 64th Avenue, in the Township of Langley, in the Province of British Columbia, **MAKE OATH AND SAY AS FOLLOWS:**

1. I am the Account Manager for the Petitioner BAYFIELD MORTGAGE INVESTMENT CORP., located at #101 - 19909 - 64th Avenue, in the Township of Langley, in the Province of British Columbia, and as such have personal knowledge of the facts hereinafter deposed to save and except where stated to be on information and belief and where so stated I verily believe them to be true.
2. I am authorized by the Petitioner to swear this Affidavit.
3. I have read the *Petition to the Court* in these proceedings and the facts set forth therein are true.
4. I know of no fact that would constitute a defence to the claim or part of the claim of the Petitioner against the Respondents in these proceedings.

5. Attached and marked as **Exhibit "A"** this my Affidavit is a true copy of the *Mortgage and Assignment of Rents* dated January 29, 2020, and registered in the New Westminster Land Title Office on January 29, 2020, under number CA8007956 (the "Mortgage") and CA8007957 (the "Assignment of Rents"), between the Respondents 1237765 B.C. LTD as Mortgagor, the Respondent CHAO ZHANG as covenantor, and the Petitioner BAYFIELD MORTGAGE INVESTMENT CORP. as Mortgagee.

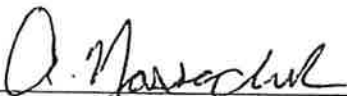
6. Attached and marked as **Exhibit "B"** to this my affidavit are true copies of the Mortgage renewal documents.

7. Attached and marked as **Exhibit "C"** to this my Affidavit is a copy of the *Prescribed Standard Mortgage Terms* for the Mortgage.

8. Attached and marked as **Exhibit "D"** to this my Affidavit is a true copy of the demand letters dated November 28, 2023, issued by the Petitioner through its solicitors to the Respondents 1237765 B.C. LTD and CHAO ZHANG demanding joint and several payment of the amount due and owing pursuant to the terms of the Mortgage.

9. As of the date of the swearing of this Affidavit the amount due and owing under the Mortgage remains unpaid.

SWORN BEFORE ME at the Township)
of Langley, in the Province of British)
Columbia, this 24th day of January of 2024)


A Commissioner for taking
Affidavits in British Columbia


TERESA DOERKSEN

Amanda L. Nassachuk
A Commissioner for Taking Affidavits
For British Columbia
400, 8621 - 201 St., Langley, B.C. V2Y 0G9
Expiry Date: August 31, 2026

NEW WESTMINSTER LAND TITLE OFFICE

LAND TITLE ACT
FORM B (Section 225)

Jan-29-2020 16:53:24.001

CA8007956 CA8007957

MORTGAGE - PART I Province of British Columbia

PAGE 1 OF 9 PAGES

Your electronic signature is a representation that you are a designate authorized to certify this document under section 168.4 of the *Land Title Act*, RSBC 1996 c.250, that you certify this document under section 168.41(4) of the act, and that an execution copy, or a true copy of that execution copy, is in your possession.

Ewan Frederick
MacLeod
P8MPZA

Digitally signed by Ewan
Frederick MacLeod P8MPZA
Date: 2020.01.29 16:43:53
-08'00'

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

Kelly Guiotto, Designated Paralegal for MacCallum Law Group LLP

LTO Client No: 012337 Phone No: 604-546-6345

File Ref.: 4317-017

6345 - 197 Street

E-filed by MacCallum Law Group LLP

Langley

BC V2Y 1K8

Document Fees: \$148.32

Deduct LTSA Fees? Yes

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

SEE SCHEDULE

STC? YES

This is Exhibit - A - referred to in the
Affidavit of TERESA DOEKES EN
sworn before me at LANGLEY
this 24 day of JAN, 2020

A. Nasreddin
A Commissioner for taking Affidavits
for British Columbia

3. BORROWER(S) (MORTGAGOR(S)): (including postal address(es) and postal code(s))

1237765 B.C. LTD.

#268 - 8191 WESTMINSTER HIGHWAY

Incorporation No

RICHMOND

BRITISH COLUMBIA

BC1237765

V6X 1A7

CANADA

4. LENDER(S) (MORTGAGEE(S)): (including occupation(s), postal address(es) and postal code(s))

BAYFIELD MORTGAGE INVESTMENT CORP.

101 - 19909 - 64 AVENUE

Incorporation No

LANGLEY

BRITISH COLUMBIA

BC1235442

CANADA

V2Y 1G9

5. PAYMENT PROVISIONS:

(a) Principal Amount:

\$866,250.00

(b) Interest Rate:

7.99% Per Annum

(c) Interest Adjustment
Date:

Y M D
20 02 01

(d) Interest Calculation Period:

MONTHLY

(e) Payment Dates:

1st Day of Every Month

(f) First Payment
Date:

20 03 01

(g) Amount of each periodic payment:

\$6,016.64

(h) *Interest Act* (Canada) Statement.

The equivalent rate of interest calculated
half yearly not in advance
is 8.124184 % per annum.

(i) Last Payment
Date:

21 02 01

(j) Assignment of Rents which the
applicant wants registered?

YES NO

If YES, page and paragraph number:

SEE SCHEDULE

(k) Place of payment:

Postal Address in Item 4.

(l) Balance Due
Date:

21 02 01

MORTGAGE - PART 1

6. MORTGAGE contains floating charge on land ?
YES NO

7. MORTGAGE secures a current or running account ?
YES NO

8. INTEREST MORTGAGED:
Fee Simple
Other (specify)

9. MORTGAGE TERMS:

Part 2 of this mortgage consists of (select one only):

- (a) Prescribed Standard Mortgage Terms
- (b) Filed Standard Mortgage Terms
- (c) Express Mortgage Terms

D F Number:
(annexed to this mortgage as Part 2)

A selection of (a) or (b) includes any additional or modified terms referred to in item 10 or in a schedule annexed to this mortgage.

10. ADDITIONAL OR MODIFIED TERMS:

SEE SCHEDULE

11. PRIOR ENCUMBRANCES PERMITTED BY LENDER:

None - as to PID: 001-263-145

None - as to PID: 001-263-277

12. EXECUTION(S): This mortgage charges the Borrower's interest in the land mortgaged as security for payment of all money due and performance of all obligations in accordance with the mortgage terms referred to in item 9 and the Borrower(s) and every other signatory agree(s) to be bound by, and acknowledge(s) receipt of a true copy of, those terms.

Officer Signature(s)

Gary K. Lo
Lawyer & Notary Public
5728 East Boulevard
Vancouver, BC V6M 4M4
T. 604.261.3771

Execution Date		
Y	M	D
20	01	29

Borrower(s) Signature(s)

1237765 B.C. LTD. by its
Authorized Signatory

Chao Zhang

OFFICER CERTIFICATION:

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

LAND TITLE ACT
FORM E

SCHEDULE

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

**001-263-145 STRATA LOT 23 DISTRICT LOT 34 GROUP 1 NEW WESTMINSTER DISTRICT
STRATA PLAN NW289**

STC? YES

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

**001-263-277 STRATA LOT 36 DISTRICT LOT 34 GROUP 1 NEW WESTMINSTER DISTRICT
STRATA PLAN NW289**

STC? YES

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

STC? YES

LAND TITLE ACT
FORM E

SCHEDULE

PAGE 5 OF 9 PAGES

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

5. PAYMENT PROVISIONS: **

[j] Assignment of Rents which the applicant wants registered:

[i] The Mortgagor assigns to the Mortgagee, as additional security for payment of its Indebtedness to the Mortgagee [i] all leases granted by the Mortgagor [or any predecessor in title] of all or any part of the Land and [ii] any rents payable from time to time under such leases and the benefit of the terms and conditions contained therein and of the reversion thereunder. The Mortgagor shall, on request from time to time, execute a formal assignment of any of the foregoing in a form acceptable to the Mortgagee and, if requested by the Mortgagee, in a form suitable for registration. The Mortgagor agrees to give the Mortgagee executed copies of all such leases promptly after execution and to perform all of the Mortgagor's obligations as required. No such assignment or any act of the Mortgagee shall operate to delay, hinder or prejudice any of the Mortgagee's rights or remedies under the Mortgage. The Mortgagor shall also, from time to time, execute and deliver to the Mortgagee such notice or lease or other documents as the Mortgagee may request for the purpose of protecting or enforcing its rights in respect of such assignments.

[ii] The Mortgagee shall not be responsible for the collection of any rents assigned to it or the performance of the terms and conditions of any lease referred to in this Schedule. The Mortgagee shall be responsible to account only for rents actually received, less reasonable collection charges, and may apply such rents to the repayment of the Principal Amount and Interest, whether or not due. The Mortgagee shall not by reason of any such collection or any assignment referred to in this Schedule be deemed a Mortgagee in possession.

[iii] Notwithstanding this Schedule, no lease of all or any part of the Land shall be made by the Mortgagor without the written consent of the Mortgagee. Notwithstanding any such consent, no such lease shall have priority over this Mortgage unless the Mortgagee expressly agrees to such priority in writing. For the purposes of the Mortgage, every action or omission by the lessee under any lease of all or any part of the Land shall be conclusively deemed to be the action or omission of the Mortgagor.

**LAND TITLE ACT
FORM E****SCHEDULE**

PAGE 6 OF 9 PAGES

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

10. ADDITIONAL OR MODIFIED TERMS:

CHAO ZHANG, as COVENANTOR

PREPAYMENT:

The Principal Amount, plus unpaid interest, costs or fees, may be prepaid during the term of this mortgage or during any renewal term in whole or in part on any monthly payment date as set forth in Item 5 (e) of the mortgage, without notice, penalty or bonus PROVIDED THAT the Mortgagor prepays an additional sum of money which is not less than --ONE HUNDRED and NO/100---(\$100.00) DOLLARS.

THIS IS AN OPEN MORTGAGE.

IT IS UNDERSTOOD AND AGREED that the discharge fee for this Mortgage will be SEVENTY-FIVE and NO/100 (\$75.00) DOLLARS.

All money payable to the Mortgagee shall be paid in lawful money of Canada at the Place of Payment as noted in Paragraph 5 (k), or such other place as the Mortgagee may, in writing, from time to time designate, on any business day from Monday to Friday inclusive each week, prior to 1:00 p.m. in the afternoon (Saturday, Sunday and Statutory Holidays are not considered to be a business day). Any payment made which is not received prior to 1:00 pm in the afternoon shall be deemed to have been received by the Mortgagee on the next business day.

IT IS UNDERSTOOD AND AGREED that if the Mortgagor shall not make the Mortgage payments on the payment date or if payments shall be returned due to non-sufficient funds then the Mortgagee shall charge the Mortgagor the sum of ONE HUNDRED (\$100.00) DOLLARS for each late payment or each payment that is returned due to non-sufficient funds and that the sum of ONE HUNDRED (\$100.00) DOLLARS shall be added to the balance owing under this Mortgage and shall bear interest at the Interest Rate. It is understood and agreed that the \$100.00 charge represents a predetermined, agreed upon fee for administration services and expenses incurred by the Mortgagee on account of the failure of the Mortgagor to pay a Mortgage payment or other payment agreed to be made pursuant to the terms of this Mortgage. The fee represents the time and effort spent by the employees or agents of the Mortgagee in retrieving a NSF cheque, replacing same, payment of bank charges occasioned by the non-payment, confirmation and/or replacement of fire insurance coverage, tax search and drive by property assessment and is not a penalty levied by the Mortgagee against the Mortgagor.

Should the Mortgagee deem it necessary to forward a letter of demand for payment to the Mortgagor or seek legal advice with respect to a default by the Mortgagor, the Mortgagor shall pay to the Mortgagee the sum of THREE HUNDRED (\$300.00) DOLLARS for such demand letter or other requests for legal advice relating to a default by the Mortgagor. Such sums shall immediately form part of the Principal Amount and be further secured by the Mortgage.

**LAND TITLE ACT
FORM E****SCHEDULE**

PAGE 7 OF 9 PAGES

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

10. ADDITIONAL OR MODIFIED TERMS Continued:

The taking of judgment or judgments under any of the covenants contained in this Mortgage shall not operate as a merger of the rights of the Mortgagee under the covenants or of the Mortgagee's security by way of a charge against the Land, or affect the Mortgagee's right to interest at the Interest Rate on any money due and owing to the Mortgagee under the covenants, it being understood and agreed that the Interest Rate shall be payable on any judgment taken.

Provided that no extension of time given by the Mortgagee to the Mortgagor, or anyone claiming under it, or any other dealing by the Mortgagee with the owner of the equity of redemption of the Land, shall in any way affect or prejudice the rights of the Mortgagee against the Mortgagor or any co-covenantor, guarantor, surety, or any other person liable for the payment of the money secured by this Mortgage.

ADDITIONAL DEFAULT EVENTS

The Mortgagee may also exercise its remedies under this Mortgage if any one or more of the following occurs:

- (a) If the Mortgagor is a corporation but none of its shares are traded on any public stock exchange or in any public stock market and, if by operation of law or by the sale, bequest, or other disposition of its shares or securities the control or the beneficial ownership of the Mortgagor is changed at any time during the term of this Mortgage without the prior written consent of the Mortgagee such change will be deemed to be an act of default and, at the option of the Mortgagee, the consequences as enumerated in Section 8 of the Prescribed Standard Mortgage Terms - Part 2 shall follow.
- (b) if the Land is the subject of a restraint order under the Controlled Drugs and Substances Act or a similar order under any Law;
- (c) if the Mortgagor or any other person has ever used or occupied the Land for any purpose that is in violation of the Controlled Drugs and Substances Act or any similar Law; or
- (d) if the Mortgagor has made any material misrepresentation to the Mortgagee in connection with the Mortgage or the Credit Documents.

ACCELERATION ON SALE:

The Mortgagor may not sell, agree to sell, transfer, assign, further encumber, or in any way deal with his/her interest in the Land without first securing the written consent of the Mortgagee and provided that if the Mortgagor shall sell, agree to sell, transfer, assign, or in any way deal with the Land then the balance of principal and interest due and owing under this Mortgage shall become due and payable at the option of the Mortgagee and, further, this clause shall remain in full force and effect so long as the Principal Amount is outstanding, notwithstanding that such written consent may have been given from time to time.

LAND TITLE ACT
FORM ESCHEDULE

PAGE 8 OF 9 PAGES

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

10. ADDITIONAL OR MODIFIED TERMS Continued:

PRIOR MORTGAGES

In the event that this Mortgage is subject to one or more prior mortgages, agreements for sale or other charges or encumbrances (herein collectively called the "Prior Mortgage"), the Mortgagor covenants and agrees to pay as they become due all payments whether for principal, interest, taxes or otherwise due under or by virtue of the Prior Mortgage and will otherwise observe, perform and comply with the conditions, covenants, provisos or agreements therein contained; and that any default shall be deemed to be a default under this Mortgage and shall entitle the Mortgagee to exercise any and all remedies available to the Mortgagee in the event of default; and that the Mortgagee may make any payment or cure any default under the Prior Mortgage and any amount or amounts so paid together with costs, charges, expenses and outlays of the Mortgagee incurred shall be added to the Principal Amount due under this Mortgage and bear interest at the Interest Rate from the date expended until paid, be payable with interest by the Mortgagor to the Mortgagee without demand and be a charge on the Land and the Mortgagee shall have the same rights and remedies to enforce payment as the Mortgagee would have in the event of default in payment of any money payable hereunder; and the Mortgagor agrees that any legal fees, costs, charges and expenses incurred by the Mortgagee arising out of any proceedings commenced by the holder of the Prior Mortgage shall be reimbursed to the Mortgagee pursuant to Section 8 of the Prescribed Mortgage Terms.

The Mortgagor agrees that at no time during the term of this Mortgage shall the Mortgagor borrow additional funds from a Prior Mortgage without prior consent from the Mortgagee. The Mortgagor is to provide monthly statements from the Prior Mortgage to confirm the status of such mortgage.

ASSIGNMENT OF MORTGAGE

This Mortgage may be assigned to another Mortgagee, at the Mortgagee's discretion, at any time.

ENVIRONMENTAL COMPLIANCE

The Mortgagor shall pay immediately when due the cost of removal of any contaminant, waste or hazardous or toxic materials in, on or about the Land. The Mortgagor shall indemnify and hold harmless the Mortgagee and its directors, officers, employees and agents from and against all loss, costs, damage or expenses (including without limitation, legal costs on a solicitor and solicitor's own client basis) incurred in the investigation, defence and settlement of any claim due to the Mortgagor's failure to comply with any statutory regulation, order, bylaw, direction or equivalent ruling relating to the protection of the environment, or due to the presence of any contaminant, waste or hazardous or toxic material in, on or about the Land. This indemnity shall survive the discharge of the Mortgage or the release of the Mortgagor from this Mortgage or the release of this Mortgage from the Land.

LAND TITLE ACT
FORM ESCHEDULE

PAGE 9 OF 9 PAGES

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

10. ADDITIONAL OR MODIFIED TERMS Continued:

RENEWAL CLAUSE

1. If the Mortgagee in its sole and unfettered discretion wishes to renew this Mortgage, the Mortgagee will provide by mail at the mailing address shown in the Mortgage, or electronic mail to an address provided by the Mortgagor, a written notice called a "Mortgage Renewal Notice" which notice will set out the terms on which the Mortgagee will renew this Mortgage. In the event that the Mortgage is registered with an "Interest Only" payment then the Mortgage will be renewed for a further one year term at a fixed rate and fixed payment of principal and interest, with or without penalty and amortized over a period not to exceed twenty-five (25) years.
2. If the Mortgagor wishes to accept the terms of the "Mortgage Renewal Notice" then the Mortgagor will return the signed "Mortgage Renewal Notice" to the Mortgagee at least thirty (30) days before the Balance Due Date as set forth in Item 5 (I) of this Mortgage.
3. If the Mortgagor does not return the completed "Mortgage Renewal Notice" before the Balance Due date to the Mortgagee, then the Mortgagee at its option, may renew this Mortgage as a one year closed mortgage, closed to prepayment, at the rate of interest as specified in the Offer of Financing. In the event that the Mortgage is registered with an "Interest Only" payment then the Mortgage will be renewed for a further one year term at a fixed rate and fixed payment of principal and interest, with or without penalty and amortized over a period not to exceed twenty-five (25) years.
4. If the Mortgagee does not provide the Mortgagor with a "Mortgage Renewal Notice" or the Mortgagor notifies the Mortgagee that the Mortgagor chooses not to renew this Mortgage the Mortgagor will be required to repay the balance owing under the Mortgage together with all accrued interest, penalties and other charges owing to the Mortgagee on the Balance Due Date.



Bayfield Mortgage Investment Corp.
HQ / 101-19900 64th AVE
LANGLEY, BC V2Y 1G9

Phone 604.533.4478
Fax 604.533.8909
Toll Free 1.888.918.3388

Bayfield.ca

February 15, 2023

1237765 BC Ltd
Chao Zhang – Guarantor
42-12333 English Avenue
Richmond, BC
V7E 6T2

This is Exhibit "B" referred to in the
Affidavit of TERESA DOERKSEN
sworn before me at LANGLEY
this 24 day of JAN, 2023
A. Nassachuk
A Commissioner for taking Affidavits
for British Columbia

Dear Chao,

Re: Notice of Mortgage Renewal – Documents not received
Security: 204 & 209, 3925 Kingsway, Burnaby, BC V5H 3Y7

As you are aware, your mortgage loan with *Bayfield Mortgage Investment Corp.* matured on February 1, 2023. An offer to renew for another one (1) year term was sent to you previously with the terms and conditions as set forth in the enclosed documents.

To date, we have not received the signed renewal forms, nor have we received proof of any approved alternative plans to pay off this mortgage, and therefore presume your intention is to continue with this mortgage.

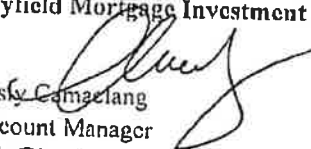
Accordingly, this letter will confirm that though we have not received the signed forms, your payments will continue to be processed on your payment day, and further, that this account will be deemed renewed for another one (1) year term. The mortgage terms and conditions, including prepayment penalties as set out in the renewal documents will apply.

Enclosed is a copy of the renewal documents for your reference. To keep your mortgage file up to date, please sign and return to our office.

*PLEASE NOTE: The \$350.00 renewal fee has been charged to your mortgage & will remain to accrue interest until we receive payment. Please contact the undersigned to arrange for payment.

Should you have any questions or concerns about this matter, please do not hesitate to call.

Yours truly,
Bayfield Mortgage Investment Corp.


Lesly Camaciang
Account Manager
lesly@bayfield.ca

B

Printed: December 6, 2022

**Mortgage
Investment Corp.**

1237765 BC LTD.
42 - 12333 English Avenue
Richmond, BC V7E 6T2

Chao Zhang - Guarantor
42 - 12333 English Avenue
Richmond, BC V7E 6T2

Property Address 1: #204, 3925 Kingsway
Burnaby, BC V5H 3Y7

Legal Description 1: STRATA LOT23 DISTRICT LOT 34
GROUP 1 NEW WESTMINSTER
DISTRICT STRATA PLAN NW289

Property Address 2: #209, 3925 Kingsway
Burnaby, BC V5H 3Y7

Legal Description 2: STRATA LOT38 DISTRICT LOT 34
GROUP 1 NEW WESTMINSTER
DISTRICT STRATA PLAN NW289

Mortgage ID: 2022
Original Principal Amt: \$ 881,099.37
Maturity Date: February 1, 2023

OFFER TO RENEW MORTGAGE
Bayfield Mortgage Investment Corp.

Dear 1237765 BC LTD.,

Bayfield Mortgage Investment Corp. is pleased to be able to renew your mortgage as of February 1, 2023. The mortgage will be renewed at a rate of **9.990%** for a further **12 months**. All other terms and conditions of the original mortgage will apply.

Your mortgage will be renewed upon receipt of signed **RENEWAL AGREEMENT** and the required items as stated in the agreement. Your new mortgage payment will be **\$7,325.68** starting **March 1, 2023** and payable to Bayfield Mortgage Investment Corp..


The signed renewal agreement is to be returned to our office within 15 days of the mortgage expiry. If not returned, then we may, at our sole option, renew the mortgage for another one-year term pursuant to the terms set out in the enclosed Agreement, or we will request the full balance owing under your mortgage (together with all accrued interest and other charges owing) on the Balance due date.

Terms and Conditions:

Bayfield Mortgage Investment Corp. requires that the property have adequate 'All Risk' insurance coverage (including Earthquake in specified areas and/or Condominium owner/contents insurance if applicable); that your mortgage is not in default and that all payments have been made as agreed up to the maturity date. The attached mortgage agreement assumes all regular payments are made until the mortgage maturity date; In the event of any deviation from your regular payment schedule, the actual mortgage balance at maturity may be different than stated.

Administration Fee(s):

Please indicate your agreement to this renewal by signing this document and returning it to our office. By signing below and agreeing to renew your mortgage, you will be charged a renewal processing fee of \$350.00 payable to Bayfield Mortgage Investment Corp..


Instructed by Bayfield Mortgage Investment Corp.

Terms Agreed by 1237765 BC LTD

Terms Agreed by Chao Zhang- Guarantor

**Bayfield Mortgage Investment Corp.
Mortgage Renewal Agreement**

**Mortgage
Investment Corp.**

Date: December 6, 2022 Mortgage Registration Number: 2022 (2022M)

Borrower: 1237765 BC LTD.
Mailing Address: 42 - 12333 English Avenue, Richmond, BC V7E 6T2

Guarantor: Chao Zhang
Mailing Address: 42 - 12333 English Avenue, Richmond, BC V7E 6T2

Property Address 1: #204, 3925 Kingsway
Burnaby, BC V5H 3Y7

Legal Description 1: STRATA LOT 23 DISTRICT LOT 34 GROUP 1 NEW WESTMINSTER DISTRICT STRATA PLAN NW289

Property Address 2: #209, 3925 Kingsway
Burnaby, BC V5H 3Y7

Legal Description 2: STRATA LOT 36 DISTRICT LOT 34 GROUP 1 NEW WESTMINSTER DISTRICT STRATA PLAN NW289

Mortgagee (Lender): Bayfield Mortgage Investment Corp.

Your existing mortgage noted above will be maturing as of February 1, 2023. A renewal is offered to you on the following terms and conditions:

Principal Amount (This is NOT a payout figure) *:	<u>\$857,788.84</u>
First Payment Date (Payments to be made Monthly):	<u>March 1, 2023</u>
Maturity Date:	<u>February 1, 2024</u>
Balance due at End of Term/ Maturity Date:	<u>\$855,469.50</u>
Interest Rate (compounded Monthly):	<u>9.990%</u>
New Payment Amount (Payments applied firstly to interest, then principal):	<u>\$7,325.68</u>
Term (In months):	<u>12</u>
Amortization (in years):	<u>37</u>
Total of all Payments	<u>\$87,908.16</u>
Total Cost of Credit (includes Interest & Administration Fees):	<u>\$85,938.82</u>
The equivalent, per annum, rate of interest calculated half yearly, not in advance is	<u>10.200%</u>
Prepayment Term	<u>Closed</u>

For disclosure purposes, the Annual Percentage Rate (APR) is as follows:

APR Annually: 10.031%

*Includes no administration fee.

The mortgage may be prepaid upon payment of all principal and accrued interest owing upon payment of the equivalent of 45 days interest on the amount so paid. If the property(ies) are sold, the mortgage must be paid in full.

There is no right to renew this mortgage on the same terms when it falls due. By signing this document, you also acknowledge that you are aware Bayfield Mortgage Investment Corp. will receive a renewal processing fee of \$350.00 for preparing and completing this renewal on behalf of the Mortgagee (Lender).

This Renewal Agreement affects only those items mentioned above. All other terms and conditions, stated in the original mortgage document, remain in full force and effect as stated therein. The terms and conditions of the Renewal Agreement are conditional upon all required payments, up to and including the final payment (due on the maturity date) being made on time and all conditions of mortgage met. For the Agreement to be accepted, the following items are required along with this document:

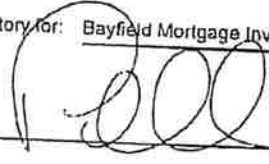
Fees to be paid by a) Pre-authorized debit b) e-transfer to mortgages@bayfield.ca or c) cheque or money order payable to Bayfield Mortgage Investment Corp.

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- Pre-Authorized debt authorization (and void cheque), submitted to: Bayfield Mortgage Investment Corp.
- Proof of payment for property taxes (paid current).
- Proof of current, adequate insurance with replacement cost, Earthquake (where applicable) and in the case of Strata/Condominiums - Condo/Condominium Owners Policy as well as copy of Strata/Condominium building insurance
- Copy of 1st mortgage statement or proof of balance (if applicable) - not more than 6 months old.
- Other: _____

If you are in agreement to renew the aforementioned mortgage, under the above stated terms and conditions, please forward the signed agreement and the required items (as noted above) to our office not later than February 1, 2023.

A faxed signature on this agreement is acceptable and binding in lieu of an original signature and delivery of the signed

Authorized Signatory for: Bayfield Mortgage Investment Corp.


I/We, the undersigned, fully understand, acknowledge, and agree with the aforementioned terms and conditions of the Mortgage Renewal Agreement

1237785 BC LTD.

Chao Zhang - Guarantor

BAYFIELD MORTGAGE INVESTMENT CORP.

MORTGAGE RENEWAL NOTICE

TO: 1237765 BC Ltd. & Guarantor: Chao Zhang

The Mortgage on your property in favour of Bayfield Mortgage Investment Corp. will mature shortly and we would be pleased to extend the term of this Mortgage shown below:

RE: Mortgage on #204, 3925 Kingsway & #209, 3925 Kingsway, Burnaby, BC

TERMS OF RENEWAL:

Principal Mortgage Amount:	<u>\$861,099.37*</u> (this is not a payout figure)
Date of Renewal:	<u>February 1, 2022</u>
Renewal Fee:	<u>\$350.00</u>
Length of Term:	<u>1 year</u>
First Payment:	<u>March 1, 2022</u>
Maturity Date:	<u>February 1, 2023</u>
Early Payout Penalty:	<u>1.5 months interest</u>
Remaining Amortization (based on current Rate and payment):	<u>38 years</u>
Interest Rate:	<u>7.99% compounded monthly</u>
Total Monthly Payment:	<u>\$6,016.64</u>

PROVISIONS OF RENEWAL:

This Renewal Agreement shall without prejudice to the present state of the mortgage account be read and construed with the said Mortgage and be treated as a part thereof and the said mortgage and all covenants, provisos, agreements, powers, matters and things whatsoever therein contained shall continue in full force and effect and be applicable to this Agreement except as to the altered times for payment and altered terms and interest rate as herein provided but there shall be no right of premature repayment except as provided in the said Mortgage and any statutory right in that behalf shall take effect as if the said Mortgage had been dated on the date of this Agreement.

*The Principal Mortgage Amount is based on the anticipated principal amount of \$861,099.37 as of the Date of Renewal, being February 1, 2022, which is contingent upon all regular payments being made, with the last mortgage payment being made on February 1, 2022. The Principal Mortgage Amount also includes any unpaid charges that may have incurred in the previous term of the mortgage as well as interest accrued on the charges from the date incurred to the Date of Renewal.

Nothing herein contained shall in any way create any merger or alter or prejudice the rights of the Mortgagee as against the Mortgagor, (if the undersigned be not the original Mortgagor) or as regards any security collateral to the said Mortgage or as regards any surety, covenantor or subsequent encumbrancer or other person not a party hereto liable to pay the mortgage money or interest in the said lands and premises or the rights of any such surety, covenantor, subsequent encumbrancer or other person, all of which rights are hereby reserved. It is also agreed that the undersigned shall be bound by and liable under every covenant, proviso, agreement, power and condition in the said Mortgage contained, to the same extent as if the undersigned had been the original Mortgagor and as such had executed the same.

CONDITIONS OF RENEWAL:

The terms and provisions of this renewal agreement are subject to:

1. All monthly installments due under the mortgage including the last installment of the current term due on the date of renewal, February 1, 2022, being received by us on the due dates.
2. The original copy of this Agreement signed as accepted by each party to whom the Renewal is addressed being returned to us (via mail, email or fax) not later than February 1, 2022.
3. Payment for Renewal Fee of \$350.00 to cover the renewal administration. This can be debited from the current bank account payments are processed from, or paid by cheque or money order made payable to Bayfield Mortgage Investment Corp.

The Renewal Fee of \$350.00 can be debited from my account

when Bayfield receives these documents:

Leon J



Initials

THE TERMS, PROVISIONS AND CONDITIONS AS SET OUT ABOVE, AND IN ADDITION TO THE ATTACHED COST OF CREDIT DISCLOSURE ARE ACCEPTED.

This 31 day of JAN 2022

Leon J
Signature: 1237765 BC Ltd.

Leon J
Signature: Chao Zhang



Bayfield Mortgage Investment Corp. Disclosure Statement for Fixed Credit

Date: January 5, 2022	Borrower(s): 1237765 BC LTD. & Guarantor: Chao Zhang
Lender: Bayfield Mortgage Investment Corp.	Mortgage No.: 2022 (2022M)
Property Address 1: #204, 3925 Kingsway Burnaby, BC V5H 3Y7	
Legal Description 1: STRATA LOT 23 DISTRICT LOT 34 GROUP 1 NEW WESTMINSTER DISTRICT STRATA PLAN NW289	
Property Address 2: #209, 3925 Kingsway Burnaby, BC V5H 3Y7	
Legal Description 2: STRATA LOT 36 DISTRICT LOT 34 GROUP 1 NEW WESTMINSTER DISTRICT STRATA PLAN NW289	

Gross Mortgage Amount:	\$861,099.37
	NSF Fees: _____
Value Received:	Total Received from Lender: _____
	\$861,099.37

Mortgage terms: 1.00 year(s) **Amortization:** 38.00 year(s) **Maturity Date:** February 1, 2023
Effective Interest Accrual / Funding Date: February 1, 2022 if this mortgage is funded prior to this date, a daily interest per diem of \$188.50 will apply from the actual day of funding to the effective interest accrual date stated.

Annual Interest Rate: 7.990% compounded monthly equivalent to 8.1242% compounded semi-annually

Interest for each payment period is calculated against the balance owing. Each payment is then applied first to the interest owing, second to any non-interest finance charges owing, and third to the total advance. Any unpaid interest becomes part of the balance owing for the purposes of calculating the interest charged on future payment periods.

Prepayment Term: Closed

Payment included in cost of credit

a) <u>12</u> payments of <u>\$6,016.64</u> to be paid on a <u>Monthly</u> basis commencing the 1 st day of March 2022 for a total paid of:	\$72,199.68
b) Mortgage paid at maturity date:	\$857,574.28
c) Appraisal and other charges paid at or prior to completion:	\$0.00
Total Paid by Borrower	\$929,773.96

Other payments not included in cost of credit

Estimated legal fees & disbursements for Borrower(s) solicitor (if applicable)	\$30.00
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Total cost of credit

Total payments less total value received \$68,674.59 Expressed as Annual Percentage Rate (APR):	7.9900%
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Other charges: NSF Fees: \$100.00 Discharge Fee: \$75.00 Non-payment of fire insurance and/or property taxes
 Upon default, the Borrower(s) are required to pay all reasonable collection costs, including legal fees

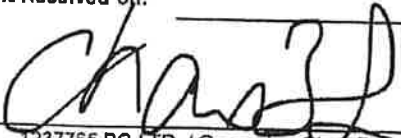
Pre-payment: the mortgage may be prepaid at any time, subject to a penalty of: 45 days interest

Authorized Signatory for: Bayfield Mortgage Investment Corp.

_____  _____

I/We, **1237765 BC LTD. & Guarantor: Chao Zhang** of 42-12333 English Avenue, Richmond, BC V7E 6T2, the Borrower(s) in the mortgage, acknowledge receipt of the above statement.

Statement Received on: _____



1237765 BC LTD. / Guarantor: Chao Zhang



BAYFIELD MORTGAGE INVESTMENT CORP.

Monday, December 7, 2020

MORTGAGE RENEWAL NOTICE

TO: 123776 BC LTD. & Covenantor: Mr. Chao Zhang

The Mortgage on your property in favour of *Bayfield Mortgage Investment Corp.* will mature shortly and we would be pleased to extend the term of this Mortgage shown below:

RE: Mortgage on # 204, 3925 Kingsway, Burnaby, BC, V5H 3Y7
209, 3925 Kingsway, Burnaby BC V5H 3Y7

TERMS OF RENEWAL:

Principal Mortgage Amount:	<u>\$863,892.36*</u> (this is not a payout figure)
Date of Renewal:	<u>February 01, 2021</u>
Renewal Fee:	<u>\$350.00</u>
Length of Term:	<u>1 year</u>
First Payment:	<u>March 01, 2021</u>
Maturity Date:	<u>February 01, 2022</u>
Early Payout Penalty:	<u>1.5 months interest</u>
Remaining Amortization (based on current Rate and payment):	<u>39.23 years</u>
Interest Rate:	<u>7.990% compounded monthly</u>
Total Monthly Payment:	<u>\$6,016.64</u>

PROVISIONS OF RENEWAL:

This Renewal Agreement shall without prejudice to the present state of the mortgage account be read and construed with the said Mortgage and be treated as a part thereof and the said mortgage and all covenants, provisos, agreements, powers, matters and things whatsoever therein contained shall continue in full force and effect and be applicable to this Agreement except as to the altered times for payment and altered terms and interest rate as herein provided but there shall be no right of premature repayment except as provided in the said Mortgage and any statutory right in that behalf shall take effect as if the said Mortgage had been dated on the date of this Agreement.

*The Principal Mortgage Amount is based on the anticipated principal amount of \$863,892.36 as of the Date of Renewal, being February 01, 2021, which is contingent upon all regular payments being made, with the last mortgage payment being made on February 01, 2021. The Principal Mortgage Amount also includes any unpaid charges that may have incurred in the previous term of the mortgage as well as interest accrued on the charges from the date incurred to the Date of Renewal.

Nothing herein contained shall in any way create any merger or alter or prejudice the rights of the Mortgagee as against the Mortgagor, (if the undersigned be not the original Mortgagor) or as regards any security collateral to the said Mortgage or as regards any surety, covenantor or subsequent encumbrancer or other person not a party hereto liable to pay the mortgage money or interest in the said lands and premises or the rights of any such surety, covenantor, subsequent encumbrancer or other person, all of which rights are hereby reserved. It is also agreed that the undersigned shall be bound by and liable under every covenant, proviso, agreement, power and condition in the said Mortgage contained, to the same extent as if the undersigned had been the original Mortgagor and as such had executed the same.

CONDITIONS OF RENEWAL:

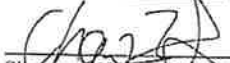
The terms and provisions of this renewal agreement are subject to:

1. All monthly installments due under the mortgage including the last installment of the current term due on the date of renewal, February 01, 2021, being received by us on the due dates.
2. The original copy of this Agreement signed as accepted by each party to whom the Renewal is addressed being returned to us not later than January 17, 2021.
3. Payment for Renewal Fee of \$350.00 to cover the renewal administration. This can be debited from the current bank account payments are processed from, or paid by cheque or money order made payable to Bayfield Mortgage Investment Corp.

The Renewal Fee of \$350.00 can be debited from my account on: _____
Date Initials

THE TERMS, PROVISIONS AND CONDITIONS AS SET OUT ABOVE, AND IN ADDITION TO THE ATTACHED COST OF CREDIT DISCLOSURE ARE ACCEPTED.

This _____ day of _____ 20_____.


 Signature: 123776 BC Ltd.


 Signature: Chao Zhang

COST OF CREDIT DISCLOSURE

The attached Renewal Agreement forms part of this disclosure

Borrower: 123776 BC Ltd.
Covenantor: Chao Zhang

Subject Property: #204-3925 Kingsway & #209-3925 Kingsway, Burnaby, BC V5H 3Y7

Legal Description: STRATA LOT 23 DISTRICT LOT 34 GROUP 1 NEW WESTMINSTER DISTRICT STRATA PLAN NW289 / STRATA LOT 36 DISTRICT LOT 34 GROUP 1 NEW WESTMINSTER DISTRICT STRATA PLAN NW289

Lender Name: Bayfield Mortgage Investment Corp.
Lender Address: #101 - 19909 64th Avenue, Langley, BC V2Y 1G8
Mortgage Broker: Courtney Lairen, Bayfield Mortgage Professionals

Anticipated Principal amount of mortgage on Renewal Date: 1-Feb-21 \$ 863,892.36 (A)
(Please note: This balance assumes all payments have been made as agreed and is a balance after the final payment of the term has been made - THIS IS NOT A PAYOUT FIGURE)

Cost of Credit Calculations:

Value given by borrower(s) - Other payments made by borrower:
- Administration/Renewal fee: \$ 350.00
- Other:
Sub-total other payments made by borrower: \$ 350.00 (B)

Loan re-payment to be made by borrower(s):
- Payment frequency: Monthly
- Mortgage term (in months): 12
- Number of payments to be made: 12
- Remaining amortization (years): 39.23
- Regular payment amount: \$ 6,016.64
- Total of regular payments to be made (pymt X12) \$ 72,199.68
- Anticipated balance of mortgage at the end of new term: 1-Feb-22 \$ 860,598.32
Sub-total for Loan re-payment: \$ 932,798.00 (C)

Total of Value Given by borrower(s) (B+C) \$ 933,148.00 (D)

Value Given (D) \$ 933,148.00
Value Received (A) \$ 863,892.36

Total Cost of Credit (Value Given Less Value Received) \$ 69,255.64

Cost of Credit expressed as an Annual Percentage Rate (APR) 8.047%

Mortgage Contract Rate used to calculate payments and outstanding balance: 7.990%

Interest for each payment period is calculated against the balance owing. Each payment is then applied first to the interest owing, second to any interest finance charges owing, and third to the total advanced (Principal). Any interest unpaid becomes part of the balance owing for the purposes of calculated interest charged in future payment period

All conditions of this mortgage remain the same. Please refer to your original Offer of Finance letter and/or the mortgage document provided to you by your lawyer or Notary should you require any of the following info:

- Amortization
- Annual Interest rate
- Term of Mortgage
- Maturity date
- First payment date
- Payment frequency and amount
- Other charges: NSF fee, discharge fees, Renewal fees, etc.

In new term:
- Prepayment privilege(s) - 1.5 months Interest

Amounts shown on this form are based on the information known to the broker/sub-broker at the time of filing in this form. Market conditions and/or borrower circumstances may cause values to be different at actual time of the renewal of the loan.

Mortgage broker/Sub-broker signature: [Signature] Date: December 14, 2020
Borrower Signature: [Signature] Date: _____
123776 BC Ltd.
Covenantor Signature: [Signature] Date: _____
Chao Zhang

Prescribed Standard Mortgage Terms

Mortgage Terms — Part 2

These mortgage terms are considered to be included in and form a part of every mortgage which incorporates prescribed standard mortgage terms, either by an election in the *mortgage form* or by operation of law.

Interpretation

1 (1) In these mortgage terms:

"**borrower**" means the person or persons named in the *mortgage form* as at **BOURNBROOK** Columbia

"**borrower mailing address**" means the postal address of the *borrower* set out in the *mortgage form* or the most recent postal address provided in a written notice given by the *borrower* to the *lender* under these mortgage terms;

"**borrower's promises and agreements**" means any one or more of the *borrower's* obligations, promises and agreements contained in *this mortgage*;

"**court**" means a court or judge having jurisdiction in any matter arising out of *this mortgage*;

"**covenantor**" means a person who signs the *mortgage form* as a covenantor;

"**default**" includes each of the events of default listed in section 7 (1);

"**interest**" means interest at the *interest rate* shown on the *mortgage form*;

"**interest adjustment date**" means the interest adjustment date shown on the *mortgage form*;

"**interest calculation period**" means the period or periods for the calculation of interest shown on the *mortgage form*;

"**interest rate**" means the interest rate shown on the *mortgage form*;

"**land**" means all the *borrower's* present and future interest in the land described in the *mortgage form* including every incidental right, benefit or privilege attaching to that land or running with it and all buildings and improvements that are now or later constructed on or made to that land;

"**lease**" means the leasehold interest, if any, of the *borrower* referred to in the *mortgage form*;

"**lender**" means the person or persons named in the *mortgage form* as a lender and includes any person to whom the lender transfers *this mortgage*;

"**lender mailing address**" means the postal address shown on the *mortgage form* or the most recent postal address provided in a written notice given by the *lender* to the *borrower* under these mortgage terms;

"**loan payment**" means the amount of each periodic payment shown on the *mortgage form*;

This is Exhibit "C" referred to in the
Affidavit of TERESA DOERKSEN
sworn before me at LANGLEY
this 24 day of JAN, 2024
Q. Nassar
A Commissioner for taking Affidavits

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"**maturity date**" means the balance due date shown on the *mortgage form* and is the date on which all unpaid *mortgage money* becomes due and payable, or such earlier date on which the *lender* can lawfully require payment of the *mortgage money*;

"**mortgage form**" means Form B under the Land Title (Transfer Forms) Regulation and all schedules and addenda to Form B;

"**mortgage money**" means the *principal amount*, *interest* and any other money owed by the *borrower* under *this mortgage*, the payment of which is secured by *this mortgage*;

"**payment date**" means each payment date commencing on the first payment date shown on the *mortgage form*;

"**place of payment**" means the place of payment shown on the *mortgage form* or any other place specified in a written notice given by the *lender* to the *borrower* under these mortgage terms;

"**principal amount**" means the amount of money shown as the principal amount on the *mortgage form* as reduced by payments made by the *borrower* from time to time, or increased by the advance or readvance of money to the *borrower* by the *lender* from time to time, and includes all money that is later added to the principal amount under these mortgage terms;

"**receiver**" means a receiver or receiver manager appointed by the *lender* under *this mortgage*;

"**taxes**" means all taxes, rates and assessments of every kind which are payable by any person in connection with *this mortgage*, the *land* or its use and occupation, or arising out of any transaction between the *borrower* and the *lender*, but does not include the *lender's* income tax;

"**this mortgage**" means the combination of the *mortgage form* and these mortgage terms.

(2) In *this mortgage* the singular includes the plural and vice versa.

What this mortgage does

2 (1) In return for the *lender* agreeing to lend the *principal amount* to the *borrower*, the *borrower* grants and mortgages the *land* to the *lender* as security for repayment of the *mortgage money* and for performance of all the *borrower's promises and agreements*.

(2) If the interest mortgaged is described in the *mortgage form* as a leasehold interest, the grant in subsection (1) shall be construed as a charge of the unexpired term of the *lease* less the last month of that term.

(3) This means that

(a) *this mortgage* shall be a charge on the *land*, and

(b) the *borrower* releases to the *lender* all the *borrower's* claim to the *land* until the *borrower* has paid the *mortgage money* to the *lender*, in accordance with these mortgage terms, and has performed all of the *borrower's promises and agreements*.

(4) The *borrower* may continue to remain in possession of the *land* as long as the *borrower* performs all of the *borrower's promises and agreements*.

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(5) When the *borrower* has paid the *mortgage money* and performed all the *borrower's promises and agreements* under *this mortgage* and the *lender* has no obligation to make any further advances or readvances, the *lender* will no longer be entitled to enforce any rights under *this mortgage* and the *borrower* will be entitled, at the *borrower's* cost, to receive a discharge of *this mortgage*. The discharge must be signed by the *lender* and must be registered by the *borrower* in the land title office to cancel the registration of *this mortgage* against the *land*.

Interest

- 3 (1) *Interest* is chargeable on the *mortgage money* and is payable by the *borrower*.
- (2) *Interest* is not payable in advance. This means that *interest* must be earned before it is payable.
- (3) *Interest* on advances or readvances of the *principal amount* starts on the date and on the amount of each advance or readvance and accrues on the *principal amount* until the *borrower* has paid all the *mortgage money*.
- (4) *Interest* payable on any part of the *principal amount* advanced before the *interest adjustment date* is due and payable to the *lender* on the *interest adjustment date*.
- (5) At the end of each *interest calculation period*, unpaid accrued *interest* will be added to the *principal amount* and bear *interest*. This is known as compound interest.

Payment of the mortgage money

4 The *borrower* promises to pay the *mortgage money* to the *lender* at the *place of payment* in accordance with the payment provisions set out in the *mortgage form* and these mortgage terms.

Promises of the borrower

- 5 (1) The *borrower* promises
- (a) to pay all *taxes* when they are due and to send to the *lender* at the *place of payment*, or at any other place the *lender* requires, all notices of *taxes* which the *borrower* receives,
- (b) if the *lender* requires the *borrower* to do so, to pay to the *lender*
- (i) on each *payment date* the amount of money estimated by the *lender* to be sufficient to permit the *lender* to pay the *taxes* when they are due, and
- (ii) any money in addition to the money already paid towards *taxes* so that the *lender* will be able to pay the *taxes* in full,
- (c) to apply for all government grants, assistance and rebates in respect of *taxes*,
- (d) to comply with all terms and conditions of any charge or encumbrance that ranks ahead of *this mortgage*,
- (e) to keep all buildings and improvements which form part of the *land* in good condition and to repair them as the *lender* reasonably requires,

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- (f) to sign any other document that the *lender* reasonably requires to ensure that payment of the *mortgage money* is secured by *this mortgage* or by any other document the *borrower* has agreed to give as security,
- (g) not to do anything that has the effect of reducing the value of the *land*,
- (h) not to tear down any building or part of a building which forms part of the *land*,
- (i) not to make any alteration or improvement to any building which forms part of the *land* without the written consent of the *lender*,
- (j) if the *borrower* has rented the *land* to a tenant, to keep, if required by the *lender*, records of all rents received and of all expenses paid by the *borrower* in connection with the *land* and, at least annually, have a statement of revenue and expenses for the *land* prepared by a professional accountant if the *lender* requires and to give a copy of the statement to the *lender* if the *lender* requires the *borrower* to do so,
- (k) to insure and keep insured against the risk of fire and other risks and losses that the *lender* asks the *borrower* to insure against, with an insurance company licensed to do business in British Columbia, all buildings and improvements on the *land* to their full insurable value on a replacement cost basis and to pay all insurance premiums when due,
- (l) to send a copy of each insurance policy and renewal certificate to the *lender* at the *place of payment*,
- (m) to pay all of the *lender's* costs, including legal fees on a solicitor and client basis, to
- (i) prepare and register *this mortgage*, including all necessary steps to advance and secure the *mortgage money* and to report to the *lender*,
 - (ii) collect the *mortgage money*,
 - (iii) enforce the terms of *this mortgage*, including efforts to compel the *borrower* to perform the *borrower's promises and agreements*,
 - (iv) do anything which the *borrower* has promised to do but has not done, and
 - (v) prepare and give the *borrower* a discharge of *this mortgage* when the *borrower* has paid all money due under *this mortgage* and the *borrower* wants it to be discharged,
- (n) if the *lender* requires the *borrower* to do so, to
- (i) give the *lender* in each year post-dated cheques for all *loan payments* due for that year and for *taxes*, and
 - (ii) arrange for all *loan payments* to be made by pre-authorized chequing,
- (o) to pay any money which, if not paid, would result in a default under any charge or encumbrance having priority over *this mortgage* or which might result in the sale of the land if not paid, and
- (p) to pay and cause to be discharged any charges or encumbrances described in subsection (2)
- (b) which are not prior encumbrances permitted by the *lender* under *this mortgage*.

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- (2) The *borrower* declares to the *lender* that
- (a) the *borrower* owns the *land* and has the right to mortgage the *land* to the *lender*,
 - (b) the *borrower's* title to the *land* is subject only to
 - (i) those charges and encumbrances that are registered in the land title office at the time the *borrower* signed the *mortgage form*, and
 - (ii) any unregistered charges and encumbrances that the *lender* has agreed to in writing, and
 - (c) subject to paragraph (b), the *borrower*
 - (i) has not given any other charge or encumbrance against the *land*, and
 - (ii) has no knowledge of any other claim against the *land*.
- (3) The insurance policy or policies required by subsection (1) (k) shall contain a mortgage clause approved by the *lender* that states that payment of any loss shall be made to the *lender* at the *place of payment* or any other place the *lender* requires and, if *this mortgage* is not a first mortgage, the amount of any payment made by the insurance company shall be paid to the *borrower's* lenders in the order of their priorities.
- (4) The *borrower* gives up any statutory right to require the insurance proceeds to be applied in any particular manner.

Agreements between the borrower and the lender

- 6 (1) The *lender* will use the money paid to the *lender* under section 5 (1) (b) to pay *taxes* unless there is a *default* in which case the *lender* may apply the money in payment of the *mortgage money*.
- (2) By *this mortgage* the *borrower* grants and mortgages any additional or greater interest in the *land* that the *borrower* may later acquire.
- (3) Any money paid to the *lender* under *this mortgage* shall,
- (a) prior to a *default*, be applied first in payment of *interest*, secondly in payment of the *principal amount* and thirdly in payment of all other money owed by the *borrower* under *this mortgage*, and
 - (b) after a *default*, be applied in any manner the *lender* chooses.
- (4) The *lender* may at any reasonable time inspect the *land* and any buildings and improvements which form part of it.
- (5) If the *lender* takes possession of the *land* the *lender* will not be responsible for maintaining and preserving the *land* and need only account to the *borrower* for any money which the *lender* actually receives in connection with *this mortgage* or the *land*.
- (6) The *lender* may spend money to perform any of the *borrower's promises and agreements* which the *borrower* has not performed and any money so spent shall be added to the *principal amount*,

6

bear *interest* from the date that the money was so spent, and be immediately due and payable to the *lender*.

(7) If the *borrower* wants to give any notice to the *lender*, the *borrower* must do so by having it delivered to the *lender* personally or by sending it by registered or certified mail to the *lender mailing address* or to any other address later specified in writing by the *lender* to the *borrower*.

(8) If the *lender* wants to give any notice to the *borrower*, the *lender* must do so by having it delivered to the *borrower* personally or by sending it by registered or certified mail to the *borrower mailing address* or to any other address later specified in writing by the *borrower* to the *lender*.

(9) Any notice sent by mail is considered to have been received 5 days after it is mailed.

(10) Any notice to be given by the *borrower* to the *lender* or vice versa during a mail strike or disruption must be delivered rather than sent by mail.

(11) The *borrower* is not released from the *borrower's promises and agreements* only because the *borrower* sells the *land*.

