



This is the 1st Affidavit of Michael Foy in this case and was made on December 12, 2025.

15 M8-261032
No.
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

PRICE CAPITAL PARTNERS INC.

PETITIONER

AND:

1274877 B.C. LTD.
KINNAIRD KONVERSION LIMITED PARTNERSHIP
KINNAIRD KONVERSION GP INC.

RESPONDENTS

AFFIDAVIT

I, Michael Foy, businessman, of Toronto, in the Province of Ontario, SWEAR THAT:

1. I am the President of the petitioner, Price Capital Partners Inc., and as such, I have personal knowledge of the facts hereinafter deposed to, except where stated to be based on information and belief, in which case I verily believe them to be true.
2. I am authorized to make this affidavit on behalf of the petitioner.
3. I have read the Petition, I have adopted the terms and definitions set out therein, and I make this affidavit in support of the petitioner's application for:
 - (a) an order appointing KSV as the Receiver; and
 - (b) an approval and RVO approving the Transaction.

Overview

4. The respondent, 127, is the registered owner and trustee of the Lands. Attached hereto and marked **Exhibit "A"** is a true copy of a land title name search for 127 which shows title for the Lands.
5. The respondent, Kinnaird, is the beneficial owner of the Lands.
6. The petitioner, Price Capital, is a secured creditor with the Price Capital Mortgage registered against title to the Lands in second place after the Portage Mortgage and is also secured through the Price Capital GSA.
7. Price Capital is the fulcrum creditor and seeks an order on the terms set out in Order attached as Schedule "A" to the Petition on the basis set out therein, which includes, *inter alia*, the fact that there is a significant shortfall between the appraised value of the Lands and the combined amounts of the Portage Indebtedness and the Price Capital Indebtedness.

MF

The Secured Indebtedness

8. Pursuant to the Promissory Note, Price Capital, as the lender, agreed to provide to Kinnaird, as the borrower, an interim land loan in the amount of \$5,902,208.22, plus interest accruing at 8% per annum. Attached hereto and marked **Exhibit "B"** is a true copy of the Promissory Note.
9. The Promissory Note was secured by the Price Capital Mortgage. Attached hereto and marked **Exhibit "C"** is a true copy of the Price Capital Mortgage.
10. The Promissory Note was also secured by the Price Capital GSA. Attached hereto and marked **Exhibit "D"** is a true copy of the Price Capital GSA.
11. As at October 16, 2025, the Price Capital Indebtedness was \$6,229,333.75, exclusive of legal and other costs, with interest continuing to accrue.
12. Further to a demand letter dated October 10, 2025, as at October 1, 2025, the Portage Indebtedness was \$18,123,750.00 exclusive of legal and other costs, with interest continuing to accrue.
13. The Portage Indebtedness is secured by, *inter alia*, a similar mortgage registered in first place ahead of Price Capital Mortgage against title to the Lands. Attached hereto and marked **Exhibit "E"** is a true copy of the mortgage registered against title to the Lands by Portage.

Default and Demands for Repayment

14. By letter dated October 10, 2025, Portage provided written notice to the Debtors that they had failed to make an interest payment, which constitutes an event of default, and therefore made formal demand for full repayment of the Portage Indebtedness. Attached hereto and marked **Exhibit "F"** is a true copy of written notice from Portage to the Debtors.
15. By letter dated October 17, 2025, Price Capital provided written notice to the Debtors that the default of the Portage Indebtedness was an event of default under the Price Capital Indebtedness, and therefore made formal demand for full repayment of the Price Capital Indebtedness. Attached hereto and marked **Exhibit "G"** is a true copy of written notice from Price Capital to the Debtors.
16. The Debtors have failed to make full repayment of either of the Portage Indebtedness or the Price Capital Indebtedness and have failed to make monthly interest payments since October 2025.

Marketing of the Lands

17. The Lands have been listed for sale and marketed by Avison Young starting in or around April 2025.
18. Attached hereto and collectively marked **Exhibit "H"** is a true copy of the Marketing Brochure for the Lands from Avison Young and a Marketing Progress Report for the Lands from Avison Young dated August 11, 2025.

19. To date, other than the Transaction, I know of no qualified offers that have been received.

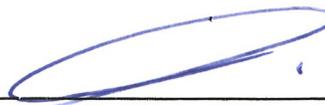
Appraised Value of the Lands

- 20. The Appraisal provides a current market value of the Lands: (i) as improved of \$21,220,000.00; and (ii) as if vacant of \$20,760,000.00, both as of October 30, 2025. Attached hereto and marked **Exhibit "I"** is a true copy of the Appraisal.
- 21. The Appraised Value is less than the combined amount of the Portage Indebtedness and the Price Capital Indebtedness such that there is a shortfall in excess of \$3,000,000.00, with interest and fees continuing to accrue.

Need for Receivership Order and Reverse Vesting Order

- 22. Due to limited market interest, which Price Capital attributes to current softness in the market, Price Capital has determined that acquiring the Lands is necessary to protect its position as a secured lender in a secondary position behind Portage with a shortfall between the Appraised Value and the combined amount of the Portage Indebtedness and the Price Capital Indebtedness. Price Capital intends to hold the Lands and pursue a sale when market conditions improve.
- 23. To facilitate the acquisition, Price Capital proposes to complete the Transaction by way of RVO, which will avoid the property transfer tax estimated to be in the range of \$600,800.00 to \$614,600.00 based on the Appraised Value and maximize the amount of the sale price for the Transaction.
- 24. Price Capital is the fulcrum creditor and seeks the appointment of a receiver to facilitate the Transaction by way of RVO, through a credit bid of the full amount owing under the Portage Indebtedness and the Price Capital Indebtedness.
- 25. To the best of my knowledge, the proposed RVO will not prejudice any stakeholders.
- 26. I was not physically present before the lawyer as commissioner, but I was in the lawyer's electronic presence, linked with the lawyer utilizing video technology, and following the process for the remote commissioning of affidavits.
- 27. I acknowledge the solemnity of making this affidavit and I acknowledge the consequence of making an untrue statement.

AFFIRMED BEFORE ME at the City of Surrey,
in the Province of British Columbia this 12th day)
of December, 2025)



A Commissioner for taking Affidavits within British
Columbia)

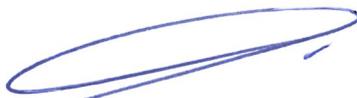
15th M.F.



MICHAEL FOY)

M.F.

This is **Exhibit "A"** referred to in the Affidavit of Michael Foy sworn before me at Surrey, British Columbia, the ____ day of December, 2025.



A Commissioner for taking affidavits within
British Columbia



2025-12-10 11:34:51

Title Search Results

Requestor: Sharon Martin

File Reference: 251917

61 search results found in Land Title District: All Land Title Districts

1274877 B.C. LTD.

<input type="checkbox"/>	Title Number	Land Title District	Status	Parcel Identifier	Short Legal Description
<input type="checkbox"/>	CA8859091 (⋮)	New Westminster	REGISTERED	000-814-148	S/NWS2195/////56
<input type="checkbox"/>	CA8859090 (⋮)	New Westminster	REGISTERED	000-814-130	S/NWS2195/////55
<input type="checkbox"/>	CA8859089 (⋮)	New Westminster	REGISTERED	000-814-121	S/NWS2195/////54
<input type="checkbox"/>	CA8859088 (⋮)	New Westminster	REGISTERED	000-814-113	S/NWS2195/////53
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<input type="checkbox"/>	CA8859086 (⋮)	New Westminster	REGISTERED	000-814-075	S/NWS2195/////51
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<input type="checkbox"/>	CA8859084 (⋮)	New Westminster	REGISTERED	000-814-041	S/NWS2195/////49
<input type="checkbox"/>	CA8859083 (⋮)	New Westminster	REGISTERED	000-814-032	S/NWS2195/////48
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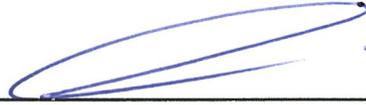
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Charge Number Land Title District Status Nature of Interest

No charges for selected owner name.

MIF.

This is **Exhibit "B"** referred to in the Affidavit of Michael Foy sworn before me at Surrey, British Columbia, the ____ day of December, 2025.



A Commissioner for taking affidavits within
British Columbia

M.F.

PROMISSORY NOTE

\$5,902,208.22

Date: June 16, 2025
("Issue Date")

TO: Price Capital Partners Inc. (the "Holder")
c/o 100 Canadian Road
Toronto, Ontario
M1R 4S ("Holder's Address")

FOR VALUE RECEIVED, Kinnaird Konversion Limited Partnership, by its general partner, Kinnaird Konversion GP Inc. (the "**Maker**"), hereby promises to pay to or to the order of the Holder, at the Holder's Address, the principal amount of FIVE MILLION NINE HUNDRED TWO THOUSAND TWO HUNDRED EIGHT DOLLARS AND TWENTY-TWO CENTS (\$5,902,208.22), of lawful money of Canada (the "**Principal Amount**"), together with interest at the rate of Eight Percent (8%) per annum ("**Interest Rate**"), such interest to accrue, commencing on the Issue Date, on \$4,450,000 of the Principal Amount (the "**Principal Interest Bearing Amount**") or so much thereof as shall remain unpaid from time to time, provided that in the event the Maker commences payment of and continues to pay, each month, interest accruing on the Principal Interest Bearing Amount hereunder, for so long as the Maker continues making such monthly interest payments, the Interest Rate shall be Six Percent (6%) per annum non compounding simple interest.

The Maker shall pay to the Holder interest calculated in the manner aforesaid on the Principal Interest Bearing Amount, or so much thereof as shall remain unpaid from time to time, at the Interest Rate as well after as before default, as well after as before maturity, and as well after as before judgment; all interest on becoming overdue to be forthwith added to and treated (as to payment of interest thereon) as forming part of the Principal Amount and to bear compound interest at the Interest Rate, as well after as before default, as well after as before maturity and as well after as before judgment.

In the event the Principal Amount is not paid on the Maturity Date or such earlier date provided for herein, the entire Principal Amount and accrued and unpaid interest thereon shall, from and after the date the Principal Amount is due and payable, bear interest at the Interest Rate calculated monthly.

The Principal Amount and accrued interest at the Interest Rate on the Principal Interest Bearing Amount shall be due and payable in full on June 16, 2026 (the "**Maturity Date**") provided that if, prior to the Maturity Date, the Maker secures refinancing for the existing First Mortgage, the Maturity Date will be extended to such date that is the maturity date of such refinancing, provided that in no event will the Maturity Date be later than June 16, 2028.

The Principal Amount of this Note and all accrued interest shall be immediately due and payable upon the occurrence of any one or more of the following events:

- (i) if there is a sale, transfer or disposition of the real property municipally known as 65

1st Street, New Westminster, British Columbia (the "Property");

- (ii) if the Maker shall be in default of its obligations under the existing first mortgage in favour of Portage Capital Nominee Corp. registered at the Land Title Office under charge number CA8859099 as modified by charge number CB1247915 with respect to the Property (collectively, the "First Mortgage");
- (iii) if the Maker or GP is in default any of its covenants and obligations under this Agreement or the Security, other than its covenants and obligations relating to the payment of principal and interest under this Note and the Security, and such default is not remedied within ten (10) days after delivery of notice of such default by the Holder;
- (iv) if any order is made or a resolution passed for the winding-up of the Maker or GP or if a petition with respect thereto is filed against either of them or if an authorized assignment for the benefit of creditors is made by either of them or if a receiver or agent is appointed by or on behalf of a secured creditor of either of them or pursuant to a court order or an application is made under applicable companies legislation or notice of intention to make a proposal is filed or a proposal is made by the Maker or GP to their creditors under applicable bankruptcy legislation;
- (v) if an encumbrancer, whether permitted or otherwise, takes possession of any substantial part of the personal or real property of the Maker, including the Property, or any process of a court, execution, distress or analogous process becomes enforceable or is enforced against any substantial part of the personal or real property of the Maker including the Property and the Maker or GP not instituting proceedings to vacate or lift such execution, distress or analogous process; and
- (vi) if the Maker or GP commits any act of bankruptcy, becomes insolvent or bankrupt, makes an unauthorized sale in bulk of its assets or any secured creditor exercises its rights against the Maker or GP.

The Principal Amount shall be increased from time to time to add thereto the amount of any loan advances made by the Holder to the Maker from time to time after the date of this Note, all of which shall bear interest at the Interest Rate and be secured by the Security.

The Maker hereby waives presentment, demand, notice of dishonor, notice of protest, notice of non-payment and any other notice required by law to be given to the Maker on this Note in connection with the delivery, acceptance, performance, default or enforcement of this Note and hereby consents to any delays or extensions of this Note, any waivers of any term or condition of this Note, the release of the Maker under this Note or of any Security given by the Maker in respect of the Maker's obligations under this Note, and hereby agrees that any action by the Holder or failure to act by the Holder shall not affect or impair the obligations of any of the Maker, or be construed as being a waiver by the Holder of its rights under this Note.

This Note shall be governed by the construed in accordance with the laws of the Province of British Columbia.

- 3 -

This Note and everything herein contained shall enure to the benefit of and be binding upon the parties hereto and each of their respective successors and permitted assigns.

This Note is made pursuant to the provisions of a Unit Redemption and Loan Repayment Agreement dated May 21, 2025 made between the Holder and the Maker ("**Redemption Agreement**"). Capitalized terms used in this Note that are not otherwise defined in this Note shall have the respective meanings ascribed to them in the Redemption Agreement.

DATED at Vancouver, British Columbia the 16th day of June, 2025.

**KINNAIRD KONVERSION LIMITED
PARTNERSHIP, by its general partner,
Kinnaird Konversion GP Inc.**

Per: 

Name: Paul Silk

Title: Director

I have authority to bind the General Partner and the
General Partner has the authority to bind the
Partnership.

C:\Users\KP7829\AppData\Local\Microsoft\Windows\INetCache\Content.Outlook\9P7QMBY9\Promissory Note (6316199_2).docx

M.F.

This is **Exhibit "C"** referred to in the Affidavit of Michael Foy sworn before me at Surrey, British Columbia, the ____ day of December, 2025.



A Commissioner for taking affidavits within
British Columbia

1. Application

Document Fees: \$82.52

McQuarrie Hunter LLP
 1500 - 13450 102 Avenue
 Surrey BC V3T 5X3
 6045817001

250717/ dp

2. Description of Land

PID/Plan Number	Legal Description
000-813-508	STRATA LOT 5 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-460	STRATA LOT 2 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-478	STRATA LOT 3 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-494	STRATA LOT 4 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-613	STRATA LOT 14 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-516	STRATA LOT 6 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-605	STRATA LOT 13 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-532	STRATA LOT 7 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-591	STRATA LOT 12 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-541	STRATA LOT 8 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-559	STRATA LOT 9 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-567	STRATA LOT 10 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-583	STRATA LOT 11 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-761	STRATA LOT 28 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-753	STRATA LOT 27 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-745	STRATA LOT 26 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-621	STRATA LOT 15 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-737	STRATA LOT 25 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-630	STRATA LOT 16 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-729	STRATA LOT 24 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-656	STRATA LOT 17 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-711	STRATA LOT 23 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-664	STRATA LOT 18 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-702	STRATA LOT 22 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-672	STRATA LOT 19 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-681	STRATA LOT 20 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-699	STRATA LOT 21 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-796	STRATA LOT 30 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-800	STRATA LOT 31 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-826	STRATA LOT 32 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-834	STRATA LOT 33 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-842	STRATA LOT 34 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-770	STRATA LOT 29 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-966	STRATA LOT 43 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-958	STRATA LOT 42 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195

M.F.



Land Title Act

Mortgage

Part 1 Province of British Columbia

000-813-851	STRATA LOT 35 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-940	STRATA LOT 41 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-869	STRATA LOT 36 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-931	STRATA LOT 40 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-877	STRATA LOT 37 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-923	STRATA LOT 39 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-893	STRATA LOT 38 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-982	STRATA LOT 45 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-814-016	STRATA LOT 46 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-814-024	STRATA LOT 47 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-814-032	STRATA LOT 48 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-814-041	STRATA LOT 49 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-974	STRATA LOT 44 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-814-130	STRATA LOT 55 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-814-121	STRATA LOT 54 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-814-113	STRATA LOT 53 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-814-059	STRATA LOT 50 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
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000-814-075	STRATA LOT 51 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
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000-814-199	STRATA LOT 61 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-814-148	STRATA LOT 56 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-812-277	STRATA LOT 1 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195

3. Borrower(s) (Mortgagor(s))

1274877 B.C. LTD.
 PO BOX 8087, VICTORIA MAIN
 VICTORIA BC V8W 3R9

BC1274877

4. Lender(s) (Mortgagee(s))

PRICE CAPITAL PARTNERS INC.
 100 CANADIAN ROAD
 TORONTO ON M1R 4Z5

A0117352



5. Payment Provisions

Principal Amount \$5,902,208.22	Interest Rate See Schedule	Interest Adjustment Date June 16, 2025
Interest Calculation Period N/A	Payment Dates N/A	First Payment Date N/A
Amount of each periodic payment N/A	Interest Act (Canada) Statement. The equivalent rate of interest calculated half yearly not in advance is N/A % per annum	Last Payment Date N/A
Assignment of Rents which the applicant wants registered? No	Place of payment Address in Item 4	Balance Due Date June 16, 2026

6. Mortgage contains floating charge on land?

Yes

7. Mortgage secures a current or running account?

No

8. Interest Mortgaged

Fee Simple

9. Mortgage Terms

Part 2 of this mortgage consists of:

(a) Prescribed Standard Mortgage Terms

A selection of (a) or (b) includes any additional or modified terms.

10. Additional or Modified Terms

11. Prior Encumbrances Permitted by Lender

MORTGAGE CA8859099, AS MODIFIED BY CB1247915
ASSIGNMENT OF RENTS CA8859100
COVENANT CA8859097

M.F.



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.

Witnessing Officer Signature

Execution Date

Borrower / Party Signature(s)

Taylor Lingl
Barrister & Solicitor
DLA Piper (Canada) LLP
1133 Melville Street, Suite 2700
Vancouver BC V6E 4E5

YYYY-MM-DD

2025-06-16

1274877 B.C. Ltd.
By their Authorized Signatory

Paul Silk

604.687.9444

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.

Electronic Signature

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.

Christopher Jose
Bettencourt
JCNMFN

Digitally signed by
Christopher Jose
Bettencourt JCNMFN
Date: 2025-06-17
10:31:25 -07:00

M.F.

Land Title Act
FORM E
SCHEDULE

Enter the required information in the same order as the information must appear on the Freehold Transfer Form, Mortgage Form or General Document Form.

5. PAYMENT PROVISIONS:

(b) Interest Rate:

Interest Rate shall be Eight percent (8%) per annum non-compounding simple interest, such interest to accrue on \$4,450,000 of the Principal Amount (the "**Principal Interest Bearing Amount**") or so much thereof as shall remain unpaid from time to time, provided that in the event the Mortgagor commences payment of and continues to pay, each month, interest accruing on the Principal Interest Bearing Amount hereunder, for so long as the Mortgagor continues making such monthly interest payments, the Interest Rate shall be Six Percent (6%) per annum non compounding simple interest

10. Additional and Modified Terms:

This mortgage is not assumable by a subsequent purchaser of the Lands. Any change in the control of the Mortgagor shall be a default under the terms of this mortgage.