(12) If the *borrower* has mortgaged anything else to the *lender* better to secure payment of the *mortgage money*, the *lender* may take all lawful proceedings under any of the mortgages in any order that the *lender* chooses.

(13) The *lender* does not have to advance or readvance the *principal amount* or the rest or any further part of the *principal amount* to the *borrower* unless the *lender* wants to even though

(a) the *borrower* has signed *this mortgage*,

(b) *this mortgage* is registered in the land title office, or

(c) the *lender* has advanced to the *borrower* part of the *principal amount*.

(14) The *lender* may deduct from any advance of the *principal amount*

(a) any *taxes* that are due,

(b) any *interest* that is due and payable to the date of the advance,

(c) the legal fees and disbursements to prepare and register *this mortgage* including other necessary steps to advance and secure the *mortgage money* and to report to the *lender*, and

(d) any insurance premium.

(15) The *lender's* right of consolidation applies to *this mortgage* and to any other mortgages given by the *borrower* to the *lender*. This means that if the *borrower* has mortgaged other property to the *lender* the *borrower* will not have the right, after default, to pay off *this mortgage* or any mortgage of other property unless the *borrower* pays the *lender* all money owed by the *borrower* under *this mortgage* and all of the mortgages of other property.

Defaults

7 (1) A *default* occurs under *this mortgage* if

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- (a) the *borrower* breaks any of the *borrower's promises and agreements*,
- (b) the *borrower* breaks any promise or agreement which the *borrower* has made to the *lender* in a mortgage of any other land or other property or in any other agreement the *borrower* has made with the *lender* even though the *borrower* may not have broken any of the *borrower's promises and agreements*,
- (c) the *borrower* becomes bankrupt,
- (d) the *land* is abandoned or is left unoccupied for 30 or more consecutive days,
- (e) the *land* or any part of it is expropriated,
- (f) the *borrower* sells or agrees to sell all or any part of the *land* or if the *borrower* leases it or any part of it without the prior written consent of the *lender*,
- (g) the *borrower* gives another mortgage of the *land* to someone other than the *lender* without the prior written consent of the *lender*,
- (h) the *borrower* does not discharge any judgment registered in the land title office against the *land* within 30 days after receiving notice of its registration, or
- (i) the *borrower* allows any claim of builders lien to remain undischarged on title to the *land* for more than 30 days unless the *borrower*
 - (i) diligently disputes the validity of the claim by taking all necessary legal steps to do so,
 - (ii) gives reasonable security to the *lender* to pay the claim in full if it is found to be valid, and
 - (iii) authorizes the *lender* to use the security to pay the lien in full.

(2) If a *default* occurs under *this mortgage*, it will have the same effect as though a default had occurred under any other mortgage or agreement between the *borrower* and the *lender*.

Consequences of a default

8 (1) If a *default* occurs, all the *mortgage money* then owing to the *lender* will, if the *lender* chooses, at once become due and payable.

(2) If a *default* occurs the *lender* may, in any order that the *lender* chooses, do any one or more of the following:

- (a) demand payment of all the *mortgage money*;
- (b) sue the *borrower* for the amount of money due;
- (c) take proceedings and any other legal steps to compel the *borrower* to keep the *borrower's promises and agreements*;
- (d) enter upon and take possession of the *land*;

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(e) sell the *land* and other property by public auction or private sale, or lease the *land* on terms decided by the *lender*

(i) on 30 days notice to the *borrower* if the *default* has continued for 30 days, or

(ii) without notice to the *borrower* if the *default* has continued for 60 days or more;

(f) apply to the *court* for an order that the *land* be sold on terms approved by the *court*;

(g) apply to the *court* to foreclose the *borrower's* interest in the *land* so that when the *court* makes its final order of foreclosure the *borrower's* interest in the *land* will be absolutely vested in and belong to the *lender*;

(h) appoint a *receiver* of the *land*;

(i) enter upon and take possession of the *land* without the permission of anyone and make any arrangements the *lender* considers necessary to

(i) inspect, lease, collect rents or manage the *land*,

(ii) complete the construction of any building on the *land*, or

(iii) repair any building on the *land*;

(j) take whatever action is necessary to take, recover and keep possession of the *land*.

(3) Nothing in subsection (2) affects the jurisdiction of the *court*.

(4) If the *lender* sells the *land* by public auction or by private sale the *lender* will use the amount received from the sale to pay

(a) any real estate agent's commission,

(b) all adjustments usually made on the sale of land,

(c) all of the *lender's* expenses and costs described in subsection (6), and

(d) the *mortgage money*

and will pay any surplus

(e) according to an order of the *court* if the *land* is sold by an order of the *court*, or

(f) to the *borrower* if the *land* is sold other than by an order of the *court*.

(5) If the money available to pay the *mortgage money* after payment of the commission, adjustments and expenses referred to in subsection (4) (a) to (c) is not sufficient to pay all the *mortgage money*, the *borrower* will pay to the *lender* on demand the amount of the deficiency.

(6) The *borrower* will pay to the *lender* on demand all expenses and costs incurred by the *lender* in enforcing *this mortgage*. These expenses and costs include the *lender's* cost of taking and keeping possession of the *land*, the cost of the time and services of the *lender* or the *lender's* employees for so doing, the *lender's* legal fees and disbursements on a solicitor and client basis, unless the *court*

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allows legal fees and disbursements be paid on a different basis, and all other costs and expenses incurred by the *lender* to protect the *lender's* interest under *this mortgage*. These expenses and costs will be added to the *principal amount*, be payable on demand and bear *interest* until they are fully paid.

(7) If the *lender* obtains judgment against the *borrower* as a result of a *default*, the remedies described in subsection (2) may continue to be used by the *lender* to compel the *borrower* to perform the *borrower's promises and agreements*. The *lender* will continue to be entitled to receive *interest* on the *mortgage money* until the judgment is paid in full.

(8) If the *lender* does not exercise any of the *lender's* rights on the happening of a *default* or does not ask the *borrower* to cure it, the *lender* is not prevented from later compelling the *borrower* to cure that *default* or exercising any of those rights in connection with that *default* or any later *default* of the same or any other kind.

Construction of buildings or improvements

9 (1) The *borrower* will not construct, alter or add to any buildings or improvements on the *land* without the prior written consent of the *lender*, and then only in accordance with accepted construction standards, building codes and municipal or government requirements and plans and specifications approved by the *lender*.

(2) If *this mortgage* is intended to finance any construction, alteration or addition, the *lender* may make advances of the *principal amount* to the *borrower* based on the progress of construction. The *lender* will decide whether or not any advances will be made, the amount of the advances, and when they will be made.

Leasehold mortgage

10 (1) This section applies if the interest mortgaged shown in the *mortgage form* is or includes a leasehold interest.

(2) The *borrower* represents to the *lender* that

(a) the *lease* is owned by the *borrower* subject only to those charges and encumbrances that are registered in the land title office at the time the *borrower* signs the *mortgage form*,

(b) the *lease* is in good standing,

(c) the *borrower* has complied with all the *borrower's* promises and agreements contained in the *lease*,

(d) the *borrower* has paid all rent that is due and payable under the *lease*,

(e) the *lease* is not in default, and

(f) the *borrower* has the right to mortgage the *lease* to the *lender*.

(3) The *borrower* will

(a) comply with the *lease* and not do anything that would cause the *lease* to be terminated,

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- (b) immediately give to the *lender* a copy of any notice or request received from the landlord,
 - (c) immediately notify the *lender* if the landlord advises the *borrower* of the landlord's intention to terminate the *lease* before the term expires, and
 - (d) sign any other document the *lender* requires to ensure that any greater interest in the *land* that is acquired by the *borrower* is charged by *this mortgage*.
- (4) Any default under the *lease* is a default under *this mortgage*.
- (5) The *borrower* promises the *lender* that the *borrower* will not, without first obtaining the written consent of the *lender*,
- (a) surrender or terminate the *lease*, or
 - (b) agree to change the terms of the *lease*.
- (6) The *lender* may perform any promise or agreement of the *borrower* under the *lease*.
- (7) Nothing done by the *lender* under this section will make the *lender* a mortgagee in possession.

Receiver

- 11 (1) The *borrower* appoints both the *lender* and any agent of the *lender* as the *borrower's* attorney to appoint a *receiver* of the *land*.
- (2) The *lender* or the *lender's* agent may, if any *default* happens, appoint a *receiver* of the *land* and the *receiver*
- (a) will be the *borrower's* agent and the *borrower* will be solely responsible for the *receiver's* acts or omissions,
 - (b) has power, either in the *borrower's* name or in the name of the *lender*, to demand, recover and receive income from the *land* and start and carry on any action or court proceeding to collect that income,
 - (c) may give receipts for income which the *receiver* receives,
 - (d) may carry on any business which the *borrower* conducted on the *land*,
 - (e) may lease or sublease the *land* or any part of it on terms and conditions that the *receiver* chooses,
 - (f) may complete the construction of or repair any building or improvement on the *land*,
 - (g) may take possession of all or part of the *land*,
 - (h) may manage the *land* and maintain it in good condition,
 - (i) has the power to perform, in whole or in part, the *borrower's promises and agreements*, and

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(j) has the power to do anything that, in the *receiver's* opinion, will maintain and preserve the *land* or will increase or preserve the value or income potential of the *land* or the *borrower's* business on the *land*.

(3) From income received the *receiver* may do any of the following in any order the *receiver* chooses:

(a) retain a commission of 5% of the gross income or any higher commission approved by the *court*;

(b) retain enough money to pay or recover the cost to collect the income and to cover other disbursements;

(c) pay all *taxes* and the cost of maintaining the *land* in good repair, completing the construction of any building or improvement on the *land*, supplying goods, utilities and services to the *land* and taking steps to preserve the *land* from damage by weather, vandalism or any other cause;

(d) pay any money that might, if not paid, result in a default under any charge or encumbrance having priority over *this mortgage* or that might result in the sale of the *land* if not paid;

(e) pay taxes in connection with anything the *receiver* is entitled to do under *this mortgage*;

(f) pay *interest* to the *lender* that is due and payable;

(g) pay all or part of the *principal amount* to the *lender* whether or not it is due and payable;

(h) pay any other money owed by the *borrower* under *this mortgage*;

(i) pay insurance premiums.

(4) The *receiver* may borrow money for the purpose of doing anything the *receiver* is authorized to do.

(5) Any money borrowed by the *receiver*, and any *interest* charged on that money and all the costs of borrowing, will be added to and be part of the *mortgage money*.

(6) A *receiver* appointed by the *lender* may be removed by the *lender* and the *lender* may appoint another in the *receiver's* place.

(7) The commission and disbursements of the *receiver* will be a charge on the *land* and will bear *interest* at the *interest rate*.

(8) Nothing done by the *receiver* under this section will make the *lender* a mortgagee in possession.

Strata lot provisions

12 (1) This section applies if the land described in the *mortgage form* is or becomes a strata lot created under the *Condominium Act*.

(2) The *borrower* will fulfill all of the *borrower's* obligations as a strata lot owner under the *Condominium Act* and the bylaws, rules and regulations of the strata corporation and will pay all money owed by the *borrower* to the strata corporation.

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(3) The *borrower* gives to the *lender* the right to vote for the *borrower* under the bylaws of the strata corporation, but the *lender* is not required to do so or to attend or vote at any meeting or to protect the *borrower's* interest.

(4) At the request of the *lender*, the *borrower* will give the *lender* copies of all notices, financial statements and other documents given by the strata corporation to the *borrower*.

(5) The *borrower* appoints the *lender* to be the *borrower's* agent to inspect or obtain copies of any records or other documents of the strata corporation that the *borrower* is entitled to inspect or obtain.

(6) If the strata corporation transfers, charges or adds to the common property, or amends its bylaws without the consent of the *lender*, and if, in the *lender's* opinion, the value of the *land* is reduced, the *mortgage money* shall, at the *lender's* option, immediately become due and payable to the *lender* on demand.

(7) Nothing done by the *lender* under this section will make the *lender* a mortgagee in possession.

Subdivision

13 (1) If the *land* is subdivided

(a) *this mortgage* will charge each subdivided lot as security for payment of all the *mortgage money*, and

(b) the *lender* is not required to discharge *this mortgage* as a charge on any of the subdivided lots unless all the *mortgage money* is paid.

(2) Even though the *lender* is not required to discharge any subdivided lot from *this mortgage*, the *lender* may agree to do so in return for payment of all or a part of the *mortgage money*. If the *lender* discharges a subdivided lot, *this mortgage* will continue to charge the subdivided lot or lots that have not been discharged.

Current and running account

14 If the *mortgage form* states that *this mortgage* secures a current or running account, the *lender* may, on one or more occasions, advance and readvance all or part of the *principal amount* and *this mortgage*

(a) will be security for payment of the *principal amount* as advanced and readvanced and for all other money payable to the *lender* under *this mortgage*,

(b) will not be considered to have been redeemed only because

(i) the advances and readvances made to the *borrower* have been repaid, or

(ii) the accounts of the *borrower* with the *lender* cease to be in debit, and

(c) remains effective security for further advances and readvances until the *borrower* has received a discharge of *this mortgage*.

Covenantor's promises and agreements

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15 (1) As the *lender* would not have agreed to lend the *principal amount* to the *borrower* without the promises of the *covenantor* and in consideration of the *lender* advancing all or part of the *principal amount* to the *borrower* at the request of the *covenantor*, the *covenantor* promises

- (a) to pay all the *mortgage money* when due, and
- (b) to keep and perform all the *borrower's promises and agreements*.

(2) The *covenantor* agrees that, with or without notice, the following shall in no way affect any of the promises of the *covenantor* or the liability of the *covenantor* to the *lender*:

- (a) a discharge of the *land* or any part of the *land* from *this mortgage*;
- (b) any disregard or waiver of a *default*;
- (c) the giving of extra time to the *borrower* to
 - (i) do something that the *borrower* has agreed to do, or
 - (ii) cure a *default*;
- (d) any other dealing between the *borrower* and the *lender* that concerns *this mortgage* or the *land*.

(3) All the *covenantor's* promises shall be binding on the *covenantor* until all the *mortgage money* is fully paid to the *lender*.

(4) The *covenantor* is a primary debtor to the same extent as if the *covenantor* had signed *this mortgage* as a *borrower* and is not merely a guarantor or a surety, and the *covenantor's* promises and agreements are joint and several with the *borrower's promises and agreements*. This means that the *covenantor* and the *borrower* are both liable to perform all the *borrower's promises and agreements*.

(5) If more than one person signs the *mortgage form* as *covenantor*, the promises are both joint and several.

General

16 (1) *This mortgage* binds the *borrower* and the *covenantor* and their successors, executors, administrators and assigns.

(2) Each person who signs *this mortgage* as a *borrower* is jointly and severally liable for all of the *borrower's promises and agreements* as though each such *borrower* had been the only *borrower* to sign.

(3) If any part of *this mortgage* is not enforceable all other parts will remain in effect and be enforceable against the *borrower* and any *covenantor*.

END OF SET

Vancouver Office
 1800, 401 West Georgia Street
 Vancouver, BC Canada V6B 5A1
 T 604.687.1323
 F 604.687.2347

Langley Office
 400, 8521 - 201 Street
 Langley, BC Canada V2Y 0G9
 T 604.888.6811
 F 604.888.6565

www.lklaw.ca



OUR FILE: 20221235

REPLY TO: Trevor S. Fowler*
 EMAIL: tfowler@lklaw.ca
 DIRECT: 778.289.9500

November 28, 2023

Chao Zhang
 42 – 12333 English Avenue
 Richmond, B.C. V7E 6T2

Re: **Legal Description: Strata Lot 23 District Lot 34 Group 1 New Westminster District Strata Plan NW289**
PID: 001-263-145
Civic Address: 209 – 3925 Kingsway, Burnaby, B.C.

AND

Legal Description: Strata Lot 36 District Lot 34 Group 1 New Westminster District Strata Plan NW289
PID: 001-263-277
Civic Address: 204 – 3925 Kingsway, Burnaby, B.C.

Mortgagee: Bayfield Mortgage Investment Corp.
Mortgage: Registration No.: CA8007956
Assignment of Rents: Registration No.: CA8007957
Mortgagor: 1237765 B.C. LTD.
Covenantor: Chao Zhang

We are the solicitors for Bayfield Mortgage Investment Corp. (the "Mortgagee") with respect to the mortgage registered in the New Westminster Land Title Office on January 29, 2020, under Registration No. CA8007956 (the "Mortgage") against title to the above described property.

We do not represent your interests in this matter, and you are urged to seek independent legal advice and retain your own lawyer.

Enclosed is a copy of our letter of demand to 1237765 B.C. LTD. in regard to the above noted matter. As you are a Covenantor/Guarantor of the Mortgage, please accept this letter and enclosure as demand for payment upon you of the total outstanding amount (as set forth and upon the same terms as our enclosed letter).

Yours truly,
 Lindsay Kenney LLP

Trevor S. Fowler

Per: Trevor S. Fowler*
 TSF:an ec: client

This is Exhibit "D" referred to in the Affidavit of TERESA DOERKSEN sworn before me at LANGLEY this 24 day of JAN, 2024
A. Nossack
 & Commissioner for taking Affidavits for British Columbia

*Law Corporation

36

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Lindsay Kenney LLP
Barristers & Solicitors
Founded in 1980

OUR FILE: 20221235

REPLY TO: Trevor S. Fowler*
EMAIL: tfowler@lklaw.ca
DIRECT: 778.289.9500

November 28, 2023

1237765 B.C. Ltd.
c/o Registered & Records Office
#268 – 8191 Westminster Highway
Richmond, B.C. V6X 1A7

**Re: Legal Description: Strata Lot 23 District Lot 34 Group 1 New Westminster District
Strata Plan NW289
PID: 001-263-145
Civic Address: 209 – 3925 Kingsway, Burnaby, B.C.**

AND

**Legal Description: Strata Lot 36 District Lot 34 Group 1 New Westminster District
Strata Plan NW289
PID: 001-263-277
Civic Address: 204 – 3925 Kingsway, Burnaby, B.C.**

**Mortgagee: Bayfield Mortgage Investment Corp.
Mortgage: Registration No.: CA8007956
Assignment of Rents: Registration No.: CA8007957
Mortgagor: 1237765 B.C. LTD.
Covenantor: Chao Zhang**

We are the solicitors for Bayfield Mortgage Investment Corp. (the "Mortgagee") with respect to the *inter alia* mortgage registered in the New Westminster Land Title Office on January 29, 2020, under Registration No. CA8007956 (the "Mortgage") against title to the above described property.

We do not in any way represent your interests in this matter, and you are accordingly encouraged to seek independent legal advice with respect to all issues.

We are instructed that the Mortgage is in default and that you are in arrears of the payment of principal, interest and expenses thereunder. The Mortgagee has exercised its option to accelerate full and final payment of the Mortgage. Demand is hereby made for immediate payment in full of the balance due and owing under the terms of the Mortgage, including applicable costs such as the legal fees and disbursements, along with applicable *per diem* interest until the date of payment as outlined in this letter.

* Law Corporation



We are instructed that the amount owing is calculated as follows:

Outstanding Amount pursuant to the terms of the Mortgage - as of November 1, 2023	\$	871,512.16
Discharge Fee	\$	75.00
Legal Fees and Disbursements - to date, further legal fees may arise upon redemption	\$	900.00
Total Outstanding Amount pursuant to the Mortgage - as of November 1, 2023	\$	872,487.16
<i>Per Diem</i> interest thereafter	\$	238.53

Our client hereby demands payment of the Total Outstanding Amount plus applicable *per diem* interest (the "*Redemption Amount*") by 4:00 p.m. on December 8, 2023.

Payments are accepted on business days only, and if received after 1:00 p.m., will be deemed to be received the next business day. Please ensure you add the required *per diem* interest to facilitate proper and full redemption.

Payment of the *Redemption Amount* must be in the form of a solicitor's trust cheque or bank draft payable to "Lindsay Kenney LLP, in trust", and sent directly to:

LINDSAY KENNEY LLP
Barristers & Solicitors
#400 - 8621 - 201st Street
Langley, B.C. V2Y 0G9
Attention: *Trevor S. Fowler*

If the *Redemption Amount* is not paid by the imposed deadline and in the manner described herein, our client has instructed the undersigned to take all steps necessary to enforce payment under its security without further notice to you, including commencement of foreclosure proceedings.

No extensions or partial payments will be accepted.

Yours truly,
Lindsay Kenney LLP

Trevor S. Fowler

Per:

Trevor S. Fowler*

TSF:an
ec: client

NO. H252390
NEW WESTMINSTER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN

BAYFIELD MORTGAGE INVESTMENT CORP.,

PETITIONER

AND

1237765 B.C. LTD.,
CHAO ZHANG,
THE CROWN IN RIGHT OF BRITISH COLUMBIA,
1038573 B.C. LTD.,
JOHN DOE and JANE DOE (TENANTS)

RESPONDENTS

INFORMATIONAL NOTICE FOR FORECLOSURE PROCEEDINGS

This is a foreclosure proceeding. You have been served with the enclosed materials because you appear to have an interest in the property described in the *Petition to the Court*.

Within this foreclosure proceeding, the court may make orders concerning sale of the property and distribution of the resulting sale proceeds that may impact you.

To ensure that you are informed of any court applications and orders concerning distribution of the sale proceeds or any related funds, you must make the court and the Petitioner aware of your contact information. This can be done by filing a *Response to Petition* or notifying the Petitioner in writing of your current contact information.

If at any stage of this foreclosure proceeding you wish to oppose or take a position on the relief sought in an application, a *Response to Petition* and/or *Response to Application* along with supporting *Affidavit* material must be filed and served on the Petitioner and any other parties within the timelines set out in the *Supreme Court Civil Rules*.

From: **Matthew Cheng** <matthew@mcai.ca>

Date: Tue, Aug 15, 2023 at 1:54 PM

Subject: RE: 3925 Kingsway (5715 Jersey Ave.), Burnaby

To: Phillips, Michael <michael.phillips@burnaby.ca>

Cc: Reynold Orogo <reynold@mcai.ca>, Rex Notarte <rex@mcai.ca>, Ali Tahmoresi <ali@mcai.ca>, Kush <brixton.dev@gmail.com>

Hi Mike,

Our conceptual sketch has been updated.

Please find our latest conceptual sketch for your comments.

The owners and our design team could come to City Hall to have a meeting with you if required.

Thanks,



Matthew Cheng Architect AIBC
Principal

Matthew Cheng Architect Inc.

Address: 202-670 Evans Avenue, Vancouver, BC V6A 2K9

Phone: 604-731-3012

Mobile: 604-649-0669

Email: matthew@mcai.ca

**This is Exhibit "Q" referred to in
the affidavit of Kush Bhatia made
before me on this 23rd day of
February, 2024**

**A Commissioner for taking
Affidavits in British Columbia**
TARANEH ASHRAFI

Barrister & Solicitor

DENNIS JAMES AITKEN LLP

800 – 543 Granville Street

Vancouver, BC V6C 1X8

(604) 235-0119

We acknowledge that we live, work, and play on the unceded and ancestral territory of the hanqəminəm' and Skwxwú7mesh speaking peoples, the xʷməθkʷəyəm (Musqueam), Skwxwú7mesh (Squamish), and səliwətəł (Tsleil-Waututh) Nations, and has been stewarded by them since time immemorial.

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From: Matthew Cheng <matthew@mcai.ca>

Sent: Thursday, August 10, 2023 1:32 PM

To: Phillips, Michael <michael.phillips@burnaby.ca>

Cc: Reynold Orogo <reynold@mcai.ca>; Rex Notarte <rex@mcai.ca>; Ali Tahmoresi <ali@mcai.ca>

Subject: Re: 3925 Kingsway (5715 Jersey Ave.), Burnaby

Hi Mike,

PLA00171.00001

Thanks for your email.

Please find our conceptual sketch for your comments.

The owners and our design team could come to City Hall to have a meeting with you if required.

Thanks,



Matthew Cheng Architect AIBC
Principal

Matthew Cheng Architect Inc.

Address: 202-670 Evans Avenue, Vancouver, BC V6A 2K9

Phone: 604-731-3012

Mobile: 604-649-0669

Email: matthew@mcai.ca

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From: Phillips, Michael <michael.phillips@burnaby.ca>
Sent: Tuesday, April 4, 2023 4:04 PM
To: Matthew Cheng <matthew@mcai.ca>
Subject: RE: 3925 Kingsway (5715 Jersey Ave.), Burnaby

Hi Matthew,

Transportation would determine whether dedication is necessary, and I think we would benefit from a sketch or concept first before we research the required dedication. Regardless, FAR is calculated on gross site area.

If you send a concept or sketch, I can circulate to transportation for more info and their initial feedback on access locations/dedication etc.

Mike Phillips, BA, MCRP

Development Planner

Direct: 604-294-7160

Fax: 604-294-7220

He | Him | His

City of Burnaby | Planning & Development Department | Development and Urban Design Division

City Hall | 3rd Floor - 4949 Canada Way | Burnaby, BC V5G 1M2

Our Purpose: To create the city that we all want to live in and be in.

The City of Burnaby respectfully acknowledges that Burnaby is located on the ancestral and unceded homelands of the hən̓q̓əmin̓əm̓ and Sḵwx̱wú7mesh speaking peoples

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From: Matthew Cheng <matthew@mcai.ca>
Sent: Wednesday, March 29, 2023 2:07 PM
To: Phillips, Michael <michael.phillips@burnaby.ca>
Subject: RE: 3925 Kingsway (5715 Jersey Ave.), Burnaby

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Hi Mike,

Thanks for your prompt reply.

Is there any road dedication required for this site?

Is so, is FAR calculated from gross or net site area?

I will definitely prepare sketches and discuss with you before formal submission.

Thanks,



Matthew Cheng Architect AIBC

Principal

Matthew Cheng Architect Inc.

Address: 202-670 Evans Avenue, Vancouver, BC V6A 2K9

Phone: 604-731-3012

Mobile: 604-649-0669

Email: matthew@mcai.ca

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From: Phillips, Michael <michael.phillips@burnaby.ca>
Sent: Wednesday, March 29, 2023 8:13 AM
To: Matthew Cheng <matthew@mcai.ca>
Subject: RE: 3925 Kingsway (5715 Jersey Ave.), Burnaby

Hi Matthew,

That's correct, the max density you noted below is correct.

Is there a concept or site plan or sketch developed at this stage? It would be great to see what your client and you are envisioning for the site before you submit an application formally.

Sincerely,

Mike Phillips, BA, MCRP

Development Planner

Direct: 604-294-7160

Fax: 604-294-7220

He | Him | His

City of Burnaby | Planning & Development Department | Development and Urban Design Division

City Hall | 3rd Floor - 4949 Canada Way | Burnaby, BC V5G 1M2

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From: Matthew Cheng <matthew@mcai.ca>
Sent: Monday, March 27, 2023 4:42 PM
To: Phillips, Michael <michael.phillips@burnaby.ca>
Subject: RE: 3925 Kingsway (5715 Jersey Ave.), Burnaby

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Hi Michael,

My client would like to apply for rezoning for this property.

I just want to check with you the max. permitted GFA

RM (Strata or Rental)	3.6 FAR
Commercial	1.3 FAR
Density Offset	0.85 FAR
Rental Density	1.7 FAR (Affordable Rental 0.72, Residual Rental)
MAX Density	7.45 FAR

Please kindly advise if the above is correct and if any other major issues I should be aware of.

Thanks,



Matthew Cheng Architect AIBC

Principal

Matthew Cheng Architect Inc.

Address: 202-670 Evans Avenue, Vancouver, BC V6A 2K9

Phone: 604-731-3012

Mobile: 604-649-0669

Email: matthew@mcai.ca

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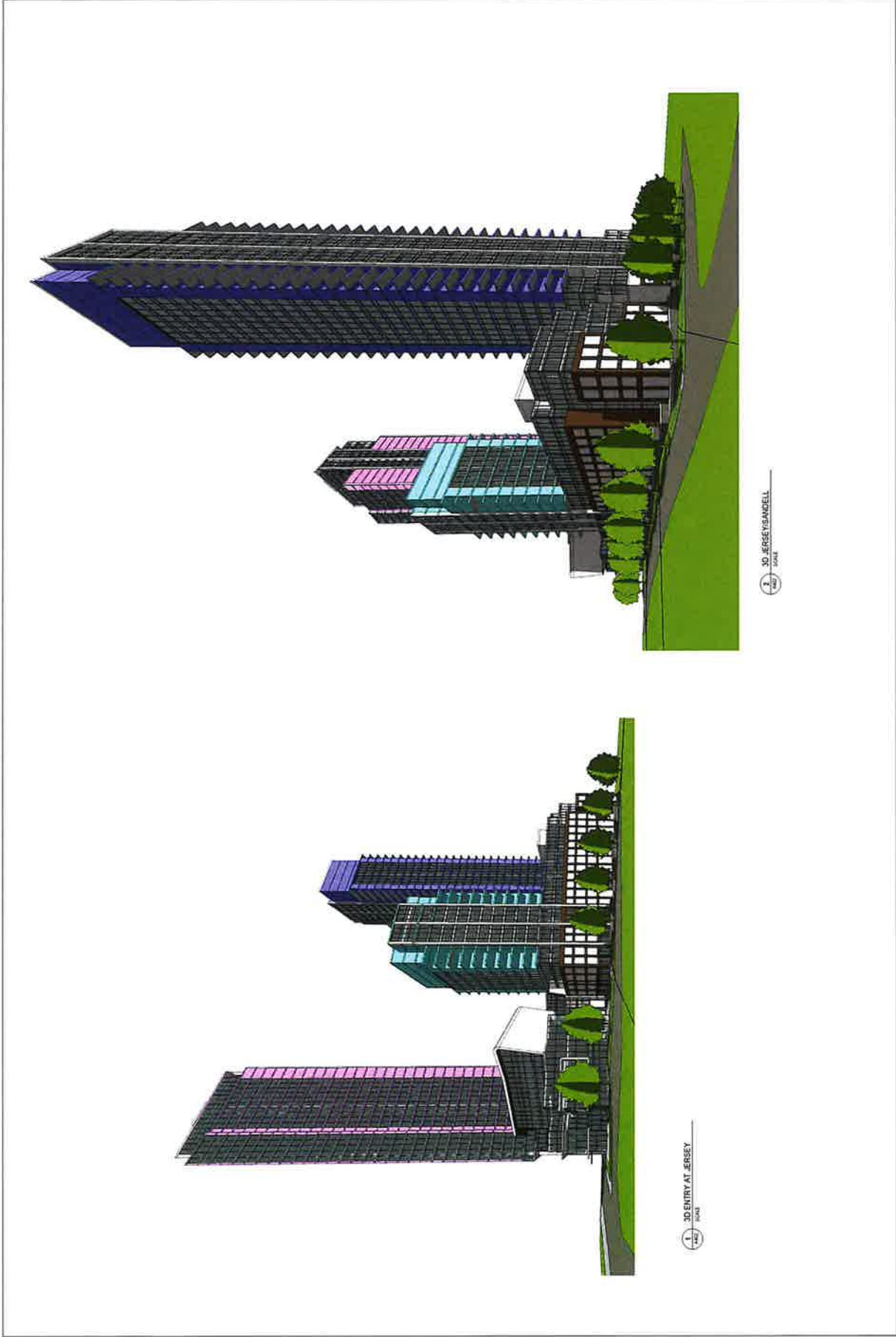
--
Kush Bhatia

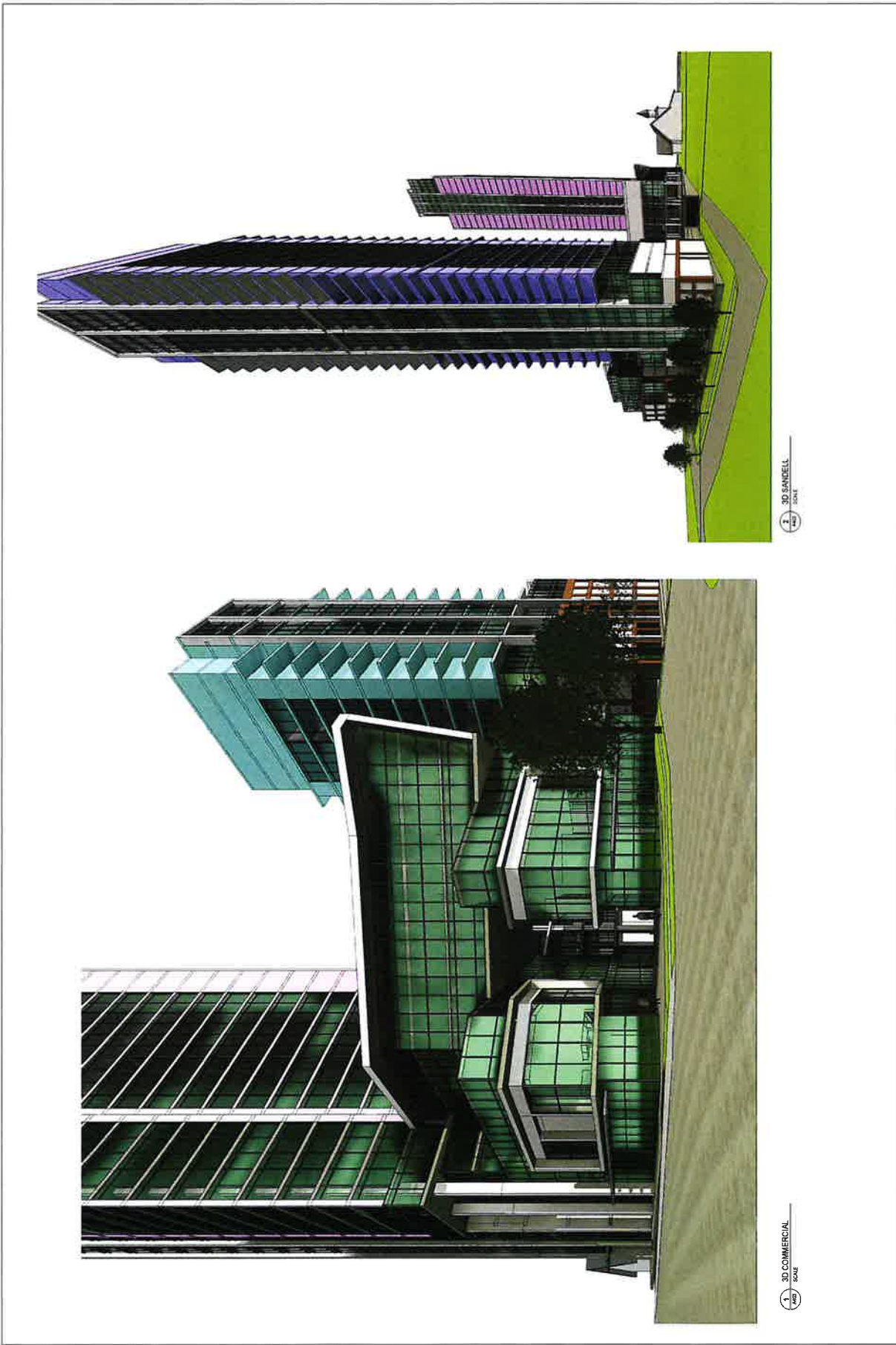
C: 604-360-4433

E: brixton.dev@gmail.com

W: Bellmontgroup.com

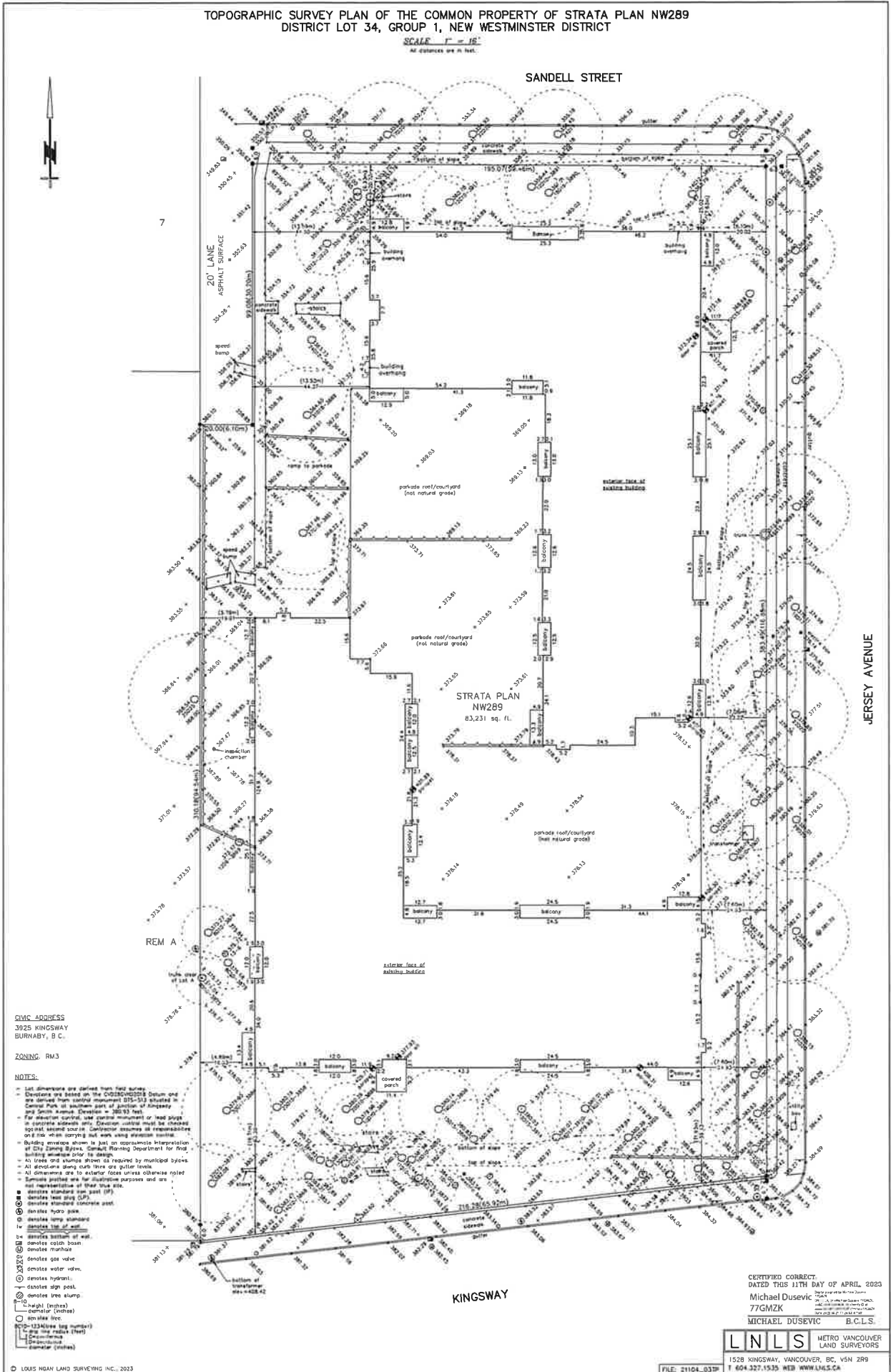






TOPOGRAPHIC SURVEY PLAN OF THE COMMON PROPERTY OF STRATA PLAN NW289
DISTRICT LOT 34, GROUP 1, NEW WESTMINSTER DISTRICT

SCALE 1" = 16'
All distances are in feet.



PMC ADDRESS
3925 KINGSWAY
BURNABY, B.C.

ZONING: RM3

NOTES:

- All dimensions are derived from field survey.
- Elevations are based on the COSEWIC'S Datum and are derived from control monument D15-513 situated in Central Park at southern part of junction of Kinross and Smith Avenue. Elevation = 360.93 feet.
- For structural control, use control monument or head pipe in concrete sidewalk only. Concrete control must be checked against second course of concrete assumes all responsibilities on this with all carrying out work using structural control.
- Building services shown is just an approximate interpretation of City Planning Dept's. Council Planning Department for final building drawings prior to design.
- All trees and shrubs shown as required by municipal bylaws.
- All elevations along curb lines are gutter levels.
- All dimensions are to exterior faces unless otherwise noted.
- Symbols provided are for illustrative purposes and are not representative of their true size.
- denotes standard iron post (IP)
- denotes level pipe (LP)
- denotes standard concrete post
- denotes hydrant
- denotes spring standard
- denotes top of wall
- denotes bottom of wall
- denotes catch basin
- denotes manhole
- denotes gas valve
- denotes water valve
- denotes hydrant
- denotes sign post
- denotes tree stump
- height (height)
- diameter (diameter)
- on site loc.
- 12-13 above log number
- 12-13 below log number
- diameter (diameter)
- diameter (diameter)

© LOUIS NGUY LAND SURVEYING INC., 2023

KINGSWAY

CERTIFIED CORRECT.
DATED THIS 11TH DAY OF APRIL 2023
Michael Dusevic
77GMZK
MICHAEL DUSEVIC B.C.L.S.

L N L S METRO VANCOUVER LAND SURVEYORS
1528 KINGSWAY, VANCOUVER, BC, V5N 2P9
T 604.327.1535 WEB WWW.LNLS.CA

FILE: 21104_033P

PLA00173.00001

This is Exhibit "R" referred to in the affidavit of Kush Bhatia made before me on this 23rd day of February, 2024



A Commissioner for taking Affidavits in British Columbia

TARANEH ASHRAFI
Barrister & Solicitor
DENNIS JAMES AITKEN LLP
800 – 543 Granville Street
Vancouver, BC V6C 1X8
(604) 235-0119

**Appraisal of a
Proposed High Density Mixed-Use
Development Site**

located at:

**3925 Kingsway & 5715 Jersey Avenue,
Burnaby, BC**

effective date of valuation:

August 25, 2023

prepared for:

Belmont Pacific Development Group

September 25, 2023

Reference Number: 2308-3532

Belmont Pacific Development Group

Attention: Mr. Kush Bhatia

RE: **APPRAISAL OF A PROPOSED HIGH DENSITY MIXED-USE DEVELOPMENT SITE
LOCATED AT 3925 KINGSWAY & 5715 JERSEY AVENUE, BURNABY, BC**

In response to your request, we have provided an appraisal report of the above reference properties with the objective of estimating current market value of the fee simple interest in the subject land based on its highest and best use and redevelopment potential. We note that the subject properties are currently improved with an older, multifamily residential development containing 101 strata units. Based on our terms of reference and instruction from our client, we were not required to appraise the subject properties based on their existing multifamily residential use. No value has been ascribed to the existing improvements. Our valuation is limited to the subject land component only, based on its redevelopment potential in accordance with the City's OCP designation and guidelines. This appraisal should not be interpreted as a valuation of the subject properties based on the as is multifamily residential use.

The subject site is comprised of a single land parcel that has a total gross site area of 83,778 sq.ft. The site is presently zoned RM3 and is designated "High-Density Mixed-Use" within the Metrotown Downtown Plan.

Based on preliminary building plans commissioned by our client, and prepared by Matthew Cheng Architect Inc., there is potential for the subject site to accommodate a mixed-use project including a 39-storey high-rise residential tower consisting of market condominiums units, a 36-storey high-rise residential tower comprising market condominium and affordable rental units, and an 18-storey high-rise tower comprising market rental units, atop a 6-storey podium comprising commercial retail and office space.

It is our understanding that the preliminary development concept and density design are based on extensive discussions held between the architect, our client, and the City's planning staff; however, we note that the official rezoning and development application process have not commenced.

We have utilized the Direct Comparison Approach and a Land Residual Technique to value in our appraisal report. After consideration of all factors pertinent to value, it is our opinion that the current market value of the fee simple interest in the subject site, subject to the Assumptions and Limiting Conditions herein, as of August 25, 2023, is:

EIGHTY-FIVE MILLION DOLLARS
(\$85,000,000)

** The concluded value is for the subject land based on its redevelopment potential, and not to be interpreted as a representation of value for any one, or a collective of the existing strata lots.*

A report and addenda is attached and forms the basis of this opinion. Your attention is directed to the Terms of Reference and the Assumptions and Limiting Conditions herein, which may impact our opinion. This report has been prepared to meet the Canadian Uniform Standards of Professional Appraisal Practice. If you have any questions or require clarification, please do not hesitate to contact the undersigned.

Yours truly,

L.W. Property Advisors Ltd.



Per: Rose Wang
B. Comm., AACI, P. App.
AIC Membership No. 902311
Signed: September 25, 2023

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addenda

Appendix "A"	Copies of the Title Information
Appendix "B"	Copy of the Contract of Purchase and Sale Agreement
Appendix "C"	Copies of the RM3(s), RM4(s), and C2 Zoning Bylaws
Appendix "D"	Copy of the Building Plans prepared by Matthew Cheng Architect Inc.
Appendix "E"	Qualifications of the Appraiser

1.0 SUMMARY OF SALIENT FACTS

Effective Date of Valuation: August 25, 2023

Type of Property: High density mixed-use development site

Civic Addresses: 3925 Kingsway and 5715 Jersey Avenue, Burnaby, BC

Gross Site Area: 83,778 sq.ft.
(Based on building plans by Matthew Cheng Architect Inc.)