The Mortgagor shall maintain in force a policy of all risks insurance coverage naming the Mortgagee as second loss payee pursuant to the Standard Mortgage Clause, to the full extent of the replacement cost of all buildings on the Lands and all buildings which may hereafter be erected on the Lands. Such insurance policy shall provide for thirty days' prior notice to the Mortgagee any cancellation or alteration to the policy. The Mortgagor shall forthwith deliver copies of such insurance policy to the Mortgagee and the Mortgagor shall provide annual proof of insurance to the Mortgagee on the anniversary hereof.

The Mortgagor covenants not to further encumber the title of the Lands without the express written consent of the Mortgagee and to do so shall be a default hereunder.

In the event of the Mortgagor selling or agreeing to sell, or otherwise disposing of or encumbering the Land, the whole of the principal amount and interest then remaining unpaid shall forthwith become due and be payable.

It is understood and agreed that the Mortgagor, not being in default hereunder shall be at liberty to pay off the whole or any part of the balance outstanding without notice or bonus at any time during the term of this mortgage.

If, prior to the Balance Due Date, the Mortgagor secures refinancing for the existing first mortgage in favour of Portage Capital Nominee Corp. registered at the Land Title Office under charge number CA8859099 as modified by charge number CB1247915, the Balance Due Date will be extended to such date that is the maturity date of such refinancing, provided that in no event will the Balance Due Date be later than June 16, 2028.

This is **Exhibit "D"** referred to in the Affidavit of Michael Foy sworn before me at Surrey, British Columbia, the ____ day of December, 2025.



A Commissioner for taking affidavits within
British Columbia

M.F.

GENERAL SECURITY AGREEMENT

THIS AGREEMENT is made June 16, 2025.

FROM:

KINNAIRD KONVERSION LIMITED PARTNERSHIP,
by its general partner, Kinnaird Konversion GP Inc.

AND:

1274877 B.C. LTD.

(collectively the "Debtor")

TO:

PRICE CAPITAL PARTNERS INC.

(the "Secured Party")

SECURITY INTEREST(S)

In consideration of the terms and covenants contained in this Agreement and in consideration of the Secured Party granting or having granted to the Debtor credit or financing as set forth in this Agreement, the Debtor grants to the Secured Party the following Security Interest(s) in the Debtor's property under the British Columbia *Personal Property Security Act*, to secure liabilities and indebtedness of the Debtor to the Secured Party as set out more particularly below.

The Debtor grants to the Secured Party a security interest in ALL OF THE DEBTOR'S PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY WHICH IS SITUATE, PLACED OR INSTALLED UPON, USED IN CONNECTION WITH, ARISING OUT OF, OR OTHERWISE PERTAINING TO THOSE LANDS AND PREMISES BEING MORE PARTICULARLY KNOWN AND DESCRIBED IN SCHEDULE "A"

To the extent that the Secured Party has given or gives value for the purpose of enabling the Debtor to acquire rights in or to the personal property, the Debtor grants to the Secured Party a Purchase Money Security Interest in that personal property and in the proceeds thereof.

PROCEEDS

The Debtor grants to the Secured Party a Security Interest in the proceeds derived directly or indirectly from any dealing with any personal property mentioned above, including accounts receivable, bills of exchange, insurance proceeds, chattel paper, intangibles, motor vehicles, and all other after acquired property constituting proceeds.

LIABILITIES AND INDEBTEDNESS OF THE DEBTOR TO THE SECURED PARTY

The Security Interest(s) set forth above secure liabilities, indebtedness, and obligations of the Debtor to the Secured Party as follows:

- (a) Payment of the following Promissory Note or other evidence of indebtedness:

DATE: JUNE 16, 2025 AMOUNT: \$5,902,208.22

executed and delivered by the Debtor to the Secured Party, and interest as therein provided,

M.F.

and all renewals and substitutions therefor;

- (b) further advances, if any, to be evidenced by additional Loan Agreement(s) or Promissory Note(s) or other evidence of indebtedness;
- (c) all liabilities and indebtedness of the Debtor to the Secured Party, including liability or indebtedness under any loan agreement(s), leases, contracts, or otherwise executed by the Debtor in favour of the Secured Party; and
- (d) the performance of all obligations of the Debtor to the Secured Party evidenced in this Agreement or in any other contracts or agreements with the Secured Party.

TERMS AND CONDITIONS OF SECURITY AGREEMENT

This Agreement is subject to the following terms and conditions:

1. Definition of Personal Property

Whenever the word "Property" is used in this Agreement, it shall be deemed to extend to and include the personal property described above, complete with all attachments, accessories, equipment and accessions thereto, and proceeds thereof. Any equipment or accessories placed upon or repairs to the personal property during the continuance of this Agreement shall become a part thereof and shall be included in the terms of this Agreement.

2. Use, Removal, and Liens

To the extent permitted by the British Columbia *Personal Property Security Act*, the Debtor shall not use the Property for lease and shall not part with possession or control thereof without the written consent of the Secured Party. The Debtor shall not remove or cause or permit the Property to be removed for a period of longer than 30 days from the province within which the Debtor received the Property at the time of delivery. The Debtor shall keep the Property in good condition, reasonable wear and tear excepted, as it was at the time of purchase or at the time the security interest in the Property was granted to the Secured Party under this Agreement. The Debtor shall keep the Property free and clear of and from any and all liens and encumbrances and in the event of any lien or encumbrance being placed or acquired by any person against the Property, the Secured Party may pay off that lien or encumbrance and add the amount thereof together with all costs incurred to the indebtedness of the Debtor secured by this Agreement.

3. Loss, Injury or Destruction

The loss, injury, or destruction of the Property shall not operate in any manner to release the Debtor from its liability to the Secured Party.

4. Remedies and Costs

The Secured Party has the right to realize on the Property in any manner permitted by the British Columbia *Personal Property Security Act*, and the Debtor shall be liable to the extent permitted by the Act for all expenses incurred by reason thereof, including all solicitors' fees and charges actually incurred by the Secured Party on a solicitor and own client basis, and all such costs and charges shall be secured by this Agreement. The Debtor covenants and agrees to pay the same upon demand to the Secured Party. In addition the debtor covenants to pay to the Secured Party upon demand any deficiency to which the Secured Party may be entitled by law.

5. Waiver by the Secured Party

An extension of time or other indulgence granted by the Secured Party at any time shall not extend to or

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be taken in any manner to effect a waiver of that right at any subsequent time or to preclude the Secured Party from enforcing the same or any other right at a subsequent time.

6. Default

Time is of the essence of the Debtor's obligations under this Agreement. All or any of the following constitutes a default by the Debtor:

- (a) the Debtor defaults on any payment to the Secured Party or in complying with any of the covenants or conditions contained in this Agreement or any other agreement with the Secured Party in accordance with the terms thereof including any Promissory Note(s) referred to in this Agreement;
- (b) the Debtor dies or, if a corporation or partnership, ceases to carry on business or takes steps to wind up or close its business;
- (c) a demand or an assignment is made against the Debtor or a proceeding for bankruptcy, receivership, winding up, or insolvency is instituted by or against the Debtor or its Property;
- (d) an execution, attachment, or writ is levied upon any of the Property or any of the Property is confiscated or misused;
- (e) the Secured Party deems itself insecure or decides that the Property is in jeopardy and that the Secured Party has commercially reasonable grounds to believe that the prospect of payment or performance is or is about to be impaired or that the Property is or is about to be placed in jeopardy;
- (f) the Debtor changes its name without giving the Secured Party at least 30 days' prior written notice of the proposed name change; or
- (g) the Debtor ceases or demonstrates an intention to cease carrying on its business;

In the event of a default by the Debtor in all or any of the manners stated above, the Secured Party has the right to all remedies referred to in this Agreement and, without restricting the generality of the foregoing, a right to the full amount of the Debtor's indebtedness to the Secured Party, which full amount shall, at the election of the Secured Party (notice of which election is waived by the Debtor) be immediately due and payable. On default and at any time thereafter the Secured Party may proceed to enforce payment and exercise any of the rights and remedies of the Secured Party provided for in Part 5 of the British Columbia *Personal Property Security Act* as well as any and all other rights and remedies possessed by the Secured Party. For the purposes of removal and possession of the Property, the Secured Party may enter forcibly or otherwise any premises where the Property is or where the Secured Party believes the Property to be.

7. Release and Waiver

The Debtor expressly waives any action, claim or demand, that it may have by reason of any act that any of the Secured Parties or its agents may have done or left undone, in connection with repossession or attempted repossession of the Property, and releases and discharges the Secured Party of and from all actions, causes of action, claims, and demands of every kind and nature that the Debtor has or may have as a result of such act.

8. Place of Trial

The Debtor expressly declares that any action or proceeding brought upon this Agreement, or other agreement referred to in this Agreement, may be brought, and the place of trial shall be in British

M.F.

Columbia, and that the law of British Columbia shall apply to this Agreement and to any action or proceeding brought under this Agreement.

9. No Other Representations

There are no representations, warranties, agreements, or conditions, expressed or implied, statutory or otherwise, affecting the rights and liabilities of the parties or the attributes of the Property other than as specifically contained in this Agreement.

10. Assignment and Enurement

This Agreement is not assignable by the Debtor, and all its covenants and conditions shall enure to the benefit of and be binding upon the parties and their respective heirs, executors, administrators, successors, and assigns. This Agreement may be assigned by the Secured Party.

11. Insurance

The Debtor shall keep the Property fully insured in a sum not less than the replacement value of the Property, and the proceeds of any insurance whether paid by reason of loss, injury, return premium, or otherwise shall be applied towards the replacement of the Property or payment of the obligation secured by this Agreement, at the option of the Secured Party. The Secured Party may require any insurance on the Property to be cancelled and new insurance effected in any office to be named by it and may also, on its own accord, effect or maintain such insurance. All monies paid by it in respect thereof shall forthwith be added to the indebtedness secured by this Agreement and shall be forthwith due and payable by the Debtor to the Secured Party at the Secured Party's option. The Debtor assigns to the Secured Party the right to any refund or premium that may accrue by reason of the cancellation of any contract of insurance covering the Property, and the Debtor appoints the Secured Party its attorney and agent to commence and prosecute in its name any action to enforce payment of any contract of insurance covering the Property, and to make and file in its name any claim or proof of loss therefore, and to execute in its name any release or receipt in connection therewith.

12. Repairs

If the Debtor defaults in the payment of repairs made to the Property by any third party, the Secured Party may pay the amounts so owing, which shall be added to the indebtedness secured by this Agreement and shall be payable forthwith.

13. Notice

Any demand or notice referred to in this Agreement may be effectively given in the manner provided for in the British Columbia *Personal Property Security Act*. The Debtor waives its rights to receive a copy of any financing statement, financing change statement, or verification statement relating to this Agreement.

14. Proceeds Held In Trust

All proceeds from the sale or other disposition of any Property under this Agreement realized by the Debtor or any agent on the Debtor's behalf shall be held in trust by the Debtor for the Secured Party.

15. Receiver or Receiver-Manager

The Secured Party has the right to appoint a Receiver or a Receiver-Manager whose rights and duties shall be as follows:

- (a) to take possession of and to collect the Property and to act in the name of the Debtor or otherwise as the Receiver or Receiver-Manager considers necessary;

M.F.

- (b) to carry on or concur in carrying on the business of the Debtor, to employ or retain and discharge any persons including legal counsel, accountants, engineers, and other reasonably necessary experts or consultants upon the terms and at the remuneration that the Receiver or Receiver-Manager considers proper, to keep and repair the Property, and to do all necessary things to carry on the business of the debtor and that protect the Property;
- (c) to make any compromise or arrangements that the Receiver-Manager considers expedient in the interest of the Secured Party and to agree to any modifications of this Agreement, and to exchange any part or parts of the Property for any other property suitable for the purposes of the Debtor on such terms as the Receiver or Receiver-Manager considers expedient, either with or without payment of money for equality of exchange or otherwise;
- (d) to borrow money to carry on the business of the Debtor or to maintain and preserve the whole or any part of the Property. For the amount from time to time required in so doing, the Receiver or Receiver-Manager may issue certificates (each called a "Receiver's Certificate") with interest as stated therein and the amounts from time to time payable under any Receiver's Certificate shall be a charge upon the Property in priority to this Agreement;
- (e) to sell or lease or concur in the selling or leasing of the whole or any part of the Property;
- (f) to execute and prosecute all suits, proceedings, and actions that the Receiver or Receiver-Manager in its opinion considers necessary for the proper protection of the Property, to defend all suits, proceedings, or actions against the Debtor, or any of them as the Receiver or Receiver-Manager may determine, to appear in and conduct the prosecution and defence of any suit, proceeding, or action then pending or thereafter instituted and to appeal any suit, proceeding, or action;
- (g) to sell the whole or any part of the Property at public auction, by public or private tender, or by private sale;
- (h) to effect a sale or lease by conveying in the name or on behalf of the Debtor or any of them or otherwise;
- (i) to make any stipulation as to title or conveyance or commencement of title;
- (j) to rescind or vary any contract of sale or lease;
- (k) to resell or release without being answerable for any loss occasioned thereby;
- (l) to sell on terms as to credit that appear to be most advantageous to the Receiver or Receiver-Manager who shall not be accountable for any monies until actually received; and
- (m) to go into possession of and manage any real property of the Debtor to the extent that such possession or management is, in the sole discretion of the Receiver or Receiver-Manager, necessary for or incidental to realising on or dealing with the Property or the exercise of any rights and duties granted to or imposed upon the Receiver or Receiver-Manager under this Agreement.

16. Additional Powers of Receiver and Receiver-Manager

The net profits of the business managed by the Receiver or Receiver-Manager under this Agreement shall be applied by the Receiver or Receiver-Manager in any manner it shall see fit, provided that those net profits shall be applied in a commercially reasonable manner, and the net proceeds of any disposal of the Property shall be applied by the Receiver or Receiver-Manager in the manner set forth in the British Columbia *Personal Property Security Act*.

17. Receiver as Agent of Debtor

M.F.

The Receiver or Receiver-Manager shall not be liable for any loss unless it is caused by the Receiver's or Receiver Manager's own negligence or wilful default. The Receiver or Receiver Manager shall be considered to be the agent of the Debtor, and the Debtor shall be solely responsible for the Receiver's or Receiver-Manager's acts, defaults, and remuneration.

18. No Merger or Novation

Neither the taking of any judgment nor the exercise of any power of seizure or sale shall operate to extinguish the obligation of the Debtor to pay the indebtedness secured under this Agreement, and shall not operate as a merger of any covenant in this Agreement, and the acceptance of any payment or alternate security shall not constitute or create a novation, and the taking of judgment or judgments under any covenant in this Agreement shall not operate as a merger of that covenant.

19. Title

All ownership interests and all other rights and title to the Property subject to a purchase money security interest under this Agreement are acknowledged by the Debtor to remain, and title to the same is, with the Secured Party.

20. Debtor's Covenants

The Debtor covenants with the Secured Party that

- (a) all necessary corporate proceedings of the Debtor and all other things necessary have been done to authorize and make the creation and issue of this Agreement and its execution and delivery legal and valid;
- (b) neither of the Debtor nor any subsidiary is subject to any proceedings before any court, administrative board, or other tribunal that, if decided against the Debtor or either of them or any subsidiary, would materially adversely affect their respective businesses or financial status, and all material claims against and contingent liabilities of the Debtor or any subsidiary have been disclosed to the Secured Party;
- (c) neither of the Debtor nor any subsidiary is a party to or bound by any contract or agreement that will materially adversely affect the business, properties, operations, or financial condition of the Debtor or either of them or any subsidiary;
- (d) the Debtor has good and marketable title (except as otherwise expressly stated in this Agreement) to the Property, free and clear of all charges and encumbrances, and shall defend the title to any Property for the benefit of the Secured Party against any adverse claim;
- (e) the Debtor shall duly pay to the Secured Party any indebtedness secured by this Agreement, the Loan Agreement, the Promissory Notes, or any other contract with the Secured Party;
- (f) the Debtor shall duly pay all taxes, rates, or other impositions imposed by any lawful authority on the Property or on the Secured Party in respect of the Property except where the validity of any tax, rate, or other imposition is being contested by the Debtor in good faith and the Debtor has satisfied the Secured Party that the contestation will not involve forfeiture of all or any part of the Property;
- (g) the Debtor will observe and perform all obligations and all matters and things necessary or expedient to be observed or performed under or by virtue of any lease, licence, concession, or other franchise forming part of the Property in order to preserve, protect, and maintain all the rights of the Secured Party and Debtor under this Agreement;
- (h) the Debtor shall duly exercise every right of renewal of any lease, licence, concession, and

M.F.

franchise, and shall obtain a new lease, licence, concession, or franchise for the longest time or times, if advantageous, and upon the most favourable terms obtainable, including all rights of further renewal, and shall forthwith assign to the Secured Party any new or renewal lease, licence, concession, or franchise that forms a part of or is related to the Property;

- (i) the Debtor, if a corporation, shall, at all times, maintain its corporate existence;
- (j) the Debtor shall not, without the prior written consent of the Secured Party, amalgamate or merge with any other corporation, including any subsidiary, or apply to be continued under any other jurisdiction as an entity or body corporate;
- (k) the Debtor shall deliver to the Secured Party within 120 days of the close of each financial year, an audited annual financial statement for the year prepared in accordance with generally accepted accounting principles;
- (l) the Debtor shall not create any mortgage or charge on the Property ranking in priority to or equally with the security interest granted in this Agreement; and
- (m) the Debtor shall forthwith, from time to time, execute all deeds and documents and do all things that, in the opinion of the Secured Party, are necessary or advisable to better reflect the intent of this Agreement.

21. Books and Records of the Debtor

The Debtor shall keep, at its principal place of business, accurate books and records of the Property, and authorizes the Secured Party, its representatives and agents, to enter upon those premises at all reasonable times, and, whether or not in default, to inspect the books and records of the Debtor. The Debtor shall from time to time, on request, furnish to the Secured Party in writing all information requested by the Secured Party relating to the Property or any part thereof. The Secured Party shall be entitled from time to time to inspect the Property wherever located, and the Secured Party shall have access to all places where the Property or any part thereof is located and to all premises occupied by the Debtor.

22. Additional Rights Upon Default

At the option of the Secured Party, and to the extent and in a manner provided by the British Columbia *Personal Property Security Act*, the Secured Party may elect to retain all or any part of the Property in satisfaction of the indebtedness of the Debtor to the Secured Party, or in any part thereof.

23. Rights and Remedies Cumulative and Deed

The rights and remedies conferred upon the Secured Party in this Agreement shall be cumulative and not alternative and shall be in addition to and not in substitution or derogation of any rights and remedies contained in the British Columbia *Personal Property Security Act*. Whether or not the Debtor attaches its corporate seal, if a corporation, this Agreement is intended to be and is deemed to be a deed given under seal.

24. Future Advances

Nothing in this Agreement shall obligate the Secured Party to make any advance or loan or future advance or loan or to renew any note or extend any time for payment of any indebtedness or liability of the Debtor to the Secured Party.

25. Assignment of Rental Payment

In the event of default under this Agreement, the Debtor acknowledges and agrees that it has assigned

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to the Secured Party any rental payments due or to become due from or under any lease of the Property.

26. Definition of Terms

In construing this Agreement, such terms as are defined in the British Columbia *Personal Property Security Act* shall have the same meaning as that ascribed to them in the Act.

27. General

This Agreement shall be a continuing security agreement in every respect, and no remedy for the enforcement of the rights of the Secured Party under this Agreement shall be exclusive of or dependent on any other such remedy, but any one or more of such remedies may from time to time be exercised independently or in combination.

The security interest created or provided for by this Agreement is intended to attach according to the provisions of the British Columbia *Personal Property Security Act*.

If more than one person, including partnerships, corporations, or other entities, executes this Agreement, their obligations under this Agreement shall be joint and several and all corporations, partnerships or individuals shall remain liable under this Agreement until all Debtors are released in full.

Whenever the neuter is used in this Agreement, it shall be deemed to include the masculine and the feminine and the singular shall include the plural, whenever the context so requires.

Any headings or marginal notes in these Terms and Conditions are not to be construed to be a part of this Agreement, but rather are intended for the convenience of the parties.

Any provision of this Agreement that is invalid or prohibited by law shall, as to that provision, be severable and ineffective to the extent of such prohibition or invalidity without invalidating the remaining provisions of this Agreement.

28. Copy of Agreement and Waiver

The Debtor acknowledges having received a duplicate executed copy of this Agreement on the date of its execution. The Debtor waives all rights to receive from the Secured Party a copy of any financing statement, financing change statement, or verification statement filed, issued, or obtained at any time in respect of this Agreement.

IN WITNESS WHEREOF the Debtor has executed this Agreement under seal in British Columbia.

1274877 B.C. LTD. by its authorized signatories:

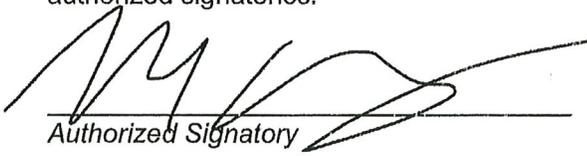
Authorized Signatory

KINNAIRD KONVERSION LIMITED PARTNERSHIP by the authorized signatory of this General Partner, Kinnaird Konversion GP Inc.:

Authorized Signatory

M.F.

PRICE CAPITAL PARTNERS INC. by its
authorized signatories:



A handwritten signature in black ink, consisting of several loops and a long horizontal stroke at the end, positioned above a horizontal line.

Authorized Signatory

M.F.

SCHEDULE "A"

LANDS

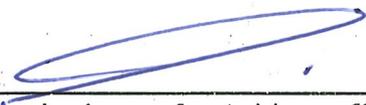
65 FIRST STREET, NEW WESTMINSTER BC

Unit	Strata Lot	Legal
#218	1	PID: 000-812-277 Strata Lot 1 Block 19 New Westminster District Strata Plan NW2195
#219	2	PID: 000-813-460 Strata Lot 2 Block 19 New Westminster District Strata Plan NW2195
#220	3	PID: 000-813-478 Strata Lot 3 Block 19 New Westminster District Strata Plan NW2195
#221	4	PID: 000-813-494 Strata Lot 4 Block 19 New Westminster District Strata Plan NW2195
#217	5	PID: 000-813-508 Strata Lot 5 Block 19 New Westminster District Strata Plan NW2195
#314	6	PID: 000-813-516 Strata Lot 6 Block 19 New Westminster District Strata Plan NW2195
#316	7	PID: 000-813-532 Strata Lot 7 Block 19 New Westminster District Strata Plan NW2195
#318	8	PID: 000-813-541 Strata Lot 8 Block 19 New Westminster District Strata Plan NW2195
#319	9	PID: 000-813-559 Strata Lot 9 Block 19 New Westminster District Strata Plan NW2195
#320	10	PID: 000-813-567 Strata Lot 10 Block 19 New Westminster District Strata Plan NW2195
#321	11	PID: 000-813-583 Strata Lot 11 Block 19 New Westminster District Strata Plan NW2195
#317	12	PID: 000-813-591 Strata Lot 12 Block 19 New Westminster District Strata Plan NW2195
#315	13	PID: 000-813-605 Strata Lot 13 Block 19 New Westminster District Strata Plan NW2195
#313	14	PID: 000-813-613 Strata Lot 14 Block 19 New Westminster District Strata Plan NW2195
#410	15	PID: 000-813-621 Strata Lot 15 Block 19 New Westminster District Strata Plan NW2195
#412	16	PID: 000-813-630 Strata Lot 16 Block 19 New Westminster District Strata Plan NW2195
#414	17	PID: 000-813-656 Strata Lot 17 Block 19 New Westminster District Strata Plan NW2195
#416	18	PID: 000-813-664 Strata Lot 18 Block 19 New Westminster District Strata Plan NW2195
#418	19	PID: 000-813-672 Strata Lot 19 Block 19 New Westminster District Strata Plan NW2195
#419	20	PID: 000-813-681 Strata Lot 20 Block 19 New Westminster District Strata Plan NW2195
#420	21	PID: 000-813-699 Strata Lot 21 Block 19 New Westminster District Strata Plan NW2195
#417	22	PID: 000-813-702 Strata Lot 22 Block 19 New Westminster District Strata Plan NW2195
#415	23	PID: 000-813-711 Strata Lot 23 Block 19 New Westminster District Strata Plan NW2195
#413	24	PID: 000-813-729 Strata Lot 24 Block 19 New Westminster District Strata Plan NW2195
#411	25	PID: 000-813-737 Strata Lot 25 Block 19 New Westminster District Strata Plan NW2195
#409	26	PID: 000-813-745 Strata Lot 26 Block 19 New Westminster District Strata Plan NW2195
#408	27	PID: 000-813-753 Strata Lot 27 Block 19 New Westminster District Strata Plan NW2195
#407	28	PID: 000-813-761 Strata Lot 28 Block 19 New Westminster District Strata Plan NW2195
#506	29	PID: 000-813-770 Strata Lot 29 Block 19 New Westminster District Strata Plan NW2195
#501	30	PID: 000-813-796 Strata Lot 30 Block 19 New Westminster District Strata Plan NW2195
#502	31	PID: 000-813-800 Strata Lot 31 Block 19 New Westminster District Strata Plan NW2195
#503	32	PID: 000-813-826 Strata Lot 32 Block 19 New Westminster District Strata Plan NW2195
#504	33	PID: 000-813-834 Strata Lot 33 Block 19 New Westminster District Strata Plan NW2195
#505	34	PID: 000-813-842 Strata Lot 34 Block 19 New Westminster District Strata Plan NW2195
#510	35	PID: 000-813-851 Strata Lot 35 Block 19 New Westminster District Strata Plan NW2195
#512	36	PID: 000-813-869 Strata Lot 36 Block 19 New Westminster District Strata Plan NW2195
#514	37	PID: 000-813-877 Strata Lot 37 Block 19 New Westminster District Strata Plan NW2195
#516	38	PID: 000-813-893 Strata Lot 38 Block 19 New Westminster District Strata Plan NW2195
#515	39	PID: 000-813-923 Strata Lot 39 Block 19 New Westminster District Strata Plan NW2195
#513	40	PID: 000-813-931 Strata Lot 40 Block 19 New Westminster District Strata Plan NW2195
#511	41	PID: 000-813-940 Strata Lot 41 Block 19 New Westminster District Strata Plan NW2195
#508	42	PID: 000-813-958 Strata Lot 42 Block 19 New Westminster District Strata Plan NW2195
#507	43	PID: 000-813-966 Strata Lot 43 Block 19 New Westminster District Strata Plan NW2195
#606	44	PID: 000-813-974 Strata Lot 44 Block 19 New Westminster District Strata Plan NW2195
#601	45	PID: 000-813-982 Strata Lot 45 Block 19 New Westminster District Strata Plan NW2195
#602	46	PID: 000-814-016 Strata Lot 46 Block 19 New Westminster District Strata Plan NW2195
#603	47	PID: 000-814-024 Strata Lot 47 Block 19 New Westminster District Strata Plan NW2195
#604	48	PID: 000-814-032 Strata Lot 48 Block 19 New Westminster District Strata Plan NW2195
#605	49	PID: 000-814-041 Strata Lot 49 Block 19 New Westminster District Strata Plan NW2195
#610	50	PID: 000-814-059 Strata Lot 50 Block 19 New Westminster District Strata Plan NW2195
#612	51	PID: 000-814-075 Strata Lot 51 Block 19 New Westminster District Strata Plan NW2195
#611	52	PID: 000-814-083 Strata Lot 52 Block 19 New Westminster District Strata Plan NW2195
#609	53	PID: 000-814-113 Strata Lot 53 Block 19 New Westminster District Strata Plan NW2195
#608	54	PID: 000-814-121 Strata Lot 54 Block 19 New Westminster District Strata Plan NW2195
#607	55	PID: 000-814-130 Strata Lot 55 Block 19 New Westminster District Strata Plan NW2195
#706	56	PID: 000-814-148 Strata Lot 56 Block 19 New Westminster District Strata Plan NW2195
#701	57	PID: 000-814-156 Strata Lot 57 Block 19 New Westminster District Strata Plan NW2195
#702	58	PID: 000-814-164 Strata Lot 58 Block 19 New Westminster District Strata Plan NW2195
#703	59	PID: 000-814-172 Strata Lot 59 Block 19 New Westminster District Strata Plan NW2195
#704	60	PID: 000-814-181 Strata Lot 60 Block 19 New Westminster District Strata Plan NW2195
#705	61	PID: 000-814-199 Strata Lot 61 Block 19 New Westminster District Strata Plan NW2195

End of Document

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This is **Exhibit "E"** referred to in the Affidavit of Michael Foy sworn before me at Surrey, British Columbia, the ____ day of December, 2025.



A Commissioner for taking affidavits within
British Columbia

MIF



NEW WESTMINSTER LAND TITLE OFFICE
MAR 22 2021 12:03:59.188
CA8859099

1. Application

CASSELS BROCK & BLACKWELL LLP
SUITE 2200 - 885 WEST GEORGIA STREET
VANCOUVER BC V6C 3E8
604.691.6100

2. Description of Land

PID/Plan Number	Legal Description
000-812-277	STRATA LOT 1 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-460	STRATA LOT 2 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-478	STRATA LOT 3 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-494	STRATA LOT 4 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-508	STRATA LOT 5 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-516	STRATA LOT 6 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-532	STRATA LOT 7 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-541	STRATA LOT 8 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-559	STRATA LOT 9 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-567	STRATA LOT 10 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-583	STRATA LOT 11 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-591	STRATA LOT 12 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-605	STRATA LOT 13 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-613	STRATA LOT 14 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-621	STRATA LOT 15 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-630	STRATA LOT 16 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-656	STRATA LOT 17 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-664	STRATA LOT 18 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-672	STRATA LOT 19 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-681	STRATA LOT 20 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-699	STRATA LOT 21 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-702	STRATA LOT 22 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-711	STRATA LOT 23 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-729	STRATA LOT 24 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-737	STRATA LOT 25 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-745	STRATA LOT 26 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-753	STRATA LOT 27 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-761	STRATA LOT 28 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-770	STRATA LOT 29 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-796	STRATA LOT 30 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-800	STRATA LOT 31 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-826	STRATA LOT 32 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-834	STRATA LOT 33 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-842	STRATA LOT 34 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-851	STRATA LOT 35 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195

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Land Title Act
Mortgage
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000-813-869	STRATA LOT 36 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-877	STRATA LOT 37 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-893	STRATA LOT 38 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-923	STRATA LOT 39 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-931	STRATA LOT 40 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-940	STRATA LOT 41 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-958	STRATA LOT 42 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-966	STRATA LOT 43 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-974	STRATA LOT 44 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-982	STRATA LOT 45 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-814-016	STRATA LOT 46 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-814-024	STRATA LOT 47 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-814-032	STRATA LOT 48 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-814-041	STRATA LOT 49 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-814-059	STRATA LOT 50 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-814-075	STRATA LOT 51 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-814-083	STRATA LOT 52 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-814-113	STRATA LOT 53 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-814-121	STRATA LOT 54 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-814-130	STRATA LOT 55 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-814-148	STRATA LOT 56 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-814-156	STRATA LOT 57 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-814-164	STRATA LOT 58 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-814-172	STRATA LOT 59 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-814-181	STRATA LOT 60 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-814-199	STRATA LOT 61 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195

3. Borrower(s) (Mortgagor(s))

1274877 B.C. LTD. PO BOX 8087, VICTORIA MAIN VICTORIA BC V8W 3R9	No. BC1274877
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4. Lender(s) (Mortgagee(s))

PORTAGE CAPITAL NOMINEE CORP. 25 MONTGOMERY AVENUE, SUITE 202 TORONTO ON M4R 0A1	No. 002814032
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Mortgage
 Part 1 Province of British Columbia

5. Payment Provisions

Principal Amount	Interest Rate	Interest Adjustment Date
\$18,000,000.00	SEE EXPRESS MORTGAGE TERMS	April 1, 2021
Interest Calculation Period	Payment Dates	First Payment Date
Monthly	1st day of each month	May 1, 2021
Amount of each periodic payment	Interest Act (Canada) Statement. The equivalent rate of interest calculated half yearly not in advance is	Last Payment Date
SEE EXPRESS MORTGAGE TERMS	N/A% per annum	May 1, 2024
Assignment of Rents which the applicant wants registered?	Place of payment	Balance Due Date
No	POSTAL ADDRESS IN ITEM 4	May 1, 2024

6. Mortgage contains floating charge on land?

No

7. Mortgage secures a current or running account?

No

8. Interest Mortgaged

Fee Simple

9. Mortgage Terms

Part 2 of this mortgage consists of:

Express Mortgage Terms (annexed to this mortgage as Part 2)

Includes any additional or modified terms.

10. Additional or Modified Terms

11. Prior Encumbrances Permitted by Lender

N/A

M.F.



Land Title Act
Mortgage
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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.

Witnessing Officer Signature

Execution Date

Borrower Signature(s)

YYYY-MM-DD

1274877 B.C. Ltd.
By their Authorized Signatory

2021-03-16

DAVID GORE
Barrister & Solicitor
DLA Piper (Canada LLP)
666 Burrard Street, Suite 2800
Vancouver BC V6C 2Z7

Paul Silk

604.687.9444

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.

Electronic Signature

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.

**Shauna Kathleen
Haynes Towriss
R9HWBI**

Digitally signed by
Shauna Kathleen Haynes
Towriss R9HWBI
Date: 2021-03-22
09:04:54 -07:00

M.F.

EXPRESS MORTGAGE TERMS – PART 2

Mortgage No. 21-005

ARTICLE 1
INTERPRETATION

Section 1.01 In this Mortgage, unless there is something in the subject matter or text inconsistent therewith,

- (a) **"Additional Security"** means the security constituted by Section 2.02.
- (b) **"Building"** means, the residential condominium complex containing 61 stratified residential suites as well as their associated parking spaces and lockers located on the Lands, together with all other buildings, structures, facilities, fixtures and improvements located from time to time in, on and upon the Lands, including any and all alterations, reconstruction, additions, expansions, repairs and replacements effected during the term of this Mortgage, and all fixed machinery, plant, equipment, apparatus and fittings and other fixtures incorporated, or now or hereafter erected or located therein or thereon (including all machines, motors, pumps, tanks, elevators, boilers, furnaces and air-conditioning units, other than fixtures removable by tenants thereof pursuant to the Leases).
- (c) **"Chattels"** means the goods and chattels of the Mortgagor referred to in Subsection 2.02(b).
- (d) **"Commitment"** means the letter of commitment issued by Portage Capital Corporation to the Mortgagor dated December 15, 2020, and as amended in writing from time to time.
- (e) **"Control"** means the possession, directly or indirectly, of the power to direct or cause the direction of the management of a Person, whether through the ability to exercise voting power, by contract or otherwise. **"Controlling"** and **"Controlled"** have corresponding meanings.
- (f) **"Costs"** includes all costs, fees, charges and expenses of every nature and kind whatsoever incurred by the Mortgagee or paid by the Mortgagee to any other party in connection with the administration and enforcement of the Loan Documents, protection and preservation of the Lands or any other security held by the Mortgagee, or for the purpose of preserving and maintaining the enforceability and priority of this Mortgage and any such other security, or in connection with any and all demands and enforcement proceedings of every nature and kind made or carried out by or on behalf of the Mortgagee under or pursuant to this Mortgage, and includes, without limitation, legal costs incurred by the Mortgagee on a full indemnity basis.
- (g) **"Counsel"** means any barrister or solicitor or firm of barristers and solicitors retained by the Mortgagee.

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- (h) **"Default"** means any event, act or condition which, with the giving of notice and/or lapse of time and/or a determination being made under the relevant provisions, would constitute an Event of Default.
- (i) **"Distribution"** means (i) any payment, declaration of dividend or other distribution, whether in cash or property (but expressly excluding any distribution by way of the payment of dividends by the issuance of equity securities of an issuer), to any holder of shares or units of any class of the Mortgagor, (ii) any repurchase, redemption, retraction or other retirement or purchase for cancellation of shares or units of the Mortgagor, or of any options, warrants or other rights to acquire any of such shares, or (iii) any loan made by the Mortgagor to any of its shareholders, unitholders or other non-arm's length parties.
- (j) **"Event of Default"** has the meaning ascribed thereto in Section 6.01 or elsewhere in this Mortgage.
- (k) **"Final Interest Rate"** has the meaning ascribed thereto in Section 2.04.
- (l) **"Governmental Body"** means any government, parliament, legislature, or any regulatory authority, bureau, tribunal, department, instrumentality, agency, commission or board of any government, parliament or legislature, or any court, and without limiting the foregoing, any other law, regulation or rule-making entity having or purporting to act under the authority of any of the foregoing and **"Governmental Bodies"** means any one or more of the foregoing collectively.
- (m) **"Indebtedness"** means the aggregate of:
- (i) the Principal Sum, interest thereon at the applicable Interest Rate and all other obligations and liabilities of any kind whatsoever of the Mortgagor to the Mortgagee under or relating to the Loan Documents;
 - (ii) all Costs; and
 - (iii) any other amount, cost, charge, expense and interest otherwise due and payable to the Mortgagee hereunder or secured by this Mortgage.
- (n) **"Interest Adjustment Date"** means April 1, 2021.
- (o) **"Initial Interest Rate"** has the meaning ascribed thereto in Section 2.04.
- (p) **"Interest Rate"** means the Initial Interest Rate or the Final Interest Rate, as the context requires.
- (q) **"Land Registry Office"** means the New Westminster Land Title Office.
- (r) **"Lands"** means the lands and premises known municipally as 65 First Street, New Westminster, British Columbia and more particularly described in the Mortgage to which this Schedule is attached.