Current Zoning: RM3 (Medium Density Residential-Use)

Metrotown Downtown Plan: RM4s/C2 (High Density Mixed-Use)

Potential Base Buildable Area:

Address	Site Area (Sq.ft.)	Designation	Potential Base Density	Potential Base Buildable sq.ft.
3925 Kingsway, 5715 Jersey Avenue, Burnaby, BC	83,778	RM4s/C2	2.5+1.3=3.8	318,356

Preliminary Redevelopment Concept:

- 39 Storey Tower: 248 Market Condominium Units
- 36 Storey Tower: 198 Market Condominium Units
38 Affordable Rental Units
- 18 Storey Tower: 168 Market Rental Units
- Podium: 112,521 sq.ft. of commercial retail and office

2023 Property Assessments and Taxes (101 Strata Units):

Address	Strata Lot	Unit No.	Property Assessment			2023 Property Taxes
			Land	Improvement	Total	
105 3925 KINGSWAY Burnaby V5H 3Y7	1	105	\$533,000	\$42,700	\$575,700	\$1,573.72
106 3925 KINGSWAY Burnaby V5H 3Y7	2	106	\$450,000	\$32,700	\$482,700	\$1,320.45
107 3925 KINGSWAY Burnaby V5H 3Y7	3	107	\$451,000	\$32,800	\$483,800	\$1,323.45
108 3925 KINGSWAY Burnaby V5H 3Y7	4	108	\$533,000	\$41,900	\$574,900	\$1,571.53
109 3925 KINGSWAY Burnaby V5H 3Y7	5	109	\$476,000	\$34,200	\$510,200	\$1,395.33
110 3925 KINGSWAY Burnaby V5H 3Y7	6	110	\$532,000	\$41,200	\$573,200	\$1,566.92
111 3925 KINGSWAY Burnaby V5H 3Y7	7	111	\$448,000	\$30,200	\$478,200	\$1,308.20
112 3925 KINGSWAY Burnaby V5H 3Y7	8	112	\$432,000	\$31,400	\$463,400	\$1,267.88
114 3925 KINGSWAY Burnaby V5H 3Y7	9	114	\$441,000	\$32,300	\$473,300	\$1,294.83
115 3925 KINGSWAY Burnaby V5H 3Y7	10	115	\$549,000	\$42,900	\$591,900	\$1,617.85
116 3925 KINGSWAY Burnaby V5H 3Y7	11	116	\$568,000	\$43,600	\$611,600	\$1,671.49
117 3925 KINGSWAY Burnaby V5H 3Y7	12	117	\$461,000	\$34,000	\$495,000	\$1,353.94
118 3925 KINGSWAY Burnaby V5H 3Y7	13	118	\$562,000	\$44,300	\$606,300	\$1,657.06
119 3925 KINGSWAY Burnaby V5H 3Y7	14	119	\$513,000	\$38,800	\$551,800	\$1,508.62
101 3925 KINGSWAY Burnaby V5H 3Y7	15	101	\$541,000	\$42,800	\$583,800	\$1,595.79
102 3925 KINGSWAY Burnaby V5H 3Y7	16	102	\$465,000	\$32,200	\$497,200	\$1,359.94
103 3925 KINGSWAY Burnaby V5H 3Y7	17	103	\$451,000	\$32,800	\$483,800	\$1,323.45
104 3925 KINGSWAY Burnaby V5H 3Y7	18	104	\$547,000	\$41,800	\$588,800	\$1,609.39
205 3925 KINGSWAY Burnaby V5H 3Y7	19	205	\$546,000	\$42,200	\$588,200	\$1,607.76
206 3925 KINGSWAY Burnaby V5H 3Y7	20	206	\$455,000	\$32,800	\$487,800	\$1,334.34
207 3925 KINGSWAY Burnaby V5H 3Y7	21	207	\$457,000	\$32,900	\$489,900	\$1,340.05
208 3925 KINGSWAY Burnaby V5H 3Y7	22	208	\$545,000	\$41,700	\$586,700	\$1,603.68
209 3925 KINGSWAY Burnaby V5H 3Y7	23	209	\$558,000	\$44,100	\$602,100	\$1,645.62
210 3925 KINGSWAY Burnaby V5H 3Y7	24	210	\$539,000	\$41,400	\$580,400	\$1,586.52
211 3925 KINGSWAY Burnaby V5H 3Y7	25	211	\$435,000	\$31,200	\$466,200	\$1,275.50
212 3925 KINGSWAY Burnaby V5H 3Y7	26	212	\$458,000	\$30,500	\$488,500	\$1,336.24
214 3925 KINGSWAY Burnaby V5H 3Y7	27	214	\$449,000	\$32,100	\$481,100	\$1,316.08
215 3925 KINGSWAY Burnaby V5H 3Y7	28	215	\$578,000	\$42,700	\$620,700	\$1,696.28
216 3925 KINGSWAY Burnaby V5H 3Y7	29	216	\$575,000	\$43,700	\$618,700	\$1,690.82
217 3925 KINGSWAY Burnaby V5H 3Y7	30	217	\$481,000	\$33,600	\$514,600	\$1,407.31
218 3925 KINGSWAY Burnaby V5H 3Y7	31	218	\$583,000	\$44,100	\$627,100	\$1,713.71
219 3925 KINGSWAY Burnaby V5H 3Y7	32	219	\$514,000	\$39,200	\$553,200	\$1,512.45
201 3925 KINGSWAY Burnaby V5H 3Y7	33	201	\$548,000	\$42,900	\$590,900	\$1,615.11
202 3925 KINGSWAY Burnaby V5H 3Y7	34	202	\$454,000	\$33,200	\$487,200	\$1,332.70
203 3925 KINGSWAY Burnaby V5H 3Y7	35	203	\$457,000	\$32,900	\$489,900	\$1,340.05
204 3925 KINGSWAY Burnaby V5H 3Y7	36	204	\$555,000	\$41,600	\$596,600	\$1,630.65
305 3925 KINGSWAY Burnaby V5H 3Y7	37	305	\$560,000	\$40,900	\$600,900	\$1,642.36
306 3925 KINGSWAY Burnaby V5H 3Y7	38	306	\$466,000	\$31,800	\$497,800	\$1,361.58
307 3925 KINGSWAY Burnaby V5H 3Y7	39	307	\$463,000	\$33,100	\$496,100	\$1,356.94
308 3925 KINGSWAY Burnaby V5H 3Y7	40	308	\$548,000	\$42,200	\$590,200	\$1,613.21
309 3925 KINGSWAY Burnaby V5H 3Y7	41	309	\$562,000	\$44,600	\$606,600	\$1,657.87
310 3925 KINGSWAY Burnaby V5H 3Y7	42	310	\$558,000	\$41,100	\$599,100	\$1,637.44
311 3925 KINGSWAY Burnaby V5H 3Y7	43	311	\$443,000	\$31,100	\$474,100	\$1,297.01
312 3925 KINGSWAY Burnaby V5H 3Y7	44	312	\$447,000	\$31,400	\$478,400	\$1,308.73
314 3925 KINGSWAY Burnaby V5H 3Y7	45	314	\$462,000	\$31,700	\$493,700	\$1,350.40
315 3925 KINGSWAY Burnaby V5H 3Y7	46	315	\$561,000	\$43,700	\$604,700	\$1,652.70
316 3925 KINGSWAY Burnaby V5H 3Y7	47	316	\$573,000	\$44,600	\$617,600	\$1,687.83
317 3925 KINGSWAY Burnaby V5H 3Y7	48	317	\$490,000	\$33,400	\$523,400	\$1,431.29
318 3925 KINGSWAY Burnaby V5H 3Y7	49	318	\$571,000	\$44,900	\$615,900	\$1,683.19
319 3925 KINGSWAY Burnaby V5H 3Y7	50	319	\$519,000	\$39,800	\$558,800	\$1,527.70
301 3925 KINGSWAY Burnaby V5H 3Y7	51	301	\$552,000	\$43,500	\$595,500	\$1,627.66
302 3925 KINGSWAY Burnaby V5H 3Y7	52	302	\$468,000	\$32,000	\$500,000	\$1,367.56
303 3925 KINGSWAY Burnaby V5H 3Y7	53	303	\$460,000	\$32,900	\$492,900	\$1,348.22
304 3925 KINGSWAY Burnaby V5H 3Y7	54	304	\$556,000	\$42,600	\$598,600	\$1,636.08

Address	Strata Lot	Unit No.	Property Assessment			2023 Property Taxes
			Land	Improvement	Total	
112 5715 JERSEY AVE Burnaby V5H 2L3	55	112	\$562,000	\$45,500	\$607,500	\$1,660.32
114 5715 JERSEY AVE Burnaby V5H 2L3	56	114	\$556,000	\$45,200	\$601,200	\$1,643.17
115 5715 JERSEY AVE Burnaby V5H 2L3	57	115	\$566,000	\$45,700	\$611,700	\$1,671.76
116 5715 JERSEY AVE Burnaby V5H 2L3	58	116	\$549,000	\$42,000	\$591,000	\$1,615.40
101 5715 JERSEY AVE Burnaby V5H 2L3	59	101	\$560,000	\$43,200	\$603,200	\$1,648.62
102 5715 JERSEY AVE Burnaby V5H 2L3	60	102	\$571,000	\$44,000	\$615,000	\$1,680.74
103 5715 JERSEY AVE Burnaby V5H 2L3	61	103	\$569,000	\$43,800	\$612,800	\$1,674.76
104 5715 JERSEY AVE Burnaby V5H 2L3	62	104	\$558,000	\$44,000	\$602,000	\$1,645.35
105 5715 JERSEY AVE Burnaby V5H 2L3	63	105	\$550,000	\$42,100	\$592,100	\$1,618.38
106 5715 JERSEY AVE Burnaby V5H 2L3	64	106	\$607,000	\$45,700	\$652,700	\$1,783.42
107 5715 JERSEY AVE Burnaby V5H 2L3	65	107	\$584,000	\$46,000	\$630,000	\$1,721.61
108 5715 JERSEY AVE Burnaby V5H 2L3	66	108	\$1	\$1	\$2	\$5.86
109 5715 JERSEY AVE Burnaby V5H 2L3	67	109	\$429,000	\$31,100	\$460,100	\$1,258.90
110 5715 JERSEY AVE Burnaby V5H 2L3	68	110	\$443,000	\$31,400	\$474,400	\$1,297.84
111 5715 JERSEY AVE Burnaby V5H 2L3	69	111	\$558,000	\$41,600	\$599,600	\$1,638.81
214 5715 JERSEY AVE Burnaby V5H 2L3	70	214	\$576,000	\$44,700	\$620,700	\$1,696.28
215 5715 JERSEY AVE Burnaby V5H 2L3	71	215	\$566,000	\$45,000	\$611,000	\$1,669.87
216 5715 JERSEY AVE Burnaby V5H 2L3	72	216	\$571,000	\$45,700	\$616,700	\$1,685.38
217 5715 JERSEY AVE Burnaby V5H 2L3	73	217	\$547,000	\$42,800	\$589,800	\$1,612.13
201 5715 JERSEY AVE Burnaby V5H 2L3	74	201	\$555,000	\$43,800	\$598,800	\$1,636.63
202 5715 JERSEY AVE Burnaby V5H 2L3	75	202	\$566,000	\$45,300	\$611,300	\$1,670.66
203 5715 JERSEY AVE Burnaby V5H 2L3	76	203	\$570,000	\$44,900	\$614,900	\$1,680.47
204 5715 JERSEY AVE Burnaby V5H 2L3	77	204	\$563,000	\$44,700	\$607,700	\$1,660.87
205 5715 JERSEY AVE Burnaby V5H 2L3	78	205	\$546,000	\$42,700	\$588,700	\$1,609.14
206 5715 JERSEY AVE Burnaby V5H 2L3	79	206	\$579,000	\$46,000	\$625,000	\$1,707.99
207 5715 JERSEY AVE Burnaby V5H 2L3	80	207	\$449,000	\$29,900	\$478,900	\$1,310.10
208 5715 JERSEY AVE Burnaby V5H 2L3	81	208	\$441,000	\$31,200	\$472,200	\$1,291.85
209 5715 JERSEY AVE Burnaby V5H 2L3	82	209	\$452,000	\$30,600	\$482,600	\$1,320.18
210 5715 JERSEY AVE Burnaby V5H 2L3	83	210	\$438,000	\$30,900	\$468,900	\$1,282.87
211 5715 JERSEY AVE Burnaby V5H 2L3	84	211	\$452,000	\$30,800	\$482,800	\$1,320.72
212 5715 JERSEY AVE Burnaby V5H 2L3	85	212	\$550,000	\$42,600	\$592,600	\$1,619.75
314 5715 JERSEY AVE Burnaby V5H 2L3	86	314	\$576,000	\$45,800	\$621,800	\$1,699.26
315 5715 JERSEY AVE Burnaby V5H 2L3	87	315	\$606,000	\$44,800	\$650,800	\$1,778.25
316 5715 JERSEY AVE Burnaby V5H 2L3	88	316	\$614,000	\$45,700	\$659,700	\$1,802.48
317 5715 JERSEY AVE Burnaby V5H 2L3	89	317	\$553,000	\$42,900	\$595,900	\$1,628.73
301 5715 JERSEY AVE Burnaby V5H 2L3	90	301	\$563,000	\$44,000	\$607,000	\$1,658.96
302 5715 JERSEY AVE Burnaby V5H 2L3	91	302	\$588,000	\$43,700	\$631,700	\$1,726.25
303 5715 JERSEY AVE Burnaby V5H 2L3	92	303	\$579,000	\$44,400	\$623,400	\$1,703.63
304 5715 JERSEY AVE Burnaby V5H 2L3	93	304	\$578,000	\$44,100	\$622,100	\$1,700.09
305 5715 JERSEY AVE Burnaby V5H 2L3	94	305	\$560,000	\$42,700	\$602,700	\$1,647.25
306 5715 JERSEY AVE Burnaby V5H 2L3	95	306	\$587,000	\$46,100	\$633,100	\$1,730.04
307 5715 JERSEY AVE Burnaby V5H 2L3	96	307	\$447,000	\$30,800	\$477,800	\$1,307.10
308 5715 JERSEY AVE Burnaby V5H 2L3	97	308	\$455,000	\$30,500	\$485,500	\$1,328.07
309 5715 JERSEY AVE Burnaby V5H 2L3	98	309	\$456,000	\$31,000	\$487,000	\$1,332.16
310 5715 JERSEY AVE Burnaby V5H 2L3	99	310	\$447,000	\$29,900	\$476,900	\$1,304.66
311 5715 JERSEY AVE Burnaby V5H 2L3	100	311	\$450,000	\$32,300	\$482,300	\$1,319.37
312 5715 JERSEY AVE Burnaby V5H 2L3	101	312	\$574,000	\$42,900	\$616,900	\$1,685.93
Total			\$52,115,001	\$3,915,201	\$56,030,202	\$153,185

Preliminary Proposed Gross Buildable and Saleable/Rentable Areas:

Component	Proposed GBA (Sq.ft.)	FSR	Assumed Building Efficiency	Estimated Saleable/ Leasable Area (Sq.ft.)	Number of Units
Market Condominium	365,668	4.36	85%	310,818	446
Market Rental	116,822	1.39	85%	99,299	168
Affordable Rental	29,200	0.35	85%	24,820	38
Commercial Retail/Office	112,521	1.34	90%	101,269	-
Total:	624,211	7.45		536,205	652

* Based on preliminary building plans dated August 15, 2023, prepared by Matthew Cheng Architect Inc. and estimated building efficiencies by our client and industry standards.

* Given the preliminary nature of the proposed development scheme, we reserve the right to amend our valuation upon receiving updated information on the subject development as it progresses to the next stage.

SUMMARY OF IMPORTANT CONCLUSIONS

Highest and Best Use: Holding site pending and rezoning approval from the City of Burnaby, and the subsequent development of a high-density mixed-use project consistent with the Metrotown Downtown Plan and the City’s long term planning objectives for the area.

Direct Comparison Approach: \$84,360,000

Land Residual Technique: \$85,380,000

Final Estimated of Land Value: \$85,000,000

The concluded value is for the subject land based on its redevelopment potential, and not to be interpreted as a representation of value for any one, or a collective of the existing strata lots.

2.0 DEFINITION OF THE APPRAISAL EXERCISE

EFFECTIVE DATE OF VALUATION

This appraisal reflects a value estimate as of August 25, 2023 (the date of inspection).

TERMS OF REFERENCE

We have been requested by Belmont Pacific Development Group (our client) to provide a full narrative appraisal estimating the fair market value of the subject site (land only) legally described herein as of the effective date of valuation based on its highest and best use. The objective of the appraisal is to assist our client with mortgage financing. We note that the subject property is currently improved with two multifamily residential buildings comprising a total of 101 strata lots. All 101 strata lots are currently under contract to be purchased by our client. This appraisal report does not take into consideration of the as is value of the subject property based on the existing residential use. We have been instructed by our client to provide an estimate of value of the subject land based on its redevelopment potential only. The property was appraised free and clear of encumbrances except as contained within this report.

SCOPE OF APPRAISAL

The scope of this appraisal encompasses the necessary research and analysis in order to provide an estimate of market value for the subject site in accordance with the Canadian Uniform Standards of Professional Appraisal Practice.

- Rose Wang performed a cursory inspection of the subject site from Kingsway and Jersey Avenue on August 25, 2023.
- An inspection of the interior of the buildings was not performed based on our terms of reference.
- Title information was obtained from the Land Title and Survey Authority website and has been reviewed; however for the purpose of this appraisal, the subject site was appraised as though free and clear of all encumbrances unless otherwise noted in the report. No legal opinion is given on the charges registered on the subject title.

DEFINITION OF THE APPRAISAL EXERCISE (continued)

- In estimating the Highest and Best Use for the property, we have analyzed data compiled for the neighbourhood, site, existing improvement, zoning and other land use control description sections.
- The subject site has been appraised in accordance to its Highest and Best Use.
- We have not been provided with any environmental studies. We have assumed that the subject site does not suffer from any environmental contamination.
- BC Assessment computer services provided the property assessments for the subject.
- Data pertaining to the availability of services (i.e. water, sewer, etc.) has been obtained from the City of Burnaby's online GIS mapping system.
- Zoning and Community Planning information has been obtained through inquiries made to the Burnaby City Hall.
- Utilized the Direct Comparison Approach and the Land Residual method in providing a market value estimate for the subject site.
- Market data used in this report includes, but is not necessarily limited to, information obtained through access to:
 - the Multiple Listing Service of the Greater Vancouver Real Estate Board,
 - RealNet,
 - Urban Analytics,
 - record data maintained by the B.C. Assessment Authority,
 - data maintained by L.W Property Advisors Ltd. and other appraisers,
 - discussions with realtors, developers, and persons knowledgeable of the market.

Listed below are the Extraordinary Limiting Conditions that apply to this assignment.

1. The subject is currently improved with two multi-family residential buildings comprising a total of 101 strata units. The current improvements were constructed circa 1974; however, a value was not ascribed to the existing improvements.
2. We have been instructed by our client to value the subject site (underlying land) based on the redevelopment potential outlined in the building plans prepared by Matthew Cheng Architects Ltd.
3. We assume the site is not subject to a land claim and it was valued as if unencumbered.
4. We have not been provided with engineering studies and soil tests for the subject property. We are

not qualified to give engineering advice and no opinion is expressed with regard to the actual soil bearing capacity of the property. It is assumed that soil conditions are conducive to development to highest and best use. The appraiser is not qualified to give engineering advice.

5. We have assumed that the overall site does not suffer from any soil stabilization problems. We assume that there are no hidden or unapparent conditions of the property, subsoil, or structures, which would render it more or less valuable. We assume no responsibility for such conditions or for engineering, which may be required for such factors.

PROPERTY RIGHTS APPRAISED

The property rights appraised are those of the "fee simple" interest defined as:

"The greatest interest an individual can own in land, or complete ownership in law, subject only to the governmental powers of taxation, expropriation, escheat and police powers."

DEFINITION OF MARKET VALUE

The "Canadian Uniform Standards of Professional Appraisal Practice" (2022 Standards), defines Market Value as:

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

Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

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

DEFINITION OF THE APPRAISAL EXERCISE (continued)**EXPOSURE TIME**

Exposure time is the estimated length of time the properties would have been offered prior to a hypothetical market value sale on the effective date of valuation. It is a retrospective estimate based on an analysis of past events, assuming the competitive and open market. It assumes not only adequate, sufficient, and reasonable time but also adequate, sufficient, and reasonable market effort. Exposure time is therefore interrelated with the conclusion of value.

In consideration of these factors, we have analyzed the following:

- Exposure periods of comparable sales revealed during the course of this appraisal;
- Exposure time for similar properties in comparison to the subject property as published by the *Greater Vancouver and Fraser Valley Real Estate Boards*; and
- Knowledgeable real estate professionals.

Based on the foregoing analysis, an exposure time of 6 to 12 months is reasonable, defensible, and appropriate. L.W. Property Advisors Ltd. assumes the subject property would have been competitively priced and aggressively promoted regionally.

3.0 IDENTIFICATION OF THE SUBJECT PROPERTIES

CIVIC ADDRESSES AND LEGAL DESCRIPTIONS

101 strata condominium units within a strata titled multi-family residential development located at 3925 Kingsway and 5715 Jersey Avenue, Burnaby, BC

Legal Description: Strata Lots 1 – 101, inclusive, District Lot 34 Group 1 New Westminster District Strata Plan NW289

REGISTERED OWNER

The 101 strata units are presently held by various owners. It is our understanding that the subject lots are currently under contract to be purchased by our client.

REGISTERED CHARGES

The subject site presently consists of 101 strata titled condominium units. For the purpose of this appraisal, we did not obtain and review the title information for each of the subject strata lots. We randomly obtained title information for unit 112 – 3925 Kingsway and unit 217 – 5715 Jersey Avenue. We refer the reader to “Appendix A” for copies of the title certificate.

For the purpose of this appraisal and under the scope of this appraisal, the registered charges regarding a number of the strata lots within the subject building have not been considered as a factor impacting the value of the subject land within this report. We reserve the right to amend our valuation should we be required to amend the assumptions and limiting conditions of our appraisal report. We recommend that the opinion of a legal professional be obtained if detailed information pertaining to the charges on the subject titles is required. Copies of the title certifications for are attached in the addenda as Appendix “A”.

PROPERTY HISTORY

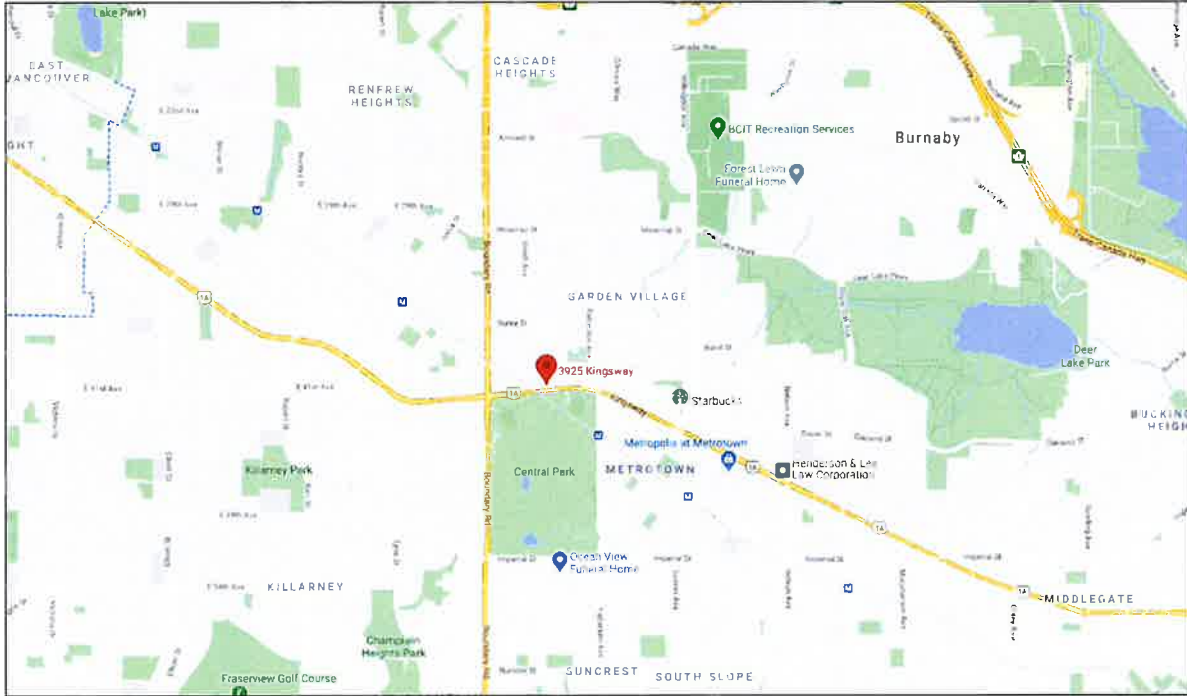
Based on the Contract of Purchase and Sale Agreement dated December 7, 2022, all 101 strata titled unit within the existing improvements, making up 100% of ownership, are currently under contract to be purchased by 1038573 B.C. Ltd. (our client) for a total consideration of \$61,000,000. The conditional sale was accepted by the vendor on December 7, 2022, and is set to complete on October 25, 2023. This was a court ordered sale which previously involved multiple parties and interest holders. The negotiated price is reflective of the nature of the sale.

According to BC Assessment records, the overall 101 strata units on the subject site have had various transactions within the market over the past 7 years.

A copy of the Contract of Purchase and Sale Agreement is included in the addenda as Appendix "B".

4.0 MARKET AREA DESCRIPTION

The subject site is located in Metrotown Town Centre in Central Burnaby. More specifically, the subject site is situated on the northwest corner of Jersey Avenue and Kingsway. The location is noted on the neighbourhood map illustrated below.



NEIGHBORHOOD AND OCCUPANT ANALYSIS

The Metrotown area enjoys a central location within the Lower Mainland region and is easily accessed via Kingsway, Willingdon Avenue, Southeast Marine Drive and the Trans-Canada Highway. The neighbourhood enjoys good public transportation services with three Skytrain stations located within the immediate area and includes Metrotown Station, Patterson Station and Royal Oak Station.

The immediate neighbourhood is characterized by a mix of commercial and residential uses comprising a number of single and multi-tenant retail/office complexes surrounded by single family and low to high density residential developments. Neighboring sites surrounding the property are predominately improved with older single family residential dwellings and multi-family apartment and townhouse projects utilized as rental properties. Moreover, the subject site is immediately north of Central Park, an

ecologically significant area and a City-wide destination for sport, cultural and leisure activities. Central Park consists of Central Park Pitch & Putt, Central Park Outdoor Pool, Variety Club Playground, Central Park Lawn Bowling Club and Swangard Stadium. Other nearby amenities include Bonsor Recreation Centre and Bonsor Park, Bonsor 55+ Centre, Bob Prittie Library, Pioneer Community Resource Centre, McKercher Community Resource Centre, and South Central Youth Centre.

British Columbia's largest shopping mall, "Metropolis at Metrotown", containing over 470 stores is located just north of the subject site and is anchored by tenants such as The Bay, Toys "R" Us, Real Canadian Superstore, Famous Players SilverCity, Chapters, T & T Supermarket and Winners. Located within the immediate vicinity and connected to "Metropolis" via a skyway is "Station Square", a shopping complex anchored by Save on Foods. "Crystal Mall" is an Asian-themed shopping Centre sited across the street from "Station Square" on the southeast corner of Kingsway and Willingdon Avenue.

Neighboring area along Beresford Street and Kingsway have seen tremendous redevelopment activity with high rise mixed use and multifamily condominium buildings. The chart in the following page highlights the high-rise residential developments in the subject area since 2016.

The most recently released project in the area is Perla, which commenced pre-sales on March 11th, 2023, releasing all 335 units. By the end of March, 108 sales have been recorded, with 227 units which remain available, blended at \$1,245 per sq.ft., excluding GST and with no reported buyer incentives offered.

Contour Metrotown began pre-sales in early July 2022, reporting 15 sales over the third quarter. O2 has confirmed 150 pre-sales over the first four months of pre-sales with a blended average at \$1,270 per sq.ft.; however, the early July 2022 listings reflected a blended average at \$1,290 per sq.ft., excluding GST, excluding penthouse pricing which is yet to be released. Nuvo which has recorded 300 pre-sales within one month with a blended average sale/list price of \$1,290 per sq.ft., excluding GST, and excluding the townhouse, sub-penthouse and penthouse units which are yet to be released. Nuvo has not recorded any sales over the second, third or fourth quarters of 2022, to date.

Another early 2022 project release is Artesia. It is located north from the subject at 4275 Grange Street by Qualex Landmark comprising a proposed 31-storey residential tower. Pre-sales and listings reflect an average of \$1,294 per sq. ft., excluding GST.

Index	Project Name	Address	Developer	# of Units	Sales Start	Sold Out	Avg Selling Price	Min Price/sq.ft.	Max Price/sq.ft.
1	Station Square IV	6080 McKay Avenue	Anthem Properties/Beedie Group	334	Sep-16	Mar-22	\$870	\$742	\$1,165
2	Station Square V	6000 McKay Avenue	Anthem Properties/Beedie Group	423	Oct-16	Mar-21	\$970	\$789	\$1,419
3	Sun Towers	4458 Beresford Street	Belford Properties	285	Apr-17	Sep-17	\$1,025	\$906	\$1,431
4	Vittorio	6700 Dunblane Ave	Polygon Homes	263	Jul-17	Jun-18	\$1,075	\$911	\$1,542
5	Sussex	6050 Sussex Avenue	Townline Group of Companies	321	Aug-17	Dec-17	\$1,093	\$938	\$1,394
6	Polaris	6699 Dunblane Avenue	Transca/Citimark/Grosvenor	313	Feb-18	Feb-22	\$1,210	\$985	\$1,515
7	Maywood on the Park	6463 Silver Avenue	Intracorp	298	Nov-18	Jun-23	\$1,173	\$999	\$1,700
8	Sun Towers II	6398 Silver Avenue	Belford Properties	194	Feb-19	21 Remain	\$1,116	\$1,038	\$1,552
9	Highline	6511 Sussex Avenue	Thind	327	Feb-20	27 Unreleased	\$1,050	\$1,015	\$1,175
10	Telford on the Walk	6525 Telford Avenue	Intracorp Developments	366	Feb-21	Dec-21	\$1,055	\$884	\$1,238
11	Concord Metrotown - Sky Park (Phase 1) - Central Tower	4750 Kingsway	Concord Pacific	429	Mar-21	49 Remain	\$1,290	\$1,091	\$1,433
12	Central Park House	5977 Wilson Avenue	Bosa Properties, Bluesky Properties	355	Mar-21	Aug-22	\$1,293	\$1,113	\$1,970
13	Concord Metrotown - Sky Park (Phase 1) - West Tower	4750 Kingsway	Concord Pacific	280	May-21	40 Remain	\$1,334	\$1,152	\$1,626
14	Concord Metrotown - Sky Park (Phase 1) - Grand Tower	4750 Kingsway	Concord Pacific	650	Jun-21	270 Remain	\$1,464	\$1,061	\$1,600
15	The Standard	4241 Maywood Street	Anthem Properties	424	Sep-21	124 Unreleased	\$1,250	\$1,025	\$1,463
16	Artesia	4275 Grange Street	Qualex Landmark	247	Feb-22	59 Remain	\$1,294	\$1,090	\$1,536
17	Nuvo	6075 Wilson Avenue	Anthem Properties	358	Feb-22	58 Unreleased	\$1,290	\$1,085	\$1,478
18	O2	6620 Sussex Avenue	Keltic Canada Development	285	Jul-22	97 Remain	\$1,270	\$1,113	\$1,629
19	Contour Metrotown	4330 Maywood Street	Kirpal Group	91	Jul-22	70 Unreleased	\$1,369	\$1,144	\$1,662
20	Perla	5900 Olive Avenue	Polygon Homes	335	Mar-23	114 Remain	\$1,245	\$1,057	\$1,536
21	Riviera	4960 Bennett Street	Ledingham McAllister	243	-	Coming Soon	-	-	-
22	Citizen	4638-4670 Hazel Street	Anthem Properties	372	-	Coming Soon	-	-	-
Overall:				7,193	Min/Max:		\$742	\$1,970	

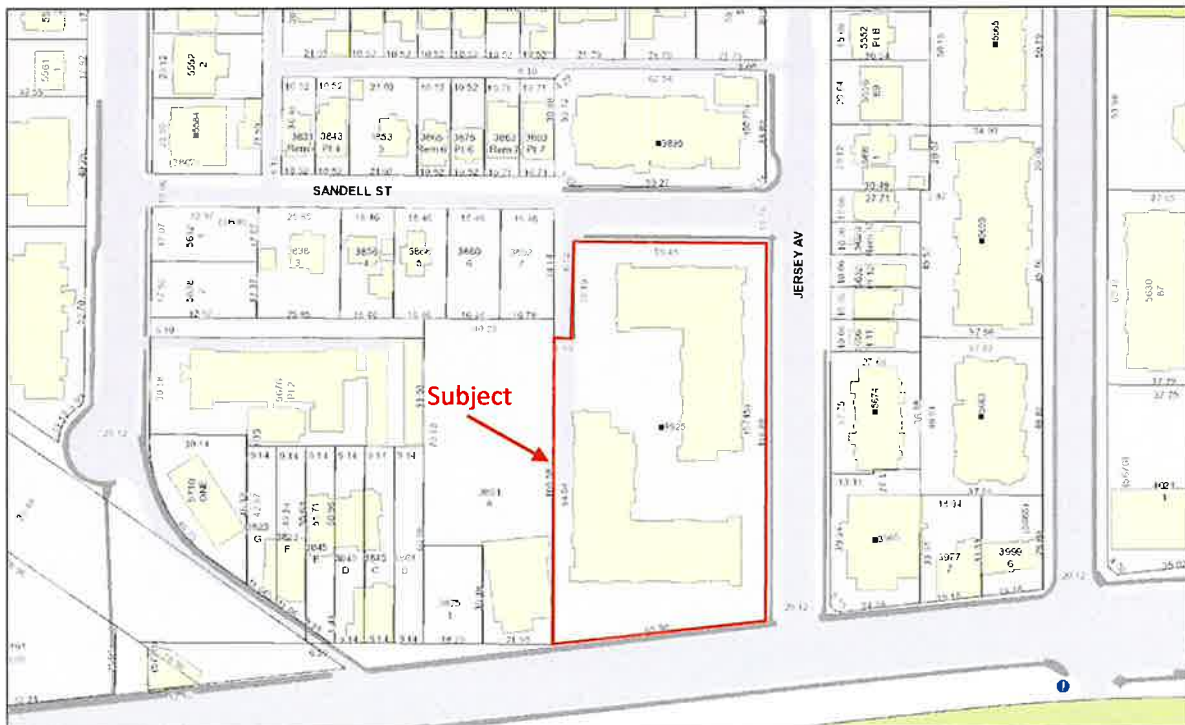
SUMMARY

In summary, the subject site is located within a well-established mixed-use area conducive to many single and multi-family residential and commercial uses. The overall subject location is considered a desirable location for high density mixed-use development that is central and easily accessible by a number of transportation routes and services. The population change of the subject neighbourhood is on an upward trend with more residents attracted to the amenities offered in the subject neighbourhood and ease of commute. It is our opinion that the subject is well located at a desirable location for future high density mixed-use development.

5.0 SITE DESCRIPTION

DIMENSIONS AND SHAPE

The subject site is located on the northwest corner of Jersey Avenue and Kingsway. The subject site consists of a generally rectangular shaped parcel with a total gross site area of ±83,778 sq.ft. according to the building plans prepared by Matthew Cheng Architect Ltd. According to the City of Burnaby GIS mapping system, the subject site has a frontage of approximately ±216 feet along the north side of Kingsway and ±216 feet along the west side of Jersey Avenue. An excerpt taken from the City of Burnaby’s GIS is shown below for visual reference.



TOPOGRAPHY, SOIL AND ENVIRONMENTAL CONDITIONS

The subject site gently slopes down from south to north. We assume soil conditions and the underlying geology are adequate to support the existing improvements. No representations, however, are made concerning soil conditions. The site was not tested for any toxic substances and no opinion is expressed by the appraiser as to their absence or presence on the subject site. We assume the site is not contaminated from the presence of toxic substances or environmentally sensitive waste products.

STREET IMPROVEMENTS AND ACCESS

Kingsway is a six-lane asphalt paved arterial road extending east/west past the subject site and improved with street lighting, BC Hydro powerlines along with TransLink cables, concrete curb shoulders and sidewalks with landscaping. Jersey Avenue runs north/south past the subject site with one lane in each direction. Concrete curb shoulders and sidewalks are in place along with street lighting. Free one-hour street parking is available on both sides of Jersey Avenue.



SERVICES

All municipal services requisite for high density mixed-use development, including municipal water, sanitary sewer, electricity, gas and telephone, are assumed to be available to the subject site. No representations are made concerning engineering and servicing requirements as this requires the services of a qualified engineer. We were not provided with any engineering reports regarding the servicing capacity in the area. For the purpose of this appraisal we assume that the current municipal services available to the subject site are adequate for high density mixed-use development.

GEOTECHNICAL

In conjunction with this assignment we were not supplied with a geotechnical investigation nor were any such services commissioned by the appraiser. To the best of our knowledge the underlying geology is suited to the highest and best use of the land.

6.0 ZONING AND PLANNING

The subject site is currently zoned RM3 (Multiple Family Residential District), which “provides for a medium density multiple family area”. Permitted uses under the RM3 zoning bylaw include but are not limited to multiple family dwellings, dormitory units, boarding, lodging and rooming houses, accessory buildings, and childcare facilities. The present low-rise multi-family residential use of the subject site is assumed to be legal and conforming to the current zoning. A current zoning of the subject site and its surrounding area is shown below.

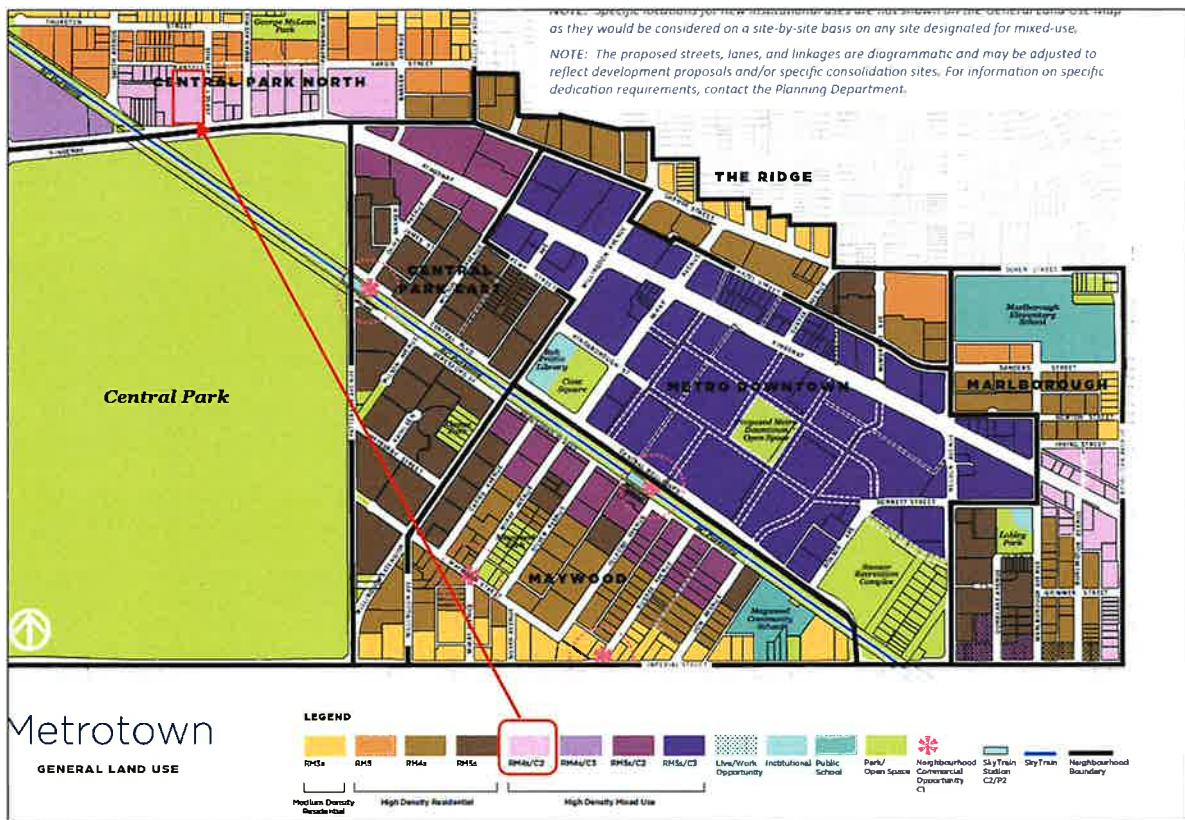


The RM3 zoning is the predominant residential zoning in the Metrotown area and permits a maximum height of 3 storeys, 39.37 feet or 12.0 metres. The maximum building density permitted is 1.1 FAR provided that underground parking is provided. A copy of the RM3 Zoning Bylaw is attached as Appendix “C” and fully delineates the regulations in effect.

OFFICIAL COMMUNITY PLAN AND METROTOWN DOWNTOWN PLAN

A comprehensive Official Community Plan (OCP) also governs future land uses within the City of Burnaby. The Council adopted the final phase of Metrotown Downtown Plan on July 24, 2017. This Plan update for Metrotown provides the opportunity to create a true downtown for Burnaby; one that enables the highest order of land use and development supported by social, recreation, entertainment, and cultural amenities important to all of Burnaby’s residents, businesses and employees.

The subject site is located at the northwest corner of Kingsway and Jersey Avenue in the Central Park North neighbourhood. According to the Metrotown Downtown Plan map, the subject site is designated for **High Density Mixed Use** in accordance with the RM4s and C2 zoning bylaws.



High density mixed-use areas are characterized by commercial podiums (office, retail, and service uses) with high-rise residential building form. The subject site would require rezoning from the current RM3 to a future CD zone based on RM4s, and C2 bylaws prior to redevelopment.

LAND USE FRAMEWORK					
LAND USE CATEGORIES	GENERAL LAND USE MAP DESIGNATIONS	MAXIMUM RESIDENTIAL FAR	MAXIMUM COMMERCIAL FAR	MAXIMUM TOTAL FAR	LAND USE AND BUILT FORM
High Density Mixed-Use	RM5s / C3	5.0	6.0	11.0	Commercial podiums (office, retail, and/or service uses) and high-rise office or residential building forms
	RM4s / C3	3.6	6.0	9.6	
	RM5s / C2	5.0	1.3	6.3	Commercial podiums (office, retail, and/or service uses) and high-rise residential building forms
	RM4s / C2	3.6	1.3	4.9	
High Density Residential Use	RM5s	5.0	0.0	5.0	Mid- to high-rise residential buildings with ground-oriented residential
	RM4s	3.6	0.0	3.6	
	RM5	2.6	0.0	2.6	Mid-rise residential buildings with ground-oriented residential
Medium Density Residential Use	RM3s	1.5	0.0	1.5	Residential buildings in ground-oriented and low-rise forms (row-houses, townhouses and low-rise apartments).
Neighbourhood Commercial Opportunity	C1	0.0	1.0	1.0	Smaller neighbourhood commercial opportunities to create focal points for social interactions and community gathering.

C2 (Community Commercial District)

The C2 (Community Commercial District) provides for the daily and occasional shopping needs of residents of several neighbourhoods as well as providing for rental dwelling units located above the business premises. Uses permitted under the C2 zoning include but are not limited to: animal hospital, bank, beverage container return centres, business and professional office, cafes or restaurants, clubs or lodges, fitness and health facilities, personal service establishments, public assembly and entertainment uses, retail stores, shopping centers, accessory buildings and uses, taxi dispatches offices, liquor license establishment, retail sale of new or used furniture, commercial schools and self-improvement schools, repealed, mobile retail carts and child care facilities etc. Under the C2 zoning, the height of a building shall not exceed 39.37 feet or three-storeys and the **maximum FAR shall not exceed 1.30**.

A copy of the C2 zoning bylaws is attached in the addenda as “Appendix C”.

RM4s (Multiple Family Residential District)

The RM4(s) (Multiple Family Residential District) provides for medium to high density multiple family area. Permitted uses under the RM4(s) zoning bylaw include but are not limited to multiple family dwellings, home occupations, accessory buildings, rest homes and private hospitals. Noted that under the RM4(s) zoning bylaw, home-based childcare facilities use is prohibited.

Under the RM4 zoning bylaw, the guidelines below are provided for the permitted floor area ratio:

<p>204.6 (1)</p>	<p>Floor Area Ratio: The maximum floor area ratio in the RM4, RM4s, and RM4r Districts shall be 1.40. Where structured parking is provided due to topographic or geotechnical considerations as determined by the Director Planning and Building, or underground parking is constructed, the floor area ratio may be increased by 0.30 multiplied by the ratio of parking spaces provided in underground parking or such structured parking, to the total parking spaces provided, but in no case shall the floor area ratio in the RM4, RM4s, and RM4r Districts exceed 1.70. For clarity, the maximum floor area ratio permitted in the RM4r District shall be in addition to the FAR permitted for any other zoning district on the lot, including the RM4, or RM4s District.</p>
<p>(2)</p>	<p>Notwithstanding subsection (1) of this section, in the RM4 and RM4s Districts, where amenities, affordable or special need housing, or cash-in-lieu contributions are provided in accordance with section 6.22 of this bylaw, the floor area ratio may be increased by 0.30, but except as provided in subsection (3), in no case shall the floor area ratio in the RM4 and RM4s Districts exceed 2.00.</p>
<p>(3)</p>	<p>Notwithstanding subsections (1) and (2) of this section, in the RM4s District, where amenities, affordable or special needs housing, or cash-in-lieu contributions are provided in accordance with section 6.22 of this bylaw, the floor area ratio may be increased:</p> <ul style="list-style-type: none"> (a) up to a further 0.80 determined in accordance with section 6.22(3); plus (b) an additional supplement equal to the increase under subsection (a), but in no case shall the floor area in the RM4s District exceed 3.60.
<p>(4)</p>	<p>Notwithstanding subsections (1), (2), and (3) of this section, in the RM4, RM4s, and RM4r Districts, the floor area ratio may be increased by 0.85, but in no case shall the floor area ratio exceed 4.45, provided that:</p> <ul style="list-style-type: none"> (a) the lot is rezoned to Comprehensive Development District; (b) a minimum number of rental units provided is equal to the greater of: <ul style="list-style-type: none"> (i) that number equal to 20% of the total number of market rental and strata dwelling units calculated using the RM4 and RM4s District floor area ratios; and (ii) that number equal to the number of rental units in any purpose-built rental housing located immediately prior to the rezoning referred to in paragraph (a), which has been or will be demolished; and (c) the rent for each rental unit referred to in paragraph (b) shall not exceed: <ul style="list-style-type: none"> (i) 20% below CMHC Market Median Rent rates for the applicable rental unit type; and (ii) the adjusted pre-development rent for the applicable rental unit type, if rented to a returning tenant in accordance with the City of Burnaby Tenant Assistance Policy, as amended or replaced from time to time.
<p>(B/L No. 14206-20-10-26)</p>	

The maximum permitted floor area ratio (FAR) shall be 3.6 provided that various conditions are met, calculated from the base FAR which would be 2.5, which is made up of a 1.70 base FAR plus supplementary base of 0.8 FAR, as well as the bonus density would typically be 1.1 FAR with no consideration to rental replacement. The bonus densities would be made up of a 0.3 FAR bonus in accordance with section 6.22 of the Burnaby Zoning Bylaw, plus 0.8 FAR of supplementary bonus density (or equal to the amount of proposed Supplementary Base FAR). Bonus densities are typically negotiated

between the City of Burnaby and the developer, and they are often concluded at market price for similar development land.

A copy of the RM4(s) zoning bylaws is attached in the addenda as “Appendix C”.

DENSITY OFFSETS

The City of Burney also offers additional development density in the form of density offsets, where proposals include the provision of non-market rental units, such as at the subject proposal. The additional density granted by density offsets can be utilized towards market condominiums or market rental units.

Maximum density offsets					
RM3	RM4	RM5	RM7	C8	C9
0.55	0.85	1.10	0.55	1.125	0.825
FAR	FAR	FAR	FAR	FAR	FAR

As illustrated from the above extract from the City of Burnaby’s website, a maximum density offset of 0.85 FAR is permitted under the subject RM4 designation.

RENTAL USE ZONING POLICY

The City of Burnaby’s Rental Use Zoning Policy introduced four policy scheme and was adopted on February 19, 2020. The four policy schemes include replacement rental, inclusionary rental, voluntary rental in commercial districts and protection of existing rental, which are further detailed on the following page.

As such, development costs, time frame and complexity for projects in the Metrotown area have increased significantly.

Stream One: Replacement Rental

Where a site with existing rental units is proposed for redevelopment, which contains at least five or more existing purpose-built rental units, the new proposal must include an equal number of replacement rental units to match the number of existing rental units. If this number of units is less than 20% of the total market unit count for the new development, further inclusionary rental units (as described below) must be added to make up the difference. All existing tenants within these units will be offered right of first refusal for the new replacement units. Overall, this process requires the following actions:

1. 1:1 replacement of all existing rental units with rent freeze for returning tenants
2. Developer to provide three suitable interim housing options for tenants
3. Developer to provide rent top up to bridge the gap of previous rents and the interim housing rents
4. Developer to arrange and pay for moving expenses for the tenants
5. Developer to hire a Tenant Relocation Coordinator to assist tenants

Stream Two: Inclusionary Rental

Where a site is proposed for new multi-family redevelopment, it is a requirement to include below-market rental units at 20% below CMHC market median rents. This requirement must be equal to 20% of the total market unit count.

Stream Three: Voluntary Rental in Commercial Districts

Subject to conditions, where a site is proposed for rezoning to commercial or mixed-use, any surplus commercial density (49% of overall floor area or less) may instead be utilized for purpose-built rental units. Density offsets do not apply to voluntary rental units.

Stream Four: Voluntary Rental in Commercial Districts

Where existing or new purpose-built and non-stratified rental buildings exist, which contain at least five or more purpose-built rental units, a specific purpose-built rental zone (e.g., "MR4r" as discussed earlier) will be applicable. Density offsets will apply on redeveloped sites.

RM4r (Multiple Family Residential District)

The maximum floor area ratio permitted in the RM4r District shall be in addition to the FAR permitted for any other zoning district on the lot, including RM4s District. Permitted uses include purpose-built rental housing. In no case shall the floor area ratio in the RM4, RM4s, and RM4r Districts exceed **1.70 FAR**.

OVERALL

The total permitted FAR for a residential proposal under RM4s totals 6.15 FAR, as follows:

RM4s Base Market Residential:	1.70 FAR
RM4s Supplementary Base Market Residential:	0.80 FAR
RM4s Bonus Market Residential (to be acquired from City)	0.30 FAR
RM4s Supplementary Bonus (to be acquired from City)	0.80 FAR
<u>RM4s Offset Bonus (rental):</u>	<u>0.85 FAR</u>
Total Under RM4s:	4.45 FAR
<u>Maximum RM4r Residential Rental</u>	<u>1.70 FAR</u>
Total RM4/RM4r Permitted:	6.15 FAR
<u>C2 Commercial:</u>	<u>1.30 FAR</u>
Total RM-4/RM4r/C2 Permitted on Subject:	7.45 FAR

We note that the 1.1 bonus market residential density is to be acquired from the City of Burnaby. Our investigation with the City of Burnaby revealed that the latest bonus density purchases have been negotiated at approximately \$300 per sq.ft.

Based on the Metrotown Downtown Plan designations of the subject site, the base density for the subject site, which will be used in our direct comparison approach analysis, is as follows:

Address	Site Area (Sq.ft.)	Designation	Potential Base Density	Potential Base Buildable sq.ft.
3925 Kingsway, 5715 Jersey Avenue, Burnaby, BC	83,778	RM4s/C2	2.5+1.3=3.8	318,356

PROPOSED DEVELOPMENT APPLICATION

Investigation at the City of Burnaby indicates that there has been no formal rezoning or development permit application regarding the subject site received by the City as of the effective date of this appraisal; however preliminary inquiries and discussions have been initiated by our client. According to preliminary building plans prepared by Matthew Cheng Architects Ltd. dated August 15, 2023, the present proposal by our client envisions the following:

- A 39-storey high-rise tower offering 248 strata titled condominium units;
- A 36-storey high-rise tower offering 198 strata titled condominium units and 38 affordable rental units (20% Below CMHC Median Rental Rates);
- An 18-storey high-rise tower offering 168 market rental units; and
- A 6-storey podium with 112,521 sq.ft. of commercial retail and office space.

The entire development illustrates a proposed gross building area of 624,211 sq.ft. which indicates a development density of approximately 7.45 FAR, based on the gross site area of 83,778 sq.ft. The FAR break down is shown below and is based on the latest development proposal provided by our client. We note that the development proposal is still in a preliminary stage and is subject to change upon receiving feedback from the City of Burnaby. The proposed use and density appear to be consistent with the subject’s OCP designation within the Metrotown Downtown Vancouver, as well as the RM-4s/RM4r/C2 zoning guidelines.

We reserve our right to amend our valuation upon receiving updated information regarding the proposed development. The present proposed FAR allocation within the overall subject project is shown below.

SITE AREA	ZONE	RM _s (STRATA/RENTAL) 3 6				RM _r (RENTAL) 1,7			C2(COMMERCIAL) 1,3		TOTAL DENSITY	
		BASE F.A.R.	BONUS F.A.R.	SUPPLEMENTARY BASE F.A.R.	SUPPLEMENTARY BONUS F.A.R.	Required 20% below median	CMHC MEDIAN	MARKET RATE	OFFSET (STRATA/RENTAL)	COMMERCIAL USES		COMMERCIAL RENTAL USES
83,778 24 S.F.	RM4s/C2	1.7	0.3	0.8	0.8	0.72	0.49	0.49	0.85	0.66	0.64	7.45

Presently, the proposed subject development illustrates a total gross building area of 624,211 sq.ft. at a total building density of 7.45 FAR. For the purpose of this appraisal, we have based our market value estimate on the maximum permitted base density (318,356 sq.ft. of gross buildable area or 3.8 base

FAR, demised into 1.3 FAR for C2 and 2.5 FAR for the RM4 portion in accordance with the subject’s OCP designation within the Metrotown Downtown Plan. The land residual technique is based on the proposed development concept and densities.

BONUS DENSITY - COMMUNITY AMENITY CONTRIBUTION

The City of Burnaby “Community Benefit Bonus Policy” enables the City to consider development applications and approve additional density in exchange for contributing a community benefit, such as parks and public gathering places, civic facilities, non-profit offices, affordable housing, cultural facilities, childcare centers, public realm and environmental enhancements. Where these provisions are not met on-site, a cash contribution-in-lieu is made to the City by a developer/applicant based on the value of additional density achieved through the density bonus. The funds are allocated exclusively for the future provision of a community amenity and/or affordable and/or special needs housing.

Typically, as part of the rezoning process a separate report detailing the value of the bonus density is to be provided by the Realty and Lands Division for City Council consideration. Additionally, approval of the bonus density value is normally required prior to the “Third Reading” stage for a proposed new zoning bylaw and payment is required prior to final approval. Alternatively, a deferred payment option is available, subject to interest payment and prior to final adoption of the proposed new zoning bylaw.

Information obtained from similar projects that negotiated CAC with the City of Burnaby recently indicated a range of \$300 per buildable sq.ft. We have assumed a \$300 per buildable CAC rate will also be applicable to the subject development, and this has been included in total development costs projected. This rate is applicable to the 1.10 FAR bonus density (0.30 FAR bonus density + 0.80 FAR supplementary bonus) under the RM-4s zoning guidelines.

We have estimated the price for bonus density at \$300 per buildable sq.ft. (yet to be negotiated) based on the additional component of 1.1 FAR or 92,156 sq.ft. As such, the potential purchase price for the bonus density is calculated below.

Bonus Density				
RM4s Bonus Density @1.1 FSR	92,156	sq.ft.	Estimated price for bonus density purchase	\$300 per sq.ft. \$27,646,740
Total:				\$27,646,740

We note the final price will be negotiated between the developer/applicant and the City of Burnaby and we reserve the right to amend our assumptions and valuation. We reserve the right to amend our valuation upon receiving more detailed information regarding the rezoning process of the subject.

7.0 HIGHEST AND BEST USE

The definition of "Highest and Best Use" is as follows:

"The reasonably probable use of real property, that is physically possible, legally permissible, financially feasible, and maximally productive, and that results in the highest value"

Source: Canadian Standards of Professional Appraisal Practice, 2022.

Many factors and appraisal principles become a consideration in the determination of "Highest and Best Use". These include: government regulations, supply, demand, anticipation, balance, surplus productivity, contribution, competition, etc. The definition also includes the presumption that the use is in keeping with the zoning and legal requirements.

The concept of "Highest and Best Use" recognizes that land use patterns can change over a given period and that the optimum use of a site is determined by need or demand at any given point in time. Elements affecting value that are dependent upon events or a combination of occurrences which, while within the realm of possibility, are not shown to be reasonably probable, should be excluded from consideration. This is also the case if the intended use is dependent on the uncertain act of another person.

The subject site comprises a single land parcel with a gross site area of approximately 83,778 sq.ft. The site has extensive frontages along the north side of Kingsway and west side of Jersey Avenue. The subject is currently zoned RM3 (Multiple Family Residential District) supporting a building density of 1.1 FAR and designated "High Density Mixed-Use" within the Metrotown Downtown Plan in accordance with RM4s/C2. The subject site is currently improved with two, older multi-family residential buildings comprising 101 strata titled units.

The subject site is situated within the Central Park North neighborhood in Metrotown Downtown area in the City of Burnaby, west of the Metrotown Shopping Centre in Burnaby. It is located within a desirable area in the Metrotown neighbourhood, and the surrounding area is built up with a mix of medium to high density commercial, mixed-use and multi-family properties of mixed ages. Proximity to surrounding neighbourhoods of New Westminster and Vancouver is good.

Over the past several years, the subject's immediate area has been transitioning due in part to new development and the City of Burnaby community initiatives. There is an abundance of properties in the immediate neighbourhood that have been successfully rezoned according to their respective high-density designations. Recently released multifamily residential projects (presales) in the immediate area have achieved steady absorption and price increase as a result of the high desirability of the overall neighbourhood; however, we do note that absorption has calmed in keeping with the overall market slow down across the province. There has been strong activities for commercial strata properties within new development projects observed. The market demand appears to support the mixed use and multiple family residential development of the subject site. At this stage, no formal rezoning or development permit application has been submitted to the City regarding redevelopment of the Subject Site.

Over the near term, the subject location should continue to benefit from the proximity to the Expo Skytrain Line and the increase in population resulting from the new residential and commercial projects slated for the "Metrotown" area and development around the stations and major commercial centres.

It is frequently assumed, that the concept of "Highest and Best Use" must be associated with some form of development consistent with the Official Community Plan. It should be recognized that sites are frequently held by investors/developers awaiting certain events in the marketplace that will, at some point in time, command a specific use or re-use. This has certainly been the case with the subject site.

As of the date of the inspection, the subject is improved with two, wood framed multiple family residential projects which could provide substantial holding income during the holding period; however, the existing low-rise residential use of the subject site does not appear to represent the maximum utilization of the subject site in accordance with the City's long term planning objectives for the area. The adopted Metrotown Downtown Plan designates the subject site for future high density, commercial and residential use.