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- (s) "**Leases**" means all and any present and future leases and agreements to lease of the whole or any portion of the Lands or of the whole or any part of the Building and all and any present or future licences whereby the Mortgagor (or any authorized representative of the Mortgagor) gives any other person the right to use or occupy the whole or any part of the Mortgaged Premises, in each case for the time being in effect, and all revisions, alterations, modifications, amendments, extensions, renewals, replacements or substitutions thereof or therefor which may hereafter be effected or entered into, but does not include registered easements or rights in the nature of an easement; and "Lease" means any one of them.
- (t) "**Lien**" means any mortgage, charge, pledge, hypothec, assignment, lien, preference, priority or other security interest or encumbrance of any kind or nature whatsoever with respect to the Mortgaged Premises.
- (u) "**Loan Documents**" means, collectively, the Commitment, this Mortgage and all other documents, security agreements, instruments, guarantees, indemnities, agreements, certificates, undertakings and opinions now or hereafter given or entered into as evidence of or as security for the Indebtedness.
- (v) "**Maturity Date**" has the meaning ascribed thereto in Section 2.04.
- (w) "**this Mortgage**", "**this Mortgage**", "**these presents**", "**hereto**", "**herein**", "**hereof**", "**hereby**", "**hereunder**", and any similar expressions refer to this Mortgage and not to any particular Article, Section or other portion hereof, and includes any and every instrument supplemental or ancillary hereto or in implementation hereof.
- (x) "**Mortgaged Premises**" means all right, title and interest of the Mortgagor in the Lands, the Buildings, the Chattels and the Additional Security together with all additional real and personal property over which the Mortgagee is now or hereafter granted security in respect of the obligations hereby secured.
- (y) "**Mortgagee**" means Portage Capital Nominee Corp., its successors and assigns.
- (z) "**Mortgagor**" means, 1274877 B.C. Ltd.
- (aa) "**Municipality**" means the City of New Westminster.
- (bb) "**Permitted Encumbrances**" means:
- (i) all current Leases and future Leases entered into in accordance with Article 9 hereof;
 - (ii) reservations, limitations, provisos and conditions expressed in any original grants from the Crown and statutory exceptions to title;
 - (iii) any registered subdivision, development and site plan agreements with the Municipality revealed by the registered title, to the extent that same are complied with;

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- (iv) restrictions, easements and rights in the nature of easements revealed by the registered title, to the extent that same are complied with;
 - (v) title defects or irregularities or encroachments which are of a minor nature and which individually or in the aggregate will not (A) materially detract from the value of the Mortgaged Premises, or (B) materially impair the existing uses of the Mortgaged Premises or the Mortgagee's rights and remedies under the Loan Documents; and
 - (vi) such other encumbrances as may be consented to in writing by the Mortgagee, and for certainty, the Form C Section 219 Housing Covenant in favour of the Corporation of the City of New Westminster registered on the same day as this Mortgage is a Permitted Encumbrance.
- (cc) **"Person"** means a corporation, an association, a partnership, an organization, a business, an individual, a government or political subdivision thereof or a government agency.
 - (dd) **"Principal Sum"** means the amount of principal money outstanding from time to time and secured by this Mortgage.
 - (ee) **"Replacement Cost"** means the cost of repairing, replacing or reinstating any item of property with materials of like kind and quality on the same or a similar site, including municipal by-laws extension if applicable and without deduction for physical, accounting or other depreciation.
 - (ff) **"Taxes"** means all taxes, rates and assessments, municipal, local, parliamentary or otherwise, which now are or may hereafter be imposed, charged or levied upon the Mortgaged Premises.

Section 1.02 The headings of all the Articles and Sections hereof are inserted for convenience of reference only and shall not affect the construction or interpretation of this Mortgage.

Section 1.03 Whenever in this Mortgage a particular Article, Section or other portion thereof is referred to, unless otherwise indicated, such reference pertains to an Article, Section or portion thereof contained herein.

Section 1.04 Whenever there is more than one Person constituting the Mortgagor hereunder, they shall each be liable jointly and severally for all the Mortgagor's obligations hereunder and a default by one shall be deemed to be a default by all.

Section 1.05 All dollar amounts expressed herein are expressed as being lawful money of Canada.

Section 1.06

- (a) This Mortgage and the rights and obligations of the parties hereto shall be interpreted in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.

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- (b) Unless expressly stipulated or otherwise required by the context, all references in this Mortgage to any federal, provincial or municipal statute, regulation, by-law, order, directive or other governmental enactment shall be deemed to be and construed as a reference to the same as amended or re-enacted from time to time.
- (c) This Mortgage is made pursuant to the *Land Transfer Form Act* of the Province of British Columbia. To the extent that this Mortgage contains any of the forms or words contained in Column I of Section 6 of the Act, the same shall have the same effect and be construed as if the form of words contained in Column II of Schedule 6 of that Act were fully set forth in this Mortgage. Despite that this Mortgage is declared to be made in pursuance of the *Land Transfer Form Act*, it is expressly understood and agreed by the Mortgagor that the provisions of the form of words numbered 15 in Schedule 6 in the *Land Transfer Form Act* shall have no force and effect in respect of this Mortgage or any of the monies hereby secured, whether for interest or principal or upon any other account whatsoever and the provisions relating to a default under this Mortgage by the Mortgagor shall be as set out in this Mortgage and the Mortgagor shall not be relieved from the consequences of default by payment of the monies of which default of payment has been made and costs and charges related thereto.
- (d) The Doctrine of Consolidation shall apply to this mortgage despite Section 27(3) of the *Property Law Act* or any similar statutory provision in force from time to time.

Section 1.07 This Mortgage shall be construed with all changes in number and gender required by the circumstances.

ARTICLE 2 SECURITY

Section 2.01 In consideration of the advance of the Principal Sum and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Mortgagor, the Mortgagor does hereby mortgage unto the Mortgagee, its successors and assigns forever, as security for the due payment of the Indebtedness and performance and observance of all covenants, agreements and conditions to be performed or observed by the Mortgagor under the Loan Documents, all of the right, title and interest of the Mortgagor in and to the Mortgaged Premises.

Section 2.02 Upon and subject to the terms, conditions and provisions contained in Article 9, and for the consideration recited in Section 2.01, as additional security for the due payment of the Indebtedness and performance and observance of all covenants, agreements and conditions in the Loan Documents on the part of the Mortgagor to be performed or observed, the Mortgagor does hereby assign, transfer and set over unto the Mortgagee:

- (a) (i) any income derived from any tenancy, use or occupation of the Mortgaged Premises and any rents and other sums payable to the Mortgagor pursuant to the terms of any Leases;
- (ii) all benefits, advantages and powers to be derived from any and all Leases, with full power and authority to demand, sue for, recover, receive

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and give receipts for all rents and all other moneys payable thereunder and otherwise to enforce the rights of the landlord thereunder in the name of the Mortgagor;

- (iii) the benefit of any guarantees of and indemnities with respect to any Leases and the performance of any and all the obligations of any tenant thereunder;
- (iv) the benefit of all insurance indemnities pertaining to the Leases including, without limitation, those covering rents and other income derived thereunder; and
- (v) all bank accounts maintained in respect of the Mortgagor and/or the Mortgaged Premises and the moneys deposited therein from time to time.

provided, however that, until the Mortgagee is in possession of the Mortgaged Premises, the Mortgagor hereby indemnifies and saves harmless the Mortgagee from and against any and all loss, costs, damages, liabilities, expenses, claims or causes of action whatsoever arising from, or out of, or in relation to, the Leases; and

- (b) all the right, title and interest of the Mortgagor in and to the goods and chattels of the Mortgagor located in, on and upon the Mortgaged Premises together with any and all replacements, additions, substitutions and improvements thereto, including the full benefit and advantage derived therefrom,

TO HAVE AND TO HOLD the Mortgaged Premises and the Mortgage hereunder and all rights hereby conferred unto the Mortgagee forever and for the uses and purposes and with the powers and authorities herein expressed but subject nevertheless to the terms and conditions herein set forth.

Section 2.03 The Principal Sum advanced by the Mortgagee and which is secured by this Mortgage is EIGHTEEN MILLION DOLLARS (\$18,000,000.00) and the rate of interest Mortgageable upon the Principal Sum owing from time to time or at any time to the Mortgagee by the Mortgagor is as set forth in Section 2.04(a), calculated monthly, not in advance, as well after as before maturity of this Mortgage, and as well after as before default and as well after as before judgment, with interest on overdue interest at the same rate, calculated and compounded in the same manner, until paid.

Section 2.04 Provided always and these presents are upon the express condition that if:

- (a) the Mortgagor shall pay or cause to be paid unto the Mortgagee, without any deduction or abatement whatsoever, the full Principal Sum or such portion of such Principal Sum as shall have been advanced hereunder, with interest thereon in the manner and on the days and times as follows:
 - (i) interest only at the rate of 5.15% per annum (the "Initial Interest Rate") on such portion of the Principal Sum as may from time to time be outstanding (calculated monthly from and including the respective date of the advance(s) to and excluding the date of payment) due and payable on demand but not later than on the Interest Adjustment Date;

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- (ii) thereafter, interest only at the Initial Interest Rate on such portion of the Principal Sum as may from time to time be outstanding (calculated monthly from and including the Interest Adjustment Date or the previous interest payment date to and excluding the date of payment) on the first business day of each and every month in each and every year from and including the first business day of the first month immediately following the Interest Adjustment Date to and including April 1, 2024; and
- (iii) thereafter, interest only at the rate of 7.5% per annum (the "**Final Interest Rate**") on such portion of the Principal Sum as may be outstanding (calculated monthly from and including April 1, 2024 to and excluding the Maturity Date) on May 1, 2024 and the Principal Sum together with interest thereon as aforesaid shall become due and be paid on May 1, 2024 (the "**Maturity Date**");
- (b) the Mortgagor shall also pay or cause to be paid all such other sums as the Mortgagee shall be entitled to receive hereunder and, for purposes of this Mortgage, such sums shall be added to the Principal Sum and treated as principal; and
- (c) the Mortgagor shall observe and perform all of the covenants and agreements and satisfy all of the conditions herein contained,

All payments to the Mortgagee must be made in lawful money of Canada at the address of the Mortgagee, as set forth in Section 14.01 hereof, as the same may be amended from time to time by the Mortgagee in accordance with the provisions hereof. It is expressly understood that the terms of this Mortgage shall not be extended or renewed except as expressly set out in writing and the acceptance by the Mortgagee of one or more monthly instalments of principal and interest after the due date thereof or of any partial payment applicable to the outstanding Principal Sum, interest or otherwise hereunder, shall in no way be deemed or interpreted as consent by the Mortgagee to any extension or renewal of the term hereof.

Section 2.05 Upon the advance of the Principal Sum to the Mortgagor, an interest reserve in the amount of \$500,000.00 (the "**Interest Reserve**") will be deducted from the amount of the initial advance of the Principal Sum, placed in a Mortgagee controlled escrow account, and utilized to make the scheduled monthly interest payments as required hereunder until the interest reserve is depleted. On any given month during the term of this Mortgage, any excess cash flow generated by the Lands must be utilized towards scheduled monthly interest payments required hereunder (the "**Excess Cashflow Payment**"). The monthly deduction from the Interest Reserve shall be reduced if there is an Excess Cashflow Payment. The Mortgagor shall be required to report its monthly profit and loss to the Mortgagee in a format to be agreed upon.

Prior to 60 days before the expected depletion of the Interest Reserve, the Mortgagor shall provide cash funds to the Mortgagee to replenish the Interest Reserve in an amount satisfactory to cover the estimated debt service shortfall for the following 6-months of the term of this Mortgage as determined by the Mortgagee.

The Mortgagor acknowledges that the Interest Reserve has been fully advanced and shall bear interest from and after the date of the initial advance at the Interest Rate. The Interest Reserve is hereby pledged by the Mortgagor to the Mortgagee as security for the

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Principal Sum. If there is an Event of Default, the Mortgagee shall utilize and apply all or any part of the Interest Reserve toward the payment of principal, interest, costs or other monies owing to the Mortgagee by the Mortgagor under the Loan Documents, in the Mortgagee's sole discretion. All interest earned on the Interest Reserve shall be for the benefit of the Mortgagee and the Mortgagee shall not be required separately account for these amounts to the Mortgagor.

Section 2.06 The Mortgagor shall have the right to prepay this Mortgage, in whole or in part, provided that (i) no Default or Event of Default has occurred and is continuing, (ii) the Mortgagor has earned a minimum of 18 months' interest on the Principal Sum and (iii) the Borrower provides the Mortgagee with no less than 45 days' prior written notice of the intended prepayment.

Section 2.07 The Mortgagor agrees that neither the preparation, execution nor registration of this Mortgage shall bind the Mortgagee to advance the Principal Sum, and that the advance of the Principal Sum, or any part thereof, from time to time, shall be in the full discretion of the Mortgagee; but nevertheless the lien or Mortgage hereby created will take effect forthwith upon the execution of these presents by the Mortgagor, and in any event whether any part of the Principal Sum shall or shall not be advanced, the costs and expenses on a fully indemnity basis of the examination of the title and the preparation of this Mortgage and related security documentation, and the valuation and inspection charges in respect thereof, shall be a charge upon the Mortgaged Premises, and in default of payment shall constitute an Event of Default herein.

Section 2.08 If the Mortgagor shall fail to perform any covenant on its part herein contained, the Mortgagee may, in its discretion, but need not, perform such covenant capable of being performed by it and, if such covenant requires the payment or expenditure of money, it may make such payment or expenditure with its own funds, but shall be under no obligation to do so; and all such payments shall be at once payable by the Mortgagor and shall bear interest at the applicable Interest Rate and shall be secured hereby, but no such performance or payment shall be deemed to relieve the Mortgagor from any Event of Default hereunder.

Section 2.09 The Mortgagor hereby indemnifies and saves harmless the Mortgagee from all liabilities, obligations, claims, demands, losses, damages, actions, proceedings, costs and expenses arising from:

- (a) environmental contamination of the Mortgaged Premises or any non-compliance with Environmental Laws or regulations or non-compliance with any provisions of the environmental provisions contained in this Mortgage or in any of the other security for the Indebtedness;
- (b) any misapplication of rents, cash flow, security deposits and insurance proceeds from or pertaining to the Mortgaged Premises or pursuant to the Additional Security;
- (c) any fraud or material misrepresentation that the Mortgagor has made in connection with the Loan Documents, willful neglect by the Mortgagor of its obligations under this Mortgage or the Additional Security or any intentional misconduct by the Mortgagor relating to the Mortgaged Premises and Additional Security;

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- (d) any claims, actions or proceedings brought forward by any third party in connection with the Mortgaged Premises;
- (e) failure on the Mortgagor's part, or its agents, to adequately maintain, and insure the Mortgaged Premises, its structures and mechanical systems; and/or
- (f) any claims, actions or proceedings brought forward by a third party in connection with the *Wage Earner Protection Program Act* and corresponding amendments to the *Bankruptcy and Insolvency Act* and the *Companies' Creditors Arrangement Act* pursuant to Bill C-55 (2005) and Bill C-12 (2007), as amended.

The foregoing indemnities shall be unlimited as to amount notwithstanding any other limitation of liability set out in this Mortgage or in the Commitment and shall survive repayment of the Indebtedness, but only with respect to any claims and expenses existing or relating to the period of time prior to such termination.

ARTICLE 3 COVENANTS BY MORTGAGOR

Section 3.01 The Mortgagor covenants and agrees with the Mortgagee:

- (a) that it shall pay or cause to be paid to the Mortgagee the Indebtedness when due and in the manner applicable thereto;
- (b) that it, at the time of the execution and delivery hereof, is lawfully seized of a good and marketable title to the Mortgaged Premises and all appurtenances thereto and of, on and in every part and parcel thereof without any manner of trusts, reservations, limitations, provisos or conditions except the Permitted Encumbrances or as may be disclosed to the Mortgagee in writing;
- (c) that it has good right, full power and lawful authority to mortgage the Mortgaged Premises to the Mortgagee in the manner provided in Sections 2.01 and 2.02, and according to the true intent and meaning of this Mortgage;
- (d) that from and after the occurrence of an Event of Default, then subject to the provisions of Article 7, the Mortgagee shall be lawfully entitled to peaceably and quietly enter into, have, hold, use, occupy, possess and enjoy the Mortgaged Premises with their appurtenances (other than any appurtenances owned by someone other than the Mortgagor, or removable by tenants, or subtenants thereof, under the Leases) without hindrance, interruption or denial by the Mortgagor or any other Person or Persons whomsoever, subject to Permitted Encumbrances;
- (e) that it will repair or cause to be repaired and will keep or cause to be kept in good order and repair the Mortgaged Premises from time to time to the standard as would be done by a prudent owner of similar property in the circumstances, and will at all reasonable times, subject to the provisions of the Leases and the rights of the tenants pursuant thereto, allow the Mortgagee or its duly authorized representatives access to the same in order to view the state and condition thereof;

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- (f) that it will forthwith and from time to time execute and do all such assurances, contracts and things (including instruments supplemental or ancillary hereto) as in the opinion of Counsel, acting reasonably, are necessary for validly giving to the Mortgagee the mortgage hereby intended to be created and all such assurances shall be in such form as shall be reasonably required for such purpose;
- (g) that it will not remove or destroy or permit to be removed or destroyed any of the plant, machinery and equipment which are the property of the Mortgagor and are located on the Mortgaged Premises without the prior written approval of the Mortgagee, such approval not to be unreasonably withheld or delayed; provided that nothing herein shall prevent the removal of any such property from one part of the Mortgaged Premises to another or the temporary removal of any such property for purposes of repair and provided further that the Mortgagor may remove, dismantle, sell, exchange or otherwise dispose of any plant, machinery or equipment which has become obsolete, worn out, unserviceable or unnecessary for use in the conduct of the business on the Mortgaged Premises if such plant, machinery or equipment is replaced by plant, machinery or equipment of at least equal value;
- (h) that it will not permit waste to be committed or suffered on the Mortgaged Premises and it will not remove or attempt to remove the Building, or any part thereof, from the Mortgaged Premises and will refrain from doing anything or allowing anything to be done which would result in an impairment or diminution of the value of the Mortgaged Premises and that the Mortgaged Premises will be operated at all times in accordance, in all material respects, with all applicable laws and ordinances, whether municipal, county, provincial or federal, including the compliance in all material respects with any legislation and regulation in respect of the accommodation of handicapped persons and environmental protection;
- (i) that it will perform all of its obligations under the Permitted Encumbrances including, without limitation, the Leases as would a prudent and careful owner;
- (j) that it will use commercially reasonable efforts to have any default on the part of a tenant, or sub-tenant thereof, under its Lease cured as promptly as possible in accordance with prudent real estate management practice;
- (k) save and except for any construction or renovation plans disclosed by the Mortgagor to the Mortgagee prior to the date of this Mortgage, that it will not undertake or permit any material change, expansion, alteration or demolition of the Building, or access thereto, other than tenant related changes, expansion or alteration pursuant to and as permitted under any Lease, without the prior written approval of the Mortgagee, which approval shall not be unreasonably withheld; and that, in connection with any such material change, expansion or alteration of the Building, it shall comply in all respects with the provisions of the *Builders Lien Act*, S.B.C. 1997, c.45 and shall vacate or discharge forthwith any construction lien filed against all or any part of the Mortgaged Premises, and the Mortgagor will not make or permit to be made any alterations or additions to the Lands without the prior written consent of the Mortgagee, which consent shall not be unreasonably withheld;