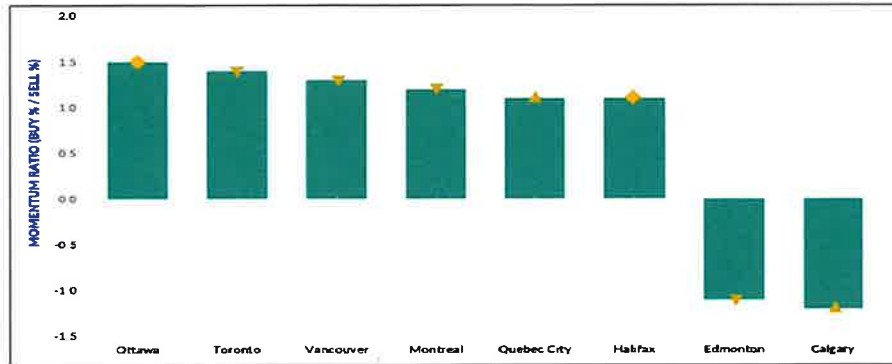
Redevelopment of the subject to higher density mixed-use development appears to be the maximally productive use of the subject site at the effective date. According to a copy of preliminary building plans prepared by Matthew Cheng Architects Ltd. dated August 15, 2023, our client has proposed to construct a high-density mixed-use project comprising market residential, market rental, affordable rental and a commercial component within high-rise buildings. The proposed development appears to meet the current development pattern of the area to promote densification and providing rental stock in the Metrotown Downtown Area. The highest and best use analysis also considers the supply and demand factors for the potential end unit products.

MACRO ECONOMIC ENVIRONMENT

According to Statistics Canada Labour Force Survey published July 7th, 2023, employment increased by 60,000 (+0.3%) in June 2023, driven by gains in full-time work (+110,000; +0.7%). The unemployment rate rose to 5.4% (+0.2 percentage points), as more people searched for work. Employment gains in June were concentrated among young men aged 15 to 24 (+31,000) and men aged 25 to 54 (+31,000). Employment among women of all age groups marginally changed in June. Employment rose in wholesale and retail trade (+33,000), manufacturing (+27,000), health care and social assistance (+21,000) and transportation and warehousing (+10,000). Meanwhile, declines were recorded in construction (-14,000), educational services (-14,000) and agriculture (-6,000). On a year-over-year basis, average hourly wages rose 4.2% (+\$1.32 to \$33.12) in June, following an increase of 5.1% in May (not seasonally adjusted). Total hours worked were virtually unchanged in June and were up 2.0% on a year-over-year basis.

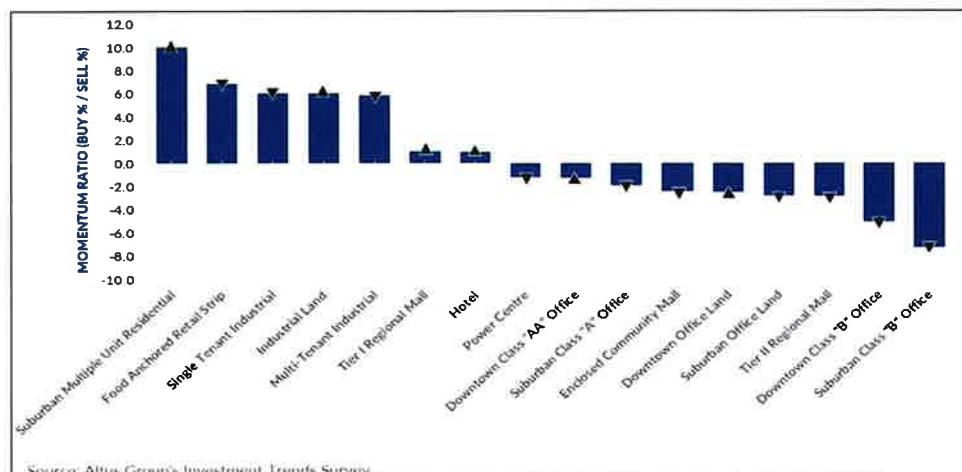
In Altus Group's Canadian Investment Trends Survey for Q2 2023, as for three consecutive quarters, the top three preferred markets for investors across all asset classes were Toronto, Ottawa, and Vancouver, respectively, with Ottawa overtaking Toronto in Q2 2023. Impacted by the anticipation of rising interest rates, The location barometer reported a downward trend in the momentum ratio (percentage of investors looking to buy/percentage of investors looking to sell) across most markets compared to the previous quarter. However, Ottawa – the most preferred location – bucked the trend with a positive momentum ratio which was unchanged from the previous quarter. The next three most preferred markets, representing Canada's largest cities, have begun to slow but maintained a positive momentum ratio, indicating that more investors prefer to buy versus sell in these markets. The chart below has been

extracted from Altus Group’s Canadian Investment Trends Survey for Q2 2023, illustrating the momentum ratio by location.



- AltusGroup.com, Canadian CRE Investment Trends Survey

Specifically, the top three preferred property types by investors in the second quarter of 2023 were suburban multiple unit residential, food anchored retail strip and single tenant industrial assets, respectively. The most favoured asset reported an upturn in its momentum ratio, while the other assets reported a downturn. Interestingly, suburban multiple unit residential reported a significant increase in its momentum ratio. Additionally, food anchored retail strip has remained in the top three despite the momentum ratio falling in each of the past three quarters. Moreover, all office-type assets had a negative momentum ratio with continued concerns around rising availability rates. The chart below has been extracted from Altus Group’s Canadian Investment Trends Survey for Q2 2023, illustrating the momentum ratio by asset type.

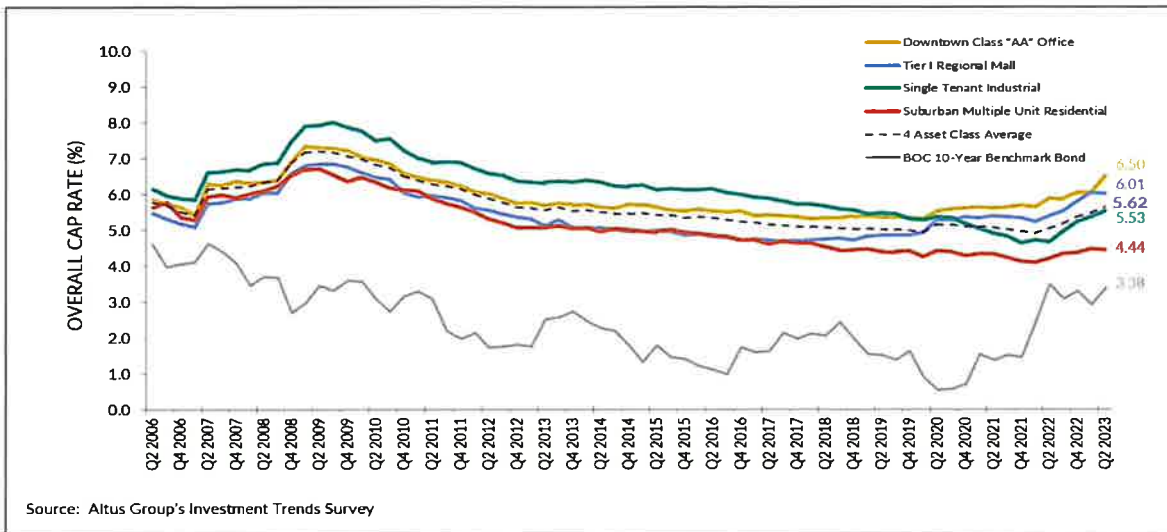


- AltusGroup.com, Canadian CRE Investment Trends Survey

According to the product/market barometer, the top three preferred combinations were suburban multiple unit residential in Toronto and Montreal and multi-tenant industrial in Calgary. The 13 least preferred combinations all revolve around the office asset – from office land in Calgary and Edmonton to Suburban and Downtown class “B” office buildings around the country. Macroeconomic headwinds have led investors to invest in assets with minimal risk and stable returns; therefore, investment transaction activity favoured residential and industrial real estate.

The latest market data from Altus Group’s Canadian ITS reveals that the overall capitalization rate (OCR) rose to 5.62% in Q2 2023 compared to the previous quarter at 5.47%. With rising interest rates and inflation, investment transaction activity remained slow for the first half of 2023 as investors continued to be cautious with their investment decisions. As the Bank of Canada focuses on inflationary control measures, the average OCR rates in single-tenant industrial and suburban multiple unit residential continued to increase quarter-over-quarter. The demand for these two asset classes remains stable amidst rising cap rates and decreasing availability rates.

Specifically, cap rates for suburban multiple unit residential decreased slightly to 4.44%. The suburban multiple-unit residential cap rate remains virtually unchanged, decreasing by 0.02% from 4.46% in Q1 2023. Vancouver quarter-over-quarter experienced an increase to 4.0%, while Toronto decreased to 3.8%. Demand for industrial assets continues to outweigh supply. Cap rates for single-tenant industrial increased to 5.53%. Cap rates across all markets apart from Quebec City experienced an increase quarter-over-quarter. As supply remains constricted, rising interest rates and high construction costs have led investors to be more cautious. Downtown class “AA” office cap rates increase from the previous quarter to 6.50% as of Q2 2023. All markets experienced an increase in cap rates quarter-over-quarter. The chart below has been extracted from Altus Group’s Canadian Investment Trends Survey for Q2 2023, illustrating OCR by asset type.



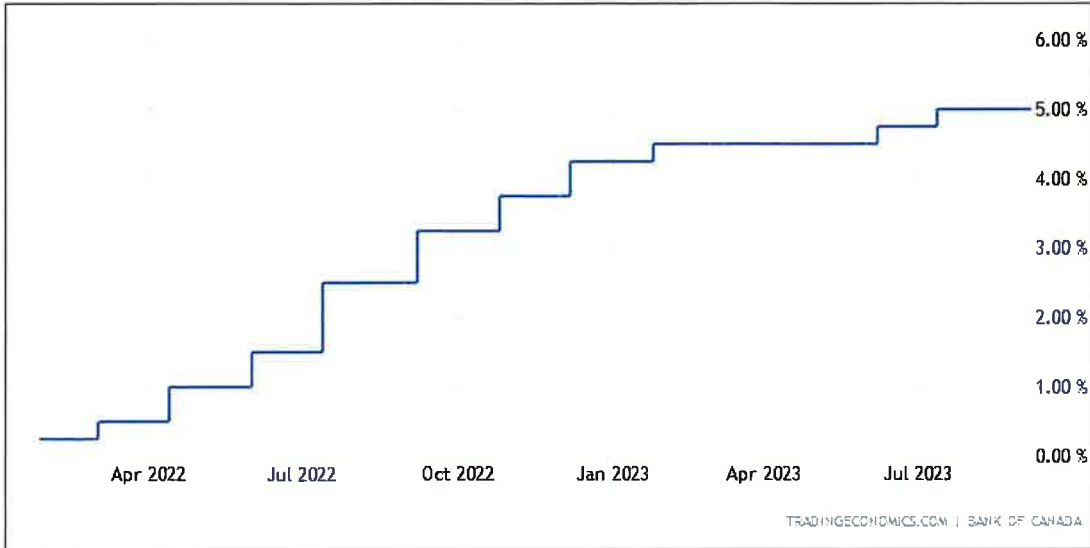
- AltusGroup.com, Canadian CRE Investment Trends Survey

With rising interest rates and inflation, investment transaction activity remained slow for the first half of 2023 as investors continued to be cautious with their investment decisions.

As interest rates rise, it often triggers value reduction in existing bonds as investors buy into new bonds, or potentially other assets, with higher yields. According to Trading Economics, Canada’s 10-year government bond yield fell below 3.6% to 3.51% from the 15-year high of 3.7% from August 3rd, 2023, as signs of a cooling labor market supported bets that the Bank of Canada may pause its tightening cycle in September. In comparison, the 10-year government bond yield reportedly stood at 2.68% at the same time last year on August 10th, 2022. The Canada Government Bond 10Y is expected to trade at 3.67% by the end of this quarter, according to Trading Economics global macro models and analysts expectations. Looking forward, we estimate it to trade at 4.05% in 12 months time.

In March 2022, Bank of Canada raised the overnight rate for the first time in two years, to 0.50%, followed by seven more increases over 2022 and 2023 to-date. Two increases of 0.50% each occurred in April and June 2022, another 1.00% increase in July 2022, a further 0.75% increase in September 2022 and a 0.50% increase in October 2022. Bank of Canada reported the most recent increases on December 7, 2022, by 0.50%, and again on January 25, 2023, by a further 0.25%. The current overnight rate in Canada is 5.00% after two increases of 0.25% each in June and July 2023 while holding the rate steady on September 6, 2023.

The Graph available below (published by Trading Economics) illustrates the Bank of Canada’s interest rate to-date.

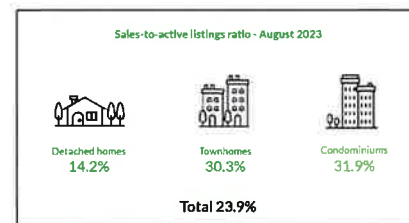


- Tradingeconomics.com/Canada/Interest-Rate, September 2023

RESIDENTIAL MARKET OVERVIEW

The Real Estate Board of Greater Vancouver (REBGV) reports that residential home sales in the region totalled 2,296 in August 2023, which is a 21.4% increase from the 1,892 sales recorded in August 2022, and a 13.8% decline from the 10-year seasonal average. Attached home sales in August 2023 totalled 422, a 18.9% increase compared to the 355 sales in August 2022. The benchmark price of an attached home is \$1,103,900. This represents a 3.9% increase from August 2022 and a 0.1% decrease compared to July 2023. REBGV Director of economics and data analytics, Andrew Lis, commented that “It’s been an interesting spring and summer market, to say the least...“Borrowing costs are fluctuating around the highest levels we’ve seen in over ten years, yet Metro Vancouver’s housing market bucked many pundits’ predictions of a major slowdown, instead posting relatively strong sales numbers and year-to-date price gains north of eight per cent, regardless of home type.”

According to the Real Estate Board of Greater Vancouver (REBGV), for all property types, the sales-to-active listings ratio for August 2023 was 23.9%. By property type, the ratio was 14.2% for detached homes, 30.3% for townhomes, and 31.9% for

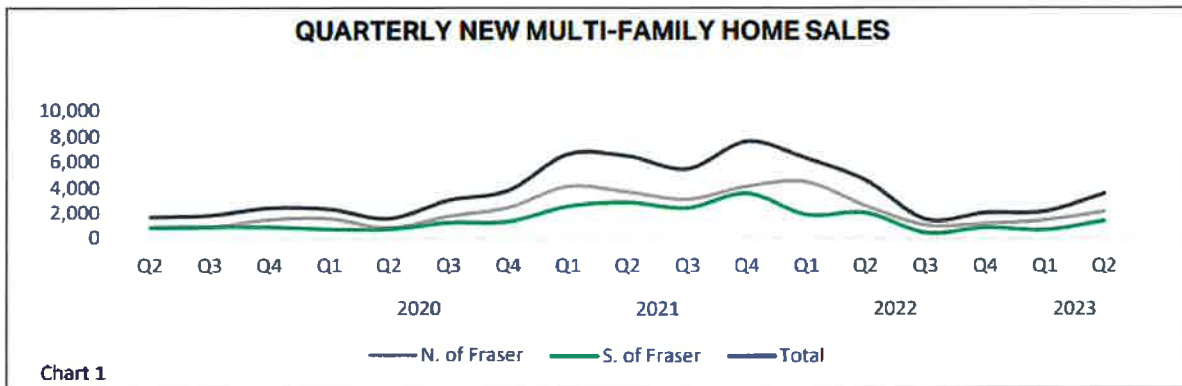


apartments. Generally, downward pressure on home prices occurs when the ratio dips below 12% for a sustained period, while home prices often experience upward pressure when it surpasses 20% over several months. The townhouse and condominium segments have continued with higher sales to listings ratios than the single-family segment.

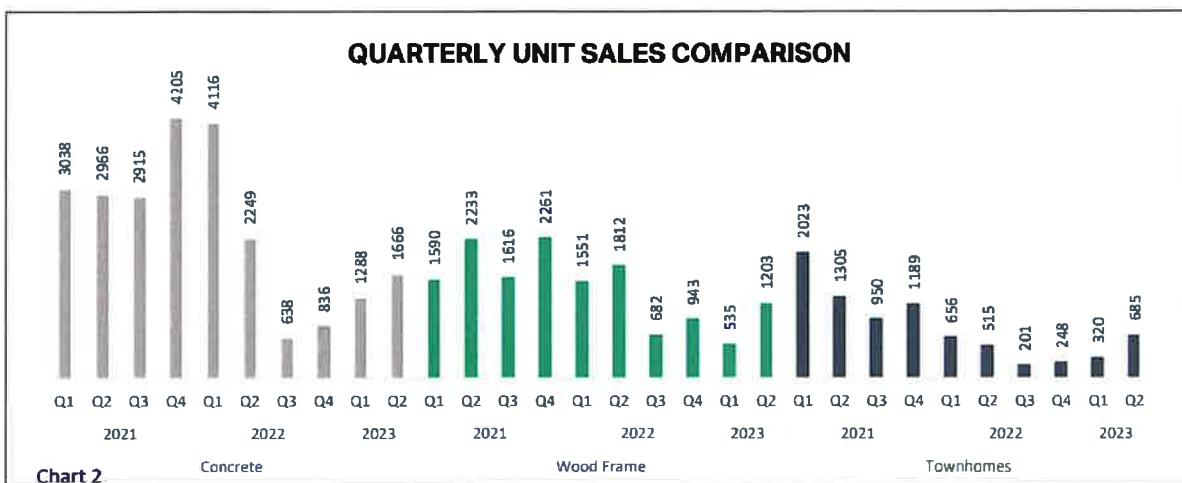
Zonda Urban (formerly Urban Analytics) follow Metro Vancouver's newly constructed multi-family home market, over 13 main sub-markets. According to the most recent "Vancouver Multi-Family Take Q2 2023" market report by Zonda Urban, the new multi-family home market recorded a total of 3,554 new home sales in the 2nd quarter of 2023, an increase of 66% from the previous quarter and up to 100% from the average sales total of Q3 and Q4, 2022. Increased new home sales activity in Metro Vancouver can be attributed to both increased buyer sentiment as well as greater purchasing opportunities, as developers have released product to market that was previously delayed.

Overall market conditions in Metro Vancouver, while not as robust as 2021 and early 2022, have rebounded and are balanced. Sales and inventory spreads recorded at the end of Q2 2023 are consistent with those experienced in Q4-2018 and Q3-2020. The primary driver of new home demand in Metro Vancouver (and all other markets across Canada) has been continued strong migration, which in turn has put extreme upward pressure on rents. Rental rates for newer rental apartment product in Metro Vancouver and all other major markets Zonda Urban tracks in Canada were at or near all-time highs at the end of Q2-2023. Expensive rental rates are likely motivators for new home purchasers in Metro Vancouver due to diminished savings as part of renting vs. owning.

Sales in Q2-2023 totaled 3,554, up 66% from last quarter and similar to the five-year second quarter average of 3,582 sales. While sales were up significantly from the previous quarter, it should be noted that they were down 22% from the second quarter of 2022, where near peak pre-sale conditions were still prevalent. Sales activity in the South of Fraser region showed a notable increase as overall sales in this region were up 106% from the previous quarter. Second quarter sales in the North of the Fraser region were up 47% when compared to the previous quarter.



Vancouver Multi-Family Take Q2 2023 market report by Zonda Urban



Vancouver Multi-Family Take Q2 2023 market report by Zonda Urban

One of the more positive trends is that sales over the past few quarters have been increasing for all product types. Concrete condominium sales were up 161%, wood frame condominium sales were up 76% and townhome sales were up 241% when compared to the low volumes experienced in Q3 2022.

The difference between the total number of units available and quarterly sales decreased by 16% quarter over quarter, as both released inventory and sales activity increased compared to last quarter. While the variance of 4,473 units between the number of sales, released and unsold inventory observed in the second quarter of 2023 is 21% higher than the five-year average gap observed, it is consistent with more balanced market periods throughout the past five years.

There were 8,027 unsold new multi-family units available to purchase at the end of Q2 2023; an 8% decrease from the previous quarter and a 7% increase from the same quarter in 2022. Unsold inventory

was up 3% for concrete condominiums, up 37% for wood frame condominiums, and down 3% for townhomes when compared to the previous quarter. Year-over-year unsold inventory of concrete condominiums and wood frame condominiums increased by 2% and 20% respectively, while year-over-year unsold inventory of townhomes decreased by 2%.

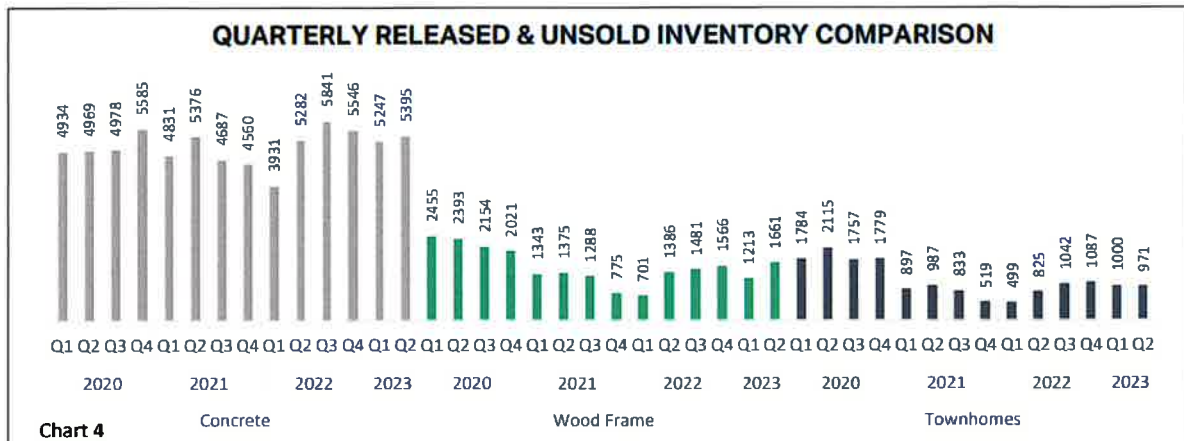
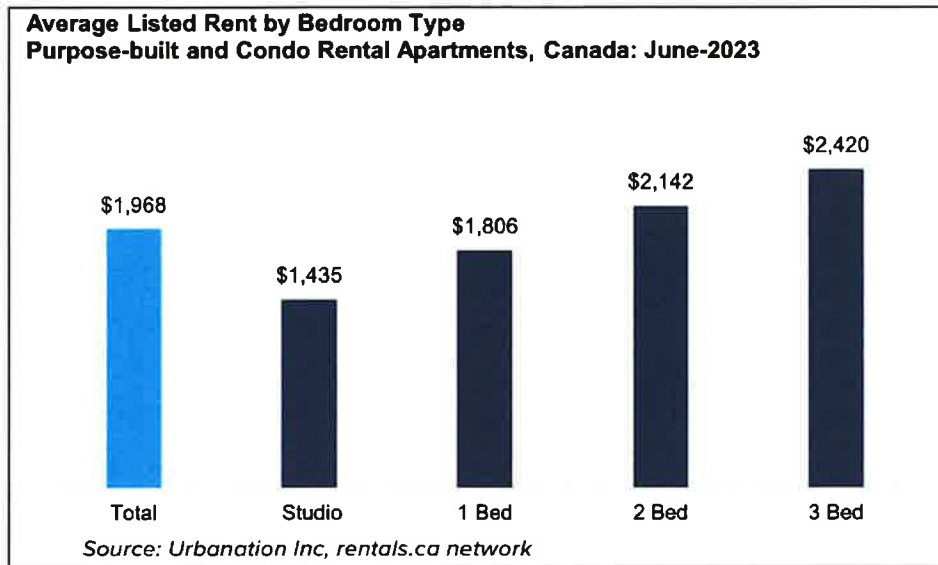


Chart 4 Vancouver Multi-Family Take Q2 2023 market report by Zonda Urban

PURPOSE BUILT RENTAL MARKET OVERVIEW

In Rentals.ca’s July 2023 Rent Report, it was reported that the average asking rents in Canada hit a record high of \$2,042 in June, surpassing the previous record set in November 2022 (\$2,024) by 0.9%. The 1.4% increase in rents from May represented the fastest month-over-month increase so far this year, causing the annual rate of rent inflation to accelerate to 7.5% from the 6.5% annual rate recorded in May. Over the past two years, average asking rents in Canada have increased by 20%, or by an average of \$341.

Annual growth in asking rents for purpose-built and condominium apartments rose to 8.9% in June from a 7.3% pace in May, bringing the average rent to a record high of \$1,968. On a monthly basis, rent growth was strongest for the smallest and least expensive unit types, with studios and one-bedrooms seeing rents rise 2.6% and 2% during the month, respectively. Compared to a year ago, rents have increased the most for one-bedrooms units with annual growth of 10.4%. Larger and more expensive units represented by two-bedroom and three-bedroom apartments recorded month-over-month growth that was less than half of their smaller unit counterparts, with increases of 0.7% and 0.8%, respectively.



Source – Rentals.ca National Rent Report July 2023

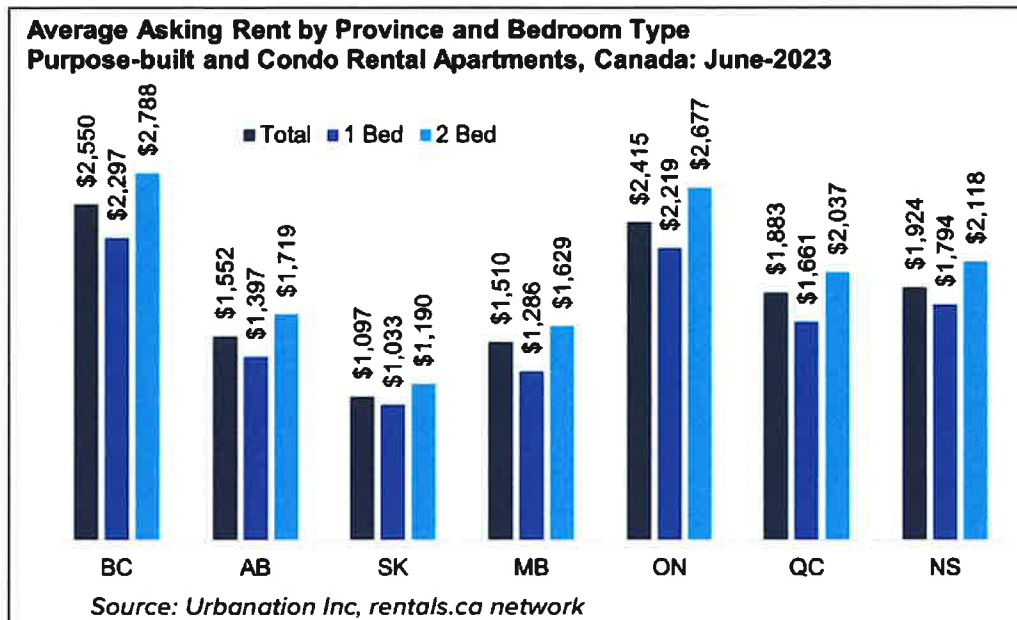
The chart below illustrates the average rent for all property types by province in Canada.

PROV.	TOTAL	0B	Average Rent			TOTAL	% Change Y/Y				
			1B	2B	3B		0B	1B	2B	3B	
AB	\$1,552	\$1,010	\$1,397	\$1,719	\$1,834	18%	10%	16%	19%	21%	
BC	\$2,550	\$1,903	\$2,297	\$2,788	\$3,429	10%	11%	15%	7%	12%	
MB	\$1,510	\$1,013	\$1,286	\$1,629	\$2,074	7%	-2%	2%	4%	11%	
NS	\$1,924	\$1,493	\$1,794	\$2,118	\$2,606	-4%	-13%	1%	2%	4%	
ON	\$2,415	\$1,828	\$2,219	\$2,677	\$2,933	9%	11%	11%	9%	7%	
QC	\$1,883	\$1,395	\$1,661	\$2,037	\$2,379	12%	5%	11%	9%	6%	
SK	\$1,097	\$849	\$1,033	\$1,190	\$1,350	7%	6%	7%	9%	5%	
CA	\$1,968	\$1,435	\$1,806	\$2,142	\$2,420	9%	6%	10%	8%	7%	

Source: Urbanation Inc, rentals.ca network data

Source – Rentals.ca National Rent Report July 2023

British Columbia remained the most expensive province for tenants with an average monthly asking rent of \$2,550 for purpose-built and condominium apartments, followed by Ontario’s average rent of \$2,415 in June. At \$1,552, average asking rents for purpose-built and condominium apartments in Alberta were 39% less than in British Columbia and 36% less than in Ontario.

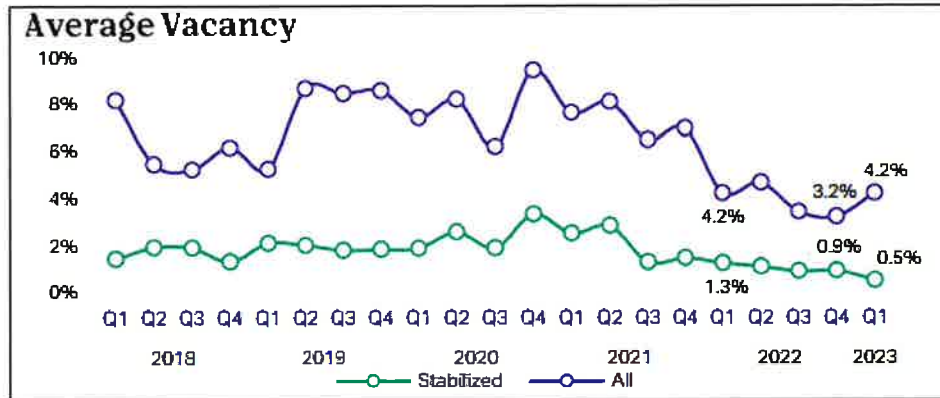


Source – Rentals.ca National Rent Report July 2023

According to the latest Q1 2023 rental reports by Zonda Urban (formally Urban Analytics), the Metro Vancouver purpose-built rental market started off the year strong with net rents reaching an all-time high \$4.10 per square foot, 3.8% higher than the prior quarter. Overall vacancy increased one percentage point from last quarter in part due to seven project launches in the first quarter, totaling 826 units. The next two quarters will continue to have numerous launches with 16 projects (1,301 units) at or past the interior finishing stage of construction. Downtown Vancouver remains an extremely tight market for tenants, with overall vacancy at 1.4% and average net rents at \$5.08 per square foot.

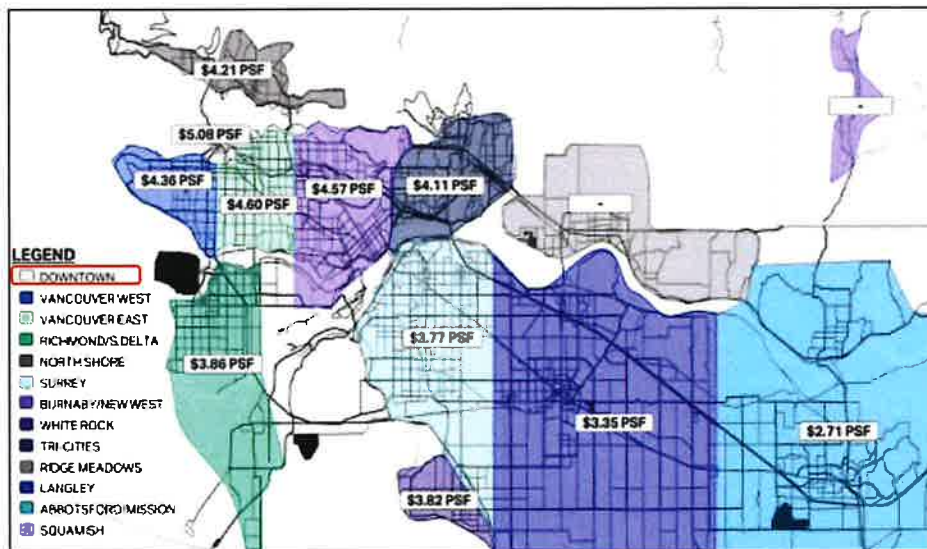
Our discussions with industry professionals indicated that given the rent freezes and strict rental increase allowances, landlords of newly constructed rental buildings are seeking higher starting rents to offset the below inflation rate increases set by the government. Leasing agents are continuing to report high levels of leasing activity with interest coming from working professionals and newcomers to Vancouver.

The overall vacancy increased from 3.2% last quarter to 4.2%. Overall vacancy was flat year over year. Vacancy among stabilized projects fell 0.4% to an all-time low of 0.5% and was down 0.8% year over year. Vacancy mostly went down in sub-markets without a project launch in the first quarter. The sub-markets with drastic increases in vacancy experienced at least one project launch.



Source – nhslive.ca Q1-2023 Vancouver Rental Take

As shown below, Zonda Urban is currently monitoring 236 newer purpose-built rental apartment projects comprising 23,580 units across 13 major Metro-Vancouver sub-markets. 18 of these projects are actively leasing, with the remaining 218 buildings having been substantially absorbed and experiencing typical levels of unit turnover.



Source – nhslive.ca Q1-2023 Vancouver Rental Take

To summarize, with the current low vacancy rates in the Lower Mainland, rising inflation rates, and strong demand and low supply of rental housing, projects like the proposed subject rental development offers good market appeal and are expected to have high market demand.

The value of the underlying land with potential to accommodate market condominiums, market rental, affordable rental and commercial based on the Metrotown Downtown Plan guidelines far exceeds the value of the property under its existing low-rise multi-family residential basis. In our opinion, the highest and best use of the subject site as of the effective date of valuation would be a holding property pending rezoning and redevelopment to a high-density mixed-use project in accordance with information provided by our client and consistent with the general guidelines set out by the City.

8.0 VALUATION METHODOLOGY

There are six methods in valuing development land properties. They include the Direct Comparison Approach, Abstraction Method, Extraction Method, Subdivision Development Method, Land Residual Technique, and Ground Rent Capitalization Method.

The Direct Comparison Approach

In which recent sales of similar parcels of land are collected, analyzed, compared, and adjusted to reflect the similarity or dissimilarity of those parcels to the site of the subject property.

The Allocation Method

Is based on the principles of balance and contribution, where a ratio of site value to property value is extracted from comparable sales, in competitive locations, and is then applied to the sale price of the subject property to determine the site value. This method is most commonly used in valuing residential subdivision lots; although is rarely the primary method of valuation.

The Extraction Method

Is a technique in which the land value is extracted from the sale price of an improved property by deducting the contributory value of the improvements, often estimated at their depreciated cost, from the sale price. The remaining value represents the value of the land.

Land Residual Technique

Is a method in which the residual of the gross revenue from the hypothetical sales of the development minus the development costs and developer's profit, is attributed to the value of the land.

Ground Rent Capitalization

Is where market-derived capitalization rates are used to convert ground rent into an indication of land value.

Discounted Cash Flow Analysis or Subdivision Development Analysis

Is where direct and indirect costs, and entrepreneurial incentive, are deducted from an estimate of the anticipated gross sales price of the finished lots; and, the net sales proceeds are discounted to present

value, at a market-derived rate, over the development and absorption period. If entrepreneurial incentive is not deducted as a line-item expense, then the discount rate should reflect the full effect of any profit.

In this appraisal, we have relied on the Land Residual technique as our primary value indicator. Development properties similar to the subject site in size, location and development potential are scarce in the Metrotown area, and there has been a very limited number of transactions recorded in the recent months. The development scheme within the overall development is complex, involving commercial, market condominiums, market rental and affordable rental components. Development properties with similar size and complexity in the City of Burnaby are extremely rare, therefore the Direct Comparison approach is considered to offer weaker value support given the lack of recent transactions in the City. The Land Residual technique would capture the value attributed by each component proposed within the subject development and is considered to provide a more accurate value support.

9.0 LAND RESIDUAL TECHNIQUE

A prerequisite for use of the Land Residual Technique is a proposed development concept in accordance with the "highest and best use" of the land. The Land Residual Technique involves the estimation of market value of the proposed development as if complete. Expenses such as construction costs, servicing costs, sales commissions, overhead and a profit factor are then estimated and deducted from the estimate of market value.

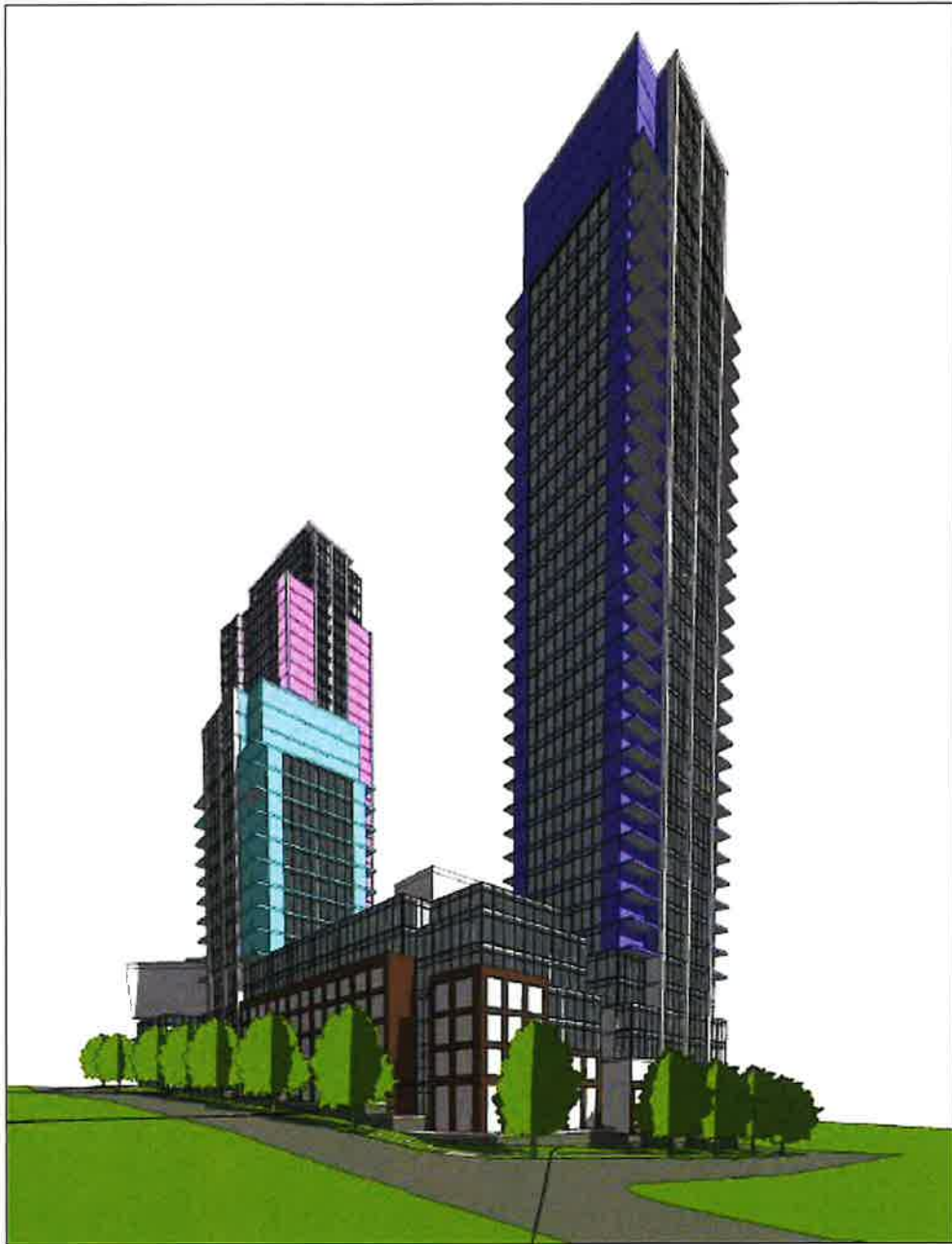
We have been relied on the information provided by our client in our valuation process; however, given the preliminary nature of the subject project, we reserve the right to amend our analysis and value conclusions upon receiving updated information.

DESCRIPTION OF THE PROPOSED DEVELOPMENT

Our client has proposed to construct a mixed-use project with a 39-storey high-rise residential tower consisting of market condominiums, a 36-storey high-rise residential tower comprising market condominiums and affordable rental units and an 18-storey high-rise residential tower comprising market rental units along with a podium consisting of commercial space. Detailed building plans regarding the proposed project are not yet available. However, our client provided us with preliminary building plans prepared by Matthew Cheng Architect Inc. dated August 15, 2023 (Appendix "D"), with information pertaining to the estimated gross building areas. Given the preliminary nature of the subject property, details pertaining to the net saleable areas are not available. The saleable/leasable areas have been estimated using typical building efficiencies observed from other similar, high-density mixed-use developments in the Lower Mainland. We have assumed the following building efficiencies for each proposed component. We note our assumptions are based on typical market ranges observed from similar buildings and are subject to change when details pertaining to the subject project are made available.

Component	Proposed GBA (Sq.ft.)	FSR	Assumed Building Efficiency	Estimated Saleable/ Leasable Area (Sq.ft.)	Number of Units	Average Unit Size
Market Condominium	365,668	4.36	85%	310,818	446	697
Market Rental	116,822	1.39	85%	99,299	168	591
Affordable Rental	29,200	0.35	85%	24,820	38	653
Commercial Retail/Office	112,521	1.34	90%	101,269	-	
Total:	624,211	7.45		536,205	652	

A preliminary 3D rendering is shown below for visual reference:



11.1.1 ESTIMATE OF GROSS PROCEEDS – MARKET CONDOMINIUM COMPONENT

Details pertaining to the unit layouts are yet to be available. To estimate gross proceeds from 310,818 sq.ft. of market residential saleable area, we have assumed the subject condominium units will offer competitive interior specifications, open and efficient layouts, similar to other proposed high-density condominium projects in the immediate area. Data collected from similar concrete residential projects in the City of Burnaby has been used to estimate gross revenue from the proposed subject market condominium component. First, we have analyzed the products proposed within proximity to the subject development and identified its competitive position in the location market.

According to the preliminary building plans dated August 15, 2023, prepared by Matthew Cheng Architect Inc. and an assumed building efficiency of 85%, the market residential component is assumed to offer 310,818 sq.ft. of saleable area within 446 residential units, demised into one-bedroom + den, two-bedroom and three-bedroom accommodations, with an average unit size of 697 sq.ft. Given the estimated average unit size, the unit layouts and designs are assumed to be average size compared to other similar newly constructed multi-family projects in the Lower Mainland.

The chart to the right traces the monthly change in the home price index for apartment properties across Metrotown Burnaby South since August 2021. We have loosely based our time adjustments on this general price trend. The statistics demonstrate that the apartment market in Metrotown Burnaby South has witnessed continued growth in the past two years however, there has been a downward trend since July 2023.

REBGV Published Metrotown Burnaby South Apartment Benchmark Price

Month	Benchmark Price	% Change as of Aug 2023
Aug-23	\$884,600	
Jul-23	\$888,000	-0.38%
Jun-23	\$868,600	1.84%
May-23	\$867,400	1.98%
Apr-23	\$860,700	2.78%
Mar-23	\$842,200	5.03%
Feb-23	\$843,100	4.92%
Jan-23	\$816,000	8.41%
Dec-22	\$794,300	11.37%
Nov-22	\$794,300	11.37%
Oct-22	\$797,900	10.87%
Sep-22	\$798,900	10.73%
Aug-22	\$832,000	6.32%
Jul-22	\$827,900	6.85%
Jun-22	\$838,300	5.52%
May-22	\$860,700	2.78%
Apr-22	\$863,100	2.49%
Mar-22	\$851,200	3.92%
Feb-22	\$839,700	5.35%
Jan-22	\$809,000	9.34%
Dec-21	\$792,400	11.64%
Nov-21	\$765,900	15.50%
Oct-21	\$754,500	17.24%
Sep-21	\$755,700	17.06%
Aug-21	\$751,700	17.68%

The following projects and sales have been analyzed to provide a current indication of market selling prices for condominium units.

COMPARABLE ONE: "PERLA" AT 5938 OLIVE AVENUE, METROTOWN, BURNABY*NHSLive by Zonda Urban, Perla*

Situated just east of Central Park and north of Central Boulevard, "Perla" comprises a 39-storey residential project by Polygon Homes. The development will contain 335 strata-titled apartment units within the tower, as well as an adjacent 6-storey wood-framed building to contain purpose-built rental apartments. This project is at pre-construction stages, as such, completion and first occupancies are not anticipated to commence until the end of 2026.

This analysis will focus on the 335-unit condominium component, offering single-level apartment layouts to include 1-bedroom, 1-bedroom with den, 2-bedroom, 2-bedroom with den and 3-bedroom layouts, plus five larger 3-bedroom penthouse units. Per-unit saleable areas are listed at between 536 sq.ft. and 1,130 sq.ft., with the five 3-bedroom penthouse apartments ranging between 1,317 sq.ft. and 1,497 sq.ft.

Unit interiors are presently being marketed with the following features:

- Private outdoor deck or patio for each unit;
- 9 feet high ceilings;
- Wood-style laminate flooring throughout bedrooms and main living areas;

- Custom kitchen cabinetry and stone countertops;
- 18" or 30" stainless steel undermount sink with faucet and pull-out spray;
- Appliances:
 - 22" or 30" refrigerator
 - 24" or 30" gas cooktop with hood fan
 - 24" dishwasher
 - Microwave combination in some homes
 - 24" stacked washer and dryer
- Bathroom vanity mirror/cabinet and stone countertops;
- Porcelain wall tiles

The shared amenity spaces at Perla are stated to include a spa, with fitness suite and jacuzzi, a social room, co-working space, and secure parcel delivery system in the lobby. As well as an entire floor of indoor and outdoor amenity spaces at top floor level, including an indoor catering kitchen, outdoor dining area, outdoor sky lounge, outdoor deck, and BBQ area.

Perla is reported by Zonda Urban to have commenced pre-sales on March 11, 2023, releasing all 335 units. By the end of March, 108 sales were recorded and additional 113 sales were recorded in Q2 2023, with 114 units remaining available. The tables below have been extracted from Zonda Urban's online records, illustrating the blended sales and listings prices for the project, as well as for each unit type. The blended sales and listings price for the project is reported at **\$1,245 per sq.ft., excluding GST**, based on the 789 sq.ft. average saleable area.

Total Units	Rlsd Units	Sold Units	Rlsd & Unsold	Mos On Mkt	Monthly Absorp.	Avg Size (SF)	Avg Unit Price	Blended \$PSF				
335	335	221	114	3	73.7	789	\$982,305	\$1,245				
Plan Type	Bths	# Stalls	Rlsd	%	Sold	Unsold	Min SF	Max SF	Min \$	Max \$	Min \$psf	Max \$psf
1 Bd	1	1	80	24%			536	574	\$639,900	\$769,900	\$1,193	\$1,341
1+Den	2	1	1				773	773	\$849,900	\$849,900	\$1,099	\$1,099
2 Bd	2	1	172	51%			802	875	\$859,900	\$1,274,900	\$1,072	\$1,457
2+Den	2	1	72	21%			851	864	\$899,900	\$1,128,900	\$1,057	\$1,306
3 Bd	2	1	5	1%			1,030	1,130	\$1,198,900	\$1,339,900	\$1,163	\$1,185
PH-3 Bd	2	2	5	1%			1,317	1,497	\$1,799,900	\$2,299,900	\$1,366	\$1,536
Totals/Averages:			335				789		\$982,305		\$1,245	

NHSLive by Zonda Urban, Perla

Since pre-sales commenced, sales staff have not reported any sales incentives to Zonda Urban; however, a realtor bonus of \$5,000 or \$10,000 is offered dependent on unit size.

The project's underground parkade will offer bike repair stations, bike storage, an indoor dog wash, and rough-in for EV parking for every stall. Parking and storage appear to be allocated with no additional sales price listed by Zonda Urban.

Analysis

Perla is the most recent pre-sales launch for proposed new high-rise condominium projects within the Metrotown area, representing sales and listings evidence from March 2023. The location of Perla is considered to be comparable, within close proximity to the subject, as well as the Skytrain network, Metrotown malls and parks.

It is noted that Perla does not offer any compact studio layouts and reflects a more typical average unit size of 789 sq.ft. for the project. It is a similar 39-storey condominium proposal (compared to the subject's proposed 39-storey condominium building form and 36-storey condominium/affordable rental building form), as its rental component will predominantly be provided within a separate 18-storey tower.

The blended average pre-sales rate of \$1,245 per sq.ft., including allocated parking and storage, is considered to offer highly relevant and very recent value support for the subject project. As at the effective date, a slightly higher per sq.ft. value is concluded after consideration for the improved market conditions since the March 2023 sales launch.

COMPARABLE TWO: "CONTOUR METROTOWN" AT 4330 MAYWOOD STREET, BURNABY

Located at the southwest corner of Maywood Street and Silver Avenue, the "Contour Metrotown" project is a proposed 24-storey mixed-use tower by Kirpal Group plus five levels of underground parking. The comparable proposal includes two levels of ground oriented commercial retail and office accommodations, 91 market condominium units and 28 replacement non-market rental units. The market condominium component is located from floor levels 6 up to level 24 (excluding an amenity level at floor 21). Unit layouts start from 568 sq.ft. one-bedroom apartment units and range up to 1,089 sq.ft. three-bedroom apartments. Overall, the project offers an average condominium unit size of 787 sq.ft. Construction has not yet commenced; the developer is scheduling construction completion for April 2025.



NHSLive by Zonda Urban, Contour Metrotown

Shared amenities will be provided in the form of a fitness suite, co-working space, lounge and a south facing outdoor terrace at the 21st floor level. Each strata-titled apartment unit will include one parking stall and one storage locker. The units are also marketed to include the following features:

- 9 feet high ceilings
- Laminate flooring
- Quartz countertops
- Kitchen appliance package (Samsung, Panasonic, Fulgor), including a microwave
- Carpeted bedrooms
- Tile bathroom and ensuite flooring



NHSLive by Zonda Urban, Contour Metrotown

According to Zonda Urban, the pre-sales launch for Contour Metrotown was July 9, 2022, when only 21 units were released. By June 2023, sales representatives have confirmed all 21 released units have sold, therefore, temporarily closing its presentation centre, leaving 70 units still available (average \$1,369 per sq.ft.). No new sales were reported by Zonda Urban over the first quarter of 2023.

Since sales commenced, the developer was offering a 10% discount, resulting in an overall average sales/listings price at **\$1,369 per sq.ft., excluding GST**, including allocated parking and storage. This offer was reduced to 8% over October-December plus an \$8,000 upgrade offer, moving into 2023 the offer still remains in place. Additionally, an \$8,000 realtor bonus is being offered.

Total Units	Rlsd Units	Sold Units	Rlsd & Unsold	Mos On Mkt	Monthly Absorp.	Avg Size (SF)	Avg Unit Price	Blended \$PSF				
91	21	21	0	11	19	787	\$1,077,403	\$1,369				
Plan Type	Bths	# Stalls	Rlsd	%	Sold	Unsold	Min SF	Max SF	Min \$	Max \$	Min \$psf	Max \$psf
1 Bd	1	1	21	23%			568	659	\$649,900	\$879,900	\$1,144	\$1,335
Jr 2 Bed	1	1	12	13%			642	642	\$799,900	\$999,900	\$1,245	\$1,557
2 Bd	2	1	40	44%			772	912	\$899,900	\$1,488,500	\$1,165	\$1,632
3 Bd	2	1	18	20%			1,017	1,089	\$1,249,900	\$1,811,000	\$1,229	\$1,662
Totals/Averages:			91				787		\$1,077,403		\$1,369	

NHSLive by Zonda Urban, Contour Metrotown

Analysis

Contour Metrotown is situated within immediate proximity to the subject site, at the southwest corner of Maywood Street and Silver Avenue, offering very similar locational appeal. The project launch date in early July 2022 is also considered to reflect relevant value support for the subject's proposed condominiums, as at the effective date of valuation. It is noted that the benchmark price for apartments in Metrotown was 6.32% higher over August 2023, in comparison to August 2022, after the pre-sales listings were released.

The lower-end sales/listings prices for the one-bedroom units at Contour Metrotown have since been reduced from \$699,900/\$1,232 per sq.ft. to \$649,900/\$1,144 per sq.ft. Whilst the lower-end sales/listings prices for the two-bedroom units have since been reduced from \$949,900/\$1,230 per sq.ft., to \$899,900/\$1,165 per sq.ft. This is likely a result of the slow absorption at the comparable project and the general market slow-down witnessed over the second half of 2022.

The comparable is considered to offer slightly inferior appeal given that the comparable includes its rental component within the same building, and is a lower 24-storey proposal, compared to the subject building which is proposing 39 stories of condominium as well as 36 stories of condominium & affordable housing along with amenity uses. However, a downward adjustment is accounted for the comparable's superior location with proximity to the Metrotown Mall. We would expect a lower average selling price point for the subject units.

COMPARABLE THREE: "O2" AT 6620 SUSSEX AVENUE, BURNABY*NHSLive by Zonda Urban, O2*

"O2" is a proposal by Keltic Canada Development for a 30-storey strata-titled residential and residential rental tower. The condominium units will offer a wide range in floor plan types starting from 424 sq.ft. studio layouts, as well as 522 to 611 sq.ft. one-bedroom or one-bedroom plus den units, 727 to 862 sq.ft. junior two-bedroom or two-bedroom units (some also with a den), and 988 to 1,031 sq.ft. three-bedroom units. The penthouse units include an 867 sq.ft. two-bedroom apartment, a 1,004 sq.ft. two-bedroom plus den apartment or three-bedroom layouts of 1,202 and 1,209 sq.ft. Overall, the condominium component at O2 has a proposed average saleable area of 681 sq.ft. Construction completion has been estimated for October 2025.

Ground level amenity spaces include a lounge, a multi-purpose room with lounge and kitchen, a yoga room with infrared sauna and a fitness studio with a 500 sq.ft. patio. There will also be a guest suite, dedicated EV parking, bike repair station, pet-wash station, children's play area and shared rooftop terrace. Allocated storage lockers are included for all homes, and vehicle parking stalls are included for all homes excluding the studio layouts. Unit specifications are marketed to also include the following:

- Air purification system in every home
- Laminate wood flooring in the main living areas and bedrooms
- Stone countertops and backsplashes
- Extendable chrome kitchen faucet
- Separate filtered water faucet

- Stainless steel kitchen appliances (Fulgor Milano, Bosch, Faber) including a Panasonic microwave, with an optional wine fridge upgrade
- Blomberg (24") or LG (27") front-loading washer and dryer
- Large-format polished porcelain tile bathroom and ensuite flooring (heated) and walls
- Enclosed steam shower in ensuite (optional upgrade for smaller homes)
- Deep, stand-alone soaker bathtub in main bathroom

According to Zonda Urban, pre-sales at O2 launched on July 8, 2022, with a blended average listing price at \$1,300 per sq.ft., excluding GST, and excluding pricing for the four penthouse units, but including allocated parking (where applicable) and storage lockers. However, incentives were being offered at a \$3,000 discount on studio units, a \$5,000 discount on one-bedroom units, a \$10,000 discount on two-bedroom units and a \$20,000 discount on three-bedroom units. By the end of 2022, 150 sales had been confirmed as well as reductions in sales/listing prices to reflect **blended of \$1,270 per sq.ft.** for the project, excluding GST. It is noted that an increase in purchase incentives was also recorded over the final quarter of 2022, to \$8,800 discounted off the one-and-two-bedroom listings and a \$18,800 discount on the two-and-three-bedroom listings, which does not appear to be reflected in the overall blended sales price.

A further update was released by Zonda Urban at the end of June 2023, reporting a total of 188 sales, with 97 units still available. Sales incentives of a \$5,000 bonus on first home sold and a \$8,000 bonus on two or more homes sold remain.

Total Units	Rlsd Units	Sold Units	Rlsd & Unsold	Mos On Mkt	Monthly Absorp.	Avg Size (SF)	Avg Unit Price	Blended \$PSF				
285	285	199	86	8	24.9	681	\$864,870	\$1,270				
Plan Type	Bths	# Stalls	Rlsd	%	Sold	Unsold	Min SF	Max SF	Min \$	Max \$	Min \$psf	Max \$psf
Studio	1	n/a	28	10%			424	424	\$583,900	\$690,900	\$1,259	\$1,629
1 Bd	1	1	84	29%			522	569	\$653,900	\$780,000	\$1,252	\$1,370
1+Den	1	1	29	10%			586	611	\$720,900	\$820,000	\$1,230	\$1,342
Jr 2 Bed	1	1	28	10%			727	862	\$838,900	\$1,010,000	\$1,153	\$1,171
2 Bd	2	1	56	20%			758	777	\$902,900	\$1,050,000	\$1,191	\$1,351
2+Den	2	1	28	10%			840	843	\$996,900	\$1,110,000	\$1,186	\$1,316
3 Bd	2	1	28	10%			988	1,031	\$1,119,900	\$1,340,000	\$1,133	\$1,299
PH-2 Bd	2	1	1				867	867	\$0	\$0	\$0	\$0
PH-2+Den	2	1	1				1,004	1,004	\$0	\$0	\$0	\$0
PH-3+Den	2	1	2	1%			1,202	1,209	\$0	\$0	\$0	\$0
Totals/Averages:			285				681		\$864,870		\$1,270	

NHSLive by Zonda Urban, O2

Analysis

The comparable at O2 is located just southeast of the subject site, in close proximity, along the east side of Sussex Avenue, and has a 30-storey, concrete framed building proposal; however, including a rental component within the comparable building. Storage lockers are included in all 285 units, and parking is included for every home excluding studios.

Similar to the previous comparable, it is noted that the benchmark price for apartments in Metrotown was 6.32% higher over August 2023, in comparison to August 2022, after the pre-sales listings were released; however, the benchmark price for apartments in Metrotown reported gradual monthly decreases between July and August 2023. However, O2 reported slower absorption over the final quarter of 2022, and again over the first quarter of 2023, as well as introducing increased sales incentives.

Upward adjustment is considered to reflect that the comparable includes its rental component within the same building.

COMPARABLE FOUR: "NUVO" AT 6075 WILSON AVENUE, BURNABY*NHSLive by Zonda Urban, Nuvo*

"Nuvo" is a proposed high-rise residential project located at the northwest corner of Wilson Avenue and Central Boulevard within the Metrotown Downtown area. It is anticipated to comprise a 44-storey tower, by Anthem Properties, containing 358 strata-titled market residential units. This project also proposes a 6-storey, non-market rental building to contain 86 rental replacement units. The Condominium units within the 44-storey tower are reported to offer studios as well as, one to three-bedroom apartments and three-bedroom townhomes, some unit types also including a den space. The proposed apartments range in size from 468 sq.ft. to 1,152 sq.ft., excluding the penthouse and townhouse layouts, with a blended average unit size of 773 sq.ft. The developer is scheduling construction completion by the end of March 2026.

Various shared building amenities are proposed, which include a party room, sauna, fitness area, game and entertainment room, guest suites, conference meeting area, and lounge with fireplace. Outdoor shared amenities will include a courtyard, a dining area with outdoor furnishings, children's playground, BBQ area with lounge and fire pit. Interior unit finishing has been reported to include the following features, but may not be limited to:

- Laminate wood flooring throughout
- Air-filtered heating and cooling system
- Quartz kitchen countertops and backsplash

- Single basin kitchen stainless steel sink with Baril chrome faucet
- 24” or 30” Kitchen appliance package (Bosch, AEG), dependent on unit-size, including a Panasonic microwave:
- Front loading washer and dryer
- Porcelain tiled bathroom flooring and walls
- Laufen bathroom sink and Baril chrome faucet
- Soaker tub with hand shower (in select homes)
- Glass enclosed walk-in shower with handheld shower heads (studio + one-bedroom only)
- Laufen dual-flush toilet

Each unit comes with storage and at least one allocated parking stall, all allocated parking stalls are reported to be EV compatible. Each unit also comes with a private balcony and/or either a patio or deck.

The project launched pre-sales on February 26, 2022, releasing 300 of the total 358 units. Details relating to the townhouses as well as the penthouse and sub-penthouse units are yet to be released. Staff representatives had recorded 300 sales by March 31, 2022. No sales were reported up to Q2 2023. The sales team at Nuvo informed Zonda Urban that it has paused sales for 2023, leaving 58 units on hold for future sales release. The chart below summarizes the initial 300 pre-sales and listings, as at March 31, 2022, they reflect a blended average sales price at **\$1,290 per sq.ft., excluding GST** and excluding the townhouse and penthouse/sub-penthouse units. No realtor incentives were recorded, with a 15% deposit offered on some unit types.

Total Units	Rlsd Units	Sold Units	Rlsd & Unsold	Mos On Mkt.	Monthly Absorp.	Avg Size (SF)	Avg Unit Price	Blended \$PSF				
358	300	300	0	16	18.8	773	\$997,170	\$1,290				
Plan Type	Bths	# Stalls	Rlsd	%	Sold	Unsold	Min SF	Max SF	Min \$	Max \$	Min \$psf	Max \$psf
Studio	1	0	39	11%			468	468	\$566,900	\$676,900	\$1,211	\$1,446
1.Bd	1	1	78	22%			544	575	\$685,900	\$849,900	\$1,260	\$1,478
1+Den	1	1	78	22%			548	642	\$725,900	\$937,900	\$1,324	\$1,460
2.Bd	2	1	39	11%			886	886	\$1,012,900	\$1,290,900	\$1,143	\$1,457
2+Den	2	1	78	22%			851	933	\$1,020,900	\$1,245,900	\$1,199	\$1,335
3+Den	2	1	39	11%			1,152	1,152	\$1,250,900	\$1,485,900	\$1,085	\$1,289
TH+3 Bd	n/a	0	0				0	0	\$0	\$0	\$0	\$0
PH/Sub-PH	n/a	n/a	0				0	0	\$0	\$0	\$0	\$0
Totals/Averages:			351				773		\$997,170		\$1,290	

NHSLive by Zonda Urban, Nuvo

Analysis

Nuvo provides relevant evidence for the subject condominium units given it is also located within the Metrotown Downtown Plan, southeast from the subject site, at the northwest corner of Wilson Avenue and Central Boulevard.

An upward adjustment is warranted for the improved market conditions since the February 2022 sales launch.

COMPARABLE FIVE: "ARTESIA" AT 4275 GRANGE STREET, BURNABY

NHSLive by Zonda Urban, Artesia

Artesia is another proposed high-rise project located within the Metrotown Downtown area. It is anticipated to comprise a 31-storey tower, by Qualex Landmark, containing 247 strata title market residential units. This project also incorporates a 5-storey non-market condominium portion of 32 units located at 4275 Grange Street. Unit within the 31-storey tower are reported to offer a range of unit sizes from the smallest 497 sq.ft. one-bedroom apartment units, up to the largest three-bedroom 1,218 sq.ft. townhouse units. Overall, the blended average unit size for the project is 691 sq.ft. The City progressed Artesia to final adoption on August 30, 2021, and the developer is scheduling construction completion by the beginning of September 2025.

Various shared building amenities will include a shared kitchen and lounge with fireplace, business area, study rooms, music room, fitness area with pool (outdoor), sauna and yoga studio, a "tot-lot", bike wash, and a bike repair area. Outdoor shared amenities will include a courtyard, a sun deck with hot tub, children's playground, BBQ area with lounge and fire pit, outdoor games, and a dog wash station.

Interior finishing has been reported to include the following features, but may not be limited to:

- Laminate wood flooring throughout
- Air-filtered heating and cooling system and Heat Recovery Ventilator (HRV)
- Quartz kitchen countertops and backsplash

- Grohe kitchen faucet
- 24", 30" or 32" kitchen appliance package (Fisher & Paykel, CFM, Frigidaire) dependant on unit-size, including microwave
- Front loading washer and dryer
- Porcelain tiled bathroom flooring and walls
- Italian floating bathroom cabinetry with Quartz bathroom countertops and backsplash
- Grohe bathroom faucet and fixtures, and a heated towel bar
- Soaker tub with hand shower
- Frameless glass shower with rain shower head and hand shower in two-and-three-bedroom ensuites

Each unit comes with at least one parking stall, with the exception of some one-bedroom layouts on the 20th floor or below. Each unit comes with storage, with the exception of some of the studio layouts. Each balcony comes with a private balcony and/or patio/deck.

The project launched pre-sales on February 5, 2022, and sales staff record 121 deals are in rescission by February 16th. The initial listings reflect a blended average sales price at \$1,290 per sq.ft., excluding GST. No sales incentives are reported, other than a 15% deposit for two-and-three-bedroom homes, all other units are subject to a 20% deposit. As at the end of June 2023, a total of 188 sales were reported. Prices have now increased leading to a blended average sales price for the project at **\$1,294 per sq.ft., excluding GST**, with the 15% deposit incentive now extended to all homes. The chart below summarizes the 2023 sales and listings.

Total Units	Rlsd Units	Sold Units	Rlsd & Unsold	Mos On Mkt	Monthly Absorp.	Avg Size (SF)	Avg Unit Price	Blended \$PSF				
247	247	188	59	16	11.8	691	\$894,154	\$1,294				
Plan Type	Bths	# Stalls	Rlsd	%	Sold	Unsold	Min SF	Max SF	Min \$	Max \$	Min \$psf	Max \$psf
1 Bd	1	1	97	39%			497	533	\$627,000	\$819,000	\$1,261	\$1,536
1+Flex	1	1	51	21%			565	633	\$692,000	\$849,000	\$1,224	\$1,341
2 Bd	2	1	25	10%			850	850	\$965,000	\$1,070,000	\$1,135	\$1,258
2+Flex	2.5	1	64	26%			907	950	\$998,000	\$1,347,000	\$1,100	\$1,417
Jr 3 Bed	2.5	1	8	3%			915	950	\$998,000	\$1,300,000	\$1,090	\$1,368
3 Bd	2.5	1	2	1%			1,185	1,218	\$1,618,000	\$1,693,000	\$1,365	\$1,389
Totals/Averages:			247				691		\$894,154		\$1,294	

NHSLive by Zonda Urban, Artesia

Over Q2 2022 another 10 sales were confirmed. No new sales were reported over the second half of 2022. A further incentive offering a 3% discount was introduced in the first quarter of 2023; and 3 new sales were recorded by the end of Q2 2023. It has been noted that only 2% of purchasers are non-residents. Project representatives have reported a higher portion of end-users rather than investors.

Analysis

Similar to Nuvo (Comparable Four), Artesia provides relevant evidence for the subject condominium units given it is also located within the Metrotown Downtown Plan, east from the subject site, at the northwest corner of Grange Street and Halley Avenue.

COMPARABLE SIX: MLS PARAGON SEARCH

Further evidence is provided by recent 2023 sales of high rise, concrete framed condominiums within the subject surrounding areas summarized in the chart below. The comparable units offer studios, 1-, 2-, and three-bedroom condominium layouts ranging from 393 to 1,128 sq.ft. in size, and illustrate a price range from \$520,000 to \$1,480,000 or \$1,216.81 per sq.ft. to \$1,443.18 per sq.ft. The 2023 sales recorded by MLS Paragon are considered to provide recent and relevant market value indication for the subject condominium units after appropriate adjustments applied for location, age and size.

MLS Paragon Sales										
Address	ML #	Status	# of Bedroom	# of Bathroom	Saleable Area (Sq.ft.)	Year Built	Sale Date	Days on Market	Sale/Listing Price (Excl GST)	Sale/Listing Price per Sq.ft. (Excl GST)
Station Square Tower 5										
2409 6000 MCKAY AVENUE	R2800291	Sold	2	1	678	2022	7/23/2023	3	\$825,000	\$1,216.81
3109 6000 MCKAY AVENUE	R2770661	Sold	2	1	675	2022	4/26/2023	2	\$822,800	\$1,218.96
3106 6000 MCKAY AVENUE	R2773906	Sold	2	1	678	2022	5/10/2023	7	\$833,000	\$1,228.61
1304 6000 MCKAY AVENUE	R2797450	Sold	2	2	852	2022	7/15/2023	4	\$1,050,000	\$1,232.39
2107 6000 MCKAY AVENUE	R2781854	Sold	3	2	1,118	2022	6/5/2023	10	\$1,430,000	\$1,279.07
4407 6000 MCKAY AVENUE	R2762276	Sold	3	2	1,128	2022	6/6/2023	74	\$1,480,000	\$1,312.06
4704 6000 MCKAY AVENUE	R2755030	Sold	2	2	853	2022	4/6/2023	44	\$1,138,000	\$1,334.11
Gold House										
1901 6383 MCKAY AVENUE	R2773008	Sold	1	1	480	2020	5/9/2023	8	\$660,000	\$1,375.00
2004 6383 MCKAY AVENUE	R2785183	Sold	3	2	907	2020	6/12/2023	7	\$1,142,000	\$1,259.10
909 6383 MCKAY AVENUE	R2772881	Sold	1	1	470	2020	5/9/2023	8	\$605,000	\$1,287.23
2507 6383 MCKAY AVENUE	R2790417	Sold	1	1	568	2020	6/25/2023	6	\$721,000	\$1,269.37
2603 6383 MCKAY AVENUE	R2762882	Sold	3	2	907	2020	4/19/2023	23	\$1,155,000	\$1,273.43
Sussex										
2505 4711 HAZEL STREET	R2766127	Sold	2	2	922	2022	4/22/2023	16	\$1,140,000	\$1,236.44
2103 4711 HAZEL STREET	R2775606	Sold	1	1	598	2022	5/13/2023	5	\$743,000	\$1,242.47
1503 4711 HAZEL STREET	R2786260	Sold	1	1	598	2022	7/4/2023	29	\$745,000	\$1,245.82
1605 4711 HAZEL STREET	R2780418	Sold	2	2	925	2022	5/29/2023	7	\$1,160,000	\$1,254.05
1201 4711 HAZEL STREET	R2793755	Sold	1	1	538	2022	7/17/2023	18	\$692,000	\$1,286.25
2907 4711 HAZEL STREET	R2780349	Sold	1	1	588	2022	5/29/2023	6	\$765,000	\$1,301.02
2707 4711 HAZEL STREET	R2792608	Sold	1	1	586	2022	6/29/2023	3	\$765,000	\$1,305.46
3101 4711 HAZEL STREET	R2787788	Sold	1	1	533	2022	6/13/2023	1	\$725,000	\$1,360.23
Maywood On The Park										
3002 6463 SILVER AVENUE	R2789915	Sold	2	2	759	2022	6/27/2023	8	\$940,000	\$1,238.47
907 6463 SILVER AVENUE	R2767311	Sold	2	2	898	2022	4/19/2023	7	\$1,130,000	\$1,258.35
1301 6463 SILVER AVENUE	R2771914	Sold	1	1	462	2022	5/7/2023	11	\$588,000	\$1,272.73
1403 6463 SILVER AVENUE	R2754586	Sold	0	1	393	2022	4/12/2023	49	\$520,000	\$1,323.16
2301 6463 SILVER AVENUE	R2779878	Sold	1	1	462	2022	6/12/2023	21	\$596,190	\$1,290.45
Sun Towers										
3706 4458 BERESFORD STREET	R2755860	Sold	2	2	895	2021	4/7/2023	39	\$1,130,000	\$1,262.57
3905 4458 BERESFORD STREET	R2767987	Sold	1	1	577	2021	4/25/2023	12	\$725,000	\$1,256.50
3508 4458 BERESFORD STREET	R2767724	Sold	2	2	855	2021	6/8/2023	57	\$1,090,000	\$1,274.85
3708 4458 BERESFORD STREET	R2759876	Sold	2	2	855	2021	4/10/2023	28	\$1,100,000	\$1,286.55
2906 4458 BERESFORD STREET	R2764105	Sold	1	1	518	2021	4/4/2023	5	\$670,000	\$1,293.44
Polaris Metrotown										
3304 6699 DUNBLANE AVENUE	R2791824	Sold	1	1	610	2021	7/9/2023	16	\$780,000	\$1,278.69
1501 6699 DUNBLANE AVENUE	R2768920	Sold	1	1	608	2021	6/20/2023	64	\$785,000	\$1,291.12
2103 6699 DUNBLANE AVENUE	R2756566	Sold	1	1	440	2021	6/1/2023	92	\$635,000	\$1,443.18
MIN:					393			1	\$520,000	\$1,216.81
MAX:					1,128			92	\$1,480,000	\$1,443.18
AVERAGE:					695			21	\$887,454	\$1,281.45

COMPARABLE LOCATION MAP



LATEST PROJECT RELEASE

Our investigation at the marketplace also revealed that the latest tower launch known as Citizen, by Anthem properties, has reportedly achieved \$1,370 sq.ft. on average and has over 180 contracts written, however we have not been able to confirm this information as of the effective date of this appraisal.

SUMMARY

The five comparables analyzed previously plus the reported sales information from Citizen by Anthem are felt to provide relevant market evidence towards an appropriate average selling price for the subject condominium units. We have considered various adjustments for project release date, recent sales activities, current discounts and promotions offered, development size etc. We have also taken into consideration the monthly change in the home price index for apartment properties across Metrotown Burnaby South, which has demonstrated a 3-month increase of 1.98% since May 2023, a 6-month increase at 4.92% since February 2023. Given the preliminary nature of the subject, we have assumed

the subject market condominium units will offer competitive finish, standard of the local market. The subject project will offer a mix of unit types including one-bedroom, one-bedroom + den, two-bedroom, and three-bedroom condominium unit layouts. The average size of the subject condominium units suggests the subject will offer compact design.

Based on our assumptions and preliminary data, we have concluded at an average selling price of **\$1,300 per sq.ft., excluding GST**, for the subject condominium units as of the effective date of this appraisal, assuming construction is complete. This is well supported by the latest released projects that are also within the Downtown Metrotown area. Adjustments for unit size, amenities, inclusion or exclusion of rental components, as well as the location of the condominium units have been applied.

Based on the estimated potential total saleable area of 310,818 sq.ft., the Gross Proceeds from the residential condominium units are calculated at **\$404,063,140** excluding GST and cooperating broker commissions. We reserve the right to amend our valuation upon receiving more detailed information regarding the unit sizes, layouts and interior finishes of the proposed condominium units.

11.1.2 ESTIMATE OF REVENUE– MARKET AND AFFORDABLE RENTAL COMPONENT

In estimating the market value of the proposed subject project as complete, we have assumed that construction is 100% complete and ready for occupancy as of the effective date of this appraisal. We will utilize the Income Approach to value the proposed residential rental units within the subject building.

The Income Approach is a method of estimating the value of a property based on the present or discounted worth of the anticipate income benefits that it may reasonably be expected to produce during the course of its remaining economic life. The process of converting an income stream into an estimate of present worth is known as “capitalization”.

The basic steps involved in valuation by this approach are as follows:

1. Estimate the gross annual income of the property less any allowances for bad debts and vacancy.
2. Estimate the total annual operating expenses.
3. Calculate the annual net operating income. (Gross income less expenses).
4. Select an appropriate capitalization rate.

5. Select an appropriate method of capitalization.
6. Using a suitable procedure, convert the anticipated annual net operating income stream into an indication of the capitalization value of the property.

PURPOSE-BUILT RENTAL COMPONENT - ESTIMATE OF NET OPERATING INCOME:

As noted, the first three steps in the Income Approach result in an estimate of annual net operating income for the property being appraised. First step in developing an operating statement is to estimate total potential income based upon its "Market Rent". Market Rent may be defined as:

"the rental income that a property would most probably command on the open market as indicated by current rentals being paid for comparable space (as of the effective date of appraisal)."

Market Rent may be the actual rent payable under a lease ("contract" rent) as determined by analysis of existing lease agreements covering the property, or it may be the appraiser's estimate of the rent obtainable in the market for similar properties ("economic" or "market" rent). In estimating "economic" or "market" rent, an attempt is made to determine the rent that a tenant is warranted in paying.

Most residential leases are stated on a "semi gross" basis to the landlord where the landlord is responsible for building insurance, common area maintenance, and property taxes whereas the tenants are responsible for their own utility usage within the units.

Based on a copy of preliminary building plans dated August 15, 2023, prepared by Matthew Cheng Architect Inc., the 36-storey tower will comprise strata-title condominium units along with affordable rental units demised into 198 and 38 units, respectively, whilst the 18-storey building will offer 168 market rental units. Discussion with our client and the architect indicated that the 38 affordable rental units will be rented at 20% below median rental rate set out by the CMHC.

(i)ESTIMATE OF REVENUE–168 MARKET RENTAL UNITS

Upon completion, the market rental units within the 18-storey rental building are expected to comprise superior quality finishes over typical purpose-built rental buildings in the City, and comparable to average quality condominium units in the local market. There will also be extensive indoor and outdoor amenities offered for the tenants. We have been provided with a preliminary estimate on the unit mix by Matthew Cheng Architect Inc. which is summarized to the right.

Market Rental		
Unit Type	Number of Units	%
1 Bedroom	40	24%
1 Bedroom + Den	82	49%
2 Bedroom	21	13%
3 Bedroom	25	15%
Total:	168	100%

We have analyzed potential rental income on a blended average rent per sq.ft. basis. Below is a list of rental comparables leading to our conclusions. The comparable units are located within newer high rise concrete buildings similar to that proposed for the subject. We have assumed the rents are semi gross in nature, consistent with typical residential projects. The landlord is assumed to be responsible for building maintenance, insurance, structural repairs, garbage disposal, hot water and property taxes. The tenants are assumed to be responsible for utilities for the unit, renter’s and content insurance, cablevision, telephone, etc.

Burnaby - Metrotown Market Rental Data

No.	Address	No. of Bedrooms	No. of Bathrooms	Size (Sq.Ft.)	Rent / Month	Rent / Sq.Ft.	Comments
1	Sussex 4711 Hazel Street Burnaby	2 Bed +Den	2 Full	916	\$3,100	\$3.38	2022 built high-rise development known as "Sussex". An unfurnished 2-bedroom 2-bathroom unit plus den with 916 sq.ft. of reported rentable area. Offers A/C, in-suite laundry and a 300 sq.ft. balcony. Rent includes 1 EV parking stall and a storage locker. Available from April 2022.
2	Hazel 4733 Hazel Street Burnaby	1 Bed	1 Full	488 - 490	\$2,860 - \$3,196	\$5.86 - \$6.52	Completed construction in Q4 2021. Comprises 238 units over a 31-storey tower. Includes 6 Townhouse units. As at the end of 2021, 154 units had been leased whilst the remaining 84 units are still awaiting first-occupancies. Parking is additional at \$75 per stall per month. Lockers are additional at \$30 per locker per month.
3	Polaris 6699 Dunblane Avenue Burnaby	2 Bed 2 Bed 2 Bed 1 Bed	2 Full 2 Full 2 Full 1 Full	950 774 816 609	\$3,050 \$2,950 \$2,800 \$2,500	\$3.21 \$3.81 \$3.43 \$4.11	Polaris is a 36-storey stratified apartment building with ground level townhouse units built in 2021 (313 units). Available now is a 1-bedroom 1-bathroom apartment, as well as three 2-bedroom, 2-bathroom apartments. Each with a private balcony, in-suite laundry and AC. Units are inclusive of 1 underground parking stall.
4	Station Square 3 4670 Assembly Way Burnaby	1 Bed	1 Full	512	\$2,300	\$4.49	2018-built high-rise development. Building amenities include rooftop garden and fitness room. An unfurnished 1-bed 1-bath unit plus den, measuring 663 sq.ft. on the 20th floor was listed in April 2022. Units offer A/C, in-suite laundry and balcony. Includes a parking and locker.
5	Station Square 5 6000 McKay Avenue Burnaby	2 Bed 2 Bed 2 Bed 2 Bed 1 Bed	2 Full 2 Full 2 Full 2 Full 1 Full	797 800 950 850 680	\$3,400 \$3,950 \$3,450 \$3,400 \$2,700	\$4.27 \$4.94 \$3.63 \$4.00 \$3.97	2022-built high-rise development. Building amenities include rooftop garden and fitness room. Currently, there are four 2-bedroom, 2-bathroom apartments ranging in size from 797 to 950 sq.ft., as well as a single 1-bedroom 1-bathroom unit measuring 680 sq.ft. of gross floor area. Units offer A/C, in-suite laundry and balcony. Includes a parking and locker.
6	Met 2 6588 Nelson Avenue Burnaby	1 Bed 2 Bed	1 Full 2 Full	520 847	\$2,800 \$3,550	\$5.38 \$4.19	2017-built by Concord Pacific. A 1 bedroom 1 bathroom 558 sq.ft. apartment on the 10th floor is available from May 9, 2022. Building amenities include a swimming pool, guest suite and fitness room. In-suite laundry and private balcony. Includes 1 parking stall and locker.
7	Maywood On The Park 6463 Silver Avenue Burnaby	2 Bed	1 Full	660	\$3,200	\$4.85	A 2022-built high-rise tower. Amenities including exercise room, study room, Lounge with Kitchenette, Outdoor BBQ Area, Plenty of Visitor Parking with EV Chargers. A 2-bedroom 1-bathroom unit with 660 sq.ft. is available immediately. The unit comes with in-suite laundry, parking and storage spaces, and AC.
8	Vittorio 6700 Dunblane Avenue Burnaby	2 Bed	2 Full	840	\$4,300	\$5.12	A 2020-built high-rise development. This 2-bedroom 2-bathroom unit measures 840 sq.ft. and comes with 1 parking, A/C, and a large balcony. Over 5,000 sq ft of indoor amenities include a residents' lounge, fitness studio, guest suite, study room, basketball/badminton, and gymnasium.
9	Presidia 4333 Central Boulevard Burnaby	1 Bed	1 Full	715	\$2,750	\$3.85	An older 2005-built, 32-storey development. A 1-bedroom 1-bathroom 715 sq.ft. apartment is available from September 1, 2023. Building amenities include a swimming pool, fitness room, and underground parking. In-suite laundry and private balcony. Includes 1 parking stall and locker.
10	Arbour Place Apartments 4769 Hazel Street Burnaby	Studio 1 Bed 2 Bed	1 Full 1 Full 1 Full	490 634 - 650 835	\$2,779 \$2,648 - \$2,812 \$3,417	\$5.67 \$4.18 - \$4.33 \$4.09	Two older concrete high-rise towers. Amenities include laundry room in each building, fitness room, dry saunas, games and social room, guest suite, EV parking. A studio apartment measuring 490 sq.ft. is available immediately, as well as three 1-bedroom 1-bathroom apartments available from September 1st and October 7th, ranging in size between 634 and 650 sq.ft. Additionally, a single 2-bedroom 1-bathroom measuring 835 sq.ft. is available immediately. Pet friendly and each unit comes with BBQ-friendly private balcony.
11	Modello 4360 Beresford Street Burnaby	3 Bed	2 Full	1,288	\$4,800	\$3.73	Built in 2017. This high-rise development offers 24h security, sauna, central air conditioner, exercise and fitness rooms, on-site management, underground parking, heated pool, and more. 3-bedroom 2-bathroom unit available starting November 1st. The unit includes AC, ensuite laundry, and fireplace.

Comparables One to Eight, offer highly relevant rental evidence for a range of one-bedroom to two-bedroom units within new 2020 or 2022-built, high-rise projects within the Metrotown Downtown area of Burnaby. The one-bedroom range illustrates monthly rents between \$3.96 and \$6.52 per sq.ft. for units ranging in size between 488 and 680 sq.ft. The two-bedroom range illustrates monthly rents between \$3.21 and \$5.12 per sq.ft. for units sized between 660 and 950 sq.ft. Similarly, these units offer private outdoor space and in-suite laundry, with most units inclusive of an underground parking stall and featuring air-conditioning. Comparable Three (Polaris), is a purpose-built rental tower that recently completed, and indicated an average rental rate of \$3.70 per sq.ft. This purpose-built rental tower provides the strongest rental evidence for the subject market rental units.

Comparables Nine and Ten illustrate recent rental rates of studio, one-bedroom, and two-bedroom apartments within older high-rise developments built between 1971 and 2005. These comparables were included given the lack of studio rental units in the subject area. The studio unit within “Arbour Place Apartments” has a leasable area of 490 sq.ft. and suggests a monthly rental rate at \$5.67 per sq.ft. The one-bedroom units within these developments range in size between 634 and 715 sq.ft. and suggest monthly rental rates from \$3.85 to \$4.33 per sq.ft. Additionally, the two-bedroom unit has a leasable area of 835 sq.ft. and suggest a monthly rental rate at \$4.09 per sq.ft., generally rental rates within these projects are lower. Comparables Nine and Ten are considered to provide secondary evidence, with rental ranges within the subject anticipated to better reflect the mid to higher end of the overall comparable range.

Comparable Eleven has been included given the lack of rental evidence for the larger three-bedroom apartments. “Modello” was built in 2017, requiring an upward adjustment. The high-rise development offers extensive building amenities including fitness suite, outdoor pool, sauna, garden, games room and badminton court. A 3-bedroom, 2-bathroom apartment with 1,288 sq.ft. of gross floor area is available on November 1, 2023, at \$3.73 per sq.ft. The unit includes AC, ensuite laundry, and a fireplace.

Summary

We have analyzed potential rental income on a blended average rent per sq.ft. basis and based on the estimated total leasable area for the subject’s market rental component at 99,299 sq.ft., suggesting an overall average unit size of 591 sq.ft. Since the unit areas are not provided given the preliminary nature of the proposed development, the minimum size requirements for new rental units set out in the Burnaby Zoning Bylaw have been relied on. Therefore, the estimated average unit sizes used are 555 sq.ft. for 1-bedroom layouts, 655 sq.ft. for 1-bedroom + den layouts, 755 sq.ft. for 2-bedroom layouts and 955 for 3-bedroom layouts. Generally, the subject unit sizes are considered to be compact suggesting lower rents on a per-unit basis; however higher on a per sq.ft. basis. The comparable units are located within newer high rise concrete buildings similar to that proposed for the subject. We have assumed the rents are semi gross in nature, consistent with typical residential projects. The landlord is assumed to be responsible for building maintenance, insurance, structural repairs, garbage disposal, hot water and property taxes. The tenants are assumed to be responsible for utilities for the unit, renter’s and content insurance, cablevision, telephone, etc.

Upon completion, the market rental units are expected to comprise good quality finishing within a new purpose-built rental building, totalling 99,299 sq.ft. of estimated leasable area, suggesting an average unit size of 591 sq.ft., including parking like many of the comparables. The subject's location is within close walking proximity to public transportation routes. According to the building plans for the rental site, parking and bicycle storage are provided by an underground parking structure. The subject project will easily be accessed and within proximity to various shopping, public amenities and commercial services. We have relied on the above information for our residual calculations, we reserve our right to amend our valuation upon receiving any updated information regarding the proposed subject development.

The comparable rates are felt to define a well supportable market range, in particular the Polaris and Hazel, which are highly similar, newly completed rental towers in the subject area. These comparables generally offer similar residential appeal within the subject neighbourhood. Various adjustments have been recognized for their location, unit sizes, age of the building, and amenities offered.

Based on the comparable data and the estimated timeline, we have concluded at an average rental rate of **\$4.10** per sq.ft. over the net rentable area of the subject's market rental component estimated at 99,299 sq.ft. The total rental income from the proposed market rental units is therefore calculated at **\$4,885,496** per annum, semi-gross.

MISCELLANEOUS INCOME

PARKING INCOME

Parking stalls are typically offered for rent at \$75 to \$150 per month from other purpose-built rental buildings. According to the preliminary building plans dated August 15, 2023, the subject development will provide 103 residential parking stalls for the residential rental component. We have projected an average rate of \$125 per stall per month for the 103 residential parking stalls which is consistent with the current market range established by other similar, newer purpose-built rental projects in the City of Burnaby. The total projected annual income from parking has been calculated at \$154,500 per annum for market rental component.

(ii) ESTIMATE OF REVENUE – 38 AFFORDABLE RENTAL UNITS

Based on preliminary information taken from the building plans prepared by Matthew Cheng Architect Inc., dated August 15, 2023, it is assumed that the 36-storey building will offer 38 affordable rental units. The 38 affordable rental units will be rented at 20% below the median rental rate set out by the CMHC. The following chart illustrates the estimated rental rates for the affordable rental component after applying 20% discount from the CMHC Median Rental Rates:

CMHC MEDIAN RENTS - APARTMENT					20% Below
Central Park/Metrotown	Oct-19	Oct-20	Oct-21	Oct-22	
Studio	\$875	\$875	\$950	<u>\$1,339</u>	<u>\$1,071</u>
One Bedroom	\$1,225	\$1,300	\$1,313	<u>\$1,423</u>	<u>\$1,138</u>
Two Bedroom	\$1,600	\$1,735	\$1,685	<u>\$1,806</u>	<u>\$1,445</u>
Three Bedroom+	\$1,825	\$1,825	\$1,845	<u>\$2,442</u>	<u>\$1,954</u>

To value the 38 affordable rental units, we have utilized the income approach to value. We have assumed the rents will be semi gross in nature, consistent with typical residential projects. The landlord is assumed to be responsible for building maintenance, insurance, structural repairs, garbage disposal, hot water and property taxes. The tenants are assumed to be responsible for utilities for the unit, renter’s and content insurance, cablevision, telephone, etc.

Similar to the market rental component, the rental restrictions are typically outlined in a Housing Agreement between the City of Burnaby and the developer. General unit accommodation will include one-bedroom, one-bedroom + den, two-bedroom and three-bedroom units. According to the preliminary building plans prepared by Matthew Cheng Architect Inc., the total rentable area within the Affordable Rental Component will be approximately 24,820 sq.ft. based on an 85% building efficiency.

Applying a 20% discount to the published CMHC Median rental rate for the Burnaby Metrotown area, the following rental rates are derived for the affordable rental units proposed within the subject development.

Affordable Rental (20% Below CMHC Median) - Rental Estimates

Unit Type	Number of Units	%	Average Unit Size (Sq.ft.)	CMHC Median Rental Rate	Estimated Rent per Month	Estimated Rent per Annum
1 Bedroom	0	0%	555	\$1,138	\$0	\$0
1 Bedroom + Den	31	82%	655	\$1,138	\$35,290	\$423,485
2 Bedroom	2	5%	755	\$1,445	\$2,890	\$34,675
3 Bedroom	5	13%	955	\$1,954	\$9,768	\$117,216
Total:	38	100%				\$575,376

We reserve the right to amend our valuation upon receiving confirmation regarding the affordable rental rates for the subject units. Based on the rentable area of 24,820 sq.ft., the total annual gross income from the 38 affordable rental units is projected at **\$575,376 per annum, or \$1.93 per sq.ft.**

VACANCY

Rental income reflects the property's fully occupied income; however, income properties may not be fully occupied over their economic lives and vacancy and collection losses must be considered. The "vacancy rate" is normally expressed as a percentage and reflects conditions in the market.

There is a high demand for rental accommodation throughout the Metro Vancouver Area. 2019 to 2022 average vacancy rates for the subject area as reported by CMHC are shown below.

CMHC VACANCY RATE % - APARTMENT				
Central Park/Metrotown	Oct-19	Oct-20	Oct-21	Oct-22
Studio	1.5%	7.3%	1.9%	<u>3.1%</u>
One Bedroom	1.5%	3.6%	1.3%	<u>1.6%</u>
Two Bedroom	1.1%	2.6%	1.3%	<u>1.1%</u>
Three Bedroom+	0.0%	3.2%	1.7%	<u>1.6%</u>

Given the subject’s central location, the subject units are expected to have good market demand; however, due to the large size of the proposed subject project, we projected a long-term vacancy rate of 2.0% for the market rental units.

There’s generally a high demand for affordable rental units, and typically long waiting lists for these types of products are observed. We have assumed a 0.5% vacancy rate for this rental component.

OPERATING EXPENSES

Residential leases are typically stated on a semi-gross basis with the landlord paying for property taxes, insurance, maintenance, management, advertising and repairs.

An Income and Expense Statement is not available, and the subject market and affordable rental components do not yet have an operating history. Purpose built rental buildings typically vary in operating expenses on a % of EGI basis from 15 to 40% based on the age and size. The newer the buildings, the lower the % of EGI typically is.

We assume each unit will be individually metered and tenants will pay for their own electricity, heat, telephone and cable. It has been observed that newly constructed buildings are able to achieve energy efficiency and minimal repairs and maintenance costs, resulting in a typical range of approximately 20% on effective gross income (EGI). For below market rental complexes, the expense to EGI ratio would be expected to be higher, given the below market rents achieved.

Based on our experience, we have provided an estimate of breakdown for each expense category apportioned to the proposed subject rental components. Resulting in an expense to effective gross income ratio (EGI ratio) of 20.0% based on the potential residential income utilizing estimated market rents and for affordable rents, an expense to EGI ratio of 25% based on the affordable rents is

estimated, given the lower gross income achieved by these units. We note that property taxes for affordable housing may be significantly less compared to market rental properties.

Based on the previous analysis, the projected net operating income from the subject market rental and Affordable Rental component has been estimated as:

3925 Kingsway, 5715 Jersey Avenue, Burnaby, BC				
Market Rental Units - Projected Net Income				
As at August 25, 2023				
GROSS ANNUAL INCOME				
			<u>Average Monthly Per Sq.Ft.</u>	<u>Per Annum</u>
Market Rental Units - 135 Units	99,299 sq.ft.	x	\$ 4.10 per month	\$4,885,496
Parking Stalls	103 stalls	x	\$125.00 per stall per month	\$154,500
Projected Gross Income				\$5,039,996
Estimated Vacancy	2.0%			\$100,800
Effective Gross Income				\$4,939,196
	Approximately	20% of EGI		<u>\$956,939</u>
Projected Net Income				\$3,982,257

3925 Kingsway, 5715 Jersey Avenue, Burnaby, BC				
Affordable Rental - Projected Net Income				
As at August 25, 2023				
GROSS ANNUAL INCOME				
			<u>Average Monthly Per Sq.Ft.</u>	<u>Per Annum</u>
Affordable Rental - 38 Units	24,820 sq.ft.		\$ 1.93 per month	\$575,376
Projected Gross Income				\$575,376
Estimated Vacancy	0.5%			\$2,877
Effective Gross Income				\$572,499
	Approximately	25% of EGI		<u>\$143,125</u>
Projected Net Income				\$429,374

ANALYSIS OF CAPITALIZATION RATES

Capitalization is defined in "Introduction to Real Estate Appraising" published by the Appraisal Institute of Canada, as follows:

"Capitalization, in the appraisal of real estate, may be defined as the process of converting into a present worth a series of anticipated future instalments of income by the application of a factor, referred to either as a capitalization rate or a present worth factor, depending upon the process used".

A capitalization rate is a conversion factor, appropriate to the property being appraised that is applied to the income stream to convert it into an indication of the market value of a property.

In the capitalization process, the following steps are required:

- selection of a method of deriving the capitalization rate
- selection of an appropriate method of capitalization
- analysis of the market for the factors involved

SELECTION OF A CAPITALIZATION RATE

In this appraisal, we have used the Comparative Method in selecting an appropriate capitalization rate for the subject property.

Through the analysis of comparable sales, ratios between selling prices in the marketplace and the net operating income of the property being sold can be derived. With consideration given to the degree of comparability in each instance, these ratios can provide an indication of the overall rate that is applicable. Where comparable sales exist, this method is widely accepted and used in the appraisal of income-producing properties since it is considered reliable, objective, and easily supported.

METHOD OF CAPITALIZATION

Direct capitalization is calculated by division of the net operating income of the property by the above described "overall rate" derived by the Comparative Method. This is a commonly used and highly regarded method of capitalization where sufficient comparables are available to derive a reliable overall rate. We specially focused on gathering comparables of newly constructed or newer purpose-built rental complexes. These comparables are summarized in the chart on the following page and are considered to provide a general range of indication of capitalization rates for rental investment properties in the subject area.

Through the analysis of comparable sales, ratios between selling prices in the marketplace and the net operating income of the property being sold can be derived. With consideration given to the degree of comparability in each instance, these ratios can provide an indication of the overall rate that is applicable. Where comparable sales exist, this method is widely accepted and used in the appraisal of income-producing properties since it is considered reliable, objective, and easily supported. These comparables are summarized in the chart on the following page and are considered to provide a general range of indication of capitalization rates for rental investment properties in the subject area.

Capitalization Rate Summary

No.	Address	Sale Price Sale Date	Stablized Net Income	# of Units	Price Per Unit	Year Built	Capitalization Rate
1	717 Como Lake Avenue Coquitlam	Share Sale Price Undisclosed Mar-23	-	59	-	Under Construction	4.00%
2	Seton Place 3940 Pender Street Burnaby	\$11,500,000 Jun-22	\$290,007	41	\$280,488	1970	2.52%
3	Albert Heights 3809 Albert Street Burnaby	\$12,500,000 May-22	\$372,555	36	\$347,222	1964	2.98%
4	Collina Apartments 3710 Hastings Street Burnaby	Listing	Undisclosed	21 (+2 Commercial)	Listing	2021	High 3%
5	5477 200 Street Langley	\$23,400,000 Jun-22	\$767,520	57	\$410,526	2016	3.28%
6	408 East Columbia Street New Westminster	Confidential Under Contract Feb-22	-	72	-	2022	3.75%
7	609 Heatley Avenue Vancouver	\$12,600,000 Jun-22	\$467,460	30	\$420,000	2019 (Renovated)	3.71%
8	Hendry Place 1873 Adanac Street Vancouver	\$69,000,000 Listing	\$2,760,000 est.	68	\$1,014,706	2022	4.00%
Minimum:							2.52%
Maximum:							4.00%
Average:							3.37%

The comparables within the above chart illustrate a range of capitalization rates from 2.52% to 4.00%.

Comparable 1 (717 Como Lake Avenue, Coquitlam) provides excellent market evidence towards an appropriate capitalization rate for newly constructed rental projects. The project is currently under construction and recently sold as a share sale. Although the actual sale price remains confidential, our discussion with the brokers involved indicate the sale would yield approximately a 4.0% capitalization rate.

Comparables 2 and 3 involve transactions of apartment complexes located in the City of Burnaby; however, given their older age, the indicated capitalization rates from 2.52% to 2.98% would require a general upward adjustment.

Comparable 4 (3710 Hastings Street, Burnaby) is a far smaller 21-unit investment; however, it is a brand-new purpose-built rental building. It also contains two fully leased ground level CRUs and is presently listed for sale representing a capitalization rate within the high 3%. An overall upward adjustment for investment size and the listings status is warranted.

Comparables 5 through 8 include transactions of newer, or newly constructed rental projects in the Lower Mainland, which are similar to the subject rental component in age upon completion, and the type of products offered. Comparable 5 is located in Langley and sold in June 2022. The lower capitalization rate can be attributed to the earlier negotiation date prior to the consecutive increases in interest rates. Comparable 6 is a newly constructed building and is located in the City of New Westminster. According to the listing broker, the property was placed under contract prior to March 2022 and the lower cap would reflect the lower borrowing costs at the time. Comparables 7 and 8 are located in the City of Vancouver and reflect newer or newly renovated rental complexes. Comparable 8 in particular is a large sized rental project completed in 2022. The listing broker disclosed a capitalization rate of approximately 4% based on the current asking price.

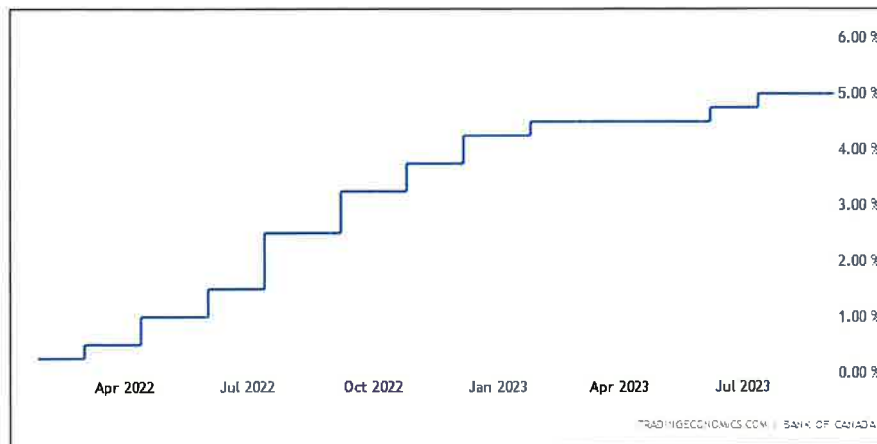
These comparables have demonstrated that newer rental projects would generally result in higher capitalization rates. The lower end of this range has been defined by older investments or contracts entered prior to the increase in bank rates.

With rising interest rates and inflation, investment transaction activity remained slow for the first half of 2023 as investors continued to be cautious with their investment decisions.

As interest rates rise, it often triggers value reduction in existing bonds as investors buy into new bonds, or potentially other assets, with higher yields. According to Trading Economics, Canada’s 10-year government bond yield fell below 3.6% to 3.51% from the 15-year high of 3.7% from August 3rd, 2023, as signs of a cooling labor market supported bets that the Bank of Canada may pause its tightening cycle in September. In comparison, the 10-year government bond yield reportedly stood at 2.68% at the same time last year on August 10th, 2022. The Canada Government Bond 10Y is expected to trade at 3.67% by the end of this quarter, according to Trading Economics global macro models and analysts’ expectations. Looking forward, we estimate it to trade at 4.05 in 12 months time.

In March 2022, Bank of Canada raised the overnight rate for the first time in two years, to 0.50%, followed by seven more increases over 2022 and 2023 to-date. Two increases of 0.50% each occurred in April and June 2022, another 1.00% increase in July 2022, a further 0.75% increase in September 2022 and a 0.50% increase in October 2022. Bank of Canada reported the most recent increases on December 7, 2022, by 0.50%, and again on January 25, 2023, by a further 0.25%. The current overnight rate in Canada is 5.00% after two increases of 0.25% each in June and July 2023 while holding the rate steady on September 6, 2023.

The Graph available on the following page (published by Trading Economics) illustrates the Bank of Canada’s interest rate to-date.



- Tradingeconomics.com/Canada/Interest-Rate, September 2023

Based on the previously discussed market data, and taking into consideration of the subject location, building age upon completion, investment size, and lack of land component, we have concluded at a capitalization rate of 4.25% for the market and affordable rental component. These rates are considered to be well supported by the market data.

We reserve the right to amend our valuation when a Housing Agreement between the City of Burnaby and the developer becomes available with rental rates determined for each unit type.

Market rental units (168)

<u>NET OPERATING INCOME</u>	=	<u>\$3,982,257</u>
OVERALL RATE		4.25%
	=	\$93,700,165
	Or	\$557,739 per unit

Affordable rental units (38)

<u>NET OPERATING INCOME</u>	=	<u>\$429,374</u>
OVERALL RATE		4.25%
	=	\$10,102,918
	Or	\$265,866 per unit

11.1.3 ESTIMATE OF GROSS PROCEEDS – COMMERCIAL RETAIL AND OFFICE

According to the preliminary building plans dated August 15, 2023, prepared by Matthew Cheng Architect Inc., the subject commercial component will comprise a gross buildable area of 112,521 sq.ft. Based on an assumed building efficiency of 90% which is typical of this type of use in the local market, a potential net saleable area of 101,269 sq.ft. is estimated.

In estimating the market value of the subject commercial component, we have analyzed sales and listings of comparable strata titled units in mixed-use developments within similar areas of Burnaby based on a price per sq.ft. of floor area. The comparables have been adjusted based on unit size, location, development age and quality providing a good index of value for the subject. They indicate a value range between \$1,141 and \$2,807 per sq.ft. for units ranging from ±462 to ±1,066 sq.ft. in size as summarized in the chart on the below:

Commercial Retail Strata Sales

No.	Address	Sale Price	Sale Date	Saleable Area (Sq.Ft.)	Sale Price per Sq.ft.	Building Age (Time of Sale)
1	Sun Towers "The Centre" - 6386 Silver Avenue <u>Ground-Orientated</u>					
	Unit 106	\$1,984,320	Nov-21	707	\$2,807	0
	Unit 105	\$2,445,800	Nov-21	878	\$2,786	
	Unit 104	\$2,634,800	Nov-21	956	\$2,756	
	Unit 103	\$2,917,600	Nov-21	1,066	\$2,737	
2	Gold House - 4378 Beresford Street <u>Ground-Orientated</u>					
	Unit 103	\$1,430,000	May-22	932	\$1,534	3
3	Eternity / Infinity - 5307 to 5335 Lane Street Burnaby					
	5331 Lane Street (SL 117)	\$950,000	Apr-23	708	\$1,342	4
	5375 Lane Street (CRU 5)	\$960,000	Aug-22	841	\$1,141	
	5377 Lane Street	\$679,000	Listing	551	\$1,232	
4	Crystal Mall - 4500 Kingsway <u>Ground-Orientated</u>					
	Unit 1816	\$780,000	Jun-23	499	\$1,563	25
	Unit 1661	\$610,000	Feb-23	343	\$1,778	
	Unit 1607	\$1,190,476	Jan-22	462	\$2,577	
	Unit 1631	\$988,000	Listing	619	\$1,596	
	Unit 1003	\$1,450,000	Listing	640	\$2,266	
5	Beta - 4725 Hastings Street <u>Ground-Orientated</u>					
	SL 10	\$1,035,000	Jun-23	1,254	\$825	8
	Minimum			343	\$825	
	Maximum			1,600	\$2,807	
	Average			792	\$1,751	

There is a very limited amount of newer strata retail units that have sold or that are listed for sale within the subject neighbourhood. A majority of the similar space will be introduced by other high density, mixed-use projects that are either currently under construction and have had the units sell during their respective presales period or have yet to be released onto the market.