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- (l) that it will pay, or cause to be paid, as and when the same become due and payable, all Taxes, liens, charges, encumbrances or claims which are, or may become, charges or claims against the Additional Security or the Mortgaged Premises, or any part thereof;
- (m) that it will provide, or cause to be provided, from time to time and at all times in, on or upon the Mortgaged Premises sufficient parking to cover all requirements of any governmental regulation or by-law, together with such additional parking spaces as may be required in any Leases or agreements to which the Mortgagor is bound;
- (n) that it will at all times self-manage or maintain professional property management for the Mortgaged Premises acceptable to the Mortgagee and any change in the management of the Mortgaged Premises shall be subject to the approval of the Mortgagee. It is agreed by the Mortgagor that if at any time the Mortgagee becomes dissatisfied with the current or future professional property management of the Mortgaged Premises and if the reasons for such dissatisfaction are not remedied within thirty (30) days of receipt of notice by the Mortgagor from the Mortgagee detailing the reasons for its dissatisfaction, then the Mortgagor shall, at the request of the Mortgagee, change the professional property management within a further thirty (30) days, to such other professional property management as is acceptable to the Mortgagee, and its failure to do so shall constitute an Event of Default. The Mortgagor also agrees that upon the occurrence of an Event of Default that is continuing, the Mortgagee shall have the right to replace the manager of the Mortgaged Premises at a fee equal to 5% of the gross revenue generated from the Mortgaged Premises;
- (o) that the Principal Sum is not intended to be utilized for the purposes of securing financing of any improvements whatsoever with regard to the Mortgaged Premises, nor for the purposes of repaying any financing, charge or otherwise, which was utilized or intended for the financing of an improvement with regard to the Mortgaged Premises;
- (p) that it shall maintain the Mortgaged Premises in full compliance with the provisions of all applicable fire legislation, codes by-laws, regulations, and Governmental Body requirements and any directives or orders thereunder;
- (q) that in connection with the covenants of the Mortgagor hereunder, and subject to the rights of tenants under the Leases, the Mortgagor agrees to permit reasonable access to the Mortgaged Premises by the Mortgagee and its agents and employees from time to time, upon reasonable notice, and the Mortgagor agrees to make available from time to time, upon reasonable notice, all of the Mortgagor's records and books of account in connection with the Mortgaged Premises. Upon request, the Mortgagor shall deliver to the Mortgagee copies of all plans, specifications and drawings including as-built plans and working drawings and other specifications relating to any improvements forming part of the Mortgaged Premises and all architectural, structural, electrical and mechanical drawings, plans and specifications;
- (r) that the Mortgagor has not done, committed, executed or willfully or knowingly suffered any act, deed, matter or thing whatsoever whereby or by means whereof

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the Lands, or any part or parcel thereof, is or shall or may be in any way impeached, charged, affected or encumbered in title, estate or otherwise, except as the records of the land registry office disclose and except for Permitted Encumbrances; and shall keep the Lands free from all encumbrances except as may be permitted by the Mortgagee and except for Permitted Encumbrances;

- (s) that the Mortgagor will not change or permit to be changed the existing use or uses of the Lands without the prior written consent of the Mortgagee;
- (t) that the Mortgagor will not at any time prior to the discharge of this Mortgage become a non-resident of Canada within the meaning of the *Income Tax Act* (Canada);
- (u) that it will not make Distributions at any time that a Default or Event of Default has occurred and is continuing;
- (v) that it will not consolidate, amalgamate or merge with any other Person, enter into any corporate reorganization or other transaction intended to effect or otherwise permit a change in its existing corporate or capital structure, liquidate, wind-up or dissolve itself, or permit any liquidation, winding up or dissolution of the Mortgagor in each case without the prior written consent of the Mortgagee;
- (w) that it will not make any material change to the nature of the business activities of the Mortgagor without the prior written consent of the Mortgagee; and
- (x) that from and after the occurrence of an Event of Default, and if it shall fail to cure any such Event of Default, it will require the repayment of any and all loans made during the term of this Mortgage by it to any of its shareholders or other non-arm's length parties.

Section 3.02

- (a) The Mortgagor covenants and agrees with the Mortgagee that any sale, conveyance, transfer or disposition of the legal and/or beneficial ownership or control of the Mortgaged Premises to a purchaser or transferee ("**Transferee**") who has not been previously consented to in writing by the Mortgagee, shall immediately constitute an Event of Default hereunder.
- (b) The Mortgagor covenants and agrees with the Mortgagee that it will not, without the Mortgagee's prior written consent, which shall not be unreasonably withheld, permit a change of Control of the Mortgagor. The Mortgagor covenants and agrees with the Mortgagee that in the event that it breaches the foregoing covenant, it shall immediately constitute an Event of Default hereunder.
- (c) The Mortgagee may require a Transferee to enter into an assumption agreement agreeing to assume this Mortgage and any amendments hereto, and any collateral agreements, and to pay the Indebtedness at the times and in the manner required and to observe, perform, keep and be liable under and be bound by every covenant, condition and obligation herein and any amendments hereto, and any collateral agreements, to be performed by the Mortgagor thereunder (including this obligation) at the time and in the manner and in all

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respects as therein contained and to be bound by each and all of the terms, covenants, conditions and obligations of this Mortgage and any amendments hereto, and any collateral agreements as though the same had been originally made, executed and delivered by such Transferee as Mortgagor.

- (d) In the event that the Mortgagee does not approve the Transferee and/or the Transferee does not execute an assumption agreement, the Mortgagee may declare the Indebtedness to be due and payable and the same shall forthwith become due and payable to the Mortgagee on the closing date of the sale or other applicable transaction and the Mortgagor shall and will pay forthwith to the Mortgagee the Indebtedness in such circumstances.
- (e) Acceptance by the Mortgagee of payments by any Transferee shall not be deemed to be approval or acceptance of such Transferee. It is understood further that no sale or consent to sale or assumption of this Mortgage by a Transferee shall in any way release or otherwise affect the personal covenants or obligations of the Mortgagor herein named or any other Person liable for the payment of all sums secured hereby.

Section 3.03 The Mortgagor covenants and agrees with the Mortgagee that the Mortgagor will provide mortgage security over any future parcels of land acquired by the Mortgagor adjacent to the Lands or otherwise, where such lands will ultimately form part of the overall development site for the intended future redevelopment of the Lands by the Mortgagor (the "**Future Parcels**"). The Mortgagee will endeavor to provide acquisition financing for Future Parcels on the same terms outlined in the Commitment on a best-efforts basis. In the event that the Mortgagee does not provide such financing, the Mortgagor shall provide the Mortgagee with mortgage security over the Future Parcels, but the Mortgagee acknowledges that such mortgage security will be subordinate to the acquisition financing arranged by the Borrower in respect of the Future Parcels.

Section 3.04 The Mortgagor covenants and agrees with the Mortgagee that it will not create or assume or purport or attempt to create or assume any mortgage, lien, charge, encumbrance or other security on the Mortgaged Premises or any part thereof, or on the Additional Security, other than the Permitted Encumbrances and/or any purchase money security interest on specific equipment or other fixed assets to secure the payment of the purchase price of such equipment or other fixed assets, and any extensions, renewals or replacements thereof, without the prior written consent of the Mortgagee, and any breach of this covenant shall constitute an Event of Default hereunder.

Section 3.05

- (a) The Mortgagor represents and warrants, after due enquiry, that, except as set out in any environmental reports provided to the Mortgagee, the Mortgaged Premises and their existing prior uses comply and have at all times complied with all laws, regulations, orders and approvals of all governmental authorities having jurisdiction with respect to environmental matters applicable to the ownership, use, maintenance and operation of the Mortgaged Premises (collectively, the "**Environmental Laws**") and, without limiting the generality of the foregoing:

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- (i) the Mortgaged Premises have never been used as a land fill site or to store Hazardous Substances (as hereinafter defined) either above or below ground, in storage tanks or otherwise;
 - (ii) all Hazardous Substances used in connection with the business conducted at the Mortgaged Premises have at all times been received, handled, used, stored, treated, shipped and disposed of in strict compliance with all Environmental laws;
 - (iii) no Hazardous Substances have been released into the environment or deposited, discharged, placed or disposed of at, on or near the Mortgaged Premises as a result of the conduct of business on the Mortgaged Premises; and
 - (iv) no notices of any violation of any matters referred to above relating to the Mortgaged Premises or their use have been received by the Mortgagor and there are no directions, writs, injunctions, orders or judgments outstanding, no law suits, claims, proceedings or investigations pending or threatened, relating to the ownership, use, maintenance or operation of the Mortgaged Premises nor is there any basis for such law suits being instituted or filed.
- (b) It shall be an Event of Default under this Mortgage if the foregoing representations and warranties shall be false or misleading.
 - (c) For the purposes herein, a "Hazardous Substance" includes but is not limited to contaminants, pollutants, dangerous substances, gasoline, oil, liquid wastes, industrial wastes, whole liquid wastes, toxic substances, hazardous wastes, hazardous materials and hazardous substances as defined in or pursuant to the *Environmental Management Act*, S.B.C.,2003, c-53 or any applicable Environmental Law.
 - (d) The Mortgagor shall, at its sole cost and expense, prevent the imposition of any lien against the Mortgaged Premises for the cleanup of any Hazardous Substance, and shall comply and cause (i) all tenants under any Lease and (ii) any other Person on or occupying the Mortgaged Premises to comply with all Environmental Laws.
 - (e) The Mortgagor shall immediately advise the Mortgagee in writing of (i) any and all enforcement, cleanup, removal or other governmental or regulatory actions instituted, completed, or threatened pursuant to any Environmental Laws; (ii) all claims made or threatened by any third party against the Mortgagor or the Mortgaged Premises relating to damage, contribution, cost recovery compensation, loss or injury; and (iii) the Mortgagor's discovery of any occurrence or condition on any real property adjoining or in the vicinity of the Mortgaged Premises that could cause the Mortgaged Premises, or any part thereof, to be subject to any restriction on the ownership, occupancy, transferability, or use of the Mortgaged Premises under any Environmental Laws.
 - (f) The Mortgagor shall promptly take any and all necessary remedial action in response to the presence, storage, use, disposal, transportation or discharge of

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any Hazardous Substance on, under or about the Mortgaged Premises; provided, however, that the Mortgagor shall not, without the Mortgagee's prior written consent, take any remedial action in response to the presence of any Hazardous Substance on, under, or about the Mortgaged Premises, nor enter into any settlement agreement, consent decree, or other compromise in respect to any claims, proceedings, lawsuits or actions, contemplated or threatened pursuant to any Environmental Laws or in connection with any third party relating to environmental matters, if such remedial action, settlement, consent or compromise might, in the Mortgagee's sole determination, impair the value of the Mortgagee's security hereunder; the Mortgagee's prior consent shall not, however, be necessary in the event that the presence of Hazardous Substance on, under, or about the Mortgaged Premises either:

- (i) poses an immediate threat to the health, safety or welfare of any individual; or
 - (ii) is required to be responded to by any applicable Environmental Laws.
- (g) In the event the Mortgagor undertakes any remedial action with respect to any Hazardous Substance on, under or about the Mortgaged Premises, the Mortgagor shall immediately notify the Mortgagee of any such remedial action, and shall conduct and complete such remedial action:
- (i) in compliance with all applicable Environmental Laws;
 - (ii) to the satisfaction of the Mortgagee acting reasonably; and
 - (iii) in accordance with the orders and directives of all federal, provincial and local governmental authorities.
- (h) It shall constitute an Event of Default hereunder if any Hazardous Substance is found in or upon the Mortgaged Premises and the Mortgagor fails to implement immediate measures satisfactory to the Mortgagee for the removal/treatment of any Hazardous Substances.
- (i) The Mortgagor agrees to indemnify and save fully and completely harmless the Mortgagee and its officers, directors, employees, agents and shareholders from and against any and all losses, damages, demands, claims, actions, Mortgages, orders, directives, undertakings, Costs, legal fees and expenses, of every nature and kind, whatsoever and howsoever, which at any time or from time to time may be paid by, or incurred by, or suffered by, or asserted against, any of them with respect to or as a direct result of:
- (i) a breach of any of the representations, warranties or covenants hereinbefore set out in this Section 3.05;
 - (ii) the presence of any Hazardous Substance in, on, under or about the Lands;
 - (iii) the breach of any Environmental Laws; and/or

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- (iv) the discharge, emission, release, spill or disposal of any Hazardous Substance from the Lands into or upon any land, the atmosphere, any watercourse, body of water or wetland or any other property.

The amount of any such loss shall bear interest from the time it occurs at the Interest Rate and shall be a charge on the Mortgaged Premises. The indemnity provided for in this Section 3.05(i) shall survive repayment of the Indebtedness and the discharge of this Mortgage.

- (j) With reasonable prior written notice and subject to the rights of tenants under the Leases, the Mortgagee shall have the right to inspect the Mortgaged Premises.

Section 3.06 THE MORTGAGOR covenants that, within the periods of time hereinafter specified, or within such other period(s) of time as may be specified by the Commitment, the Mortgagor shall deliver or cause to be delivered to the Mortgagee the following:

- (a) within 30 days after the end of each fiscal quarter of operation of the Lands, and within 60 days after the end of each fiscal year of operation of the Lands, a balance sheet, income statement and an annual operating statement in respect of the Lands for the immediately preceding fiscal quarter or fiscal year, as the case may be, setting forth the gross rents and other income derived from the Lands, the cost and expenses of operation and maintenance of the Mortgaged Premises including recoverable and non-recoverable operating expenses, a statement of change in financial position and such other information, supporting schedules and explanations in respect of the same as may be reasonably required by the Mortgagee, together with an up-to-date rent roll for the Mortgaged Premises;
- (b) within 30 days after the end of each fiscal quarter of the Mortgagor, and within 60 days after the end of each fiscal year of the Mortgagor, the annual or quarterly (as the case may be) financial statements of the Mortgagor detailing a complete list of assets and liabilities satisfactory to the Mortgagee. The statements are to be prepared by a recognized firm of accountants and will include a balance sheet, a detailed statement of income and expenditures, and supporting notes and schedules; and
- (c) at the request of the Mortgagee at any time during the term of this Mortgage, updated financial statements, property level operating statements and rent rolls.

All such operating and financial statements shall be prepared at the expense of the Mortgagor and in accordance with generally accepted accounting principles applied on a consistent basis and by a duly qualified chartered accountant or certified public accountant which is acceptable to the Mortgagee, acting reasonably, and shall be submitted in audited form if so required by the Mortgagee in the event of a default occurring pursuant to this Mortgage, and the completeness and correctness of such statements shall be supported by an affidavit of an authorized officer of the Mortgagor if so requested by the Mortgagee.

Section 3.07 The Mortgagor covenants with the Mortgagee to provide such additional security, information, documentation and assurances as may be reasonably required from time to time by the Mortgagee prior to the repayment of all amounts secured by this Mortgage, to determine

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and to establish and preserve, in all respects the priority of this Mortgage and all advances made hereunder of any rights of lien claimants pursuant to the provisions of the *Builders Lien Act*, S.B.C., 1997, c-45 as amended and/or restated from time to time, hereinafter referred to in this Section 3.06 as the "Lien Act".

- (a) At the time of each advance there shall have been full and complete compliance with all requirements of the Lien Act. The Mortgagor agrees that the Mortgagee shall be entitled to withhold from any advance, or pay into court as an advance, such amounts as the Mortgagee considers advisable to protect its interests from subordination under the provisions of the Lien Act, and to secure the priority of the Mortgage over any actual or potential construction liens. Nothing in this Mortgage shall be construed to make the Mortgagee an "owner" as defined by the Lien Act, nor shall there be, or be deemed to be, any obligation by the Mortgagee to retain any holdback or otherwise or to maintain on the Mortgagor's behalf any holdback which may be required to be made by the owner or payer. Any such obligation shall remain solely the Mortgagor's obligation. The Mortgagor hereby covenants and agrees to comply in all respects with the provisions of the Lien Act.
- (b) The Mortgagor covenants and agrees that all improvements to the Mortgaged Premises shall comply in all respects with the provisions of the Lien Act and if a builders lien is filed against all or part of the Mortgaged Premises, then within ten (10) business days after receipt of notice thereof, the Mortgagor shall have the lien vacated or discharged. If the Mortgagor fails to do so, then in addition to its other rights provided herein, the Mortgagee shall be entitled to pay into court a sum sufficient to obtain an order vacating such lien or to purchase a financial guarantee bond in the form prescribed under the Lien Act. All costs, mortgages and expenses incurred by the Mortgagee in connection with such payment into court or in connection with the purchase of a financial guarantee bond or in connection with any legal proceedings described below, together with interest thereon at the Interest Rate, shall be added to the Indebtedness and secured by the Mortgage and shall be payable forthwith by the Mortgagor to the Mortgagee. If any person that performs work, labour or services or that provides materials to or for the Mortgaged Premises, names the Mortgagee as a party to any legal proceedings which it takes to enforce a construction lien or trust claim, then the Mortgagor agrees to reimburse the Mortgagee for, and indemnify the Mortgagee against any and all legal expenses (on a solicitor and his own client basis) incurred by the Mortgagee in such legal proceedings.
- (c) The Mortgagee shall not become a mortgagee in possession by reason only of exercising any of the rights given to it under this Section or in making any payment to preserve, protect or secure the Mortgaged Premises.

Section 3.08 Notwithstanding the execution of the Mortgage or any advance of funds by the Mortgagee pursuant to the Commitment, the Mortgagee reserves the right to require additional security instruments, assurances and support documents that Counsel may reasonably from time to time deem necessary or advisable.

ARTICLE 4
TAXES AND UTILITIES

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Section 4.01 It is mutually agreed between the parties hereto that the Mortgagor will pay or cause to be paid, promptly as they fall due, all Taxes and will, no later than 30 days after the date when each instalment thereof becomes due and payable, provide the Mortgagee with evidence reasonably satisfactory to it of payment thereof. Notwithstanding the foregoing, if required by the Commitment:

- (a) the Mortgagor shall remit to the Mortgagee monthly instalments for Taxes in an amount determined from time to time by the Mortgagee to be sufficient to allow the Mortgagee to accumulate in a reserve fund all amounts necessary for the full payment of all Taxes affecting the Mortgaged Premises on the date such Taxes become due. The sums thereby accumulated shall be secured hereby and held by the Mortgagee without interest to the Mortgagor;
- (b) the Mortgagee reserves the right to adjust, from time to time the estimated monthly tax amount based on the taxes actually levied against the Mortgaged Premises. The Mortgagor shall transmit to the Mortgagee all tax bills and other notices relative to the imposition of Taxes on the Mortgaged Premises forthwith after receipt thereof by it;
- (c) any debit balance from time to time in the reserve fund shall be subject to payment on demand and, until paid, shall bear interest at the Interest Rate and shall together with such interest be secured hereby;
- (d) the amount, if any, by which the aggregate of the Taxes which have been paid by the Mortgagee exceed at any time and from time to time the aggregate of all payments which have been made by the Mortgagor to the Mortgagee pursuant to this covenant, shall be payable by the Mortgagor on demand at any time and from time to time;
- (e) when making advances from time to time of any money secured by this Mortgage, the Mortgagee may, and is hereby directed to deduct and pay out of any such advances any amount that shall have become due and payable with respect to Taxes;
- (f) the Mortgagee may deduct from any advance of the monies secured by this Mortgage an amount sufficient to pay all Taxes which have become due and payable during any calendar year;
- (g) if the Taxes actually Mortgaged in a calendar year, together with any interest and penalties thereon, exceed the amount estimated by the Mortgagee as aforesaid, the Mortgagor shall pay to the Mortgagee, on demand, the amount required to make up the deficiency. The Mortgagee may at its option, pay any of the Taxes when payable, either before or after they are due, without notice, or may make advances therefor in excess of the then amount of credit held by the Mortgagee for Taxes. Any excess amount advanced by the Mortgagee shall be secured as an additional principal sum under this Mortgage and shall bear interest at the Interest Rate until repaid by the Mortgagor;
- (h) in no event shall the Mortgagee be liable for any interest on any amount paid to it on account of Taxes and the monies so received may be held with its own funds pending payment or application thereof as herein provided; provided that in the

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event that the Mortgagee does not utilize the funds received on account of Taxes in any calendar year, such amount or amounts may be held by the Mortgagee on account of any pre-estimate of Taxes required for the next succeeding calendar year, or at the Mortgagee's option the Mortgagee may repay such amount to the Mortgagor without any interest; and

- (i) in the event the Mortgagee does not collect payments on account of Taxes as aforesaid, the Mortgagor shall deliver to the Mortgagee within thirty (30) days following the due date for each installment of Taxes written evidence from all taxing authorities having jurisdiction to the effect that the then current installment of Taxes and all other Taxes due in respect of the then current calendar year and any preceding calendar years have been paid in full, failing which, the Mortgagee shall be entitled to Mortgage a servicing fee for each written inquiry directed to such taxing authorities or the Mortgagor for the purpose of ascertaining the status of the Taxes together with any costs payable to such taxing authorities for such information.

Section 4.02 THE MORTGAGOR covenants that it will pay all utility and fuel Mortgages related to the Lands as and when they are due and that the Mortgagor will not allow or cause the supply of utilities or fuel to the Mortgaged Premises to be interrupted or discontinued and that, if the supply of fuel oil or utilities is interrupted or discontinued, the Mortgagor will take all steps that are necessary to ensure that the supply of utilities or fuel is restored forthwith.

ARTICLE 5 INSURANCE

Section 5.01

- (a) The Mortgagor will insure and keep insured during the term of this Mortgage the buildings and other improvements on the Lands (now or hereafter erected) on an all-risks basis in an amount of not less than the greater of the full replacement value of the buildings located thereon from time to time, or the principal money herein, with no co-insurance provisions and with the Mortgagee's standard mortgage clause forming part of such insurance policy. The Mortgagor shall carry such liability, rental, boiler, plate glass and other insurance coverage as is stipulated in the Commitment or as reasonably required by the Mortgagee to be placed with such insurance companies and in such amounts and in such form as may be acceptable to the Mortgagee acting reasonably. All such policies shall provide for loss payable to the Mortgagee and contain such additional clauses and provisions as is stipulated in the Commitment or as the Mortgagee may reasonably require. An original of all insurance policies and endorsements from the insurer to the effect that coverage has been bound and/or extended for a minimum period of at least one (1) year and that all premiums with respect to such term of such coverage have been paid for in full, shall be produced to the Mortgagee prior to any advance and at least thirty (30) days before expiration of any term of any such respective policy, failing which the Mortgagee may provide therefor and Mortgage the premium paid therefor and interest thereon at the aforesaid rate to the Mortgagor and any amounts so paid by the Mortgagee shall be payable forthwith to the Mortgagee and shall also be a charge upon the Lands and secured by this Mortgage. It is further agreed that the Mortgagee may, acting

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reasonably, at any time require any insurance on the said buildings to be cancelled and new insurance effected with a company to be named by it.

- (b) In the event that the evidence of continuation of such insurance as herein required has not been delivered to the Mortgagee within the required time, the Mortgagee shall be entitled to a servicing fee for each written inquiry which the Mortgagee shall make to the insurer or the Mortgagor pertaining to such renewal (or resulting from the Mortgagor's non-performance of the within covenant). In the event that the Mortgagee pursuant to the within provision arranges insurance coverage with respect to the Lands, the Mortgagee, in addition to the aforementioned servicing fee, shall be entitled to a further servicing fee for arranging the necessary insurance coverage.
- (c) In the event of any loss or damage, the Mortgagor shall forthwith notify the Mortgagee in writing and notwithstanding any other provision to the contrary, statutory or otherwise, in the event of any monies becoming payable pursuant to any insurance policy herein required, other than liability insurance, the Mortgagee may, acting reasonably, require the said monies to be applied by the Mortgagor in making good the loss or damage in respect of which the money is received, or in the alternative, may require that any or all of the monies so received be applied in or towards satisfaction of any or all of the indebtedness hereby secured whether or not such indebtedness has become due. No damage may be repaired nor any reconstruction effected without the approval in writing of the Mortgagee in any event, which approval shall not be unreasonably withheld.
- (d) The Mortgagor, upon demand, will transfer all policies of insurance provided for herein and the indemnity which may become due therefrom to the Mortgagee. The Mortgagee shall have a lien for the indebtedness hereby secured on all the said insurance proceeds and policies, and upon the payout of these insurance monies by any of the insurance providers may elect to have these insurance monies applied as it may deem appropriate, including payment of monies secured hereby, whether due or not, but the Mortgagee shall not be bound to accept the said monies in payment of any principal not yet due.

Section 5.02 In addition to the insurance which the Mortgagor is required to maintain pursuant to Section 5.01, the Mortgagee shall be entitled to require coverage from time to time with respect to the Mortgaged Premises for such other risks and perils and in such form or forms of insurance as may be reasonable and prudent at such time for similar properties.

Section 5.03

- (a) The Mortgagor shall duly and punctually pay or cause to be paid all premiums and other sums of money payable for maintaining all insurance required to be maintained and affected under Section 5.01.
- (b) Every policy of insurance shall be effected on such terms and with such insurer as may be approved by the Mortgagee acting reasonably and shall have attached thereto the Insurance Bureau of Canada mortgage clause 3000 and a mortgage clause providing that such policies may not be cancelled except after thirty (30) days' notice to the Mortgagee or such lesser notice as may be reasonably acceptable to the Mortgagee. In addition, there shall be attached to

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each policy of insurance maintained in pursuance of the provisions hereof a specific endorsement providing that the insurer shall provide to the Mortgagee thirty (30) days' prior written notice of cancellation, material adverse change and/or non-renewal.

- (c) In the event of failure on the part of the Mortgagor to maintain or cause to be maintained any insurance required by Section 5.01, the Mortgagee may effect such insurance and the Mortgagor covenants to repay to the Mortgagee all of the premiums paid by the Mortgagor, the amount thereof to be added to the Indebtedness, to bear interest at the Interest Rate from the time of payment by the Mortgagee and to be payable on demand.
- (d) The Mortgagor shall deposit with the Mortgagee (whether or not a request has been made) either, at the Mortgagee's sole option, certified copies of all policies of insurance or true certificates of all such policies signed by the insurers, setting forth with reasonable particularity the terms of all policies of insurance which are required to be maintained hereunder and evidencing compliance with the provisions of Sections 5.01. The Mortgagor shall maintain the original copies of all such policies at the Mortgagor's address according to Section 14.01 and the Mortgagee or its authorized representative shall be entitled during normal business hours to have access thereto for the purpose of reviewing such policies and making extracts therefrom or copies thereof. The Mortgagor shall provide to the Mortgagee, on each anniversary of the date of registration of this Mortgage, satisfactory evidence of the general liability insurance coverages.

ARTICLE 6 EVENTS OF DEFAULT

Section 6.01 In this Mortgage, "Event of Default" means each and every one of the following events:

- (a) if the Mortgagor defaults in payment of the Indebtedness, or any portion thereof, when the same becomes due and, with the exception of the Principal Sum or any portion of the Principal Sum due on the Maturity Date, such default continues for three (3) business days from the date such payment became due; or
- (b) if the Mortgagor defaults in the payment of Taxes (save and except when the validity thereof is, in good faith, contested by the Mortgagor and it has given security for payment thereof in full) and any such default continues either for a period of three (3) business days or such other reasonable amount of time agreed to between the parties or for such shorter period as would at any time, if continued, render the Mortgaged Premises, or any portion thereof, liable to forfeiture; or
- (c) if the Mortgagor shall default in observing or performing any covenant contained in Article 5 of this Mortgage and, after notice in writing has been given by the Mortgagee to the Mortgagor specifying in reasonable detail such default and requiring the Mortgagor to rectify same, the Mortgagor fails to rectify such default within a period of ten (10) days; or.

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- (d) if the Mortgagor shall become insolvent or bankrupt or a trustee in bankruptcy shall be appointed in respect of the Mortgagor or if the Mortgagor shall do any act or any other Person shall do any act to dissolve or facilitate the dissolution process in respect of the Mortgagor or if the Mortgagor shall make a general assignment for the benefit of creditors or shall go into liquidation, either voluntarily or under an order of a court of competent jurisdiction, or otherwise acknowledge insolvency unless, in the case of either an involuntary appointment of a trustee in bankruptcy, a liquidation order or an act to facilitate an involuntary or a voluntary dissolution, the Mortgagor is contesting such appointment, order or act, in good faith, and such appointment, order or act is quashed or set aside within a period of 30 days; or
- (e) if at any time prior to the repayment of all amounts secured by this Mortgage the Mortgaged Premises shall fail to comply with all applicable building, zoning and other municipal by-laws, statutory requirements and regulations (save and except any such non-compliance which is, in good faith, contested by the Mortgagor with the Municipality or other body having jurisdiction until the final disposition thereof against the Mortgagor), and if, after notice in writing of any such non-compliance has been given by the Mortgagee to the Mortgagor specifying in reasonable detail such default and requiring the Mortgagor to put an end to the same, the Mortgagor fails to make good such default within a reasonable period of time; provided, however, that a legal non-conforming use shall be deemed to be in compliance with applicable building, zoning and other municipal by-laws, statutory requirements and regulations; or
- (f) if the Mortgagor or a representative of the Mortgagor attempts or applies to re-zone the Lands or any part thereof without the prior written approval of the Mortgagee, which approval shall not be unreasonably withheld or delayed, provided that such re-zoning shall not impact on the value of the Mortgaged Premises as determined by the Mortgagee, acting reasonably; or
- (g) if the Mortgagor mortgages or otherwise encumbers the Mortgaged Premises or any part thereof or interest therein or permits any lien, Mortgage or encumbrance thereon in breach of Section 3.03 hereof; or
- (h) if the Mortgaged Premises are transferred or sold in breach of Section 3.02 hereof or if there has been any breach of the covenants set out therein; or
- (i) if any of the representations or warranties contained in any written information, statements or representations at any time made or furnished to the Mortgagee by the Mortgagor concerning the Mortgaged Premises or any party's financial condition and responsibility are incorrect or inaccurate in any material respect; or
- (j) if the Mortgagor fails to observe or perform its obligations contained in any of the Permitted Encumbrances registered against the title to the Mortgaged Premises beyond any applicable cure period; or
- (k) if the Mortgagor fails to carry out or observe any other covenant or condition herein contained on its part to be observed and performed and, after notice in writing has been given by the Mortgagee to the Mortgagor specifying in reasonable detail such default and requiring the Mortgagor to put an end to the

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same, the Mortgagor fails to make good such default within a period of fifteen (15) days of such notice; or

- (l) if there is a material adverse change in the position and condition, financial or otherwise, of the Mortgagor, the Mortgaged Premises or the Mortgagor's title to the Mortgaged Premises as determined by the Mortgagee, acting reasonably, which could materially impair the ability of the Mortgagor to fully perform its obligations under the Mortgage or Additional Security in a timely manner or could materially impair the ability of the Mortgagee to enforce its rights and remedies under the Mortgage or Additional Security; or
- (m) if any subsequent encumbrance is approved pursuant to Section 3.03 hereof, then if any event of default shall occur in respect of any subsequent encumbrance or any loan documents relating thereto, which is not cured within the time period, if any, provided therein for the curing thereof, such default shall be deemed an Event of Default under this Mortgage, and shall entitle the Mortgagee hereunder, at its option, to exercise any or all of its default remedies hereunder immediately upon notice to the Mortgagor, without any additional curative periods applicable hereunder beyond those applicable in the loan documents pertaining to the said subsequent encumbrance; or
- (n) if the Mortgaged Premises are abandoned for a period in excess of fifteen (15) consecutive days and the Mortgagor fails to rectify same within ten (10) days after notice from the Mortgagee, or such other reasonable amount of time agreed to between the parties.

Section 6.02

- (a) If and so long as the Mortgagor defaults in the payment, at the time or times herein provided for the payment thereof, of any sum of money due and payable to the Mortgagee under any provision hereof, the Mortgagor will, so long as the amount so in default or any part thereof remains in default, pay to the Mortgagee, in addition to any and all other sums of money payable hereunder, compound interest on the amount so in default or on so much thereof as may from time to time remain unpaid, computed from the time of such default at the applicable Interest Rate and to become due and be paid on demand, and any interest which is payable under or by virtue of this Section 6.02 shall be secured hereby and shall be a Mortgage upon the Mortgaged Premises until paid.
- (b) AND the Mortgagee shall have the right at its sole option to capitalize any interest owing from time to time and to add same to the principal amount secured hereby and to treat it as part thereof and Mortgage interest thereon. Such capitalized interest and interest thereon shall at all times be secured under the security granted by the Mortgagor to the Mortgagee pursuant to this Mortgage in first priority in the same manner as accrued interest. The Mortgagee at its sole option shall have the right to treat such capitalized interest as principal or accrued interest.

ARTICLE 7 REMEDIES IN CASE OF DEFAULT

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Section 7.01 The Mortgagor hereby covenants and agrees with the Mortgagee that upon the occurrence of an Event of Default which is continuing the Mortgagee may, in its discretion and in addition to any remedy set forth or invoked pursuant to Section 7.03 hereof, declare the Indebtedness to be due and payable and the same shall forthwith become immediately due and payable to the Mortgagee on demand and the Mortgagor shall and will pay forthwith to the Mortgagee on demand the Indebtedness.

Section 7.02 The Mortgagee may in writing at any time or times waive an Event of Default after the occurrence thereof upon such terms and conditions as it shall prescribe; provided, however, that any such waiver shall apply only to the particular Event of Default waived and shall not operate as a waiver of any other or future Event of Default.

Section 7.03 Upon the occurrence of an Event of Default which is continuing the Mortgagee may, in its discretion:

- (a) take possession of all or any parts of the Mortgaged Premises with power to exclude the Mortgagor and its agents and servants therefrom; complete and/or preserve and maintain the Mortgaged Premises and make such replacements thereto and additions thereto as the Mortgagee shall deem judicious; receive the rents, incomes and profits thereof of any kind whatsoever and pay therefrom all expenses of maintaining, preserving, protecting and operating the Mortgaged Premises and all Mortgages against the Mortgaged Premises ranking in priority to this Mortgage or payment of which may be necessary to preserve or protect the Mortgaged Premises, and pay out the remainder of the money so received, and not required for any of the purposes provided for in this Section 7.03, in accordance with the provisions of Section 8.01; in accordance with prudent real estate practice, lease any vacant space in the Mortgaged Premises and renew from time to time any or all of the Leases; and enjoy and exercise all powers necessary to the performance of all functions provided for in this Subsection 7.03(a), including, but not in limitation thereof, the power to purchase on credit, borrow money, advance its own moneys at such rates of interest as shall be reasonable and to enter into contracts and undertake obligations for the foregoing purposes upon the security hereof; provided that the Mortgagee shall, upon all Events of Default being made good, or waived as herein provided, restore the Mortgaged Premises to the Mortgagor subject to the Mortgage created by this Mortgage as if no Event of Default had occurred; and/or
- (b) take all such steps as the Mortgagee may consider necessary or desirable for the purposes of completing the Mortgaged Premises and/or any improvements or additions thereto as the Mortgagee may determine and for such purposes to enter into all such contracts and undertake all such obligations as the Mortgagee may determine, and to give security therefor upon the Mortgaged Premises; provided that the Mortgagee shall not be under any obligation to complete any construction of the Building and/or any additions or improvements thereto; and/or
- (c) apply to a Court of competent jurisdiction for the appointment of a receiver or receiver and manager to take possession of all or such part of parts of the Mortgaged Premises as the Mortgagee shall designate, with such duties, powers and obligations as the Court making the appointment shall confer; and/or

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- (d) with or without entry into possession of the Mortgaged Premises or any part thereof, by writing duly executed by the Mortgagee, appoint a receiver, which term shall include a receiver and manager, of the Mortgaged Premises or any part thereof and of the rents and profits thereof and with or without security and may from time to time by similar writing remove any receiver and appoint another in his stead and upon the appointment of any such receiver or receivers from time to time the following provisions shall apply:
- (i) every such receiver shall, to the extent permitted by law, be the agent or attorney of the Mortgagor for the collection of all rents falling due in respect of the Mortgaged Premises or any part thereof whether in respect of any tenancies created in priority to this Mortgage or subsequent thereto;
 - (ii) every such receiver may, in the discretion of the Mortgagee and by writing under its corporate seal, be vested with all or any of the powers and discretions of the Mortgagee;
 - (iii) the Mortgagee may from time to time by such writing fix the reasonable remuneration of every such receiver who shall be entitled to deduct the same out of the receipts from the Mortgaged Premises or the proceeds thereof, such fee currently being equal to 5% of the gross income generated by the Mortgaged Premises;
 - (iv) every such receiver shall, so far as concerns the responsibility of his acts or omissions, be deemed the agent or attorney of the Mortgagor and in no event the agent of the Mortgagee;
 - (v) the appointment of every such receiver by the Mortgagee shall not incur or create any liability on the part of the Mortgagee to the receiver in any respect and such appointment or anything which may be done by any such receiver or the removal of any such receiver or the termination of any such receivership shall not have the effect of constituting the Mortgagee a mortgagee in possession in respect of the Mortgaged Premises or any part thereof;
 - (vi) every such receiver shall from time to time have the power to rent, in accordance with prudent real estate practice, any portion of the Mortgaged Premises for such term and subject to such provisions as he may deem advisable or expedient and in so doing every such receiver shall act as the attorney or agent of the Mortgagor and he shall have authority to execute under seal any Lease of any such premises in the name of and on behalf of the Mortgagor and the Mortgagor undertakes to ratify and confirm whatever any such receiver may do in the premises;
 - (vii) every such receiver shall, in accordance with prudent real estate practice, have full power to manage, operate, amend, repair, alter, complete or extend the Mortgaged Premises or any part thereof in the name of the Mortgagor for the purpose of securing the payment of the Indebtedness;

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- (viii) no such receiver shall be liable to the Mortgagor to account for moneys other than cash received by it in respect of the Mortgaged Premises or any part thereof and every such receiver shall apply such cash so received to pay in the following order:
- (A) its reasonable remuneration as aforesaid;
 - (B) all expenses properly made or incurred by it in connection with the management, operations, amendment, repair, alteration or extension of the Mortgaged Premises or any part thereof;
 - (C) money which may from time to time be or become charged upon the Mortgaged Premises in priority to this Mortgage, and all taxes, insurance premiums and every other proper expenditure made or incurred by it in respect to the Mortgaged Premises or any part thereof;
 - (D) all interest due or falling due, other moneys (if any) on account of reasonable and proper expenditures made or incurred by or for the Mortgagee and the Indebtedness, or the balance thereof, secured by this Mortgage; and
 - (E) thereafter any surplus remaining in the hands of every such receiver to the Mortgagor or its assigns; and
- (ix) the Mortgagee may at any time and from time to time terminate any such receivership by notice in writing, duly executed by the Mortgagee, to the Mortgagor and to any such receiver; and/or
- (e) subject to the provisions of any applicable legislation, with or without taking possession, sell all or part of the Mortgaged Premises either as a whole or in separate parcels, at public auction or by public tender, at such time and places, subject to adjournment from time to time by the Mortgagee, on such reasonable terms and conditions as to upset or reserve bid or price and as to payment as the Mortgagee shall appoint; and if there is no purchase at such sale or tender, the Mortgagee may sell at private sale without further notice; and/or
 - (f) realize all or any part or parts of the security hereby constituted by any other means of any nature or kind whatsoever that a Court of competent jurisdiction shall approve as being just and expedient in the circumstances having regard to the nature of the operations carried on in the Mortgaged Premises, including any other action, suit, remedy or proceeding authorized or permitted by this Mortgage or by law or in equity, and not necessarily limited to those means of realization which the Court is given jurisdiction to approve by statute; and/or
 - (g) with or without taking possession, take any action or proceedings to enforce the performance of any covenant contained in any of the Leases; and/or
 - (h) take any action or proceedings to enforce payment of the Indebtedness and other moneys secured hereunder or performance of any other covenant contained herein, or to enforce the security hereby constituted, and to bring to

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sale the Mortgaged Premises or any part or parts thereof under a judgment or decree of a Court or Courts of competent jurisdiction or by the enforcement of any other legal remedy which the Mortgagee shall deem most effectual to protect and enforce any of its rights hereunder.