Comparable One (Sun Towers – "The Centre", 6378-6386 Silver Avenue) represents late 2021 completed sales for ground level CRU units in The Centre at the Sun Towers development. These comparable ground level CRUs range from 707 to 1,066 sq.ft. in saleable area with November 2021 sale prices from \$2,737 to \$2,807 per sq.ft., excluding GST. Even though the subject is also situated in Metrotown along Kingsway, Sun Tower is situated directly opposite Metrotown, providing higher vehicular and pedestrian traffic, suggesting a downward adjustment.

Comparable Two (Gold House – 4378 Beresford Street) highlights a May 2022 sale within a newly constructed mixed-use development known as "Gold House", located just southeast of the subject. The reported May 2022 sale price was \$1,430,000 or \$1,534 per sq.ft., excluding GST, for a 932 sq.ft. unit. On a per sq.ft. basis, an upward adjustment is warranted for the comparable's older building age.

Comparable Three (Eternity / Infinity – 5307-5335 Lane Street) illustrates an August 2022 completed sale of an 841 sq.ft. ground oriented commercial retail unit, an April 2023 completed sale of a 708 sq.ft. unit as well as a current listing of a 551 sq.ft. unit. The comparable "Eternity" and "Infinity" buildings are a new 2019-built low-rise project. The larger 841 sq.ft. unit sold for \$960,000 or \$1,141 per sq.ft. while the 708 sq.ft. unit sold for \$950,000 or \$1,342 per sq.ft. The smaller 551 sq.ft. unit is listed at \$679,000 or \$1,232 per sq.ft. A general upward adjustment is suggested for the subject's superior location, and superior residential base.

Comparable Four (Crystal Mall – 4500 Kingsway) is situated at the corner of Kingsway and Willingdon Avenue, in proximity to the subject, just east of the subject. The overall comparable development is a six-storey, stratified commercial (retail/office) complex constructed circa 1999 to 2000. The comparable reflects a recent June 2023 sale, a February 2023 sale, a January 2022 sale, and two current listings. The 499 sq.ft. unit sold recently in June 2023 for \$780,000 or \$1,563 per sq.ft. The 343 sq.ft. unit is adjacent to the mall exit and has a reported sale date in early February 2023, it sold below the listed price (\$2,008 per sq.ft.) at \$1,778 per sq.ft. The January 2022 sold unit offers a smaller ground-level space of 462

sq.ft., which reportedly sold for \$2,557 per sq.ft. The three current MLS listed units have reported saleable areas of 619, and 640 sq.ft. and their listed prices translated to \$1,596 and \$2,266 per sq.ft., respectively. The 619 sq.ft. unit is an interior mall unit, and the 640 sq.ft. fronts onto Crystal Lane. Upward adjustment for building age is considered.

SUMMARY

In estimating a price per sq.ft. of unit area for the subject's commercial space, the preceding comparables have been analyzed with consideration of the following items:

- The overall subject development is a high-profile project with a large proposed residential base;
- The subject is located at the northwest corner of Kingsway and Jersey Avenue with extensive frontages;
- Prime location within proximity to various commercial establishments and public transportation routes located along Kingsway;
- The C2 zoning bylaw allows for a variety of commercial tenancy types;
- The subject commercial space will be located within a brand new mixed-use development in the immediate neighbourhood. The commercial space will predominantly be located within the podium structure which has corner orientation and provides for premium commercial exposure and appeal;
- Commercial amenities in the immediate vicinity of the subject are relatively scarce. The subject units will be able to provide retail amenities attracting residents and commercial tenants in the area;
- The subject development is preliminarily proposed with 101,269 sq.ft. of net saleable area in total.

The comparables illustrate a range from \$825 and \$2,807 per sq.ft. After considering the location and brand-new building improvements of the subject commercial space, as well as its large floor plate, it is our opinion that an average value of \$1,500 per sq.ft., excluding GST, as bracketed by the comparables, is appropriate for the subject commercial component. It is noted that the ground-oriented retail space will be expected to achieve prices approaching \$2,000 per sq.ft., whereas the commercial office space would be expected to achieve in the low \$1,000 per sq.ft. range. On this basis, the estimated market value of the subject commercial component under the Direct Comparison Approach, as of August 25,

2023, would be calculated at **\$151,903,350** based on the total estimated commercial saleable area of 101,269 sq.ft. We are not yet aware of how the retail and office spaces are allocated, or if they will in fact be stratified, and our valuation is based on the initial material provided by the architect and reasonable assumptions based on the market norm, and we reserve the right to amend and update our analysis and valuation upon receiving further updates to the project design as it progresses to the next planning stages.

11.1.4 SUMMARY OF GROSS AND NET PROCEEDS

To estimate net proceeds from the subject project, we have allowed total sales commission at 3.0% based on the estimated gross proceeds from residential condominiums and commercial space. This is consistent with market commission structures for projects of this size and type. We note the calculations for sales commissions do not include the market rental and Affordable Rental housing components. We have allowed a lease up cost equivalent to one month of gross rent for the rental component. The projected total gross and net proceeds are summarized below.

DESCRIPTION		Saleable/ Leasable Areas (sq.ft.)	Per sq.ft.	Subtotals	Total/sq.ft.	Totals
PROCEEDS						
Estimated Proceeds						
Residential Condominiums @	85% Building Efficiency	310,818	\$1,300	\$404,063,140		
Market Rental @	85% Building Efficiency	99,299	\$944	\$93,700,165		
Affordable Rental @	85% Building Efficiency	24,820	\$407	\$10,102,918		
Commercial @	90% Building Efficiency	101,269	\$1,500	\$151,903,350		
		536,205	(excl GST)		\$1,230.44	\$659,769,572
Less Sales Commissions @	3.00%				\$40.47	\$16,678,995
Less Leasing Costs	1st month of rent				\$3.67	\$655,023
Total Estimated Net Proceeds (excl. GST)					\$1,198.49	\$642,635,505

11.2 HARD COSTS

The Hard Costs of construction generally include all aspects of physically constructing the development such as the labour and materials used in the construction of the building, on and off-site servicing, landscaping etc. We assume the subject will offer competitive finish and comparable features in the local market. This has been calculated based on the gross buildable area of the subject project, at 624,211 sq.ft.

The below excerpts are taken from the Market Intelligence Report 2023 published by BTY, which outlines forecasted costs for various components. The forecasted average hard construction costs for British Columbia in 2023 are the following:

Cost Data Parameters 2023 Forecast

PROJECT CATEGORY	BRITISH COLUMBIA			
	ACTUAL 2022		FORECAST 2023	
	\$/m ²	\$/sq.ft	\$/m ²	\$/sq.ft
HIGH-RISE RESIDENTIAL				
Rental Units	3,810 - 4,440	354 - 412	4,000 - 4,660	372 - 433
Market Units Mid End Specifications	4,410 - 5,000	410 - 465	4,630 - 5,250	430 - 488
Market Units High End Specifications	4,940 - 6,180	459 - 574	5,190 - 6,490	482 - 603
LOW- & MID-RISE RESIDENTIAL				
Rental Units	2,720 - 3,470	253 - 322	2,860 - 3,640	266 - 338
Market Units Mid End Specifications	2,990 - 4,820	278 - 448	3,140 - 5,060	292 - 470
Market Units High End Specifications	4,320 - 5,390	401 - 501	4,540 - 5,660	422 - 526
TOWNHOUSES (WOOD FRAME)				
Rental Units	2,040 - 2,560	190 - 238	2,140 - 2,690	199 - 250
Market Units Mid End Specifications	2,580 - 4,420	240 - 411	2,710 - 4,640	252 - 431
Market Units High End Specifications	3,210 - 4,650	298 - 431	3,370 - 4,870	313 - 452
SHOPPING CENTRES				
Strip Plaza	1,360 - 3,320	126 - 308	1,430 - 3,490	133 - 324
Enclosed Mall	3,160 - 4,530	294 - 421	3,320 - 4,760	308 - 442
Anchor/Department Store	2,770 - 3,360	257 - 312	2,910 - 3,530	270 - 328
Supermarket	2,160 - 2,860	201 - 266	2,270 - 3,000	211 - 279
Discount Store	1,680 - 2,420	156 - 225	1,760 - 2,540	164 - 236
OFFICE				
Under 5 Storeys	2,720 - 3,300	253 - 307	2,860 - 3,470	266 - 322
5 - 10 Storeys	3,210 - 4,180	298 - 388	3,370 - 4,390	313 - 408
10 - 20 Storeys	3,430 - 4,570	319 - 425	3,690 - 4,890	334 - 446
20 - 30 Storeys	4,410 - 5,510	410 - 512	4,630 - 5,790	430 - 538

- High-rise market residential development ranges from \$430 to \$488 per sq.ft. for mid end finish, and \$482 to \$603 per buildable sq.ft. for high end finish. Given the anticipated finish of the subject condominium units, we have concluded at a rate towards the middle to upper end of the range, at \$500 per sq.ft. for the market condominium building, which is also consistent with information collected from other high-rise developments in the Metrotown Area.
- High-rise rental development is expected to range from \$372 to \$433 per buildable sq.ft. for the year 2023 or \$266 to \$338 for low to mid-rise rental developments. The affordable units are expected to have slightly interior specifications. Together, we have projected \$430 per sq.ft. for constructing the market and affordable rental components.

- For the commercial podium, we have projected \$400 per sq.ft. of hard costs and assumed the space will comprise shell finish. The hard costs for typical 5-10 storey office buildings have been projected by BTY from \$313 to \$408 per sq.ft. over 2023 in British Columbia.

In addition, we have allocated a hard cost contingency at approximately 10.00% of the total hard cost. The total hard costs estimated by us equate to \$319,695,046 or a blended rate of \$512.16 per sq.ft. of the gross building area. This is in line with costs reported by other high rise, concrete mixed-use and residential development projects in the Lower Mainland.

COSTS					
DESCRIPTION		Per sq.ft.	Subtotals	Total/sq.ft.	Totals
Hard Costs					
Construction Costs - Condominiums		\$500.00	\$182,834,000		
Construction Costs - Market Rental		\$430.00	\$50,233,460		
Construction Costs - Below Market Rental		\$430.00	\$12,556,000		
Construction Costs - Commercial		\$400.00	\$45,008,400		
Contingency @	10.0%	\$46.56	\$29,063,186		
Total Hard Costs				\$512.16	\$319,695,046

11.3 SOFT COSTS

"Soft costs" of development typically include such items as professional consultant fees, various municipal charges, DCC's, property taxes, marketing and sales centre construction, warranty, insurance, legal costs, overhead and management costs and financing interest costs. This will also include community amenity contribution paid on the applicable bonus densities. We have compared soft costs reported by other projects in the immediate neighbourhood. The total projected soft costs have been estimated at \$246.23 per buildable sq.ft. or \$153,699,881, which includes an estimated purchase price for the CAC density bonus purchase at \$27,646,740. This is based on a rate of \$300 per buildable sq.ft. for the 1.1 FAR bonus density under RM4s. We have also included a 5.0% soft cost contingency to total soft costs. The overall projected soft costs at \$246.23 per sq.ft. are highly consistent with soft costs reported by other similar mixed use development projects in the immediate area.

COSTS					
DESCRIPTION		Per sq.ft.	Subtotals	Total/sq.ft.	Totals
Soft Costs					
General Soft Costs (Consultants, municipal fees, warranties, insurance, legals, accounting)		\$81.95	\$51,151,207		
Development Management	4.0%	\$20.49	\$12,787,802		
Marketing Costs	1.0%	\$6.47	\$4,040,631		
CAC Density Bonus Purchase (\$300/buildable on RM4 density)		\$44.29	\$27,646,740		
Financing Costs		\$85.38	\$53,292,182		
Contingency @	5.0%	\$7.66	\$4,781,319		
Total Soft Costs				\$246.23	\$153,699,881

11.4 DEVELOPER'S PROFIT

For this type of development, we observed that a developer would typically expect to achieve a profit in the region of 15% on total development costs, including land cost at market value. We have therefore estimated the developer's profit at approximately \$83,863,933, which also equates to 15.0% of total costs. This meets the minimum profit margin typically expected and accepted by developers in the Lower Mainland.

11.5 RESIDUAL LAND VALUE SUMMARY

The previous assumptions and calculations have been summarized in the chart below to derive at a final estimate of value of the subject land component using the residual land technique.

Residual Land Value for 3925 Kingsway, 5715 Jersey Avenue, Burnaby, BC

DESCRIPTION	Saleable/ Leasable Areas (sq.ft.)	Per sq.ft.	Subtotals	Total/sq.ft.	Totals
PROCEEDS					
Estimated Proceeds					
Residential Condominiums @ 85% Building Efficiency	310,818	\$1,300	\$404,063,140		
Market Rental @ 85% Building Efficiency	99,299	\$944	\$93,700,165		
Affordable Rental @ 85% Building Efficiency	24,820	\$407	\$10,102,918		
Commercial @ 90% Building Efficiency	101,269	\$1,500	\$151,903,350		
	536,205	(excl GST)		\$1,230.44	\$659,769,572
Less Sales Commissions @ 3.00%				\$40.47	\$16,678,995
Less Leasing Costs 1st month of rent				\$3.67	\$455,073
Total Estimated Net Proceeds (excl. GST)				\$1,198.49	\$642,635,505
GROSS BUILDING AREAS					
Site Area (sq.ft.)	83,778				
Market Residential	365,668				
Market Rental	116,822				
Affordable Rental	29,200				
Commercial	112,521				
Gross Building Areas for FSR Calculations (sq.ft.)	624,211	7.45	FSR		
COSTS					
DESCRIPTION		Per sq.ft.	Subtotals	Total/sq.ft.	Totals
Hard Costs					
Construction Costs - Condominiums		\$500.00	\$182,834,000		
Construction Costs - Market Rental		\$430.00	\$50,233,460		
Construction Costs - Below Market Rental		\$430.00	\$12,556,000		
Construction Costs - Commercial		\$400.00	\$45,008,400		
Contingency @ 10.0%		\$46.56	\$29,063,186		
Total Hard Costs				\$512.16	\$319,695,046
Soft Costs					
General Soft Costs (Consultants, municipal fees, warranties, insurance, legals, accounting)		\$81.95	\$51,151,207		
Development Management 4.0%		\$20.49	\$12,787,802		
Marketing Costs 1.0%		\$6.47	\$4,040,631		
CAC Density Bonus Purchase (\$300/buildable on RM4 density)		\$44.29	\$27,646,740		
Financing Costs		\$85.38	\$53,292,182		
Contingency @ 5.0%		\$7.66	\$4,781,319		
Total Soft Costs				\$246.23	\$153,699,881
Estimate of Total Construction Costs Excluding Land Costs				\$758.39	\$473,394,927
PROFIT					
Land Value Before Developer's Profit (Net Proceeds - Total Construction Costs)				\$271.13	\$169,240,578
Less Developers profit @ 15.0% on total costs					\$83,863,933
Net Value Attributed to Land					\$85,376,644
Estimated Residual Land Value/sq.ft. of base density of 318,356 sq.ft. or 3.8 FAR					\$268.18

SUMMARY

The Residual Technique derived at a final land value of \$85,376,644 which equates to \$268.18 per buildable sq.ft. if calculated on the blended base density of 3.8 FAR or 318,356 sq.ft. (2.5 FAR on the RM4s portion and 1.3 FAR on the C2 portion). The final estimate of subject land value under the Residual Method, based on our assumptions and limiting conditions, as August 25, 2023, is concluded at:

ROUNDED TO:

EIGHTY-FIVE MILLION THREE HUNDRED AND EIGHTY THOUSAND DOLLARS
(\$85,380,000)

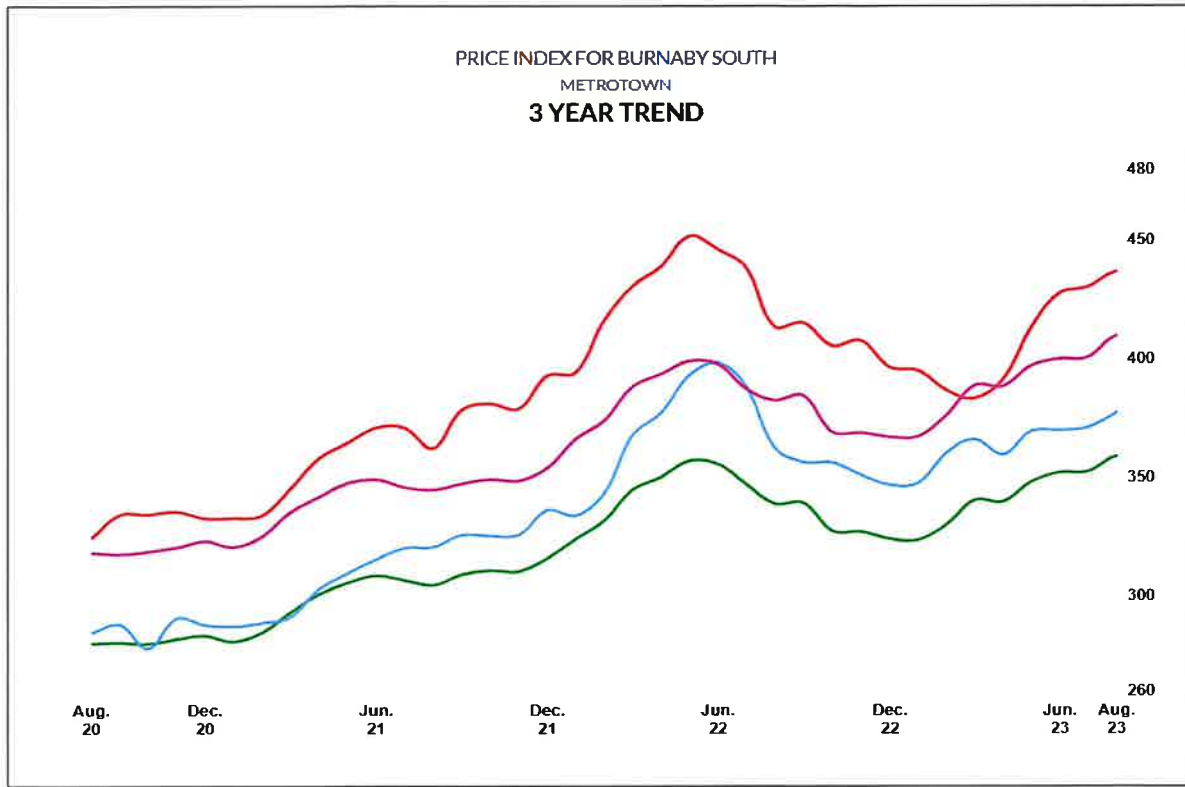
10.0 DIRECT COMPARISON APPROACH

This method involves the process of comparing the subject site with others of similar character that have sold. We considered a number of land sales within the subject neighbourhood.

Development properties are often traded based on their development potential, specifically expressed in potential buildable areas computed from FAR's. The price per sq.ft. of buildable area is a unit of measurement most often used when the development density of a property is clearly depicted. It is also a commonly accepted and widely used method when valuing multi-family residential development properties in the Lower Mainland. However, in situations where development densities are somewhat uncertain and speculative, the price per sq.ft. of site area measurement is typically used. It is also a commonly accepted and widely used method when valuing multi-family residential development properties in the Lower Mainland. Since the subject's development potential (FAR) is clearly indicated in the newly adopted Metrotown Downtown Plan, we have utilized the price per buildable sq.ft. of measurement in our analyses.

The tables below illustrate the property value trend for Metrotown in the City of Burnaby South since June 2018 as reported by the MLS® Home Price Index.

HOME PRICE INDEX FOR BURNABY SOUTH METROTOWN AUGUST 2023						
Benchmark	Price Index	1 Month +/-	6 Month +/-	1 Year +/-	3 Year +/-	5 Year +/-
Residential - All Types						
\$965,200	357.5	-0.5	4.8	5.2	27.2	20.0
Detached						
\$2,386,300	436.1	-0.3	13.6	4.9	30.2	37.1
Townhouse						
\$1,048,200	383.4	1.5	4.6	7.4	32.8	27.6
Apartment						
\$834,600	408.6	-0.4	4.9	6.1	28.4	21.9



The charts above included the Apartment, Detached, and Townhouse segments in Metrotown Burnaby South. All segments of the residential market saw significant downward movement from late 2018 to mid 2019, with the market experiencing a slight bounce after that. Within the past 12 months, the benchmark price for townhouses in Burnaby South increased by 7.4% while apartment properties had a more moderate increase of 6.1%.

Demand for properties within Metrotown Burnaby South continues to be supported by the City’s vision for densification along the Expo Line route and its proximity to the Downtown Core, various amenities, parks, schools, and shops.

The below traces the monthly change in the home price index for apartment properties across Metrotown Burnaby South since August 2021. We have loosely based our time adjustments on this general price trend. The statistics demonstrate that the apartment market in Metrotown Burnaby South witnessed an inclining trend until August 2023, where a decline was observed.

REBGV Published Metrotown Burnaby South Apartment Benchmark Price

Month	Benchmark Price	% Change as of Aug 2023
Aug-23	\$884,600	
Jul-23	\$888,000	-0.38%
Jun-23	\$868,600	1.84%
May-23	\$867,400	1.98%
Apr-23	\$860,700	2.78%
Mar-23	\$842,200	5.03%
Feb-23	\$843,100	4.92%
Jan-23	\$816,000	8.41%
Dec-22	\$794,300	11.37%
Nov-22	\$794,300	11.37%
Oct-22	\$797,900	10.87%
Sep-22	\$798,900	10.73%
Aug-22	\$832,000	6.32%
Jul-22	\$827,900	6.85%
Jun-22	\$838,300	5.52%
May-22	\$860,700	2.78%
Apr-22	\$863,100	2.49%
Mar-22	\$851,200	3.92%
Feb-22	\$839,700	5.35%
Jan-22	\$809,000	9.34%
Dec-21	\$792,400	11.64%
Nov-21	\$765,900	15.50%
Oct-21	\$754,500	17.24%
Sep-21	\$755,700	17.06%
Aug-21	\$751,700	17.68%

We have also gathered recent sales of similar development properties in the City of Burnaby to provide a market indication for the subject site. The chart on the following page includes sales of development sites that have potential for high density mixed-use and multiple family residential developments. We have considered appropriate adjustments for location, development potential, zoning status, size, orientation, transaction date, etc.

Metrotown - High Density Land Comparable Chart

Location	Sale Price	Site Size (Sq. Ft.)	Zoning	F.A.R.	OCP	Price/Sq. Ft. Site Area	Buildable Area (Sq. Ft.)	Price / Buildable (Sq. Ft.)	Comments
1 4444 & 4488 Kingsway Burnaby	\$145,000,000 Nov-22	80,150		RM5s/C3 High Density Mix Use 9.40 (Base)		\$1,809.10	753,414	\$192.46	At the time of sale 4444 Kingsway was improved with a gas station and fully-automated car wash. 4488 Kingsway was improved with a freestanding one storey showroom. Metrotown RM5s/C3 designation, with a base FAR of 3.4 for RM5s plus C3 at 6.0 FAR, for a total 9.4 FAR in base density. Prior to the date of sale a Rezoning Application (Project #REZ21-13) was submitted to the City. Proposing 14.3 FAR.
2 6378 McKay Avenue 6387 & 6425 Silver Avenue Burnaby	\$48,700,000 Dec-21 to Feb-22 Closed Feb-22 to Mar-22	46,690		RM3 High Density Residential RM5s 3.40 (Base)		\$1,043.05	158,746	\$306.78	3 adjoining legal lots. Situated in the Maywood neighbourhood. The OCP designates high-rise residential redevelopment under RM5s. Improved with an older single-storey residential duplex and an older 3-storey apartment building containing 48 rental units. No formal rezoning or development permit applications have been received by the City at the effective date.
3 Confidential - Burlington Avenue Burnaby	\$5,300,000 Jun-21 (Contract) Oct-21 (Closed)	7,175		RM3 High Density Mix Use RM4s/C2 3.80 (Base)		\$738.68	27,265	\$194.39	Located in the Metrotown Downtown area within City of Burnaby. Improved with two older, low-rise rental apartment buildings. Zoned RM-3 and designated "High Density Residential" in accordance to RM-4s zoning bylaw within the Metrotown Downtown Plan, as well as C2 zoning. No formal rezoning or development permit applications have been received by the City. It is the purchasers intention to redevelop the site with a high-rise project, in accordance with the Metrotown Downtown Plan and City policies.
	\$16,000,000 (Under Contract)	21,519		RM3 High Density Residential RM4s 7.50 (Base)		\$743.59	53,798	\$297.41	
	\$21,300,000 Total	28,694		2.83		\$742.32	81,063	\$262.76	
4 6544 Silver Avenue Burnaby	\$21,000,000 Jan-22 (Under Contract) Jun-22 (Closed)	30,144		RM3 High Density Residential RM4s 2.50 (Base)		\$696.66	75,360	\$278.66	Located in the Metrotown Downtown area within City of Burnaby. Zoned RM-3 and designated "High Density Residential" in accordance to RM-4s zoning bylaw within the Metrotown Downtown Plan. Improved with an older 4-storey apartment building, built in circa 1966 and containing 41 units. No formal rezoning or development permit applications have been received by the City.
5 6540 & 6592 Telford Avenue Burnaby	\$35,000,000 Q3, 2021 (Contract) Oct-22 (Closed)	43,800		RM3/R5 High Density Residential RM4s 2.50		\$799.09	109,500	\$319.63	Located in the Metrotown Downtown area within City of Burnaby. The properties are currently zoned RM-3/R5 and designated "High Density Residential" in accordance to RM-4s zoning bylaw within the Metrotown Downtown Plan. A proposal for mixed-use redevelopment is at the initial report stage at 2.69 base FAR including neighbourhood commercial (C1) inclusion.
6 6470 & 6508 Silver Avenue Burnaby	\$45,000,000 Jan-22	59,895		RM3 High Density Residential RM4s 2.50 (Base)		\$751.31	149,738	\$300.53	Two adjacent lots on the east side of Telford Avenue. Improved with a 4-storey apartment building built in 1967 containing 41 units, and a 4-storey apartment building built in 1966 containing 42 units. An initial report was submitted to then City in relation to a rezoning application at the site (REZ 21-36). The purchaser proposes a residential strata tower with street fronting townhomes, plus a low rise residential rental building.
7 6707 Dow Avenue Burnaby	\$14,600,000 Q2, 2021 (Contract) May-22 (Closed)	17,888		RM3 High Density Residential RM4s 2.50 (Base)		\$816.19	44,720	\$326.48	Located in the Metrotown Downtown area within City of Burnaby. The property is currently zoned RM-3 and designated "High Density Residential" in accordance to RM-4s zoning bylaw within the Metrotown Downtown Plan. No formal rezoning application regarding the comparable has been submitted to the City of Burnaby as of the valuation date.
8 6556 - 6596 Marlborough Avenue Burnaby	\$25,000,000 Sep-21	36,317		RM3 High Density Residential RM4s 2.50 (Base)		\$688.38	90,793	\$275.35	Located in the Metrotown Downtown area within City of Burnaby. The property is currently zoned RM-3 and designated "High Density Residential" in accordance to RM-4s zoning bylaw within the Metrotown Downtown Plan. A rezoning application regarding the property from RM3 to RM4s has been submitted to the City of Burnaby in 2018 but has not had any progress since then.
9 6721, 6735 & 6749 Dow Avenue Burnaby	\$39,900,000 Listing	54,555		RM3 High Density Residential RM4s 2.50 (Base) 1.00 (Max Additional C1 Density at 6749 Dow Ave)		\$731.37	136,388	\$292.55	The three lots are currently zoned RM-3 and improved with 2-storey wood-frame apartment buildings built in 1954, 1958 & 1995, respectively, with a total of 42 units (12, 16 & 14 units) and rental income. However, they are each designated "High Density Residential" in accordance with RM-4s zoning within the Metrotown Downtown Plan. Plus, the lot at 6749 Dow Avenue is within a Neighbourhood Commercial Opportunity C1 area.
10 6677 Silver Avenue Burnaby	\$16,911,538 (estimated) Under Contract (August 2023)	19,829		CO High Density Residential RM4s 2.50 (Base) 0.69 (Approved Commercial)		\$852.87	61,497	\$275.00 (approx.)	A mixed use development site with rezoning completed and demolition permit issued. Building Permit is ready upon submission of BP fees. The property is designated High Density Residential in accordance to RM-4s within the Metrotown Downtown Plan, and is proposed with a 24 storey building with 91 market strata units, 29 secured rental units and 11,924 sq. ft. of commercial space. Property is located at the corner of Maywood Street and Silver Avenue.

Comparable One (4444 & 4488 Kingsway) is the latest comparable sale within the Metrotown Downtown area. Its designation provides for a much higher density development under the RM5s/C3 zoning guidelines, suggesting a base density at up to 9.40 FAR. The sale completed in November 2022 at \$145,000,000 or \$192.46 per buildable sq.ft., based on 9.40 FAR base potential and 80,150 sq.ft. of gross site area. At the time of sale 4444 Kingsway was improved with a gas station and a fully automated car

wash. 4488 Kingsway was improved with a freestanding single-storey showroom. Prior to the date of sale, a rezoning application (Project #REZ21-13) was submitted to the City in June 2022, proposing 14.3 FAR in total. Despite the comparable's superior planning status with a development proposal submitted to the City, upward adjustments for the comparable's significantly higher base density is required, leading to a price above \$192.46 per buildable sq.ft. for the subject.

Comparable Two (6378 McKay Avenue, 6387 & 6425 Silver Avenue) is a sale from February and March 2022 of three adjoining lots located between McKay Avenue and Silver Avenue, south of Beresford Street. The comparable site is improved with an older single-storey residential duplex, built in circa 1963, and an older 3-storey apartment building, built in circa 1970 and containing 48 units. The OCP designates high-rise residential redevelopment under RM5s only, reflecting a lower base density. No formal rezoning or development permit applications have been received by the City to date. The total acquisition price of \$48,700,000 translates to \$306.78 per buildable based on the potential base density of 3.40 FAR and gross site area (46,690 sq.ft.). The comparable site is much smaller in size and transacted during a stronger market in the spring of 2022. Further, the comparable location is close to the Metrotown commercial core, and considered to be superior to that of the subject. Overall, a price per buildable below \$306.78 on the base density is required for the subject site.

Comparable Three (Confidential) are two adjacent lots located along Burlington Avenue in the Metrotown Downtown area within City of Burnaby. The land assembly is improved with two older, low-rise rental apartment buildings. Both comparable lots are zoned RM3 and designated "High Density Residential" in accordance with RM4s zoning bylaw within the Metrotown Downtown Plan, with a 2.50 base FAR, as well as one of the lots being designated under C2 zoning too, with a 3.80 base FAR. The comparable provides good value support given the identical base density. No formal rezoning or development permit applications have been received by the City; however, it is the purchaser's intention to redevelop the site with a high-rise project, in accordance with the Metrotown Downtown Plan and City policies. The purchaser acquired the smaller lot for \$5,300,000 in 2021, and the purchase price of \$194.39 per buildable is a result of the lot's inability to be developed on its own. The adjacent lot is larger, comprising 21,519 sq.ft. and was reported to also be under contract for \$16,000,000 or \$297.41 per buildable sq.ft. The blended price equates to \$262.76 per buildable sq.ft. on the base 3.80 FSR and the gross site area. Considering the comparable's inferior location at the southern fringe of the

Metrotown neighbourhood, an upward adjustment is required; however, offsetting downward adjustments are also required for the larger size of the subject land.

Comparable Four (6544 Silver Avenue) illustrates a completed sale, from June 2022, of a nearby lot along Silver Avenue. The lot is zoned RM3 and designated "High Density Residential" in accordance with RM4s zoning bylaw within the Metrotown Downtown Plan. It is improved with an older four-storey apartment building, built in circa 1966 and containing 41 units. No formal rezoning or development permit applications have been recorded by the City, as at the effective date. The January 2022 negotiated purchase price translates to \$278.66 per buildable sq.ft. based on the suggested 2.5 base FAR and gross site areas. Differences in the comparable's site size and base density suggest downward adjustments.

Comparable Five (6540 & 6592 Telford Avenue) is approximately 43,800 sq.ft. in size. It is located in the Metrotown Downtown area within City of Burnaby. It is currently zoned RM3/R5 and designated "High Density Residential" in accordance with RM4s zoning bylaw within the Metrotown Downtown Plan. The transaction was negotiated in Q3 2021 and completed in October 2022, reflecting \$319.63 per buildable sq.ft. of site area, based on 43,800 sq.ft. of gross site area and a potential base FAR of 2.5 FAR under RM4s and the Metrotown Plan. A proposal for mixed-use redevelopment is at presently the initial report stage (formerly recorded by the City in December 2021) at 2.69 base FAR including neighbourhood commercial inclusion. Given the mixed use nature, the comparable provides valid market evidence for the subject; however, a downward adjustment for the lower base density is made, as well as the smaller size of the comparable property, and its superior location.

Comparable Six (6470 & 6508 Silver Avenue) is a completed sale from late January 2022 of two adjacent lots on the east side of Silver Avenue, a desirable site opposite Maywood Park. The comparable site is improved with a four-storey rental apartment building built in 1967 containing 41 units, and a four-storey rental apartment building built in 1966 containing 42 units. Just prior to the sale completion, an initial report was submitted to the City in December 2021 in relation to a rezoning application at the site (REZ 21-36). The purchaser proposes a residential strata tower with street fronting townhomes, plus a low-rise residential rental building to include the required affordable replacement rental units as well as Market/CMHC Median units. The final purchase price was \$45,000,000, which would translate to \$300.53 per buildable sq.ft. based on the comparable lots

combined gross site area of 59,895 sq.ft. and the suggested RM4s base density at 2.50 FAR. It is our understanding that the sale was negotiated and entered into binding contract in Q4 2021. According to the REBGV apartment benchmark price, the current market has illustrated an increase from the end of 2021, which would suggest an upward adjustment for time to be applied. A downward adjustment for the comparable's lower base density and smaller size is made. Overall, the comparable provides superior evidence of value.

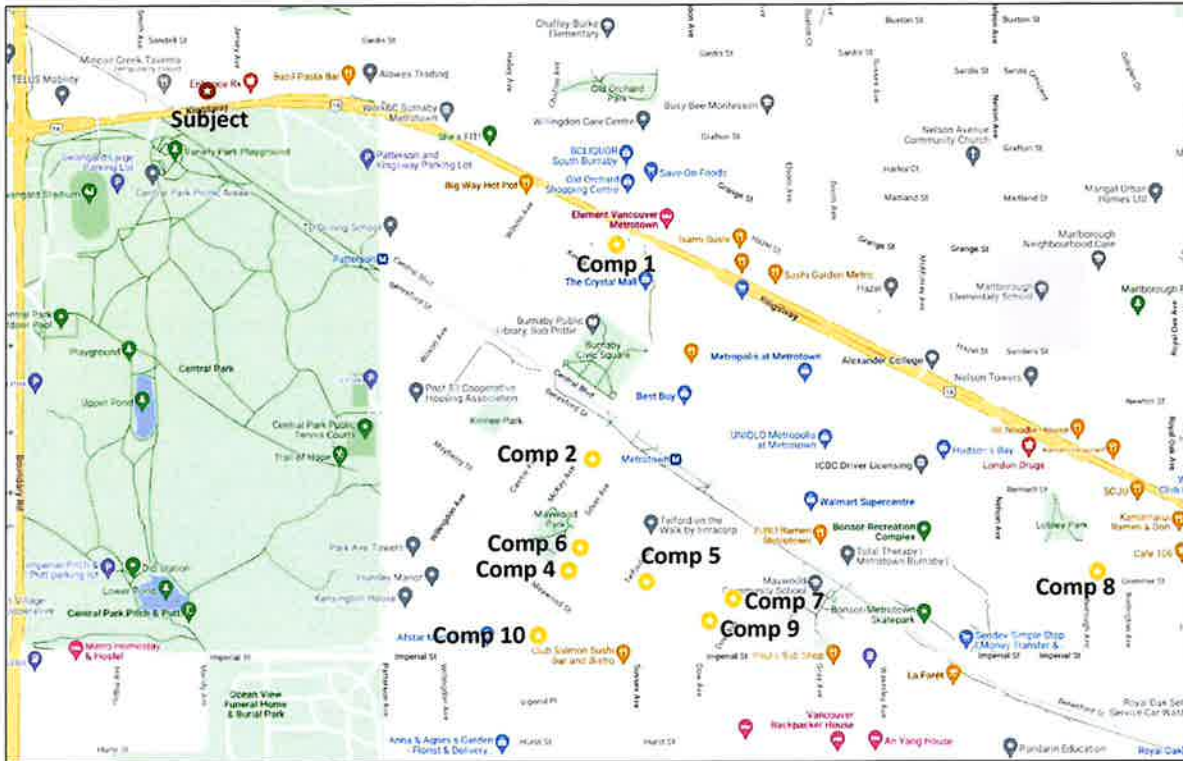
Comparable Seven (6707 Dow Avenue) highlights an August 2021 contract of a smaller 17,888 sq.ft. lot located on the west side of Dow Avenue, north of Imperial Street in Metrotown. The sale completed in May 2022 at \$14,600,000. The comparable property is also presently zoned RM3 and designated "High Density Residential" in accordance with RM4s zoning bylaw within the Metrotown Downtown Plan, permitting a base development density up to 2.5 FAR. Inquiry at the City of Burnaby Zoning and Planning Department indicates no active rezoning or development permit application regarding the comparable has been submitted to the City as of the effective date of appraisal. The comparable transaction translates into \$326.48 per buildable sq.ft. of gross site area, based on a smaller gross site area of 17,888 sq.ft. and lower permitted base FAR. Downward adjustments are made for site size and base density.

Comparable Eight (6556-6596 Marlborough Avenue) reflects an older September 2021 completed sale where the purchaser acquired the property through shares. It is our understanding that the contract was negotiated in April 2021. The comparable property is designated for future RM4 development, suggesting a 2.5 FAR in base density. A rezoning application regarding the property has been submitted to the City in January 2018, but has not had any further progress until more recently, and the application received third reading approval in late July 2022. The property development scheme includes a 34-storey high rise tower, and a low-rise podium for affordable rental use. The negotiated contract price is reported to be approximately \$25,000,000 or \$275.35 per buildable sq.ft. under RM4s. Downward adjustment for site size, density and the comparable's superior planning status is warranted. An upward adjustment is also expected given the improved condominium market since April 2021 (contract date of the comparable site).

Comparable Nine (6721, 6735 & 6749 Dow Avenue) is a recent listing of three lots with a combined gross site area of 54,555 sq.ft. Each lot is improved with a two-storey, wood-frame apartment building, they were constructed in 1954, 1958 & 1995, respectively, with rental income from a total of 42 units (12, 16 & 14 units, respectively). However, they are each designated "High Density Residential" in accordance with RM4s zoning within the Metrotown Downtown Plan. Plus, the lot at 6749 Dow Avenue is within a Neighbourhood Commercial Opportunity C1 area, representing a potentially higher base density. The listed guide price confirmed by the listing agent at \$39,900,000 or \$292.55 per potential buildable sq.ft. at 2.5 base FAR. Downward adjustment for the lower base density at the comparable is necessary, as well as for the listing status. Offsetting upward adjustment is also made for redevelopment timeline.

Comparable Ten (6677 Silver Avenue) is reportedly DP ready and rezoning has been completed and enacted. The proposed project includes a mix of market condominiums, secured rental, and commercial retail space. The base density is calculated at approximately 3.10 FAR. The comparable is reportedly under contract as of August 2023 with a sale price approximately in the range of \$275.00 per buildable sq.ft., however, this has not been confirmed. The information is assumed to be correct. The appraiser reserves the right to amend and/or update the information when more accurate information becomes available. The higher price is a result of its advanced planning status, immediate development timeline, CAC paid (upon 4th reading of rezoning), and smaller size of the investment. A lower price per buildable will be suggested for the subject site.

LAND COMPARABLE MAP



In estimating a market value for the subject site, we have analyzed the preceding comparables with consideration to the following items:

- The subject is located at the northwest corner of Kingsway and Jersey Avenue with extensive dual frontages;
- Prime location within proximity to various commercial establishments and public transportation routes located along Kingsway;
- 83,778 sq.ft. site that is currently zoned RM3 (Multiple Family Residential) and designated “High Density Mixed Use” in the Metrotown Downtown Plan (2017).
- The area has been revitalized given the proximity to the Metrotown Centre and Skytrain station. It is the City’s goal to promote increased densities in the Metrotown Downtown Core through high-density multifamily and mixed-use building forms.
- The Metrotown Downtown Plan was adopted by City Council in July 2017. The Metrotown Downtown Plan allows for higher density residential and commercial development in accordance to the RM4s/C2 zoning guidelines on the subject site.

- Also located within the Metrotown Downtown Plan where it is designated for future high-density residential use in accordance with the RM4s zoning bylaw, suggesting a maximum development density at 6.15 FAR;
- Potential to accommodate future high-density mixed-used development at a base density of 3.8 FAR on the subject site. Additional bonus densities of 1.8 FAR will be available to purchase to enhance the total FAR under the RM4s zoning guideline. Data obtained for another similar development site in the Metrotown area indicated that the bonus density has been negotiated at \$300 per buildable sq.ft. We note that the purchase price for the bonus densities is negotiated on a case-by-case basis and may vary.
- Based on a 3.8 FAR base density and the gross site area of 83,778 sq.ft., a potential base gross buildable area of 318,356 sq.ft. is calculated.
- Our client has proposed to construct a mixed-use project with a 39-storey high-rise residential tower consisting of market condominiums, a 36-storey high-rise residential tower comprising market condominium units and affordable rental units, an 18-storey high-rise tower comprising market rental units and a 6-storey commercial podium assumed to be consisting of ground oriented commercial retail space and strata office units.

Component	Proposed GBA (Sq.ft.)	FSR
39-Storey Tower		
Market Condominium	227,484	2.72
36-Storey Tower		
Market Condominium	138,184	1.65
Affordable Rental	29,200	0.35
18-Storey Apartment		
Market Rental	116,822	1.39
Podium		
Commercial	112,521	1.34
Total:	624,211	7.45

- The proposed building forms and use, including market rental and affordable rental suites, are consistent with the City’s planning objectives.
- Rezoning of the subject site is required to proceed with a high density mixed-use project on the subject site.
- Market for development sites in Metrotown continues to remain steady. The area remains as a desirable area for high density redevelopment given the proximity to the Expo Skytrain line and the abundance of commercial establishments and amenities in the area.

- The latest condominium release, Citizen by Anthem Properties has reportedly achieved a blended average selling price of \$1,370 per sq.ft. and has achieved over 180 sales within a month. This provides a good indication of the market demand for similar condominium products in the subject area.

The comparables have been selected from a range of sales involving high density mixed-use and multi-family development sites in the Metrotown area of Burnaby. Appropriate adjustments are applied where necessary for location, size, development potential, FAR, planning status, transaction date, etc. It is important to note that all the comparable properties, as well as the subject, are analyzed on their base density in accordance with their respective designation in the Metrotown Downtown Plan. Additional market density will need to be acquired from the City of Burnaby, and various rental requirements including rental replacement will also be in place.

The subject property is a larger piece of parcel compared to most of the comparables and is located at the outskirts of the Metrotown Down Plan area; however, it is within proximity to Central Park and is appealing to certain buyers group who are wanting to have some separation from the busy commercial core area.

We have also considered the consecutive interest rate hikes since March 2022, which has put downward pressure to development parcels due to the higher holding and borrowing costs.

After consideration of all factors pertinent to value and further based on our knowledge of the market, it is our opinion that the market value for the subject site, as of August 25, 2023, assuming a fee simple interest is concluded at **\$265** per buildable sq.ft. based on the base density of 3.8 FAR (2.5 RM4s + 1.3 C2).

Base Buildable Area (Sq.Ft.)	X	Price Per Buildable sq.ft.	=	Estimated Market Value
±318,356 sq.ft.	X	\$265	=	\$84,364,340

ROUNDED TO:

EIGHTY-FOUR MILLION THREE HUNDRED AND SIXTY THOUSAND DOLLARS
(\$84,360,000)

11.0 FINAL ESTIMATE OF VALUE

Direct Comparison Approach:	\$84,360,000
Land Residual Technique:	\$85,380,000

DIRECT COMPARISON APPROACH

Using the Direct Comparison Approach, we have analyzed current sales of similar zoned and similar potential medium to high density redevelopment sites in comparable markets to derive a value based upon a price per buildable square foot. This analysis provides a general index of value for the subject site and the comparables analyzed on a price per buildable square foot basis provide a good indication of value for the subject site after adjustments.

LAND RESIDUAL TECHNIQUE

The Land Residual Technique involves the estimate of market value "as if complete". Costs such as construction costs, servicing costs, sales commissions, overhead and a profit factor are then estimated and deducted from the estimate of market value. After deducting the costs associated with redevelopment of the property, we estimated a residual land value of the site. The subject is still at a preliminary planning stage with future development concept subject to refining as it goes through the entitlement process. At this stage, the land residual technique provides supplementary support to the value derived under the Direct Comparison Approach.

CONCLUSION

The two approaches have demonstrated a close range of value from \$84,360,000 to \$85,380,000. After consideration of the previously discussed factors, we have concluded the final estimate of market value of the subject land component, as of the effective date of this appraisal on August 25, 2023, at:

EIGHTY-FIVE MILLION DOLLARS
(\$85,000,000)

** The concluded value is for the subject land based on its redevelopment potential. No representation of value of each of the existing strata lot is made in this report.*

** Given the preliminary nature of the proposed development, we reserve the right to amend our valuation upon receiving updated information on the actual proposed buildable areas.*

12.0 CERTIFICATION

September 25, 2023

Re: 3925 Kingsway, 5715 Jersey Avenue, Burnaby, BC

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

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

CIVIC ADDRESSES AND LEGAL DESCRIPTIONS

101 strata condominium units within a strata titled multi-family residential development located at 3925 Kingsway and 5715 Jersey Avenue, Burnaby, BC

Legal Description: Strata Lots 1 – 101, inclusive, District Lot 34 Group 1 New Westminster District Strata Plan NW289

BASED UPON THE DATA, ANALYSES AND CONCLUSIONS CONTAINED HEREIN, THE MARKET VALUE OF THE INTEREST IN THE PROPERTY DESCRIBED, AS AT AUGUST 25, 2023, IS ESTIMATED AT \$85,000,000.

AS SET OUT ELSEWHERE IN THIS REPORT, THIS REPORT IS SUBJECT TO CERTAIN ASSUMPTIONS AND LIMITING CONDITIONS, THE VERIFICATION OF WHICH IS OUTSIDE THE SCOPE OF THIS REPORT.

Respectfully submitted,
L.W. PROPERTY ADVISORS LTD.



Per: Rose Wang
B. Comm., AACI, P. App.
AIC Membership No. 902311
Signed: September 25, 2023

13.0 ASSUMPTIONS AND LIMITING CONDITIONS

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

1. This report is prepared at the request of the client and for the specific use referred to herein. It is not reasonable for any other party to rely on this appraisal without first obtaining written authorization from the client, the authors, subject to the qualification below. Liability is expressly denied to any person other than the client and those who obtain written consent and, accordingly, no responsibility is accepted for any damage suffered by any such person as a result of decisions made or actions based on this report. Diligence by all intended users is assumed.
2. Because market conditions, including economic, social and political factors change rapidly and, on occasion, without warning, the market value estimate expressed as of the date of this appraisal cannot be relied upon as of any other date except with further advice from the appraiser and confirmed in writing.
3. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. No registry office search has been performed and the appraiser assumes that the title is good and marketable and free and clear of all encumbrances including leases, unless otherwise noted in this report. The property is appraised on the basis of it being under responsible ownership.
4. The subject site is presumed to comply with government regulations including zoning, building codes and health regulations and, if it doesn't comply, its non-compliance may affect market value.
5. No survey of the property has been made. Any sketch in the appraisal report shows approximate dimensions and is included only to assist the reader of the report in visualizing the property.
6. This report is completed on the basis that testimony or appearance in court concerning this appraisal is not required unless specific arrangements to do so have been made beforehand. Such arrangements will include, but not necessarily be limited to, adequate time to review the appraisal report and data related thereto and the provision of appropriate compensation.

ASSUMPTIONS AND LIMITING CONDITIONS (continued)

7. Unless otherwise stated in this report, the appraiser has no knowledge of any hidden or unapparent conditions of the property (including, but not limited to, its soils, physical structure, mechanical or other operating systems, its foundation, etc.) or adverse environmental conditions (on it or a neighbouring property, including the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable. It has been assumed that there are no such conditions unless they were observed at the time of inspection or became apparent during the normal research involved in completing the appraisal. This report should not be construed as an environmental audit or detailed property condition report, as such reporting is beyond the scope of this report and/or the qualifications of the appraiser. The author makes no guarantees or warranties, express or implied, regarding the condition of the property, and will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. The bearing capacity of the soil is assumed to be adequate.
8. The appraiser is not qualified to comment on environmental issues that may affect the market value of the property appraised, including but not limited to pollution or contamination of land, buildings, water, groundwater or air. Unless expressly stated, the property is assumed to be free and clear of pollutants and contaminants, including but not limited to moulds or mildews or the conditions that might give rise to either, and in compliance with all regulatory environmental requirements, government or otherwise, and free of any environmental condition, past, present or future, that might affect the market value of the property appraised. If the party relying on this report requires information about environmental issues, then that party is cautioned to retain an expert qualified in such issues. We expressly deny any legal liability relating to the effect of environmental issues on the market value of the subject site.
9. The analyses set out in this report relied on written and verbal information obtained from a variety of sources we considered reliable. Unless otherwise stated herein, we did not verify client-supplied information, which we believed to be correct.
10. The term "inspection" refers to observation and reporting of the general material finishing, and conditions seen for the purposes of a standard appraisal inspection. The inspection scope of work includes the identification of marketable characteristics/amenities offered for comparison and valuation purposes only, in accordance with the CUSPAP.

ASSUMPTIONS AND LIMITING CONDITIONS (continued)

11. The opinions of value and other conclusions contained herein assume satisfactory completion of any work remaining to be completed in a good and workmanlike manner. Further inspection may be required to confirm completion of such work. The appraiser has not confirmed that all mandatory building inspections have been completed to date, nor has the availability/issuance of an occupancy permit been confirmed. The appraiser has not evaluated the quality of construction, workmanship or materials. It should be clearly understood that this physical inspection does not imply compliance with any building code requirements as this is beyond the professional expertise of the appraiser.
12. The contents of this report are confidential and will not be disclosed by the author to any party except as provided for by the provisions of the CUSPAP and/or when properly entered into evidence of a duly qualified judicial or quasi-judicial body. The appraiser acknowledges that the information collected herein is personal and confidential and shall not use or disclose the contents of this report except as provided for in the provisions of the CUSPAP and in accordance with the appraiser's privacy policy. The client agrees that in accepting this report, it shall maintain the confidentiality and privacy of any personal information contained herein and shall comply in all material respects with the contents of the appraiser's privacy policy and in accordance with the PIPEDA.
13. The appraiser has agreed to enter into the assignment as requested by the client named in the report for the use specified by the client, which is stated in the report. The client has agreed that the performance of this appraisal and the report format are appropriate for the intended use.
14. Written consent from the authors must be obtained before any part of the appraisal report can be used for any use by anyone except the client and other intended users identified in the report. Where the client is the mortgagee and the loan are insured, liability is extended to the mortgage insurer. Liability to any other party or for any other use is expressly denied regardless of who pays the appraisal fee.
15. This report form is the property of the Appraisal Institute of Canada (AIC) and for use only by AIC members in good standing. Use by any other person is a violation of AIC copyright. This appraisal report, its content and all attachments/addendums and their content are the property of the author. The client, intended users and any appraisal facilitator are prohibited, strictly forbidden and no permission is expressly or implicitly granted or deemed to be granted, to modify, alter, merge, publish (in whole or in part) screen scrape, database scrape, exploit, reproduce, decompile, reassemble or participate in any other activity intended to separate, collect, store, reorganize, scan, copy, manipulate electronically, digitally, manually or by any other means whatsoever this appraisal report, addendum, all attachments and the data contained within for any commercial, or other, use.

ASSUMPTIONS AND LIMITING CONDITIONS (continued)

16. If transmitted electronically, this report will have been digitally signed and secured with personal passwords to lock the appraisal file. Due to the possibility of digital modification, only originally signed reports and those reports sent directly by the appraiser, can be relied upon without fault.
17. Where the intended use of this report is for financing or mortgage lending, it is a condition of reliance on this report that the authorized user has or will conduct loan underwriting and rigorous due diligence in accordance with the standards of a reasonable and prudent lender, including but not limited to ensuring the borrower's demonstrated willingness and capacity to service his/her debt obligations on a timely basis, and to conduct such loan underwriting and due diligence in accordance with the standards set out by the Office of the Superintendent of Financial Institutions (OSFI) Residential Mortgage Underwriting Practices and Procedures B-20, even when not otherwise required by law. Liability is expressly denied to those that do not meet this condition.
18. Where the intended use of this report is for mortgage insurance, it is a condition of reliance on this report that the authorized user will conduct loan insurance underwriting and rigorous due diligence in accordance with the standards of a reasonable and prudent mortgage insurer, including but not limited to ensuring the borrower's demonstrated willingness and capacity to service his/her debt obligations on a timely basis, to conduct such loan insurance underwriting and/ due diligence in accordance with the standards set out by the Office of the Superintendent of Financial Institutions (OSFI) Residential Mortgage Insurance Underwriting Practices and Procedures B-21, even when not otherwise required by law. Liability is expressly denied to those that do not meet this condition.

Appendix "A"

Copies of the Title Information

TITLE SEARCH PRINT

File Reference: 2308-3532

Declared Value \$402230

2023-09-20, 14:19:02⁴⁵¹
Requestor: Rose Wang****CURRENT INFORMATION ONLY - NO CANCELLED INFORMATION SHOWN****

Land Title District Land Title Office	NEW WESTMINSTER NEW WESTMINSTER
Title Number From Title Number	CA8716222 WX2117672
Application Received	2021-01-19
Application Entered	2021-03-12
Registered Owner in Fee Simple Registered Owner/Mailing Address:	1276331 B.C. LTD., INC.NO. 1276331 2233 WEST 35TH AVENUE VANCOUVER, BC V6M 1J4
Taxation Authority	Burnaby, City of
Description of Land Parcel Identifier: Legal Description:	000-613-754 STRATA LOT 39 DISTRICT LOT 34 GROUP 1 NEW WESTMINSTER DISTRICT STRATA PLAN NW289 TOGETHER WITH AN INTEREST IN THE COMMON PROPERTY IN PROPORTION TO THE UNIT ENTITLEMENT OF THE STRATA LOT AS SHOWN ON FORM 1
Legal Notations	NONE
Charges, Liens and Interests	NONE
Duplicate Indefeasible Title	NONE OUTSTANDING
Transfers	NONE
Pending Applications	NONE

TITLE SEARCH PRINT

File Reference: 2308-3532 IM

Declared Value \$210000

452
2023-09-09, 18:59:40
Requestor: Rose Wang

CURRENT INFORMATION ONLY - NO CANCELLED INFORMATION SHOWN

Title Issued Under STRATA PROPERTY ACT (Section 249)

Land Title District NEW WESTMINSTER
Land Title Office NEW WESTMINSTER

Title Number CA5381881
From Title Number CA922480

Application Received 2016-07-28

Application Entered 2016-08-02

Registered Owner in Fee Simple
Registered Owner/Mailing Address: RICKY HEE MENG LAI, OWNER
112 - 3925 KINGSWAY
BURNABY, BC
V5H 3Y7

Taxation Authority Burnaby, City of

Description of Land
Parcel Identifier: 001-263-005
Legal Description:
STRATA LOT 8 DISTRICT LOT 34 GROUP 1 NEW WESTMINSTER DISTRICT
STRATA PLAN NW289 TOGETHER WITH AN INTEREST IN THE COMMON
PROPERTY IN PROPORTION TO THE UNIT ENTITLEMENT OF THE STRATA
LOT AS SHOWN ON FORM 1

Legal Notations NONE

Charges, Liens and Interests
Nature: MORTGAGE
Registration Number: CA5381882
Registration Date and Time: 2016-07-28 18:55
Registered Owner: THE BANK OF NOVA SCOTIA

Duplicate Indefeasible Title NONE OUTSTANDING

Transfers NONE

TITLE SEARCH PRINT
File Reference: 2308-3532 IM
Declared Value \$210000

453
2023-09-09, 18:59:40
Requestor: Rose Wang

Pending Applications

NONE

TITLE SEARCH PRINT

File Reference: 2308-3532 IM

Declared Value \$490130

2023-09-09, 19:01:10⁴⁵⁴
Requestor: Rose Wang

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

Land Title District	NEW WESTMINSTER
Land Title Office	NEW WESTMINSTER
Title Number	CA8716232
From Title Number	WX2117686
Application Received	2021-01-19
Application Entered	2021-03-12
Registered Owner in Fee Simple	
Registered Owner/Mailing Address:	1276331 B.C. LTD., INC.NO. 1276331 2233 WEST 35TH AVENUE VANCOUVER, BC V6M 1J4
Taxation Authority	Burnaby, City of
Description of Land	
Parcel Identifier:	001-263-684
Legal Description:	STRATA LOT 73 DISTRICT LOT 34 GROUP 1 NEW WESTMINSTER DISTRICT STRATA PLAN NW289 TOGETHER WITH AN INTEREST IN THE COMMON PROPERTY IN PROPORTION TO THE UNIT ENTITLEMENT OF THE STRATA LOT AS SHOWN ON FORM 1
Legal Notations	NONE
Charges, Liens and Interests	NONE
Duplicate Indefeasible Title	NONE OUTSTANDING
Transfers	NONE
Pending Applications	NONE

Appendix "B"

Copy of the Contract of Purchase and Sale Agreement

PURCHASE AND SALE AGREEMENT

THIS AGREEMENT is dated for reference December 07, 2022.

BETWEEN:

THE OWNERS, STRATA PLAN NW289

c/o Lawson Lundell LLP
1600 Cathedral Place
925 West Georgia Street
Vancouver, British Columbia
V6C 3L2

(the "Vendor")

AND:

1038573 B.C. LTD.
c/o Purchaser's Agent

(the "Purchaser")

WHEREAS:

- A. The Vendor is a strata corporation that is the duly authorized entity to offer for sale the Property and the Liquidator will be the legal and beneficial owner of the Property on the Completion Date; and
- B. The Purchaser wishes to purchase all of the legal and beneficial interest in the Property from the Vendor and/or the Liquidator, and the Vendor wishes to sell all of the legal and beneficial interest in the Property to the Purchaser on the terms and conditions set out herein.

NOW THEREFORE, in consideration of the premises and the mutual covenants, agreements, conditions and provisos contained herein, and the payment of \$10.00 by each of the parties to the other and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each of the parties, the parties covenant and agree with each other as follows:

ARTICLE 1 DEFINITIONS

1.1 Definitions

The following terms will have the following meanings:

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Cameray Gardens

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- (a) “**Agent**” means the Vendor’s Agent and the Purchaser’s Agent;
- (b) “**Appliances**” means all washers, dryers, refrigerators, ovens, stoves, and built in dishwashers within any of the Strata Lots as of the date hereof or replacements thereof in working order;
- (c) “**Assignment of Leases**” has the meaning ascribed thereto in subsection 7.1(b);
- (d) “**Assignment of Service Contracts**” has the meaning ascribed thereto in subsection 7.1(h);
- (e) “**BCSC**” has the meaning ascribed thereto in subsection 6.1(b);
- (f) “**Business Day**” means a day that is not a Saturday, Sunday or a day when land title offices are closed in British Columbia;
- (g) “**Completion Date**” has the meaning ascribed thereto in subsection 3.1;
- (h) “**Contamination**” means the presence of any explosives, radioactive materials, asbestos materials, urea formaldehyde, chlorobiphenyls, hydrocarbon contaminants, underground tanks, pollutants, contaminants, hazardous, corrosive or toxic substances, special waste or waste of any kind or any other substance the storage, manufacture, disposal, treatment, generation, use (including as part of any existing building or improvement), transport, remediation or release into the environment of which is prohibited, controlled, regulated or licensed under Environmental Laws or the existence of which in or as part of the soils or groundwater of the Property will or may require the remediation thereof under Environmental Laws;
- (i) “**Court Order**” has the meaning ascribed thereto in subsection 6.1(b);
- (j) “**Deposit**” means collectively, the First Deposit and, when paid, and any subsequent deposits;
- (k) “**Environmental Laws**” means any and all statutes, laws, regulations, orders, bylaws, permits and other lawful requirements of any federal, provincial, municipal or other governmental authority having jurisdiction over the Property in force with respect, in any way, to the environment, health or occupational health and safety, including with respect, in any way, to the protection of people, plants, animals, natural ecosystems and the natural environment (including in the context of the development of land, workplace safety and otherwise), and including all applicable policies, guidelines and standards with respect to the foregoing as adopted by any of those governmental authorities from time to time;
- (l) “**Equipment**” means all the chattels, personal property, goods, equipment, inventory and supplies used by the Vendor or anyone on the Vendor’s behalf exclusively in connection with the operation, use, enjoyment, maintenance or management of the Property and owned by the Vendor or subject to a conditional

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sale agreement in favour of the Vendor as of the reference date set out above, but for clarity shall not include any Appliances;

- (m) “**ETA**” means the *Excise Tax Act* (Canada);
- (n) “**Execution Date**” means the date this Agreement is fully executed and delivered by each of the parties hereto;
- (o) “**Expense Items**” has the meaning ascribed thereto in Section 3.3;
- (p) “**First Conditions**” has the meaning ascribed thereto in subsection 6.1(a);
- (q) “**First Conditions Period**” means January 25, 2023, or such longer period as the Vendor and Purchaser may mutually agree to in writing;
- (r) “**First Deposit**” means the amount paid by the Purchaser pursuant to subsection 2.3(a);
- (s) “**General Assignment**” has the meaning ascribed thereto in subsection 7.1(l);
- (t) “**GST**” means federal goods and services tax and/or any other similar or replacement tax;
- (u) “**Individual Strata Lot Contracts**” has the meaning ascribed thereto in section 10.1;
- (v) “**Land Title Office**” has the meaning ascribed thereto in Section 3.4;
- (w) “**Leases**” means every agreement, whether written or oral, partly written and partly oral, pursuant to which any person has any interest in the Property in the nature of a tenancy or a right to occupy premises, including any modification or extension thereof, and “**Lease**” means any of such Leases;
- (x) “**Liquidator**” means the liquidator appointed in respect of, and vested with the ownership of, the Property in furtherance of the terms hereof;
- (y) “**Permitted Encumbrances**” means the charges, reservations and restrictions set out in Schedule A hereto;
- (z) “**Person**” includes a firm, partnership, limited partnership, corporation or other entity;
- (aa) “**Project Documents**” means:
 - (i) current surveys or real property reports of the Property;
 - (ii) copies of plans and specifications for and relating to the Building, including mechanical, architectural, electrical and “as-built” drawings and

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- building specifications, and any development, building or occupancy permits for the Property, all if in the Vendor's possession;
- (iii) all environmental reports on the Property in the Vendor's possession;
 - (iv) copies of all Service Contracts that the Vendor requires the Purchaser to assume;
 - (v) any and all Leases in the possession and control of the Vendor; and
 - (vi) copies of all current *Strata Property Act* Form K's in the possession or control of the Vendor.
- (bb) "**Property**" means all of the lands and premises within Strata Plan NW289, municipally located at 3925 Kingsway, Burnaby, British Columbia, V5H 3Y7 and 5715 Jersey Avenue, Burnaby, British Columbia, V5H 2L3 and more particularly described in Schedule "B" hereto together with all improvements thereon and rights and benefits appurtenant thereto;
 - (cc) "**Purchase Price**" means the amount set out in Section 2.2;
 - (dd) "**Purchaser's Agent**" means the agent as designated by the Purchaser in writing;
 - (ee) "**Purchaser's Solicitors**" means the solicitor, firm or firms of lawyers qualified to practice law in British Columbia as may be retained by the Purchaser from time to time and notice of which is provided to the Vendor;
 - (ff) "**Sale Approval**" has the meaning ascribed thereto in subsection 6.1(b);
 - (gg) "**Second Condition**" has the meaning ascribed thereto in subsection 6.1(b);
 - (hh) "**Second Condition Period**" means the period of Ninety (90) days from the waiver or satisfaction of the First Conditions, or such longer period as the Vendor and Purchaser may agree in writing;
 - (ii) "**Service Contracts**" means all agreements entered into by the Vendor with respect to the furnishing of supplies or services to the Property or with respect to the management or operation of the Property (including agreements with janitors, building managers and other management or maintenance personnel other than owners, officers and employees of the Vendor);
 - (jj) "**Strata Lot Owners**" means all of the owners of the Strata Lots, and "**Strata Lot Owner**" means the owner of any Strata Lot;
 - (kk) "**Strata Lots**" means all of the strata lots in the Strata Plan, and "**Strata Lot**" means any of the Strata Lots;
 - (ll) "**Strata Plan**" has the meaning ascribed thereto in subsection 6.1(b);

- (mm) **“Transfer”** has the meaning ascribed thereto in subsection 7.1(a);
- (nn) **“Vendor's Agent”** means the Brokers and the Designated Agents as defined in the Exclusive Listing Agreement made among the Vendor, the Brokers and the Designated Agents dated June 28, 2022; and
- (oo) **“Vendor’s Solicitors”** means Lawson Lundell LLP.

ARTICLE 2 PURCHASE PRICE AND PAYMENT

2.1 Agreement

The Purchaser hereby agrees to purchase the Property, the Equipment, the Project Documents and the Appliances from the Vendor and/or the Liquidator, subject to and on the terms and conditions set forth herein, and the Vendor agrees to sell the Property to the Purchaser, subject to and on the terms and conditions set forth herein.

2.2 Purchase Price

The purchase price for the Property will be **Sixty One Million Dollars (\$61,000,000)** subject to adjustment pursuant to section 3.3.

2.3 Payment of Purchase Price

The Purchase Price will be paid as follows:

- (a) as to Three Million Dollars (\$ 3,000,000) (the **“First Deposit”**), by payment of such amount by the Purchaser to the Purchaser’s Solicitors in trust within three (3) Business Days of the satisfaction of all of the conditions precedent set out in subsection 6.1(a); and
- (b) as to the balance of the Purchase Price (subject to the adjustments made pursuant to Section 3.3), by payment of such amount by the Purchaser to the Liquidator by way of solicitor’s certified trust cheque, bank draft or wire transfer on behalf of the Vendor on the Completion Date.

2.4 Investment of Deposit

The Deposit will be invested by the Purchaser Solicitors in an interest-bearing trust account or certificate of deposit, with interest for the account of the Purchaser unless the Deposit and interest thereon is paid to the Liquidator on behalf of the Purchaser pursuant to subsection 2.5(a)(ii).

2.5 Application of Deposit

Upon waiver or satisfaction of the Second the Vendor and Purchaser authorizes the Purchaser’s solicitors to release from the Deposit up to \$100,000 in aggregate, to pay the Vendor’s costs to

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satisfy the Second Conditions, including legal and liquidator fees, provided the Vendor has first given the Purchaser an accounting of such costs.

The remainder of the Deposit will be:

- (a) paid to the Liquidator on behalf of the Purchaser:
 - (i) on the Completion Date on account of the Purchase Price, if the Liquidator and the Purchaser complete the sale and purchase of the Property on the Completion Date; or
 - (ii) together with interest earned on the Deposit, upon the default of the Purchaser, if the Purchaser is in default of its obligation to complete the purchase of the Property hereunder, unless such default is waived in writing by the Liquidator, and the Deposit so paid to the Liquidator will be absolutely forfeited to the Liquidator on behalf of the Vendor as liquidated damages as the Liquidator's and Vendor's sole and exclusive remedy and this Agreement will terminate forthwith upon such payment being made; or
- (b) paid to the Purchaser (less the \$10.00 paid by the Purchaser to the Vendor pursuant to Section 6.1):
 - (i) together with interest earned on the Deposit, if the Vendor and the Liquidator, respectively, do not notify the Purchaser of the satisfaction of all of the conditions precedent set out in subsections 6.1(b) in the manner and within the time provided herein;
 - (ii) together with interest earned on the Deposit, if the Purchaser does not notify the Vendor of the satisfaction or waiver of all of the First Conditions set out in subsection 6.1(a) in the manner and within the time provided herein;
 - (iii) together with interest earned on the Deposit, upon the default of the Liquidator, if the Liquidator is in default of its obligation to complete the sale of the Property hereunder, unless such default is waived in writing by the Purchaser or the Purchaser has elected to complete the purchase of the Property, without prejudice to any other right or remedy of the Purchaser; or
 - (iv) if the Purchaser terminates this Agreement pursuant to Section 3.4.

ARTICLE 3 COMPLETION, POSSESSION AND ADJUSTMENTS

3.1 Completion

The completion of the transactions contemplated by this Agreement will occur on October 25, 2023 (the "Completion Date"), or such other date as may be agreed to in writing by the Vendor

and the Purchaser, and the place of closing will be the offices of the Purchaser's Solicitors in Vancouver, British Columbia.

3.2 Possession

The Liquidator will deliver to the Purchaser possession of the Property free from all liens, claims, charges, encumbrances and legal notations other than the Permitted Encumbrances on the Completion Date.

3.3 Adjustments

The Purchaser will be responsible for all taxes, rates, assessments and other charges and will be entitled to receive all income relating to the Property from and including the Completion Date and all adjustments, both incoming and outgoing, of whatsoever nature will be made as of the Completion Date and the payment due pursuant to subsection 2.3(b) will be adjusted accordingly. Adjustments will be made for rent, taxes, local improvement rates and charges, water and assessment rates, utilities, fuel costs and all other items ordinarily adjusted in similar transactions in the City of Burnaby (all such items, excluding rent, are hereinafter referred to as the "**Expense Items**"). If any of the Expense Items has not been paid up to the Completion Date, the Purchaser shall have the right to pay out of the portion of the Purchase Price due on completion such amount or amounts as may be necessary to bring the Expense Item completely current as of the Completion Date. Any tenant inducements, damage deposits, leasing commissions and landlord's work and tenant improvements outstanding at the Completion Date (whether due before or after the Completion Date) shall be for the Vendor's account and adjusted in favour of the Purchaser on the Completion Date. The Liquidator on behalf of the Vendor shall not be credited for arrears of rent or other accounts receivable (if any) which accrue prior to the Completion Date. Such amounts (if any) shall remain the property of the Liquidator on behalf of the Vendor and the Liquidator on behalf of the Vendor shall retain the right to pursue recovery of the same. The Vendor acknowledges and agrees that the Vendor will not be entitled to an adjustment in respect of strata fees paid by Owners to the Vendor for the month in which this transaction completes.

If the sale and purchaser of the Property proceeds in accordance with Section 10.1, the solicitor for the Strata Lot Owners will hold and deal with the Holdback Amount in accordance with this Section 3.3.

3.4 Risk

The Property will be at the Vendor's risk until the acceptance of the Transfer for registration in the applicable Land Title Office (the "**Land Title Office**") and thereafter at the Purchaser's risk. Pending completion, the Vendor, or the Liquidator on behalf of the Vendor, will hold all insurance policies and any proceeds derived therefrom in trust for the Purchaser and in the event of loss or damage to the Property occurring before such time by reason of fire, tempest, lightning, earthquake, flood or other act of God, explosion, riot, civil commotion, insurrection, war or otherwise howsoever, the Purchaser may, at its option, apply the amount of such insurance proceeds paid or payable to the Vendor with respect thereto (and any applicable deductible amount) in reduction of the Purchase Price and complete the purchase of the Property or terminate this Agreement.

ARTICLE 4
VENDOR'S COVENANTS AND REPRESENTATIONS AND WARRANTIES

4.1 Vendor's Covenants

The Vendor covenants and agrees that it will:

- (a) permit the Purchaser and the Purchaser's employees, engineers, agents and advisors to enter onto the Property upon reasonable written notice and carry out such inspections, tests, studies, surveys and investigations of the Property as the Purchaser may reasonably require, including, but not limited to, taking samples of soils, groundwater and other materials located in, on or under the Property;
- (b) deliver, or cause to be delivered, to the Purchaser, within ten (10) Business Days of the Execution Date:
 - (i) copies of all Leases in the Vendor's possession;
 - (ii) a list of all of the Service Contracts together with copies of all written Service Contracts and relevant particulars of all unwritten Service Contracts; and
 - (iii) the Project Documents;
- (c) maintain in force insurance covering loss or damage to the Property and covering public liability, in both cases against such risks and to such limits as are in accordance with past practices;
- (d) from the Execution Date until the Completion Date, conduct or cause to be conducted all business in respect of the Property in accordance with prudent business practices given the nature of the Property, and without limiting the generality of the foregoing:
 - (i) provide the Purchaser with particulars of any Service Contract entered into or modified after delivery of the material referred to in subsection 4.1(b);
 - (ii) use its commercially reasonable efforts to preserve the Property intact as would a prudent owner;
 - (iii) not enter into or permit to be entered into any contract or agreement or any transaction whatsoever in respect of the Property other than in the ordinary and usual course of business;
 - (iv) if any Strata Lot Owner enters into, modifies, terminates or accepts a surrender of any Lease, or enters into a replacement Lease on similar terms, the Vendor will provide or cause to be provided a copy of same, and of any new *Strata Property Act* Form K received, to the Purchaser as soon as reasonably possible. The Vendor shall not be in breach of this

Agreement, if any of the Strata Lot Owners enters into a month-to-month lease of their Strata Lot and fails to provide the same to the Vendor;

- (e) cancel and terminate, or cause to be cancelled and terminated, all contracts, including the Service Contracts, which relate to the Property excepting only those that the Purchaser elects in writing before the expiry of the Second Conditions Period to have assigned to it, effective as of the Completion Date;
- (f) pay all amounts due, owing or payable pursuant to the Service Contracts to and including the Completion Date;
- (g) execute, or cause to be executed, and return to the Purchaser or the Purchaser's Solicitors as soon as is reasonably possible all consents or letters of authority which it may be necessary for the Vendor to execute in order for the Purchaser to conduct such due diligence searches with respect to the Vendor and the Property as it determines to be necessary in connection with the transactions contemplated herein;
- (h) does hereby consent to and authorize the Purchaser to enter into discussions and negotiations with the City of Burnaby or any other relevant authority and to make applications, in the name of the Vendor, for any permits or approvals required by the Purchaser in connection with any proposed development of the Property, and the Vendor will execute and deliver, or cause to be executed and delivered, any consents requested in respect of such applications and agrees not to oppose or otherwise seek to hinder or delay, or permit any opposition, hindrance or delay with respect to, any such discussions, negotiations or applications, or any approvals arising therefrom; and
- (i) upon removal by the Purchaser of the First Conditions, use commercially reasonable efforts to fulfill the Second Conditions.

4.2 Vendor's Representations and Warranties

The Vendor represents and warrants to the Purchaser as representations and warranties that are true at the date hereof and will be true at the time of completion and that are to continue and to survive the purchase of the Property by the Purchaser thereafter regardless of any independent investigations that the Purchaser may cause to be made and regardless of the removal or waiver of any condition precedent, that, subject to the limitations, if any, expressed herein:

- (a) the Liquidator will have good and marketable legal and beneficial title to the Property on the Completion Date, free and clear of all liens, claims, charges, encumbrances and legal notations other than the Permitted Encumbrances;
- (b) all necessary action on the part of the Vendor and the Strata Lot Owners has been or will be taken to authorize and approve the execution and delivery of this Agreement and the completion of the transactions contemplated herein;



- (c) there is no action, suit, claim, litigation or proceeding pending or to the Vendor's knowledge threatened against the Vendor or in respect of the Property or the use or occupancy thereof before any court, arbiter, arbitration panel or administrative tribunal or agency which, if decided adversely to the Vendor, might materially affect the Vendor's ability to perform any of the Vendor's obligations hereunder and no state of facts exists which could constitute the basis of any such action, suit, claim, litigation or proceeding;
- (d) except as contemplated herein, no consent or approval of or registration, declaration or filing with, any governmental commission, board, court or other regulatory body is required for the execution or delivery of this Agreement by the Vendor, the validity or enforceability of this Agreement against the Vendor or the Liquidator;
- (e) neither the Vendor entering into this Agreement nor the performance by the Vendor of the terms hereof will result in the breach of or constitute a default under any term or provision of any instrument, document or agreement to which the Vendor is bound or subject;
- (f) the Property and the use thereof do not contravene any registered covenant and the Vendor has not received and has no knowledge of any notice or request from any governmental authority or official, insurance company or board of fire underwriters requesting the performance of any work or alteration in respect of any of the Property;
- (g) the Vendor is "resident" in Canada for the purposes of the *Income Tax Act* (Canada) though individual Strata Lot Owners may not be;
- (h) the Vendor has no present or future obligation to construct or provide, or to pay any amount to any person in connection with, off site services, utilities or similar services in connection with the Property;
- (i) to the best of the Vendor's knowledge, there is no improvement on any lands adjoining the Property encroaching upon the Property and no improvement on the Property encroaching on any adjoining lands;
- (j) the Vendor has received no notice of and has no knowledge of any proposed expropriation of the Property or any part thereof or any intention of the applicable municipal authority to alter its zoning bylaw so as to affect or potentially affect the Property;
- (k) to the best of the Vendor's knowledge, all materials, services and utilities in use for the operation, use or occupation of the Property (including, without limitation, mechanical, drainage, electrical, plumbing, ventilating systems, elevators, sidewalks, streets, curbs, sewers, storm and water main connections):
 - (i) have been maintained in all material respects in a manner which a prudent strata corporation of a similar property of a similar age would adopt;

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- (ii) are in normal operating condition and in a reasonable state of repair and are free of all material defects, normal wear and tear excepted; and
 - (iii) have been paid for in full and all installation and connection fees and all local improvement, municipal, real property, school and other taxes and assessments of any kind whatsoever levied by any governmental authority having jurisdiction which are due or payable by the Vendor in respect of the foregoing, are paid in full to the due date for payment thereof except for current charges for utilities consumed in the Property and, except as disclosed to the Purchaser in writing on the Completion Date, will be paid in full to the Completion Date or adjusted for as of the Completion Date;
- (l) the Equipment will, on the Completion Date:
 - (i) be free and clear of all claims, liens, charges and encumbrances;
 - (ii) be assignable by the Vendor to the Purchaser; and
 - (iii) have been maintained in a manner which a prudent owner of such property would adopt, subject to normal wear and tear;
 - (m) to the best of the Vendor's knowledge, there are no Leases except those disclosed pursuant to Section 4.1(b)(i);
 - (n) each of the Service Contracts is in good standing and assignable to the Purchaser, there being no default thereunder by the Vendor or the other contracting parties thereto, and contains the entire agreement between the parties identified therein;
 - (o) the Vendor will not have any employees or be party to any employment agreements as of the Completion Date; and
 - (p) the Vendor has not failed to disclose to the Purchaser any material fact or information relating to or concerning the Property of which the Vendor is aware.

4.3 Survival of Representations and Warranties and Indemnity

The representations and warranties contained in Section 4.2 shall survive the Completion Date for a period of 12 months. The Vendor will indemnify the Purchaser against, and save it harmless from, any loss, cost or damage of any nature whatsoever sustained by the Purchaser directly or indirectly by reason of a breach, inaccuracy or incompleteness of any of the warranties or representations set forth in Section 4.2. The Vendor acknowledges and agrees that the Purchaser has entered into this Agreement relying on such warranties and representations and the other warranties, representations, terms and conditions set out in this Agreement.

4.4 As Is Where is

The Purchaser acknowledges and agrees that other than the representations and warranties made by the Vendor in Section 4.2, the Vendor makes no representations or warranties respecting the Property and Equipment or the condition, including environmental condition (respecting which

the Vendor shall have no obligation to provide a site profile) thereof, and that the Purchaser is purchasing the same on an “as is, where is” basis and shall satisfy itself as to all aspects thereof.

ARTICLE 5 PURCHASER’S REPRESENTATIONS, WARRANTIES AND COVENANTS

5.1 Purchaser’s Representations and Warranties

The Purchaser hereby represents and warrants to the Vendor as representations and warranties that are true at the date hereof and will be true as of the Completion Date as follows:

- (a) the Purchaser is a body corporate duly continued and validly existing under the laws of the Province of British Columbia and duly qualified to purchase and own the Property and the Purchaser has full power, authority and capacity to enter into this Agreement and carry out the transactions contemplated herein;
- (b) all necessary corporate action on the part of the directors and shareholders of the Purchaser has been taken to authorize and approve the execution and delivery of this Agreement and the completion of the transaction contemplated herein;
- (c) there is no action or proceeding pending or to the Purchaser’s knowledge threatened against the Purchaser before any court, arbiter, arbitration panel, administrative tribunal or agency which, if decided adversely to the Purchaser, might materially affect the Purchaser’s ability to perform its obligations hereunder; and
- (d) neither the Purchaser entering into this Agreement nor the performance of its terms will result in the breach of or constitute a default under any term or provision of any indenture, mortgage, deed of trust or other agreement to which the Purchaser is bound or subject.

5.2 Survival of Representations and Warranties and Indemnity

The representations and warranties contained in Section 5.1 shall survive the Completion Date for a period of 12 months. The Purchaser will indemnify the Vendor against, and save it harmless from, any loss, cost or damage of any nature whatsoever sustained by the Vendor directly or indirectly by reason of a breach, inaccuracy or incompleteness of any of the warranties or representations set forth in Section 5.1. The Purchaser acknowledges and agrees that the Vendor has entered into this Agreement relying on such warranties and representations and the other warranties, representations, terms and conditions set out in this Agreement.

ARTICLE 6 CONDITIONS PRECEDENT

6.1 Conditions Precedent

The obligation of the Purchaser and the Vendor to complete the purchase of the Property on the Completion Date is subject to the following conditions precedent being satisfied, or waived if expressly permitted hereunder, in the manner and within the time provided herein:

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- (a) by 4:00 p.m. (Vancouver time) on the last day of the First Conditions Period, the Purchaser will have satisfied itself in its sole discretion as to
- (i) the physical condition of the Property, including the results of any environmental and geotechnical investigations by or on behalf of the Purchaser;
 - (ii) the status, form and substance of the Leases (including the rent payable and the tenants' covenants thereunder), and the Service Contracts;
 - (iii) the Purchaser being, satisfied in its sole discretion, able to secure satisfactory financing for the purchase and development of the Property,
- (collectively, the “**First Conditions**”);
- (b) by 4:00 p.m. (Vancouver time) on the last day of the Second Condition Period, this Agreement having been approved and ratified by a resolution passed by a three quarter (3/4) vote resolution of the Strata Lot Owners at a special general meeting of the Vendor
- (i) the sale of the Property in accordance with the terms and conditions of this Agreement by the Liquidator to the Purchaser having been approved by the BCSC (the “**Sale Approval**”); and
 - (ii) all applicable appeal periods in respect of the Court Order and the Sale Approval will have expired without any appeal of the Court Order and/or the Sale Approval being filed,
- (collectively, the “**Second Conditions**”).

The parties agree that this Agreement will become an unconditional contract for the sale and purchase of the Property forthwith upon the satisfaction or waiver of all of the Second Conditions.

On the Completion Date, prior to the filing of the Transfer (as defined in Section 7.1(a)) by the Purchaser' Solicitors pursuant to Section 8.2, the Liquidator will file the Court Order with the Land Title Office for the purposes of vesting in the Liquidator title to the Property, obtain a post-filing registration check of the property index in accordance with Section 8.3, and provide same to the Purchaser. The parties agree and acknowledge that full registration of the Court Order and related documents, and issuance of a title for the resulting consolidated Property by the Land Title Office is a condition of closing for the benefit of the Purchaser, subject always to section 10.1

In consideration of \$10.00 non-refundable to be paid by the Purchaser to the Vendor and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Vendor, the Vendor agrees not to revoke its acceptance of this Agreement while this Agreement remains subject to any of the Second Conditions. For greater certainty, the Purchaser acknowledges and agrees that the \$10.00 paid to the Vendor pursuant to this paragraph is the

absolute property of the Vendor and in no event shall such \$10.00 be returnable to or paid to the Purchaser pursuant to subsection 2.5(b).

6.2 Satisfaction and Waiver of Conditions Precedent

- (a) The First Conditions are for the Purchaser's sole benefit and each may be waived unilaterally by the Purchaser, at the Purchaser's election, and if the Purchaser does not give the Vendor notice of the satisfaction or waiver of such conditions precedent within the time herein provided then the Purchaser's obligation to purchase the Property will be at an end and, subject to subsection 2.5(b), this Agreement will forthwith terminate. However, if the Purchaser does not waive or satisfy the First Conditions, it shall provide the Vendor with a written summary of its due diligence results including copies of any written reports commissioned and received by the Purchaser.
- (b) The Second Condition is for the mutual benefit of the Purchaser and the Vendor and may not be declared satisfied or waived unilaterally by either party. If the Vendor or the Liquidator, in the case of the Second Condition, does not give the Purchaser notice of the satisfaction of such conditions precedent (together with reasonable supporting documentation to show that such conditions precedent have been satisfied) within the time herein provided then the Purchaser's obligation to purchase the Property will be at an end and, subject to subsection 2.5(b), this Agreement will forthwith terminate.

ARTICLE 7 PREPARATION OF CLOSING DOCUMENTS

7.1 Vendor's Delivery of Closing Documents

On or before the Completion Date, the Vendor will cause the Vendor's Solicitors to deliver to the Purchaser's Solicitors, the following items, duly executed by the Vendor, and/or the Liquidator, as applicable, and in registrable form wherever appropriate, to be dealt with pursuant to Article 8:

- (a) a Form A Freehold Transfer (the "**Transfer**") conveying the Property from the Liquidator to the Purchaser, subject only to the Permitted Encumbrances;
- (b) an assignment (the "**Assignment of Leases**") to the Purchaser of the interest of the Liquidator in the Leases, including provision for continued responsibility of the Vendor, or any Strata Lot Owners, for liabilities and defaults thereby incurred or committed prior to the Completion Date and an indemnity therefrom in favour of the Purchaser with respect thereto and an assumption by the Purchaser of the landlord obligations under the Leases for the period from and after the Completion Date and an indemnity in favour of the Vendor and the Liquidator in respect of liabilities arising or defaults occurring during the period from and after the Completion Date;
- (c) copies of the Leases;

- (d) directions to all tenants of the Property directing the tenants to pay future rental payments to the Purchaser or as directed by the Purchaser;
- (e) a certificate pursuant to Section 116 of the *Income Tax Act* (Canada) confirming that the Vendor is not a non-resident of Canada;
- (f) a Vendor's statement of adjustments prepared in accordance with Section 3.3;
- (g) a registrable bill of sale conveying and assuring to the Purchaser good and marketable title in and to all of the Appliances and all of the Equipment, free and clear from any lien, claim, charge or encumbrance of any kind or nature whatsoever, and all warranties in respect of the Equipment which are assignable;
- (h) an assignment (the "**Assignment of Service Contracts**") to the Purchaser of any Service Contracts that the Purchaser has elected to acquire in accordance with subsection 4.1(e);
- (i) a notification to all contracting parties (other than the Vendor) to each Service Contract that the Purchaser has elected to acquire in accordance with subsection 4.1(e), that such Service Contract has been assigned to the Purchaser together with the consent of such contracting parties to the assignment if required pursuant to the Service Contract;
- (j) a copy of the notices by which the Liquidator has terminated the Service Contracts excepting those only, if any, which the Purchaser has elected to acquire in accordance with subsection 4.1(e);
- (k) an agreement by which the Vendor agrees to indemnify and save harmless the Purchaser from any claim pursuant to the Services Contracts not assigned to the Purchaser;
- (l) a general assignment (the "**General Assignment**") to the Purchaser of all right, title and interest and benefit in and to all contracts, covenants, warranties, representations, indemnities, studies, tests, reports, plans, drawings, applications and permits or any other benefits or rights which are assignable and which pertain to the Property and which the Purchaser has elected to have assigned to it;
- (m) all keys and like devices for the Property which are in the possession or control of the Vendor or the Liquidator;
- (n) all instructions, manuals, plans and other documents associated with any of the Equipment or any of the improvements on the Property which are in the possession or control of the Vendor or the Liquidator;
- (o) a certificate of a member of the strata council of the Vendor on the Completion Date that each of the warranties and representations of the Vendor set out herein is true and accurate on the Completion Date except as disclosed therein;

- (p) a reference plan prepared pursuant to section 100(1)(A) of the *Land Title Act* consolidating the Strata Lots into a single lot; and
- (q) such other usual and customary documents for real estate transactions of the nature set out in this Agreement as may be required by the Liquidator or the Purchaser, each acting reasonably, or which are reasonably necessary to complete the purchase and sale of the Property.

7.2 Preparation of Closing Documents

The closing documents contemplated in Section 7.1, will be prepared by the Purchaser's Solicitors or the Purchaser's land surveyor (to the extent that preparation is required) at the Purchaser's sole cost and expense and delivered to the Vendor's Solicitors prior to the Completion Date.

7.3 Purchaser's Delivery of Closing Documents

On or before the Completion Date, the Purchaser will cause the Purchaser's Solicitors to deliver to the Vendor's Solicitors the following items, duly executed by the Purchaser, to be dealt with pursuant to Article 8:

- (a) the Assignment of Leases;
- (b) the Assignment of Service Contracts, if any;
- (c) the General Assignment;
- (d) a certificate of an officer of the Purchaser on the Completion Date that each of the warranties and representations of the Purchaser set out herein is true and accurate on the Completion Date except as disclosed therein; and
- (e) such other usual and customary documents for real estate transactions of the nature set out in this Agreement as may be required by the Vendor or Purchaser, each acting reasonably, or which are reasonably necessary to complete the purchase and sale of the Property.

ARTICLE 8 CLOSING PROCEDURE

8.1 Payment in Trust

On or before the Completion Date the Purchaser will pay to the Purchaser's Solicitors in trust the amount due to the Vendor pursuant to subsection 2.3(b), as adjusted pursuant to Section 3.3, less the amount to be advanced to the Purchaser on the Completion Date under any mortgage financing arranged by the Purchaser.

8.2 Registration

Forthwith following the payment in Section 8.1 and after receipt by the Purchaser's Solicitors of the documents and items referred to in Section 7.1, on the Completion Date, the Purchaser will cause the Purchaser's Solicitors to file the Transfer in the appropriate Land Title Office concurrently with any security documents applicable to any mortgage financing arranged by the Purchaser in connection with the purchase of the Property.

8.3 Closing

Forthwith following the filing referred to in Section 8.2 and upon the Purchaser's Solicitors being satisfied as to the Purchaser's title to the Property after conducting a post-filing for registration check of the property index disclosing only the following:

- (a) the existing title number to the Property;
- (b) the Permitted Encumbrances;
- (c) the pending number assigned to the Transfer;
- (d) the pending numbers assigned to any security documents applicable to any mortgage financing arranged by the Purchaser in connection with the purchase of the Property; and
- (e) any charges granted by the Purchaser,

the Purchaser will cause the Purchaser's Solicitors, forthwith upon receipt by them of the proceeds of any mortgage financing arranged by the Purchaser in connection with the purchase of the Property, to either wire transfer or make available for pick up by the Vendor's Solicitors at the offices of the Purchaser's Solicitors a solicitor's certified trust cheque or bank draft for the amount due to the Vendor pursuant to the Vendor's statement of adjustments, and to release the items referred to in Section 7.1 to the Purchaser and concurrently therewith the Deposit will be released to the Vendor's Solicitors and any interest earned on the Deposit will be released by the Vendor's Solicitors to the Purchaser.

8.4 Concurrent Requirements

It is a condition of this Agreement that all requirements of this Article 8 are concurrent requirements and it is specifically agreed that nothing will be completed on the Completion Date until everything required to be paid, executed and delivered on the Completion Date has been so paid, executed and delivered and until the Purchaser's Solicitors have satisfied themselves as to the Purchaser's title pursuant to Section 8.3.

8.5 Clearing Vendor's Title

If the Property is encumbered by any encumbrance or charge that is not a Permitted Encumbrance, the Vendor's Solicitors shall be entitled to use the proceeds received pursuant to Section 8.3 to obtain a discharge of such encumbrances or charges on or after the Completion Date provided the Vendor's Solicitors undertake to the Purchaser's Solicitors to cause such encumbrances or charges to be discharged from title to the Property.

ARTICLE 9 INTERPRETATION

9.1 References

Any reference in this Agreement to a designated “Article”, “section”, “subsection”, “paragraph” or other subdivision is a reference to the designated Article, section, subsection, paragraph or other subdivision of this Agreement and the words “herein”, “hereof” and “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular Article, section, subsection, paragraph or other subdivision of this Agreement.

9.2 Headings

The headings used in and the organization of this Agreement are solely for convenience of reference and will not in any way affect, limit, amplify or modify the terms hereof and will not be construed in any way in the interpretation hereof to be part of this Agreement.

9.3 Non-limiting

The word “including”, when following any general statement, will be construed to refer to all other things that could reasonably fall within the scope of such general statement, whether or not non-limiting language (such as “without limitation”) is used with reference thereto.

9.4 Gender and Number

Words importing the masculine gender include the feminine and neuter genders and words in the singular include the plural, and vice versa.

9.5 Governing Law

This Agreement and all matters arising hereunder will be governed by and construed in accordance with the laws of the Province of British Columbia, which will be deemed to be the proper law hereof, and the courts of the Province of British Columbia will have the non-exclusive jurisdiction to entertain and determine all claims and disputes arising out of or in any way connected with this Agreement and the validity, existence and enforceability hereof.

9.6 Statutes

Any reference to a statute includes and is a reference to such statute and to the regulations made pursuant thereto, with all amendments made thereto and in force from time to time, and to any statutes or any regulations that may be passed which have the effect of supplementing or superceding such statutes or regulations.

9.7 Confidentiality

The parties agree that the contents of this Agreement shall remain confidential and shall not be disclosed to any person with the exception of each party’s legal, accounting and tax advisors, agents, lenders, consultants, advisors, potential investors, affiliates, the Strata Lot Owners, or as

required by law. If any such person is required by law to disclose the terms of this Agreement to persons other than those identified above, all other parties shall be notified immediately.

ARTICLE 10 MISCELLANEOUS

10.1 Conversion to Individual Strata Lot Contracts

If one hundred percent (100%) of the Strata Lot Owners approve and ratify this Agreement at a special general meeting of the Vendor pursuant to subsection 6.1(b) above, the Purchaser and the Strata Lot Owners, with the consent and approval of the Vendor, may enter into individual contracts of purchase and sale (the “**Individual Strata Lot Contracts**”) to facilitate the sale of all of the Strata Lots without having to obtain the Court Order pursuant to subsection 6.1(b); and wind up the Vendor. If the Purchaser and the Strata Lot Owners, with the consent of the Vendor, choose to enter into Individual Strata Lot Contracts, the following terms shall apply:

- (a) the Strata Lot Contract shall be on a form of contract to be prepared by the Vendor’s Solicitors, with reasonable amendments as may be agreed to by a Strata Lot Owner and the Purchaser;
- (b) the completion date for each Strata Lot Contract shall be on October 25, 2023, or such other date as may be agreed to in writing by the Vendor and the Purchaser, and the place of closing will be the offices of the Purchaser’s Solicitors in Vancouver, British Columbia;
- (c) notwithstanding the execution and delivery of the Individual Strata Lot Contracts, this Agreement shall remain in effect with the provisions thereof regarding the Completion Date being held in abeyance pending the completion of the transactions contemplated in the Individual Strata Lot Contracts.

If all Strata Lot Owners agree to enter into the Individual Strata Lot Contracts prior to the special general meeting of the Vendor pursuant to subsection 6.1(b) above, then the completion date for the Individual Strata Lot Contracts shall be on the Completion Date.

10.2 Increase in Purchase Price

If one hundred percent (100%) of the Strata Lot Owners enter into the Strata Lot Contracts, the Purchase Price shall be increased by an amount equal to fifty percent (50%) of the Property Transfer Tax Savings.

10.3 Contingency Reserve Fund and Operating Fund

Notwithstanding that the Purchaser intends to purchase the Property from the Vendor and/or Liquidator, the Purchaser and Vendor acknowledge and agree that the Purchaser will have no right to the funds maintained by the Vendor on account of the Vendor’s operating fund or contingency reserve fund, and that all such monies may be transferred by the Vendor to the Vendor’s Solicitors on the Completion Date, or held by the Vendor’s strata management firm,

with such funds to be used to pay any accounts of the Vendor due up to the Completion Date and subsequently disbursed to the Strata Lot Owners.

10.4 Time

Time will be of the essence of this Agreement and will remain of the essence notwithstanding the extension of any of the dates hereunder. If any date or deadline for the doing of any action or delivery of any item or notice falls on a day that is not a Business Day, such date or deadline shall be extended to the next occurring day that is a Business Day.

10.5 No Waiver

No failure or delay on the part of either party in exercising any right, power or privilege under this Agreement will operate as a waiver thereof, nor will any single or partial exercise of any right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege. Except as may be limited herein, either party may, in its sole discretion, exercise any and all rights, powers, remedies and recourses available to it under this Agreement or any other remedy available to it and such rights, powers, remedies and recourses may be exercised concurrently or individually without the necessity of making any election.

10.6 Tender

It is agreed that any tender of documents or money may be made upon the respective solicitors for the parties and that it will be sufficient to tender a solicitor's trust cheque rather than cash.

10.7 GST

With respect to GST exigible in respect of the purchase and sale of the Property:

- (a) the Vendor declares that the sale of the Property is exempt from GST under Section 2, Part I of Schedule V to the ETA;
- (b) if the foregoing declaration is incorrect, the Purchase Price shall be deemed to include any GST exigible with respect to the sale of the Property in accordance with Section 194 of the ETA and the Vendor shall account for and pay or cause to be paid such GST as required under the ETA and indemnify and save harmless the Purchaser from any liability for such payment; and
- (c) the Vendor represents and warrants to the Purchaser that:
 - (i) the Property being sold hereunder is a "multiple unit residential complex" within the meaning of the term as defined for the purposes of the ETA;
 - (ii) the Vendor is not a "builder", within the meaning of the term as defined for the purposes of the ETA, of the Property or any addition to the Property;

- (iii) neither the Vendor nor any Strata Lot Owner has undertaken a “substantial renovation” of the Property, within the meaning of that term as defined for the purposes of the ETA; and
- (iv) neither the Vendor nor any Strata Lot Owner has claimed nor will it claim any input tax credits for GST paid or payable in respect of the Vendor’s or any Strata Lot Owner’s last acquisition of the Property or any part thereof or in respect of any “improvement” to the Property, within the meaning of the term as defined for the purposes of the ETA.

10.8 Fees and Expenses

Except as provided in Section 2.5, each party will pay its own legal fees. The Purchaser will be responsible for all registration fees and property transfer taxes payable in connection with the registration of the Transfer.

10.9 Agent's Commission

The Vendor will pay any real estate commission payable to the Vendor's Agent as a result of the purchase and sale of the Property contemplated herein and will indemnify and hold the Purchaser and the Liquidator harmless therefrom. The Vendor will pay any real estate commission payable to the Vendor's Agent any other agent or broker of the Vendor resulting from the purchase and sale of the Property contemplated herein and will indemnify and hold the Purchaser harmless therefrom. The Vendor confirms that it has not dealt with any real estate broker other than the Vendor's Agent.

The Vendor will pay any real estate commission payable to the Purchaser's Agent being an amount equal to 1.0% of the Purchase Price as a result of the purchase and sale of the Property contemplated herein and will indemnify and hold the Purchaser harmless therefrom. The Vendor will pay any real estate commission payable to the Purchaser's Agent any other agent or broker of the Purchaser resulting from the purchase and sale of the Property contemplated herein and will indemnify and hold the Purchaser harmless therefrom. The Purchaser confirms that it has not dealt with any real estate broker other than the Purchaser's Agent.

10.10 Disclosure

The Vendor and the Purchaser acknowledge and agree that:

- (a) in accordance with the Code of Ethics of the Canadian Real Estate Association the Vendor's Agent is represented by:
 - (i) Marshall MacLeod of NAI-Commercial;
 - (ii) Brett Aura of TRG Commercial;
 - (iii) David Ho of CBRE Limited; and
 - (iv) Robert Veerman of CBRE Limited

(together, the “designated agents”) have disclosed that they are representing the Vendor in the transaction described in this Agreement;

and

- (b) the Purchaser’s Agent representative is to be confirmed in writing by the Purchaser in accordance with the Code of Ethics of the Canadian Real Estate Association;
- (c) the Vendor shall pay the commission and compensation plus applicable taxes due to the Agent pursuant to the transaction described in this Agreement to the Agent.

10.11 Entire Agreement

This Agreement and the schedules hereto and the agreements, instruments and other documents entered into pursuant to this Agreement set forth the entire agreement and understanding of the parties with respect to the subject matter hereof and supersede all prior agreements and understandings among the parties with respect to the matters herein and there are no oral or written agreements, promises, warranties, terms, conditions, representations or collateral agreements whatsoever, express or implied, other than those contained in this Agreement.

10.12 Survival of Representations and Warranties

All representations, warranties, guarantees, promises and agreements made by the parties will survive the Completion Date and the transfer of the Property to the Purchaser.

1.1 Delayed Possession

Each Strata Lot Owner whose Strata Lot is not occupied by a tenant, and is occupied by the Owner of a family member, on the Closing Date will have a period of up to Two (2) months beginning on the day after the Closing Date without payment of any rent or license fee to the Purchaser.

In the event the Strata Lot is not occupied by Owner but is occupied by a tenant, the Purchaser shall assume the tenancy as required by the Residential Tenancy Act.

10.13 Amendment

This Agreement may be altered or amended only by an agreement in writing signed by the parties hereto.

10.14 Further Assurances

Each of the parties hereto will at all times and from time to time and upon reasonable request do, execute and deliver all further assurances, acts and documents for the purpose of evidencing and giving full force and effect to the covenants, agreements and provisions in this Agreement.

10.15 Notices



Any demand or notice which may be given pursuant to this Agreement will be in writing and delivered, sent by facsimile or other electronic means or sent by postage prepaid mail and addressed to the parties as follows:

to the Vendor:

The Owners, Strata Plan NW289
c/o Lawson Lundell LLP
1600 Cathedral Place
925 West Georgia Street
Vancouver, British Columbia
V6C 3L2

Attention: Edward L. Wilson
Facsimile: (604) 669-1620
Email: ewilson@lawswonlundell.com

with a copy to:

Cameray Gardens Real Estate Agents Group

Email: Robert.Veerman@cbre.com;
David.Ho@cbre.com;
mmacleod@naicommercial.ca;
brett.aura@trgcommercial.ca>>

to the Purchaser:

1038573 B.C. LTD.
c/o Purchaser's Agent
contact information to be confirmed in writing
by the Purchaser

with a copy to Purchaser's Lawyer:

1038573 B.C. LTD.
c/o Purchaser's Solicitors
contact information to be confirmed in writing
by the Purchaser

or at such other address as either party may specify in writing to the other. The time of giving and receiving any such notice will be deemed to be on the day of delivery or transmittal if delivered or sent by facsimile or other electronic means, or on the third Business Day after the day of mailing thereof if sent by mail. In the event of any disruption of mail services, all notices will be

delivered or sent by facsimile or other electronic means rather than mailed.