Section 7.04 No remedy herein conferred upon or reserved to the Mortgagee is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now existing or hereafter to exist by law or by statute as modified herein. Without limiting the generality of the foregoing, the taking of judgment or judgments on any of the covenants herein contained shall not operate as a merger of the said covenants or affect the right of the Mortgagee to interest.

Section 7.05 Save and except as to claims at law or in equity to an accounting, the Mortgagee shall not, nor shall any receiver or receiver and manager appointed by it (except in the case of gross negligence or willful misconduct), be responsible or liable, otherwise than as a trustee, for any debts contracted by it, for damages to persons or property, or for salaries or non-fulfillment of contracts during any period wherein the Mortgagee or such receiver or receiver and manager shall manage the Mortgaged Premises or any part thereof upon or after entry, as herein provided, and the Mortgagee shall not be bound to do, observe or perform or to see to the observance or performance by the Mortgagor of any of the obligations herein imposed upon the Mortgagor, nor in any other way to supervise or interfere with the conduct of the Mortgagor's operation of the Mortgaged Premises unless and until the occurrence of an Event of Default which is continuing and the Mortgagee exercises any remedy provided in this Article 7 or otherwise.

Section 7.06 In the event of any sale in accordance with the provisions of this Article 7, whether by the Mortgagee or under judicial proceedings, the Mortgagor agrees that it will execute and deliver to the purchaser on demand any instrument or assurance reasonably necessary to confirm to the purchaser the title of the property so sold, and, in the case of any such sale, the Mortgagee is hereby irrevocably authorized by the Mortgagor to execute on its behalf any such confirmatory instrument or assurance.

Section 7.07 No person dealing with the Mortgagee or its agents shall be concerned to inquire whether the powers which the Mortgagee or such agents are purporting to exercise have become exercisable, or whether any money remains due upon the security of this Mortgage, or as to the necessity or expediency of the stipulations and conditions subject to which any sale shall be made, or otherwise as to the propriety or regularity of any sale or of any other dealing by the Mortgagee with the Mortgaged Premises or to see to the application of any money paid to the Mortgagee; and in the absence of fraud on the part of such person, such dealings shall be deemed, insofar as regards the safety and protection of such person, to be within the powers hereby conferred and to be valid and effectual accordingly.

Section 7.08 It is hereby agreed that the Mortgagee may pay the amount of any encumbrance, lien, claim or charge now or hereafter existing, arising or claimed upon or against the Mortgaged Premises having priority, or purporting to have priority, over the Mortgage, including any Taxes, and may pay all costs, charges and expenses including all fees and expenses of Counsel, whether or not any action or any proceeding is taken, which may be incurred in taking, recovering, protecting and keeping possession of the Mortgaged Premises and/or collecting any overdue interest, principal, insurance premiums or any other moneys whatsoever payable by the Mortgagor hereunder and all costs incurred in preserving the priority of the Mortgagee hereunder and in defending all claims against that priority, including all amounts, costs, charges

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and expenses incurred by the Mortgagee as a consequence of the Mortgagor's default hereunder, and all such amount, costs, Mortgages and expenses so paid shall be added to the debt hereby secured and be a Mortgage on the Mortgaged Premises and shall bear interest at the Interest Rate and shall be payable forthwith by the Mortgagor to the Mortgagee. In the event of the Mortgagee paying the amount of any such encumbrance, lien, Taxes, claim or charge, either out of the moneys advanced under the Mortgage or otherwise, it shall be entitled and subrogated to all the rights, equities and securities of the Person so paid, without the necessity of a formal assignment, and the Mortgagee is hereby authorized to retain any discharge thereof, without registration, if it thinks proper to do so.

Section 7.09 In the event that, in addition to the Lands mortgaged hereby, the Mortgagee holds further security on account of the monies secured hereby, it is agreed that no single or partial exercise of any of the Mortgagee's powers hereunder or under any of such security, shall preclude other and further exercise of any other right, power or remedy pursuant to any of such security. The Mortgagee shall at all times have the right to proceed against all, any, or any portion of such security in such order and in such manner as it shall in its sole discretion deem fit, without waiving any rights which the Mortgagee may have with respect to any and all of such security, and the exercise of any such powers or remedies from time to time shall in no way affect the liability of the Mortgagor under the remaining security, provided however, that upon payment of the full indebtedness secured hereunder the rights of the Mortgagee with respect to any and all such security shall be at an end.

Section 7.10 The taking of a judgment or judgments on any of the covenants herein contained, shall not operate as a merger of the said covenants or affect the Mortgagee's right to interest at the rate and times herein provided; and further that the said judgment shall provide that interest thereon shall be computed at the same rate and in the same manner as herein provided until the said judgment shall have been fully paid and satisfied.

Section 7.11 It is not the intention of this Mortgage to violate any provisions of the *Interest Act* (Canada), the *Criminal Code* (Canada) (the "Code") or any other statute dealing with permitted rates of interest in the Province of British Columbia or in Canada. Notwithstanding any provisions set out herein, in no event shall the "interest" (as that term is defined in the Code) exceed the "criminal rate" (as defined therein) of interest on the "credit advanced" (as defined therein) stipulated under the said legislation. In the event that it is determined at any time that, by virtue of the Commitment, this Mortgage or any other document given as security for the Indebtedness, the payments of interest required to be made by the Mortgagor exceed the "criminal rate", then the Mortgagor shall only be required to pay interest at the highest rate permitted by law. Nothing herein shall invalidate any requirements for payment pursuant to the Commitment, this Mortgage or such other security documents, and any excess interest paid to the Mortgagee shall be refunded to the Mortgagor and the provisions of this Mortgage shall in all respects be deemed to be amended accordingly.

ARTICLE 8 **APPLICATION OF MONEYS**

Section 8.01 Except as herein otherwise expressly provided, the moneys arising from the possession by the Mortgagee of the Mortgaged Premises, or any Additional Security thereto, or from any sale or realization of the whole or any part of the Mortgaged Premises (except by foreclosure), or any Additional Security thereto, pursuant to any proceedings based upon an Event of Default hereunder, whether under any sale by the Mortgagee or by judicial proceedings or otherwise, shall be applied in the first place to pay or reimburse to the Mortgagee the costs,

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charges, expenses and advances of the Mortgagee incurred in taking, recovering and keeping possession of the Mortgaged Premises or any Additional Security thereto, or generally in any other proceedings taken hereunder in connection with or to realize upon the security hereof, with interest thereon as herein provided, and all Taxes, rent and all other charges ranking in priority to the security of this Mortgage, and the residue of the said moneys shall be applied first in or towards payment of the accrued and unpaid interest upon overdue interest, and thereafter in or towards payment of the other Indebtedness, unless the Mortgagee directs payments be made in accordance with any other order of priority, or without priority as between principal and interest, in which case such moneys shall be applied in accordance with such direction, and the surplus (if any) of such moneys shall be paid to the Mortgagor or its assigns.

ARTICLE 9 LEASES

Section 9.01 The Mortgagor covenants and agrees with the Mortgagee that it will not at any time prior to the repayment of all amounts secured by this Mortgage assign, pledge or hypothecate any of the Leases or the rents and revenues due or to become due thereunder, or any portions thereof without the prior written consent of the Mortgagee.

Section 9.02 For the consideration recited in Section 2.01 and as further security for the repayment of the Indebtedness and for the performance of the covenants herein contained the Mortgagor shall, from time to time and at any time, at the request of the Mortgagee, execute and deliver to the Mortgagee a specific assignment of any of the Leases in such form and on such terms as may be reasonably required by the Mortgagee.

Section 9.03 The Mortgagor shall, within 60 days following the end of each Lease year, furnish to the Mortgagee an up-to-date rent roll for the Mortgaged Premises, copies of all new Leases and a statement certified by an officer of the Mortgagor indicating whether or not the Leases are in good standing as of the end of such Lease year or, if not, the particulars of any default.

ARTICLE 10 EXPROPRIATION

Section 10.01 It shall be an Event of Default hereunder if (a) the whole of the Mortgaged Premises; or (b) any part of the Mortgaged Premises such that the balance is rendered commercially unusable, is expropriated, condemned or otherwise taken by any Governmental Body or other expropriating authority or sold in lieu of or in reasonable anticipation of any such proceedings, and, furthermore, all proceeds of any such expropriation or sale will, at the sole option of the Mortgagee, be paid to the Mortgagee in priority to the claims of any other Person and will, at the Mortgagee's sole option, be applied against any or all amounts secured hereby in such order of priority as the Mortgagee will in its sole discretion determine. Further and without limiting any of the foregoing, in the event that any portion of the Mortgaged Premises shall be purchased, acquired by agreement, or otherwise taken for any public work whatsoever pursuant to any applicable legislation or regulation, then, and in such event any and all consideration or compensation whatsoever payable to the Mortgagor or anyone claiming an interest under or through the Mortgagor shall be payable to and shall be paid to the Mortgagee accordingly, and further any such compensation paid to or to the order of or received by the Mortgagor shall be and be deemed to be held in trust for the Mortgagee.

ARTICLE 11 GENERAL

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Section 11.01 It is covenanted and agreed by and between the Mortgagor and the Mortgagee that the Mortgagee may in its discretion at all times release any part or parts of the Mortgaged Premises or any Additional Security or any other security either with or without any sufficient consideration therefor, without responsibility therefor, and without thereby releasing any other part of the Mortgaged Premises or any Additional Security or any Person from this Mortgage or from any of the covenants herein contained, it being expressly agreed that each and every portion into which the Mortgaged Premises is or may hereafter be divided does and shall stay Mortgaged with the Indebtedness and no Person shall have the right to require the Indebtedness to be apportioned and the Mortgagee shall not be accountable to the Mortgagor for the value thereof or for any moneys except those actually received by the Mortgagee.

Section 11.02 It is hereby further expressly declared and agreed by and between the Mortgagor and the Mortgagee that until the occurrence of an Event of Default and while same is continuing, the Mortgagor shall peaceably and quietly have, hold, use, occupy, possess and enjoy the Mortgaged Premises and the subject matter of the Additional Security and manage and operate the same and receive and take the rents, revenues and other profits thereof for its own use and benefit without hindrance, interruption or denial of or by the Mortgagee or by any other Person or Persons whomsoever claiming by, from or under the Mortgagee.

Section 11.03 Nothing in this Mortgage shall be deemed in any way or for any purpose to constitute the Mortgagor and Mortgagee as partners or joint venturers in the conduct of business or otherwise.

Section 11.04 The Mortgagor acknowledges receipt of a true copy of this Mortgage.

Section 11.05 The Mortgagee shall, at the written request and expense of the Mortgagor, cancel and discharge this Mortgage and execute and deliver to the Mortgagor such instruments as shall be requisite to discharge this Mortgage and to release or reconvey to the Mortgagor any property subject to the lien hereof and to settle and discharge to the Mortgagor any Additional Security given with respect to this Mortgage relating to the Leases or otherwise, provided that the Mortgagor shall have first paid to the Mortgagee the full Indebtedness and also all other moneys payable hereunder by the Mortgagor.

Section 11.06 The Mortgagee shall not be bound to do, observe or perform or to see to the observance or performance by the Mortgagor of any of the obligations herein imposed upon the Mortgagor, nor in any other way to supervise or interfere with the conduct of the Mortgagor's operations of the Mortgaged Premises.

Section 11.07 No extension of time given by the Mortgagee to the Mortgagor, or anyone claiming under the Mortgagor, or any other dealing by the Mortgagee with the owner of the Mortgaged Premises, shall in any way affect or prejudice the rights of the Mortgagee against the Mortgagor or any other Person liable for the payment of all sums secured hereby.

Section 11.08 The Mortgagor shall be entitled to receive upon written request, a statement of account with respect to this Mortgage as of any payment date under this Mortgage and the Mortgagee shall be entitled to a reasonable servicing fee for each such statement.

Section 11.09 There shall not be deemed to be any merger of this Mortgage nor of the rights and interests of the Mortgagee hereunder with the freehold or leasehold estates in the Lands nor with the reversion and rights and interests under any Lease by reason of the fact that the

- 31 -

same Person may own or acquire, directly or indirectly, two or more of such estates, rights or interests.

Section 11.10 The obtaining of a judgment or judgments on any covenant herein contained shall not operate as a merger of such covenant or affect the Mortgagee's right to interest at the interest rate as herein provided.

Section 11.11 Any payment received after 12:01 p.m. Toronto time on any date shall be deemed, for the purpose of calculation of interest to have been made and received on the next bank business day and the Mortgagee shall be entitled to interest on the amount due to it, to and including the date on which the payment is deemed by this provision to have been received.

Section 11.12 If any covenant or condition in this Mortgage contained shall be void for any reason, it shall be severed from the remainder of the provisions hereof and such remainder shall remain in full force and effect notwithstanding such severance.

Section 11.13 In the event that the Mortgagee, in addition to the Mortgaged Premises secured hereunder, holds any further additional security (including the Additional Security) on account of the indebtedness secured herein, it is agreed that no single or partial exercise by the Mortgagee of any of the remedies specified in Article 7 hereof or under any of such additional securities shall preclude any other and further exercise of any other right, power or remedy pursuant to this Mortgage or pursuant to any of such additional securities. The Mortgagee shall at all times have the right to proceed against all or any portion of the Mortgaged Premises or such additional security in such order and in such manner as it shall in its discretion deem fit without waiving any rights which the Mortgagee may have with respect to any and all of such security, and the exercise of any such powers or remedies from time to time shall in no way affect any other powers or remedies which the Mortgagee may have pursuant to this Mortgage, any such additional security, or in law or in equity.

Section 11.14 In the event that the Mortgagee is at any time or from time to time prior to the repayment of all amounts secured by this Mortgage required to make a payment to defeat or honour the priority of a lien claimant, any such payment or payments, and the out-of-pocket expenses of the Mortgagee, including legal fees on a solicitor and his own client basis, shall be at once payable by the Mortgagor and shall bear interest at the Interest Rate and shall be secured hereby.

Section 11.15 If and whenever the Mortgagee reasonably requests an acknowledgement from the Mortgagor as to the statement of account with respect to this Mortgage or the status of the terms and conditions of this Mortgage, the Mortgagor shall execute such an acknowledgement in such form as may be reasonably required by the Mortgagee provided that the contents of such form are correct, and the Mortgagor shall do so forthwith upon request and without cost to the Mortgagee and shall return such acknowledgement duly executed within two (2) business days of such request.

ARTICLE 12 NON-MERGER

Section 12.01 The Mortgagor and the Mortgagee hereby agree that the execution and registration of this Mortgage and the collateral and other security granted to secure the Indebtedness by the Mortgagee to the Mortgagor made pursuant to the terms of the Commitment or the advance of any monies under this Mortgage shall not cause the

- 32 -

Commitment to merge, but rather the Commitment shall survive and all the terms therein shall be binding after all advances under this Mortgage have been made. Any default under the Commitment not remedied within the time or times set out in Article 6 hereof or otherwise provided in this Mortgage shall constitute a default under the Mortgage and shall entitle the Mortgagee, at the Mortgagee's option, to exercise all of its rights and remedies contained in this Mortgage. To the extent that they are not inconsistent with the terms hereof, the terms, covenants and conditions set forth and contained in the Commitment shall be deemed to be terms and conditions of this Mortgage as fully and effectively as if the same were herein set forth and contained. In the event the terms of this Mortgage contradict the terms of the Commitment, the terms of the Commitment shall prevail.

ARTICLE 13
SUBSEQUENT INTERESTS

Section 13.01 The terms of this Mortgage may be amended, extended and this Mortgage may be renewed from time to time by mutual agreement between the then current owner of the Lands and the Mortgagee and the Mortgagor hereby further covenants and agrees that, notwithstanding that the Mortgagor may have disposed of its interest in the Lands, the Mortgagor will remain liable hereunder, and without limiting the foregoing, notwithstanding the amendment, extension and/or renewal of the Mortgage, and notwithstanding the giving of time for the payment of the Mortgage or the varying of the terms of the payment thereof or of the rate of interest thereon, and notwithstanding any other indulgence by the Mortgagee to the Mortgagor.

Section 13.02 The Mortgagor covenants and agrees with the Mortgagee that no agreement for amendment, extension and/or renewal hereof, or for extension of the time for payment of any monies payable hereunder shall result from, or be implied from, any payment or payments of any kind whatsoever made by the Mortgagor to the Mortgagee after the expiration of the original term of this Mortgage or of any subsequent term agreed to in writing between the Mortgagor and the Mortgagee, and that no amendment, extension and/or renewal hereof or any extension of the time for payment of any monies hereunder shall result from, or be implied from, any other act, matter or thing, save only express agreement in writing between the Mortgagor and the then current owner of the Lands.

ARTICLE 14
NOTICE

Section 14.01 Any notice, election, demand, declaration or request which may or is required to be given or made pursuant to this Mortgage shall (unless otherwise required by law) be given or made in writing and may be served personally upon any executive officer of the party for whom it is intended, sent by electronic mail or mailed by prepaid registered mail in Ontario:

(a) in the case of the Mortgagor, addressed to:

PO Box 8087, Victoria Main
Victoria, BC V8W 3R9

E-mail: _____
Attention: _____

(b) in the case of the Mortgagee, addressed to:

M.F.

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Portage Capital Nominee Corp.
25 Montgomery Avenue, Suite 202
Toronto, ON M4R 0A1

Email: servicing@portagecapital.ca
Attention: Mortgage Administration

or such other address or in care of such other officer as a party may from time to time advise to the other party hereto by notice in writing, as aforesaid. The date of receipt of any such notice, election, demand, declaration or request shall be the date of delivery of such notice, election, demand or request if delivered personally or, if sent by electronic mail, the business day following the date of transmittal, or if mailed as aforesaid, shall be deemed to be the fifth (5th) business day next following the date of such mailing. If at the date of any such mailing there is a general interruption in the operation of the postal service of Canada which does or is likely to delay the delivery by mail of such notice, election, demand or request, it shall be served personally.