10.16 Assignment

The Purchaser may, without the consent of the Vendor, assign this Offer to Purchase directly or indirectly (including by way of any change of control of the Purchaser) to any other person without the prior written consent of the Vendor. Any and all proceeds are to benefit, monetary or otherwise, will be for the benefit of the Purchaser. Upon any assignment of the rights and interest of the Purchaser under this Agreement:

- (i) the Purchaser will not be released from and will remain liable for all terms, covenants, conditions, representations, warranties, provisions and obligations (including releases and indemnities) of the Purchaser hereunder;
- (ii) any assignee of the Purchaser's interest hereunder will have the benefit of all covenants, representations, warranties and obligations (including releases and indemnities) of the Vendor hereunder, in each case without any further act or agreement being required on the part of the parties.

10.17 Change of Control

Any actual or proposed transfer or issue by sale, assignment, bequest, inheritance, operation of law or other disposition, or by subscription, from time to time of all or any part of the corporate shares or partnership interests of the Purchaser or of any parent or subsidiary corporation or partnership of the Purchaser or any corporation or partnership which is an associate or affiliate of the Purchaser (as those terms are defined in the British Columbia *Business Corporations Act*), which results in any change in:

- (a) the present effective voting control of the Purchaser by the person holding such voting control at the date of execution of this Agreement (or at the date an assignment of this Agreement to a corporation or partnership is permitted); and/or
- (b) the identity(ies) of the person(s) with decision-making power, directly or indirectly, in respect of: (i) the exercise of some or all of the Purchaser's rights under this Agreement; and/or (ii) the performance of some or all of the Purchaser's obligations under this Agreement, whether such change is or might be immediate, deferred, conditional, exclusive, non-exclusive, permanent or temporary and whether by operation of law or otherwise, but specifically excluding any changes in the identity(ies) of the directors and/or officers of: (x) the Purchaser; or (y) any corporation which is an associate or affiliate of the Purchaser,

("control" or a "change of control", as the context requires),

then any such action resulting in any such change of control of the Purchaser shall be deemed to be an assignment for the purposes of this Agreement, and all provisions in Section 10.17 applicable to an assignment shall apply to any such any change of control of the Purchaser. The

Purchaser shall make available to the Vendor, or its lawful representatives, all corporate or partnership books and records of the Purchaser for inspection at all reasonable times, in order to ascertain whether there has been any change of control of the Purchaser corporation or partnership.

However, this Section 10.18 shall not apply to the Purchaser if and so long as:

- (c) the Purchaser is a public corporation whose shares are traded and listed on any recognized stock exchange in Canada or the United States; or
- (d) the Purchaser is a private corporation but is controlled by a public corporation defined as aforesaid;

so long as in either case prior to or as soon as reasonably possible after any such change of control of the Purchaser, the Vendor receives assurances satisfactory to the Vendor that there shall be continuity of the existing management of the Purchaser, and of its business practices and policies (including those affecting the advertising and promotion of the business in the Premises), notwithstanding any such change of control. The Purchaser may ~~not~~ assign its interest in this Agreement except with the written consent of the Vendor and such consent may unreasonably withheld.

10.18 No Side Deals

The Vendor and Purchaser agree that, except as contemplated by Section 10.1, all negotiations and other dealings regarding the potential winding up and sale of the Property (including any Strata Lots therein), will be conducted solely between the Vendor and the Purchaser, or their authorized agents. For certainty, during the term of this Agreement, the Purchaser will not enter into any agreements with any Strata Lot Owners regarding the Purchaser's purchase of the Property (including any Strata Lots therein) such that any Strata Lot Owner receives a payment or any other consideration from the sale of the Property or that Owner's Strata Lot that all other Owners are not entitled to receive or to participate in, pursuant to the terms of this Agreement.

10.19 Counterparts

This Agreement may be executed in any number of original counterparts, with the same effect as if all the parties had signed the same document, and will become effective when one or more counterparts have been signed by all of the parties and delivered to each of the other parties. All counterparts will be construed together and evidence only one agreement, which, notwithstanding the dates of execution of any counterparts, will be deemed to be dated the reference date set out above, and only one of which need be produced for any purpose.

10.20 Binding Effect

This Agreement will enure to the benefit of and be binding upon the successors and permitted assigns of the parties, as applicable.

10.21 Electronic Execution

This Agreement may be executed by the parties and transmitted by facsimile or other electronic means and if so executed and transmitted this Agreement will be for all purposes as effective as if the parties had delivered an executed original Agreement.

10.22 Currency

All dollar amounts referred to are Canadian dollars.

10.23 Construction

The division and headings of this Agreement are for reference only and are not to affect construction or interpretation.

10.24 Governing Law

This Agreement shall be governed by the laws of British Columbia.

10.25 Acceptance Date

This offer, or counter-offer, will be open for acceptance until 5:00 p.m. on December _____, 2022, unless withdrawn in writing by the Purchaser.

[Signature Page Follows]

IN WITNESS WHEREOF the parties have executed this Agreement.

Executed by the Vendor this 2nd day of December, 2022.

**THE OWNERS, STRATA PLAN NW289 by
its Liquidator Crowe MacKay & Company
Ltd.**

Per: _____
Name: Derek Lai
Title: Insolvency Trustee

Executed by the Purchaser this 07 day of December, 2022.

1038573 B.C. LTD.

Per: _____

Name: Kush Bhatia
Title: Director

I have authority to bind the Corporation.

SCHEDULE A**PERMITTED ENCUMBRANCES**

Title to each strata lot:

Nil

Common Property Index:

Nil

Leases (existing) and replacement Leases entered into by Strata Lot Owners on similar terms,
between the Execution Date and the Completion Date.



**SCHEDULE B
LEGAL DESCRIPTION AND TITLE SEARCH OF THE LANDS**

PID	LEGAL DESCRIPTION	ADDRESS
001-262-921	STRATA LOT 1	105 – 3925 KINGSWAY
001-262-939	STRATA LOT 2	106 – 3925 KINGSWAY
001-262-947	STRATA LOT 3	107 – 3925 KINGSWAY
001-262-963	STRATA LOT 4	108 – 3925 KINGSWAY
001-262-971	STRATA LOT 5	109 – 3925 KINGSWAY
001-262-980	STRATA LOT 6	110 – 3925 KINGSWAY
001-262-998	STRATA LOT 7	111 – 3925 KINGSWAY
001-263-005	STRATA LOT 8	112 – 3925 KINGSWAY
000-938-530	STRATA LOT 9	114 – 3925 KINGSWAY
001-263-013	STRATA LOT 10	115 – 3925 KINGSWAY
001-263-021	STRATA LOT 11	116 – 3925 KINGSWAY
001-263-030	STRATA LOT 12	117 – 3925 KINGSWAY
001-263-048	STRATA LOT 13	118 – 3925 KINGSWAY
001-263-056	STRATA LOT 14	119 – 3925 KINGSWAY
001-263-064	STRATA LOT 15	101 – 3925 KINGSWAY
001-263-081	STRATA LOT 16	102 – 3925 KINGSWAY
000-859-389	STRATA LOT 17	103 – 3925 KINGSWAY
000-739-979	STRATA LOT 18	104 – 3925 KINGSWAY
001-263-099	STRATA LOT 19	205 – 3925 KINGSWAY
001-263-102	STRATA LOT 20	206 – 3925 KINGSWAY
001-263-111	STRATA LOT 21	207 – 3925 KINGSWAY
001-263-137	STRATA LOT 22	208 – 3925 KINGSWAY
001-263-145	STRATA LOT 23	209 – 3925 KINGSWAY
001-263-153	STRATA LOT 24	210 – 3925 KINGSWAY
001-263-161	STRATA LOT 25	211 – 3925 KINGSWAY
001-263-170	STRATA LOT 26	212 – 3925 KINGSWAY

001-263-188	STRATA LOT 27	214 – 3925 KINGSWAY
001-263-196	STRATA LOT 28	215 – 3925 KINGSWAY
001-263-200	STRATA LOT 29	216 – 3925 KINGSWAY
001-263-218	STRATA LOT 30	217 – 3925 KINGSWAY
001-263-226	STRATA LOT 31	218 – 3925 KINGSWAY
001-263-234	STRATA LOT 32	219 – 3925 KINGSWAY
001-263-242	STRATA LOT 33	201 – 3925 KINGSWAY
001-263-251	STRATA LOT 34	202 – 3925 KINGSWAY
001-263-269	STRATA LOT 35	203 – 3925 KINGSWAY
001-263-277	STRATA LOT 36	204 – 3925 KINGSWAY
001-263-285	STRATA LOT 37	305 – 3925 KINGSWAY
001-263-293	STRATA LOT 38	306 – 3925 KINGSWAY
000-613-754	STRATA LOT 39	307 – 3925 KINGSWAY
001-025-953	STRATA LOT 40	308 – 3925 KINGSWAY
001-263-307	STRATA LOT 41	309 – 3925 KINGSWAY
001-263-315	STRATA LOT 42	310 – 3925 KINGSWAY
001-263-323	STRATA LOT 43	311 – 3925 KINGSWAY
001-263-340	STRATA LOT 44	312 – 3925 KINGSWAY
001-263-358	STRATA LOT 45	314 – 3925 KINGSWAY
001-263-366	STRATA LOT 46	315 – 3925 KINGSWAY
001-263-374	STRATA LOT 47	316 – 3925 KINGSWAY
001-263-382	STRATA LOT 48	317 – 3925 KINGSWAY
001-263-391	STRATA LOT 49	318 – 3925 KINGSWAY
000-564-885	STRATA LOT 50	319 – 3925 KINGSWAY
001-263-404	STRATA LOT 51	301 – 3925 KINGSWAY
001-263-421	STRATA LOT 52	302 – 3925 KINGSWAY
001-263-439	STRATA LOT 53	303 – 3925 KINGSWAY
001-263-447	STRATA LOT 54	304 – 3925 KINGSWAY
001-263-455	STRATA LOT 55	112 – 5715 JERSEY AVENUE
000-814-377	STRATA LOT 56	114 – 5715 JERSEY AVENUE

001-263-463	STRATA LOT 57	115 – 5715 JERSEY AVENUE
001-263-480	STRATA LOT 58	116 – 5715 JERSEY AVENUE
001-263-498	STRATA LOT 59	101 – 5715 JERSEY AVENUE
001-263-528	STRATA LOT 60	102 – 5715 JERSEY AVENUE
001-263-544	STRATA LOT 61	103 – 5715 JERSEY AVENUE
001-263-561	STRATA LOT 62	104 – 5715 JERSEY AVENUE
001-035-118	STRATA LOT 63	105 – 5715 JERSEY AVENUE
001-263-579	STRATA LOT 64	106 – 5715 JERSEY AVENUE
001-263-595	STRATA LOT 65	107 – 5715 JERSEY AVENUE
001-263-609	STRATA LOT 66	108 – 5715 JERSEY AVENUE
001-263-617	STRATA LOT 67	109 – 5715 JERSEY AVENUE
001-263-625	STRATA LOT 68	110 – 5715 JERSEY AVENUE
001-263-633	STRATA LOT 69	111 – 5715 JERSEY AVENUE
001-263-641	STRATA LOT 70	214 – 5715 JERSEY AVENUE
001-263-650	STRATA LOT 71	215 – 5715 JERSEY AVENUE
001-263-676	STRATA LOT 72	216 – 5715 JERSEY AVENUE
001-263-684	STRATA LOT 73	217 – 5715 JERSEY AVENUE
001-263-706	STRATA LOT 74	201 – 5715 JERSEY AVENUE
001-263-714	STRATA LOT 75	202 – 5715 JERSEY AVENUE
001-263-731	STRATA LOT 76	203 – 5715 JERSEY AVENUE
001-263-749	STRATA LOT 77	204 – 5715 JERSEY AVENUE
001-263-757	STRATA LOT 78	205 – 5715 JERSEY AVENUE
000-473-774	STRATA LOT 79	206 – 5715 JERSEY AVENUE
001-263-765	STRATA LOT 80	207 – 5715 JERSEY AVENUE
001-263-773	STRATA LOT 81	208 – 5715 JERSEY AVENUE
001-263-781	STRATA LOT 82	209 – 5715 JERSEY AVENUE
001-263-790	STRATA LOT 83	210 – 5715 JERSEY AVENUE
001-263-811	STRATA LOT 84	211 – 5715 JERSEY AVENUE
001-263-820	STRATA LOT 85	212 – 5715 JERSEY AVENUE



001-263-838	STRATA LOT 86	314 – 5715 JERSEY AVENUE
001-263-846	STRATA LOT 87	315 – 5715 JERSEY AVENUE
001-263-854	STRATA LOT 88	316 – 5715 JERSEY AVENUE
001-263-862	STRATA LOT 89	317 – 5715 JERSEY AVENUE
001-263-871	STRATA LOT 90	301 – 5715 JERSEY AVENUE
001-263-889	STRATA LOT 91	302 – 5715 JERSEY AVENUE
001-263-897	STRATA LOT 92	303 – 5715 JERSEY AVENUE
001-263-919	STRATA LOT 93	304 – 5715 JERSEY AVENUE
001-263-927	STRATA LOT 94	305 – 5715 JERSEY AVENUE
001-263-935	STRATA LOT 95	306 – 5715 JERSEY AVENUE
001-263-943	STRATA LOT 96	307 – 5715 JERSEY AVENUE
001-263-951	STRATA LOT 97	308 – 5715 JERSEY AVENUE
001-263-960	STRATA LOT 98	309 – 5715 JERSEY AVENUE
001-263-978	STRATA LOT 99	310 – 5715 JERSEY AVENUE
001-263-994	STRATA LOT 100	311 – 5715 JERSEY AVENUE
001-264-001	STRATA LOT 101	312 – 5715 JERSEY AVENUE
	ALL OF DISTRICT LOT 34 GROUP 1 NEW WESTMINSTER DISTRICT STRATA PLAN NW289 TOGETHER WITH AN INTEREST IN THE COMMON PROPERTY IN PROPORTION TO THE UNIT ENTITLEMENT OF THE STRATA LOT AS SHOWN ON FORM 1	

B

C-33

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Careray Gardens

Appendix "C"

Copies of the RM3(s), RM4(s), and C2 Zoning Bylaws

302. COMMUNITY COMMERCIAL DISTRICT (C2)

This District provides for the daily and occasional shopping needs of residents of several neighbourhoods, as well as providing for rental units located above the business premises.
(B/L No. 14206-20-10-26)

302.1 Uses Permitted in a C2 Zoning District:

- (1) Animal hospitals. (B/L No. 9322-90-02-19)
- (1a) Banks. (B/L No. 9322-90-02-19)
- (1b) Beverage container return centres, subject to a maximum gross floor area of 280 m² (3,013.99 sq. ft.). (B/L No. 10799-98-10-05)
- (2) Business and professional offices.
- (3) Cafes or restaurants (excluding drive-in restaurants).
- (4) Clubs or lodges.
- (5)
 - (a) Conventional gasoline service stations, subject to the regulations of the C6 (Gasoline Service Station) District.
 - (b) Self-serve gasoline service stations, which were constructed or converted for this use on or before 1977 January 01, subject to the regulations of the C6 (Gasoline Service Station) District. (B/L 6906-77-01-31)
- (5a) Fitness and health facilities. (B/L No. 11204-01-02-12)
- (6) Personal service establishments including: barbershops, beauty parlours, dry cleaning establishments, electrical appliance repair shops, florist shops, laundromats, optical or watch repair shops, outdoor produce shops, outdoor garden shops (for not more than six months in any year), photographic studios, shoe repair shops, tailor shops, dressmaking shops and similar establishments. (B/L No. 11941-05-08-29)
- (7) Public assembly and entertainment uses, excluding drive-in theatres.
(B/L No. 13731-17-04-10)
- (7a) Residential sales centre. (B/L No. 13188-13-04-15)
- (8) Retail stores that sell new or used goods and cater to the daily and occasional shopping needs of the residents of several neighbourhoods. (B/L No. 8916-88-01-11)
- (9) Shopping centres.
- (10) Accessory buildings and uses.
- (11) Taxi Dispatch Offices. (B/L No. 5752-70-08-24)
- (12) Liquor licence establishments in premises that were being lawfully used for that purpose on January 13, 2003. (B/L No. 11517-03-05-12)
- (13) Establishments, of not more than 140 m² (1,506.90 sq.ft.) in gross floor area, providing photocopy and duplicating services. (B/L No. 7631-81-06-15)
- (14) Retail sale of new or used furniture. (B/L No. 8916-88-01-11)
- (15) Commercial schools. (B/L No. 14317-21-05-31)
- (16) Repealed. (B/L No. 12099-06-06-19)
- (17) Mobile retail carts not exceeding three in number as a use accessory to a principal retail use other than a gasoline service station. (B/L No. 10209-95-06-19)
- (18) Child care facilities. (B/L No. 13929-18-09-24)
- (19) Purpose-built rental housing located above the first storey, subject to the following conditions:

- (a) the use shall be included as part of a comprehensive development plan subject to the CD (Comprehensive Development) District;
- (b) a completely separate public entrance to the residential accommodation shall be provided from the first storey front elevation, except:
 - i. on a corner lot access may be from the first storey side street elevation; or
 - ii. where a public pedestrian walkway exists, access may be from the first storey walkway elevation; and
- (c) the total gross floor area of the purpose-built rental housing, including areas exclusively providing access thereto, shall be less than the total gross floor area of all other permitted uses within the building..

(B/L No. 14206-20-10-26)

(20) Home occupations other than the operation of a home-based childcare facility.

(B/L No. 13940-18-12-03)

(21) Temporary shelters. (B/L No. 14003-19-07-29)

(22) Cyber entertainment uses. (B/L No. 14184-20-09-14)

(23) Fire halls. (B/L No. 14464-22-07-25)

302.1A Uses Permitted in a C2a Zoning District:

(1) Uses permitted in Community Commercial District C2.

(2) Liquor stores.

(B/L No. 9085-88-10-11)

302.1B Uses Permitted in a C2c Zoning District:

(1) Uses permitted in Community Commercial District C2.

(2) Billiard Halls.

(B/L No. 9952-93-09-07)

302.1C Uses Permitted in a C2f Zoning District:

(1) Uses permitted in the Community Commercial District C2.

(2) Liquor licence establishments having the capacity to serve not more than one hundred (100) persons at one time.

(B/L No. 11517-03-05-12)

302.1D Uses Permitted in a C2h Zoning District:

(1) Uses permitted in Community Commercial District C2.

(2) Licensee retail stores.

(B/L No. 11883-05-04-11)

302.1E Uses Permitted in a C2i Zoning District:

(1) Uses permitted in Community Commercial District C2.

(2) Government cannabis stores.

(B/L No. 13928-18-09-24)

302.2 Conditions of Use:

- (1) All uses and undertakings shall be conducted within a completely enclosed building, except as provided for in Section 6.27 of this Bylaw. (B/L No. 14184-20-09-14)
- (2) All goods produced on the premises shall be sold at retail on the same premises.
- (3) Repealed. (B/L No. 13940-18-12-03)
- (4) All principal uses shall be oriented to pedestrian needs and be so located and designed as to avoid vehicular interference with pedestrian movement.

302.3 Height of Buildings:

- (1) The height of a building shall be measured from the lower of the front and rear average elevations to the highest point of the structure and shall not exceed 12.0m (39.37ft.) nor three storeys.
- (2) The third storey of any building shall be set back a minimum of 3.0m (10ft.) from the second storey building face at the front and rear of the building and on any side where a side yard is required. (B/L No. 10796-98-09-14)

302.4 Lot Area and Width:

Each lot shall have an area of not less than 560 m² (6,027.99 sq.ft.) and a width of not less than 15.0 m (49.21 ft.).

302.41 Lot Coverage:

The maximum coverage shall be 50 percent of the lot area. (B/L No. 10796-98-09-14)

302.5 Floor Area Ratio:

The maximum floor area ratio shall be 1.00. Where structured parking is provided due to topographic or geotechnical considerations as determined by the Director Planning and Building, or underground parking is constructed, the floor area ratio may be increased by 0.30 multiplied by the ratio of parking spaces provided in underground parking or such structured parking to the total parking spaces provided, but in no case shall the floor area ratio exceed 1.30. (B/L No. 14206-20-10-26)

302.6 Front Yard:

A front yard shall be provided of not less than 2.0 m (6.5 ft.). (B/L No. 10796-98-09-14)

302.7 Side Yards:

- (1) No side yards shall be required, except that where a lot abuts a lot in an A, R or RM District, or in a CD District based on an A, R, or RM District, or is separated by a street or lane therefrom, a side yard shall be provided of a width not less than the required side yard of the abutting lot on the same side, but need not exceed 3.0 m (9.84 ft.) in width. (B/L No. 12976-11-09-12)
- (2) Where a side yard is provided when not required by the provisions of this Bylaw, the side yard adjoining an abutting lot shall be not less than 3.5 m (11.48 ft.) in width. (B/L No. 5042-66-11-28)

302.8 Rear Yard:

A rear yard shall be provided of not less than 3.0 m (9.84 ft.) in depth, except where a lot abuts a lot in an A, R or RM District, or in a CD District based on an A, R, or RM District, such rear yard shall be not less than 6.0 m (19.69 ft.) in depth. (B/L No. 12976- 11-09-12)

302.9 Off-Street Parking:

Off-street parking shall be provided and maintained in accordance with Schedule VIII of this Bylaw.

302.10 Off-Street Loading:

Off-street loading shall be provided and maintained in accordance with Schedule IX of this Bylaw.

203. MULTIPLE FAMILY RESIDENTIAL DISTRICT (RM3)

This District provides for a medium density multiple family area. (B/L No. 13940-18-12-03)

203.1 Uses Permitted in the RM3 and RM3uv Zoning Districts:

- (1) Uses, other than group homes, permitted in the R6 Residential District, subject to the regulations contained therein.
- (2) Multiple family dwellings, or groups of multiple family dwellings.
- (3) Dormitories, provided that such development is situated within 300 m (984.25 ft.) of the boundaries of the lands and premises occupied by the institution which it serves.
(B/L No. 14317-21-05-31)
- (4) Boarding, lodging and rooming houses, subject to the condition that such use is included as part of a comprehensive development plan to which the provisions of the Comprehensive Development District apply.
- (5) Accessory buildings and uses.
- (6) Child care facilities.
- (7) Category A supportive housing facilities, subject to the following conditions:
 - (a) the use shall be included as part of a comprehensive development plan subject to the CD (Comprehensive Development) District; and,
 - (b) each living unit shall have a minimum floor area of 27 m² (290.6 sq.ft.).
- (8) Category B supportive housing facilities, subject to the following conditions:
 - (a) the use shall be included as part of a comprehensive development plan subject to the CD (Comprehensive Development) District;
 - (b) each living unit shall have a minimum floor area:
 - (i) of 33 m² (355.22 sq.ft.) for a studio unit;
 - (ii) of 41 m² (441.4 sq.ft.) for a junior one-bedroom unit;
 - (iii) of 46 m² (495.16 sq.ft.) for a one bedroom unit;
 - (c) the number of studio units shall not be more than 25 percent of the total number of living units in the facility; and,
 - (d) the number of studio units and junior one-bedroom units together shall not be more than 50 percent of the total number of living units in the facility.
- (9) Rest homes and private hospitals, subject to the condition that such use is included as part of a comprehensive development plan subject to the CD (Comprehensive Development) District.
- (10) Temporary shelters. (B/L No. 14003-19-07-29)

203.2 Uses Permitted in the RM3s Zoning District:

- (1) Uses permitted in the RM3 District, excluding uses permitted in the R6 District, dormitories, and boarding, lodging and rooming houses. (B/L No. 14317-21-05-31)
- (2) Home occupations.
(B/L No. 14184-20-09-14)

203.3 Uses Permitted in the RM3r Zoning District:

- (1) Uses permitted in the RM3 District, excluding permitted uses in the R6 District, dormitory units or groups of dormitory units, rest homes and private hospitals, and boarding, lodging and rooming houses, provided that the residential uses are restricted to purpose-built rental housing.

- (2) Category A supportive housing facilities, subject to the following conditions:
 - (a) the use shall be included as part of a comprehensive development plan subject to the CD (Comprehensive Development) District; and
 - (b) each living unit shall have a minimum floor area of 27 m² (290.6 sq.ft.).
 - (3) Child care facilities, in conjunction with purpose-built rental housing.
 - (4) Home occupations.
 - (5) Accessory buildings and uses.
- (B/L No. 14206-20-10-26)

203.4 Height of Buildings:

The height of a building shall not exceed 12.0 m (39.37 ft.) nor 3 storeys.

203.5 Lot Area and Width:

Each lot shall have an area of not less than 1,110 m² (11,948.33 sq.ft.) and a width of not less than 30 m (98.43 ft.).

203.6 Floor Area Ratio:

- (1) The maximum floor area ratio in the RM3, RM3s, RM3uv and RM3r Districts shall be 0.90. Where structured parking is provided due to topographic or geotechnical considerations as determined by the Director Planning and Building, or underground parking is constructed, the floor area ratio may be increased by 0.20 multiplied by the ratio of parking spaces provided in underground parking or such structured parking, to the total parking spaces provided, but in no case shall the floor area ratio in the RM3, RM3s, RM3uv and RM3r Districts exceed 1.10. For clarity, the maximum floor area ratio permitted in the RM3r District shall be in addition to the FAR permitted for any other zoning district on the lot, including the RM3, RM3s, or RM3uv District. (B/L No. 14546-23-03-27)
- (2) Notwithstanding subsection (1) of this section, in the RM3 and RM3s Districts, where amenities, affordable or special need housing, or cash-in-lieu contributions are provided in accordance with section 6.22 of this bylaw, the floor area ratio may be increased by 0.15, but except as provided in subsection (3), in no case shall the floor area ratio in the RM3 and RM3s Districts exceed 1.25.
- (3) Notwithstanding subsections (1) and (2) of this section, in the RM3s District, where amenities, affordable or special needs housing, or cash-in-lieu contributions are provided in accordance with section 6.22 of this bylaw, the floor area ratio may be increased by 0.25, but in no case shall the floor area ratio in the RM3s District exceed 1.50.
- (4) Notwithstanding subsections (1), (2), and (3) of this section, in the RM3, RM3s, and RM3r Districts, the floor area ratio may be increased by 0.55, but in no case shall the floor area ratio exceed 2.05, provided that:
 - (a) the lot is rezoned to Comprehensive Development District;
 - (b) a minimum number of rental units provided is equal to the greater of:
 - (i) that number equal to 20% of the total number of market rental and strata dwelling units calculated using the RM3 and RM3s District floor area ratios; and
 - (ii) that number equal to the number of rental units in any purpose-built rental housing located immediately prior to the rezoning referred to in paragraph (a), which has been or will be demolished; and

- (c) the rent for each rental unit referred to in paragraph (b) shall not exceed:
 - (i) 20% below CMHC Market Median Rent rates for the applicable rental unit type; and
 - (ii) the adjusted pre-development rent for the applicable rental unit type, if rented to a returning tenant in accordance with the City of Burnaby Tenant Assistance Policy, as amended or replaced from time to time.

(B/L No. 14206-20-10-26)

- (5) Notwithstanding subsection (1) of this section, in the RM3uv District in the Bainbridge Urban Village Community Plan Area and the Lochdale Urban Village Community Plan Area, the floor area ratio may be increased by 0.36 multiplied by the floor area ratio utilized under subsection (1), rounded to the nearest two decimal places, provided that:
 - (a) the lot is rezoned to Comprehensive Development District;
 - (b) a minimum number of rental units provided is equal to the greater of:
 - (i) that number equal to 20% of the total number of market rental and strata dwelling units calculated using the RM3uv District floor area ratio; and
 - (ii) that number equal to the number of rental units in any purpose-built rental housing located immediately prior to the rezoning referred to in paragraph (a), which has been or will be demolished; and
 - (c) the rent for each rental unit referred to in paragraph (b) shall not exceed:
 - (i) 20% below CMHC Market Median Rent rates for the applicable rental unit type; and
 - (ii) the adjusted pre-development rent for the applicable rental unit type, if rented to a returning tenant in accordance with the City of Burnaby Tenant Assistance Policy, as amended or replaced from time to time.
- (6) Notwithstanding subsections (1), (4) and (5) of this section, the combined floor area ratio of the RM3uv and RM3r Districts in the Bainbridge Urban Village Community Plan Area and the Lochdale Urban Village Community Plan Area shall not exceed 1.75.
(B/L No. 14546-23-03-27)

203.7 Front Yard:

A front yard shall be provided of not less than 4.57 m (15 ft.) in depth.

203.8 Side Yard:

A side yard shall be provided on each side of the building of not less than 4.57 m (15 ft.) in width.

203.9 Rear Yard:

A rear yard shall be provided of not less than 4.57 m (15 ft.) in depth.

203.10 Off-Street Parking:

Off-street parking shall be provided and maintained in accordance with Schedule VIII of this Bylaw.

203.11 Car Wash Stall:

One car wash stall with a "No Parking" sign affixed to it shall be provided for each 100 dwelling units.

204. MULTIPLE FAMILY RESIDENTIAL DISTRICT (RM4)

This District provides for a medium to high density multiple family area. (B/L No. 13940-18-12-03)

204.1 Uses Permitted:

- (1) Multiple family dwellings, or groups of multiple family dwellings.
- (2) Home occupations.
- (3) Accessory buildings and uses.
- (4) Child care facilities.
- (5) Category A supportive housing facilities, subject to the following conditions:
 - (a) the use shall be included as part of a comprehensive development plan subject to the CD (Comprehensive Development) District; and,
 - (b) each living unit shall have a minimum floor area of 27 m² (290.6 sq.ft.).
- (6) Category B supportive housing facilities, subject to the following conditions:
 - (a) the use shall be included as part of a comprehensive development plan subject to the CD (Comprehensive Development) District;
 - (b) each living unit shall have a minimum floor area:
 - (i) of 33 m² (355.22 sq.ft.) for a studio unit;
 - (ii) of 41 m² (441.4 sq.ft.) for a junior one-bedroom unit;
 - (iii) of 46 m² (495.16 sq.ft.) for a one bedroom unit;
 - (c) the number of studio units shall not be more than 25 percent of the total number of living units in the facility; and,
 - (d) the number of studio units and junior one-bedroom units together shall not be more than 50 percent of the total number of living units in the facility.
- (7) Rest homes and private hospitals, subject to the condition that such use is included as part of a comprehensive development plan subject to the CD (Comprehensive Development) District.
- (8) Temporary shelters. (B/L No. 14003-19-07-29)

204.2 Uses Permitted in the RM4s Zoning District:

Uses permitted in the RM4 District, excluding home-based child care facilities.

204.3 Uses Permitted in the RM4r Zoning District:

- (1) Uses permitted in the RM4 District, excluding rest homes and private hospitals, provided that the residential uses are restricted to purpose-built rental housing.
- (2) Child care facilities, in conjunction with purpose-built rental housing.
(B/L No. 14206-20-10-26)

204.4 Lot Area and Width:

Each lot shall have an area of not less than 1,670 m² (17,976.32 sq.ft.) and a width of not less than 37 m (121.39 ft.).

204.5 Building Separation:

Notwithstanding section 6.3 of this bylaw, portions of a building above 6 storeys shall be set back from all other buildings by not less than:

- (a) 24.38 m (80 ft.) as measured corner to corner, and,
- (b) 30.48 m (100 ft.) as measured face to face.

204.6 Floor Area Ratio:

- (1) The maximum floor area ratio in the RM4, RM4s, and RM4r Districts shall be 1.40. Where structured parking is provided due to topographic or geotechnical considerations as determined by the Director Planning and Building, or underground parking is constructed, the floor area ratio may be increased by 0.30 multiplied by the ratio of parking spaces provided in underground parking or such structured parking, to the total parking spaces provided, but in no case shall the floor area ratio in the RM4, RM4s, and RM4r Districts exceed 1.70. For clarity, the maximum floor area ratio permitted in the RM4r District shall be in addition to the FAR permitted for any other zoning district on the lot, including the RM4, or RM4s District.
- (2) Notwithstanding subsection (1) of this section, in the RM4 and RM4s Districts, where amenities, affordable or special need housing, or cash-in-lieu contributions are provided in accordance with section 6.22 of this bylaw, the floor area ratio may be increased by 0.30, but except as provided in subsection (3), in no case shall the floor area ratio in the RM4 and RM4s Districts exceed 2.00.
- (3) Notwithstanding subsections (1) and (2) of this section, in the RM4s District, where amenities, affordable or special needs housing, or cash-in-lieu contributions are provided in accordance with section 6.22 of this bylaw, the floor area ratio may be increased:
- (a) up to a further 0.80 determined in accordance with section 6.22(3); plus
 - (b) an additional supplement equal to the increase under subsection (a),
- but in no case shall the floor area in the RM4s District exceed 3.60.
- (4) Notwithstanding subsections (1), (2), and (3) of this section, in the RM4, RM4s, and RM4r Districts, the floor area ratio may be increased by 0.85, but in no case shall the floor area ratio exceed 4.45, provided that:
- (a) the lot is rezoned to Comprehensive Development District;
 - (b) a minimum number of rental units provided is equal to the greater of:
 - (i) that number equal to 20% of the total number of market rental and strata dwelling units calculated using the RM4 and RM4s District floor area ratios; and
 - (ii) that number equal to the number of rental units in any purpose-built rental housing located immediately prior to the rezoning referred to in paragraph (a), which has been or will be demolished; and
 - (c) the rent for each rental unit referred to in paragraph (b) shall not exceed:
 - (i) 20% below CMHC Market Median Rent rates for the applicable rental unit type; and
 - (ii) the adjusted pre-development rent for the applicable rental unit type, if rented to a returning tenant in accordance with the City of Burnaby Tenant Assistance Policy, as amended or replaced from time to time.

(B/L No. 14206-20-10-26)

204.7 Front Yard:

A front yard shall be provided of not less than 4.57 m (15 ft.) in depth.

204.8 Side Yard:

A side yard shall be provided on each side of the building of not less than 4.57 m (15 ft.) in width.

204.9 Rear Yard:

A rear yard shall be provided of not less than 4.57 m (15 ft.) in depth.

204.10 Off-Street Parking:

Off-street parking shall be provided and maintained in accordance with Schedule VIII of this Bylaw.

204.11 Car Wash Stall:

One car wash stall with a "No Parking" sign affixed to it shall be provided for each 100 dwelling units.

Appendix "D"

**Copy of the Building Plans
prepared by Matthew Cheng Architect Inc.**

652 UNITS-3 TOWERS RESIDENTIAL/COMMERCIAL DEVELOPMENT

3925 KINGSWAY, BURNABY, BC

DENSITY

SITE AREA 83,776.24 S.F.
 TOTAL NET AREA 624,211 S.F.
 F.A.R PROVIDED (7.45 F.A.R including density offset)
 MAX DENSITY ALLOWED (REQ'D) 7.45 F.A. 624,147.88 S.F.

RESIDENTIAL STRATA (3.6 F.A.R + 0.85 F.A.R DENSITY OFFSET-71,211.50S.F.)

365,668 S.F.-4.36 FAR PROVIDED (TOWER1 & TOWER3)
 RENTAL DENSITY (1.7 F.A.R)
 146,002 S.F.-1.74 FAR PROVIDED(TOWER 2 & APARTMENT)

COMMERCIAL (1.3 F.A.R -108,911S.F.)
 111,098 S.F. (1.34 FAR PROVIDED)
 REQUIRED AFFORDABLE RENTAL PROVIDED(20%)
 29,200.4 S.F.
 ADAPTABLE HOUSING REQUIRED (20%)
 130 UNITS PROVIDED

PARKING DATA

PARKING REQUIREMENT

COMMENTS	TYPE	AMOUNT	REMARKS
COMMERCIAL OFF-STREET PARKING REQUIREMENT	113231M	137	
RESIDENTIAL OFF-STREET PARKING REQUIREMENT	113232M	137	
TOTAL OFF-STREET PARKING REQUIREMENT		274	
PROVIDED OFF-STREET PARKING		274	
ADAPTABLE HOUSING PROVIDED		130	
TOTAL UNITS PROVIDED		130	

AREA TABULATION

Measure: Number, Zone & Floor

NO.	DESCRIPTION	AREA (S.F.)	NO. UNITS	NO. PARKING SPACES	NO. ADAPTABLE UNITS	NO. AFFORDABLE UNITS	NO. COMMERCIAL UNITS	NO. RESIDENTIAL UNITS	TOTAL UNITS	TOTAL PARKING SPACES	TOTAL ADAPTABLE UNITS	TOTAL AFFORDABLE UNITS	TOTAL COMMERCIAL UNITS	TOTAL RESIDENTIAL UNITS
1	1ST FLOOR COMMERCIAL	111,098	0	137	0	0	137	0	0	137	0	0	0	0
2	2ND FLOOR COMMERCIAL	111,098	0	137	0	0	137	0	0	137	0	0	0	0
3	3RD FLOOR COMMERCIAL	111,098	0	137	0	0	137	0	0	137	0	0	0	0
4	4TH FLOOR COMMERCIAL	111,098	0	137	0	0	137	0	0	137	0	0	0	0
5	5TH FLOOR COMMERCIAL	111,098	0	137	0	0	137	0	0	137	0	0	0	0
6	6TH FLOOR COMMERCIAL	111,098	0	137	0	0	137	0	0	137	0	0	0	0
7	7TH FLOOR COMMERCIAL	111,098	0	137	0	0	137	0	0	137	0	0	0	0
8	8TH FLOOR COMMERCIAL	111,098	0	137	0	0	137	0	0	137	0	0	0	0
9	9TH FLOOR COMMERCIAL	111,098	0	137	0	0	137	0	0	137	0	0	0	0
10	10TH FLOOR COMMERCIAL	111,098	0	137	0	0	137	0	0	137	0	0	0	0
11	11TH FLOOR COMMERCIAL	111,098	0	137	0	0	137	0	0	137	0	0	0	0
12	12TH FLOOR COMMERCIAL	111,098	0	137	0	0	137	0	0	137	0	0	0	0
13	13TH FLOOR COMMERCIAL	111,098	0	137	0	0	137	0	0	137	0	0	0	0
14	14TH FLOOR COMMERCIAL	111,098	0	137	0	0	137	0	0	137	0	0	0	0
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83	83RD FLOOR COMMERCIAL	111,098	0	137	0	0	137	0	0	137	0	0	0	0
84	84TH FLOOR COMMERCIAL	111,098	0											



MATTHEW CHENG ARCHITECT INC.

1000 UNIVERSITY AVENUE
SUITE 200
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PROJECT: HIGH RISE DEVELOPMENT
1000 UNIVERSITY AVENUE
SAN FRANCISCO, CA 94103
DATE: 08/20/2014
DRAWN BY: J. BROWN
CHECKED BY: M. CHENG

PRELIMINARY

NO. DATE REVISION

DATE

REVISION

DATE

REVISION

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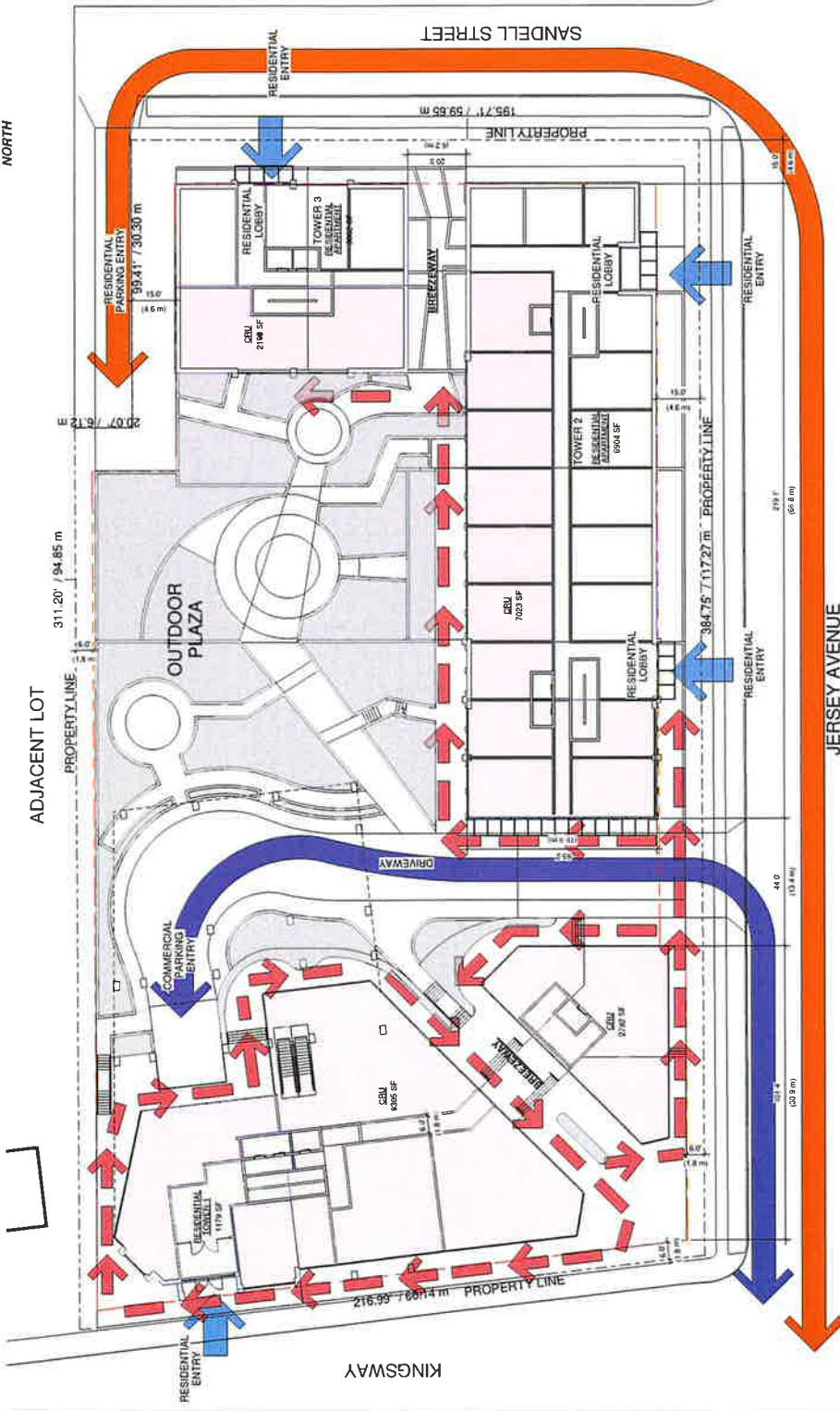
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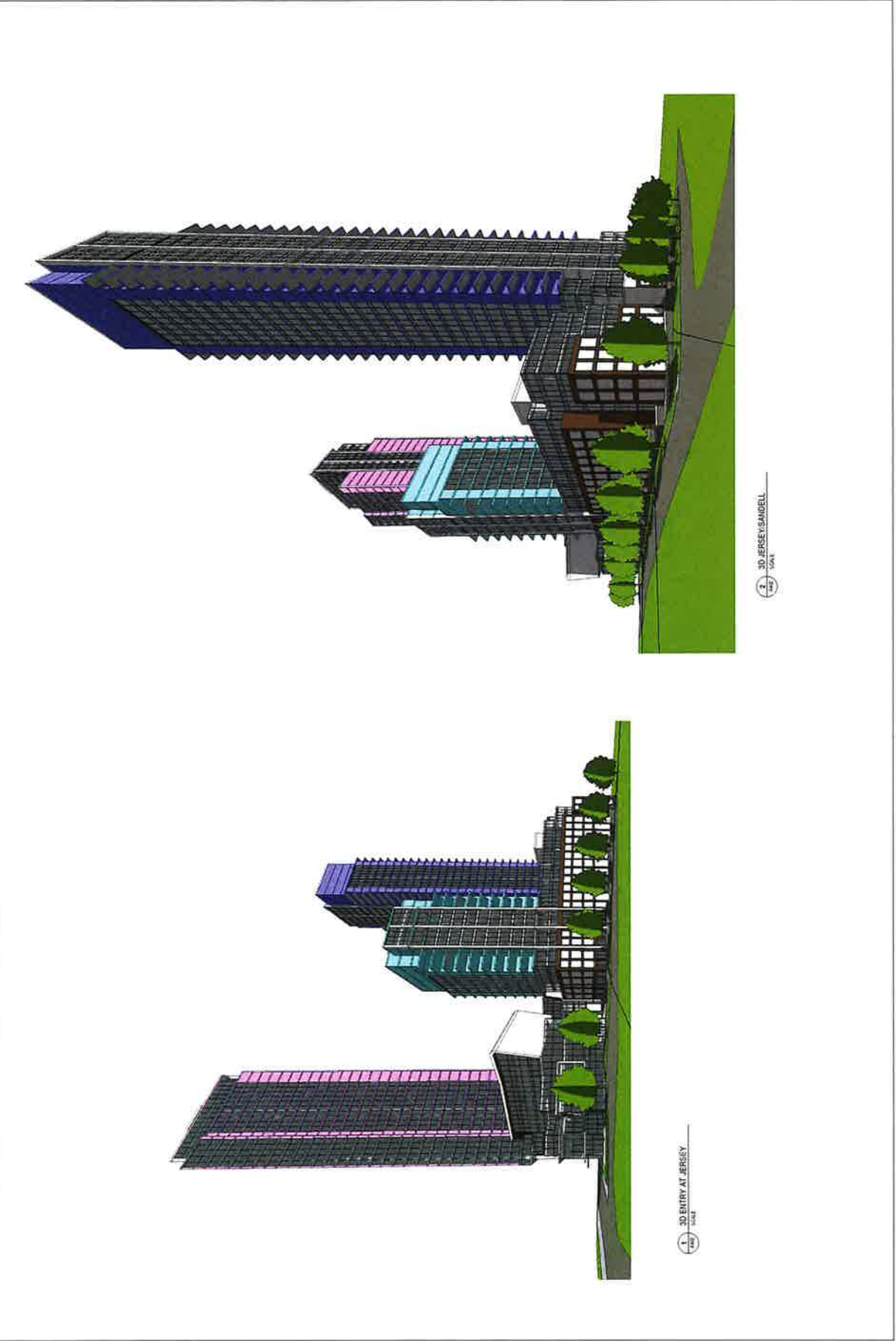
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 - RESIDENTIAL APARTMENT
 - RESIDENTIAL TOWER-1
 - Level 1 PODIUM
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 - Level 1 TERRACE
 - Level 1 PORCH
 - Level 1 BALCONY
 - Level 1 TERRACE
 - Level 1 TERRACE
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 - RESIDENTIAL VEHICULAR ENTRY/PATH
 - COMMERCIAL VEHICULAR ENTRY/PATH

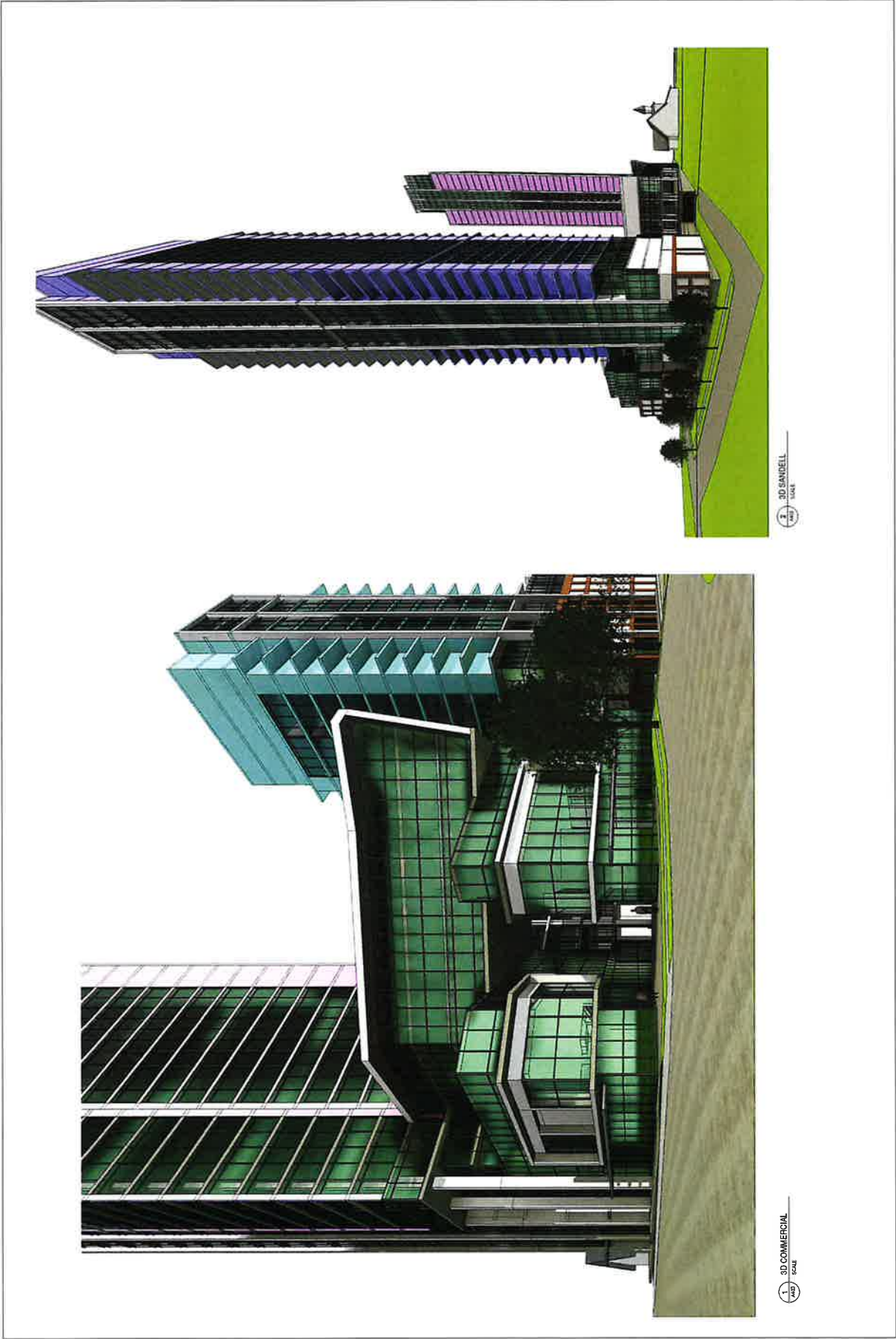
HIGH RISE DEVELOPMENT
1000 UNIVERSITY AVENUE
SAN FRANCISCO, CA 94103

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Appendix "E"

Qualifications of the Appraiser

QUALIFICATIONS

ROSE SHUYANG WANG, B.Com., AACI, P.App.

Experience with a variety of assignments involving medium to large scale proposed mixed use and multifamily projects, commercial and residential development sites, commercial retail, and office properties in the Metro Vancouver area. Designated member of the Appraisal Institute of Canada. Membership #902311

EXPERIENCE:

Present	Principal L.W. Property Advisors Ltd. Specializing in medium to large scale proposed development projects, holding properties and development sites, and various asset classes in Metro Vancouver.
2012 – 2019	Appraisal Contractor Garnett Wilson Realty Advisors Ltd. Specialized in proposed multifamily and mixed use developments throughout Metro Vancouver.
2011 – 2012:	Director of Residential Development Carmichael Wilson Property Consultants Ltd. (CWPC). Specialized in appraisals of proposed multifamily and mixed use development projects, development parcels and master planned communities in Greater Vancouver Area.
2003 – 2011	Senior Property Consultant / Property Consultant Carmichael Wilson Property Consultants Ltd. (CWPC). Involved in all aspects of commercial appraisals and consulting work in British Columbia.

PROFESSIONAL LIABILITY INSURANCE:

Since 2003:	Appraisal Institute of Canada Type of Practice: Fee Appraiser (Claim Free) Trisura Guarantee Insurance Company
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PROFESSIONAL QUALIFICATIONS AND MEMBERSHIPS:

- May 2005:** Awarded use of the professional designations AACI (Accredited Appraiser Canadian Institute) and P.App. (Professional Appraiser) by the Appraisal Institute of Canada (Vancouver Chapter).
- 2001 - Present:** Real Estate Institute of BC
- 2002 - Present:** Urban Development Institute
- 2015 - Present:** BC Expropriation Association

EDUCATION:

- April 2005:** University of British Columbia: Fulfilled academic requirements for the Appraisal Institute of Canada's AACI and P.App designations by completing the Business 499 (demo report) course through the Department of Real Estate.
- May, 2003:** University of British Columbia: Completed Bachelor of Commerce degree program. Major in Urban Land Economics/Real Estate.