This is **Exhibit "F"** referred to in the Affidavit of Michael Foy sworn before me at Surrey, British Columbia, the ____ day of December, 2025.



A Commissioner for taking affidavits within
British Columbia

Cassels

October 10, 2025

By Courier and Email

Kinnaird Konversion Limited Partnership,
by its general partner, Kinnaird Konversion GP Inc.
c/o Suite 2700 – 1133 Melville Street
Vancouver BC V6E 4E5

vtickle@cassels.com
tel: +1 778 309 7954
file # 053481-00154

Kinnaird Konversion Limited Partnership, by its general
partner, Kinnaird Konversion GP Inc.
PO Box 8087, Victoria Main
Victoria BC V8W 3R9

Attention: David Fullbrook

Email: david@merchanthousecapital.com

Dear Sirs/Mesdames:

Re: Secured Indebtedness to Portage Capital Nominee Corporation ("PCNC"), in its capacity as agent, nominee and bare trustee for and on behalf of Portage Capital Corporation ("PCC, and together with PCNC, the "Lender")

We are counsel to the Lender in connection with the above-noted matter. We refer you to the loan and security documents (collectively, the "**Loan Documents**") referenced in Schedule "A" hereto, as applicable.

Pursuant to the Loan Documents, the Bank extended to the Borrower certain financing (the "**Loan**"). As at October 1, 2025, the total amount outstanding under the Loan was \$18,123,750 (the "**Outstanding Amount**"), which sum includes principal and interest accrued as at October 1, 2025, but excludes fees, charges and expenses incurred (including legal fees), and interest, fees, charges and expenses that continue to accrue.

The Borrower (as defined below) is in default of its obligations under the Loan Documents, having failed, among other things, to make the interest payment in the sum of \$123,750 due on October 1, 2025 and such default is continuing. Such failure constitutes an Event of Default pursuant to the Loan Documents. As authorized by the Loan Documents, the Lender declares the Indebtedness (as defined in the Mortgage) due and payable. As a result, the Indebtedness is immediately due and payable on demand.

t. 604 691 6100
f. 604 691 6120
cassels.com

Cassels Brock & Blackwell LLP
Suite 2200, RBC Place, 885 West Georgia Street
Vancouver, BC V6C 3E8, Canada

M.F.

Cassels

October 10, 2025
Page 2

Pursuant to the terms of the Loan Documents, the Lender hereby demands payment of the Outstanding Amount, together with interest thereon at the rates set out in the applicable Loan Documents from and including October 1, 2025 to and including the date payment is received in our office, plus all legal and other fees, charges and expenses incurred by the Lender (the total of such amounts is hereafter referred to as the "**Payout Amount**"). The Payout Amount should be paid by way of wire transfer. Please contact us before remitting payment to ascertain the amount of interest and fees outstanding and so that we can provide our wire instructions. Unless the Payout Amount is received in our office by October 20, 2025, we expect to receive instructions to commence proceedings against you to enforce recovery of the amounts outstanding without further notice to you.

The above balance is based on the records available to the Lender at the date of this letter. If the true balance is different from the amount demanded, or if any further amounts become due to the Lender by the Borrower, the Lender reserves all rights to any additional monies which you may owe.

We also enclose with this letter a Notice of Intention to Enforce Security issued pursuant to section 244(1) of the *Bankruptcy and Insolvency Act*. Should the Borrower wish to consent to the immediate enforcement by the Lender of its security, please sign the consent and waiver below and return it to attention of the writer.

We trust that you will give this matter your immediate attention. We look forward to timely receipt of payment in full of the Payout Amount.

Yours truly,

Cassels Brock & Blackwell, LLP



Vicki Tickle
Partner

VT
Enclosure

t: 604 691 6100
f: 604 691 6120
cassels.com

Cassels Brock & Blackwell LLP
Suite 2200, RBC Place, 885 West Georgia Street
Vancouver, BC V6C 3E8 Canada

M.F.

October 10, 2025
Page 3

Schedule "A"
Loan Documents

1. Commitment letter dated December 15, 2020 and executed December 16, 2020 among Kinnaird Konversion Limited Partnership ("**Kinnaird LP**") by its general partner, Kinnaird Konversion GP Inc. (in such capacity, "**Kinnaird GP**"), David Fullbrook aka David Charles Fullbrook ("**Mr. Fullbrook**"), Paul Silk aka Paul Noel Silk ("**Mr. Silk**") and Kris Brawley aka Kristin Brawley Fullbrook ("**Ms Brawley Fullbrook**", and collectively with Mr. Fullbrook and Mr. Silk, the "**Guarantors**"), and PCC, as amended by letter agreement dated March 11, 2021 among 1274877 B.C. Ltd. (the "**Nominee**"), as nominee for the Kinnaird LP by the Kinnaird GP, the Guarantors and the Lender, and as further amended by letter agreement dated March 15, 2021 among the Nominee and the Kinnaird LP by the Kinnaird GP (collectively, the "**Borrower**"), the Guarantors and the Lender.
2. Renewal letter dated February 22, 2024 and executed February 28, 2024 among the Borrower, the Guarantors and the Lender, as amended by letter agreement dated March 14, 2024 among the Borrower, the Guarantors and the Lender.
3. General security agreement dated 2021 granted by Kinnaird LP (by Kinnaird GP) in favour of PCNC.
4. General security agreement dated 2021 granted by the Nominee in favour of the PCNC.
5. Mortgage in the original principal amount of \$18,000,000 granted by the Nominee in favour of PCNC executed March 16, 2021 and registered in the Land Title Office for the District of New Westminster (the "**LTO**") on March 22, 2021 under registration number CA8859099, as modified by modification of mortgage dated March 15, 2024 and registered in the LTO on April 5, 2024 under registration number CB1247915 (the "**Mortgage**").
6. Assignment of rents granted by the Nominee in favour of PCNC executed March 16, 2021 and registered in the LTO on March 22, 2021 under registration number CA8859100.
7. Beneficial Authorization and Charge Agreement dated 2021 among PCNC, the Nominee and Kinnaird LP.
8. Indemnity Agreement dated 2021 granted by the Borrower and the Guarantors in favour of PCNC.
9. Environmental Indemnity dated 2021 granted by the Borrower and the Guarantors in favour of PCNC.
10. Guarantee dated 2021 granted by Mr. Fullbrook in favour of PCNC.
11. Guarantee dated 2021 granted by Mr. Silk in favour of PCNC.

M.F.

October 10, 2025
Page 4

12. Guarantee dated 2021 granted by Ms Brawley Fullbrook in favour of PCNC.
13. Amendment, acknowledgement and confirmation dated March 27, 2024 executed by the Borrower and the Guarantors in favour of the Lender.

N.F.

NOTICE OF INTENTION TO ENFORCE SECURITY
PURSUANT TO THE BANKRUPTCY AND INSOLVENCY ACT (CANADA)
SECTION 244

**TO: KINNAIRD KONVERSION LIMITED PARTNERSHIP, by its general partner,
 KINNAIRD CONVERSION GP INC., an insolvent person (the "Debtor")**

TAKE NOTICE THAT:

1. **PORTAGE CAPITAL NOMINEE CORPORATION, in its capacity as agent, nominee and bare trustee for and on behalf of Portage Capital Corporation, intends to enforce its security on the Debtor's property, described below:**

All present and after-acquired personal property which arises from, pertains to, is located on, or is used in the operation and maintenance of the lands and premises known municipally as 65 First Street, New Westminster, British Columbia and legally described as more particularly set out in Schedule "A" hereto (the "**Property**"), the Property, and any proceeds therefrom.

2. The security that is to be enforced is in the form of:
- a) a general security agreement dated 2021, and
 - b) beneficial authorization and charge agreement dated 2021.
3. The total indebtedness secured by the security as at October 1, 2025, is \$18,123,750, plus interest and any costs incurred by the secured creditor, which continue to accrue, up to the date of payment.
4. The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period following the sending of this notice, unless the Debtor consents to an earlier enforcement.

DATED at Vancouver, British Columbia, on October 10, 2025.

**PORTAGE CAPITAL NOMINEE CORPORATION, by its
 solicitors
 Cassels Brock & Blackwell LLP**

Per: _____

Vicki Tickle

Schedule "A"

Legal Descriptions of Property

PID: 000-812-277 Strata Lot 1 Block 19 New Westminster District Strata Plan NW2195
 PID: 000-813-460 Strata Lot 2 Block 19 New Westminster District Strata Plan NW2195
 PID: 000-813-478 Strata Lot 3 Block 19 New Westminster District Strata Plan NW2195
 PID: 000-813-494 Strata Lot 4 Block 19 New Westminster District Strata Plan NW2195
 PID: 000-813-508 Strata Lot 5 Block 19 New Westminster District Strata Plan NW2195
 PID: 000-813-516 Strata Lot 6 Block 19 New Westminster District Strata Plan NW2195
 PID: 000-813-532 Strata Lot 7 Block 19 New Westminster District Strata Plan NW2195
 PID: 000-813-541 Strata Lot 8 Block 19 New Westminster District Strata Plan NW2195
 PID: 000-813-559 Strata Lot 9 Block 19 New Westminster District Strata Plan NW2195
 PID: 000-813-567 Strata Lot 10 Block 19 New Westminster District Strata Plan NW2195
 PID: 000-813-583 Strata Lot 11 Block 19 New Westminster District Strata Plan NW2195
 PID: 000-813-591 Strata Lot 12 Block 19 New Westminster District Strata Plan NW2195
 PID: 000-813-605 Strata Lot 13 Block 19 New Westminster District Strata Plan NW2195
 PID: 000-813-613 Strata Lot 14 Block 19 New Westminster District Strata Plan NW2195
 PID: 000-813-621 Strata Lot 15 Block 19 New Westminster District Strata Plan NW2195
 PID: 000-813-630 Strata Lot 16 Block 19 New Westminster District Strata Plan NW2195
 PID: 000-813-656 Strata Lot 17 Block 19 New Westminster District Strata Plan NW2195
 PID: 000-813-664 Strata Lot 18 Block 19 New Westminster District Strata Plan NW2195
 PID: 000-813-672 Strata Lot 19 Block 19 New Westminster District Strata Plan NW2195
 PID: 000-813-681 Strata Lot 20 Block 19 New Westminster District Strata Plan NW2195
 PID: 000-813-699 Strata Lot 21 Block 19 New Westminster District Strata Plan NW2195
 PID: 000-813-702 Strata Lot 22 Block 19 New Westminster District Strata Plan NW2195
 PID: 000-813-711 Strata Lot 23 Block 19 New Westminster District Strata Plan NW2195
 PID: 000-813-729 Strata Lot 24 Block 19 New Westminster District Strata Plan NW2195
 PID: 000-813-737 Strata Lot 25 Block 19 New Westminster District Strata Plan NW2195
 PID: 000-813-745 Strata Lot 26 Block 19 New Westminster District Strata Plan NW2195
 PID: 000-813-753 Strata Lot 27 Block 19 New Westminster District Strata Plan NW2195
 PID: 000-813-761 Strata Lot 28 Block 19 New Westminster District Strata Plan NW2195
 PID: 000-813-770 Strata Lot 29 Block 19 New Westminster District Strata Plan NW2195
 PID: 000-813-796 Strata Lot 30 Block 19 New Westminster District Strata Plan NW2195
 PID: 000-813-800 Strata Lot 31 Block 19 New Westminster District Strata Plan NW2195
 PID: 000-813-826 Strata Lot 32 Block 19 New Westminster District Strata Plan NW2195
 PID: 000-813-834 Strata Lot 33 Block 19 New Westminster District Strata Plan NW2195
 PID: 000-813-842 Strata Lot 34 Block 19 New Westminster District Strata Plan NW2195
 PID: 000-813-851 Strata Lot 35 Block 19 New Westminster District Strata Plan NW2195
 PID: 000-813-869 Strata Lot 36 Block 19 New Westminster District Strata Plan NW2195
 PID: 000-813-877 Strata Lot 37 Block 19 New Westminster District Strata Plan NW2195
 PID: 000-813-893 Strata Lot 38 Block 19 New Westminster District Strata Plan NW2195
 PID: 000-813-923 Strata Lot 39 Block 19 New Westminster District Strata Plan NW2195
 PID: 000-813-931 Strata Lot 40 Block 19 New Westminster District Strata Plan NW2195
 PID: 000-813-940 Strata Lot 41 Block 19 New Westminster District Strata Plan NW2195
 PID: 000-813-958 Strata Lot 42 Block 19 New Westminster District Strata Plan NW2195
 PID: 000-813-966 Strata Lot 43 Block 19 New Westminster District Strata Plan NW2195
 PID: 000-813-974 Strata Lot 44 Block 19 New Westminster District Strata Plan NW2195
 PID: 000-813-982 Strata Lot 45 Block 19 New Westminster District Strata Plan NW2195

M.F.

PID: 000-814-016 Strata Lot 46 Block 19 New Westminster District Strata Plan NW2195
PID: 000-814-024 Strata Lot 47 Block 19 New Westminster District Strata Plan NW2195

PID: 000-814-032 Strata Lot 48 Block 19 New Westminster District Strata Plan NW2195
PID: 000-814-041 Strata Lot 49 Block 19 New Westminster District Strata Plan NW2195
PID: 000-814-059 Strata Lot 50 Block 19 New Westminster District Strata Plan NW2195
PID: 000-814-075 Strata Lot 51 Block 19 New Westminster District Strata Plan NW2195
PID: 000-814-083 Strata Lot 52 Block 19 New Westminster District Strata Plan NW2195
PID: 000-814-113 Strata Lot 53 Block 19 New Westminster District Strata Plan NW2195
PID: 000-814-121 Strata Lot 54 Block 19 New Westminster District Strata Plan NW2195
PID: 000-814-130 Strata Lot 55 Block 19 New Westminster District Strata Plan NW2195
PID: 000-814-148 Strata Lot 56 Block 19 New Westminster District Strata Plan NW2195
PID: 000-814-156 Strata Lot 57 Block 19 New Westminster District Strata Plan NW2195
PID: 000-814-164 Strata Lot 58 Block 19 New Westminster District Strata Plan NW2195
PID: 000-814-172 Strata Lot 59 Block 19 New Westminster District Strata Plan NW2195
PID: 000-814-181 Strata Lot 60 Block 19 New Westminster District Strata Plan NW2195
PID: 000-814-199 Strata Lot 61 Block 19 New Westminster District Strata Plan NW2195

CONSENT AND WAIVER

TO: PORTAGE CAPITAL NOMINEE CORPORATION, in its capacity as agent, nominee and bare trustee for and on behalf of Portage Capital Corporation (the "Secured Party")

FROM: KINNAIRD KONVERSION LIMITED PARTNERSHIP, by its general partner, KINNAIRD KONVERSION GP INC.

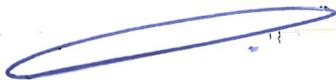
The undersigned, Kinnaird Konversion Limited Partnership, hereby acknowledges receipt from the Secured Party of a Notice of Intention to Enforce Security dated October 10, 2025 (the "Notice") given by the Secured Party pursuant to subsection 244(1) of the *Bankruptcy and Insolvency Act* (Canada) (the "Act") in respect of the security granted by the undersigned to the Secured Party. In accordance with subsection 244(2) of the Act, Kinnaird Konversion Limited Partnership hereby waives its right to the 10 day notice period and consents to the immediate enforcement by the Secured Party of its security.

DATED at _____ this _____ day of _____, 2025.

**KINNAIRD KONVERSION LIMITED PARTNERSHIP, by its
general partner, KINNAIRD KONVERSION GP Inc.**

Authorized Signatory

This is **Exhibit "G"** referred to in the Affidavit of Michael Foy sworn before me at Surrey, British Columbia, the ____ day of December, 2025.



A Commissioner for taking affidavits within
British Columbia

M.F.

McQuarrie

McQuarrie Hunter LLP
 Suite 1500, 13450 - 102 Ave
 Surrey, BC V3T 5X3
 Tel: 604.581.7001
 Fax: 604.581.7110
 MCQUARRIE.COM

Managing Lawyer: Dan A.T. Moseley
 E-Mail: dmoseley@mcquarrie.com

Direct Line: 604.580.7022

Legal Administrative Assistant: Sharon Martin

E-Mail: smartin@mcquarrie.com

Direct Line: 604.580.7073

Our File No.: 251917

October 17, 2025

VIA COURIER

1274877 B.C. Ltd.
 R.O. 2700 – 1133 Melville Street
 Vancouver, B.C. V6E 4E5

Kinnaird Konversion Limited Partnership
 R.O. 2700 – 1133 Melville Street
 Vancouver, B.C. V6E 4E5

Re: Mortgage and Assignment of Rents between 1274877 B.C. Ltd. (the “Trustee”) and Price Capital Partners Inc. (the “Lender”) registered in the New Westminster Land Title Office under CB2112487 and CB2112488, (collectively, the “Mortgage”);

Promissory Note dated June 16, 2025 (the “Loan Agreement”) made between the Lender and Kinnaird Konversion Limited Partnership (the “Borrower”);

Beneficial Mortgage and Direction to Charge dated June 16, 2025 made between the Lender, the Trustee and Kinnaird Konversion Limited Partnership (the “Beneficial Owner”); and

General Security Agreement dated June 16, 2025 made between Kinnaird Konversion Limited Partnership and 1274877 B.C. Ltd. (collectively, the “Debtor”) and Price Capital Partners Inc. (the “Secured Party”)

Notice of Default and Demand for Payment of the Mortgage and Loan Agreement

We are counsel for the Lender with respect to the above noted matter.

We do not represent you and urge you to seek legal advice that you deem necessary to protect your interests in this matter.

Pursuant to the Loan Agreement, the Mortgage is in default as you are in default of your obligations under the mortgage in favor of Portage Capital Nominee Corp., registered in the New Westminster Land Title office under number CA8859099 as modified by number CB1247915 (collectively, the “First Mortgage”)

The Lender 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.

We are instructed that as of October 16, 2025 the amount owing is as follows:

Principal & interest to October 16, 2025	\$ 6,229,333.75
Legal Fees	\$ 1,500.00

Total Amount Due and Owing

\$ 6,230,833.75

Interest continues to accrue on the above noted amount.

We hereby demand payment of the total amount outstanding including interest to the date of payment and expenses by way of certified cheque or bank draft made payable to McQuarrie Hunter LLP, in trust, within ten (10) days of receipt of this correspondence. If we are not in receipt of same within this time limited, we have instructions from the Lender to commence proceedings in the Supreme Court of British Columbia, without further notice.

We also enclose a Notice of Intention to Enforce Security, issued pursuant to s. 244 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3. Upon expiry of this demand, our client shall be entitled to proceed to enforce against the secured assets.

Yours truly,

MCQUARRIE HUNTER LLP



DAN A.T. MOSELEY*

Partner

*DATM Law Corporation

DAM/srm

This is **Exhibit "H"** referred to in the Affidavit of Michael Foy sworn before me at Surrey, British Columbia, the ____ day of December, 2025.



A Commissioner for taking affidavits within
British Columbia

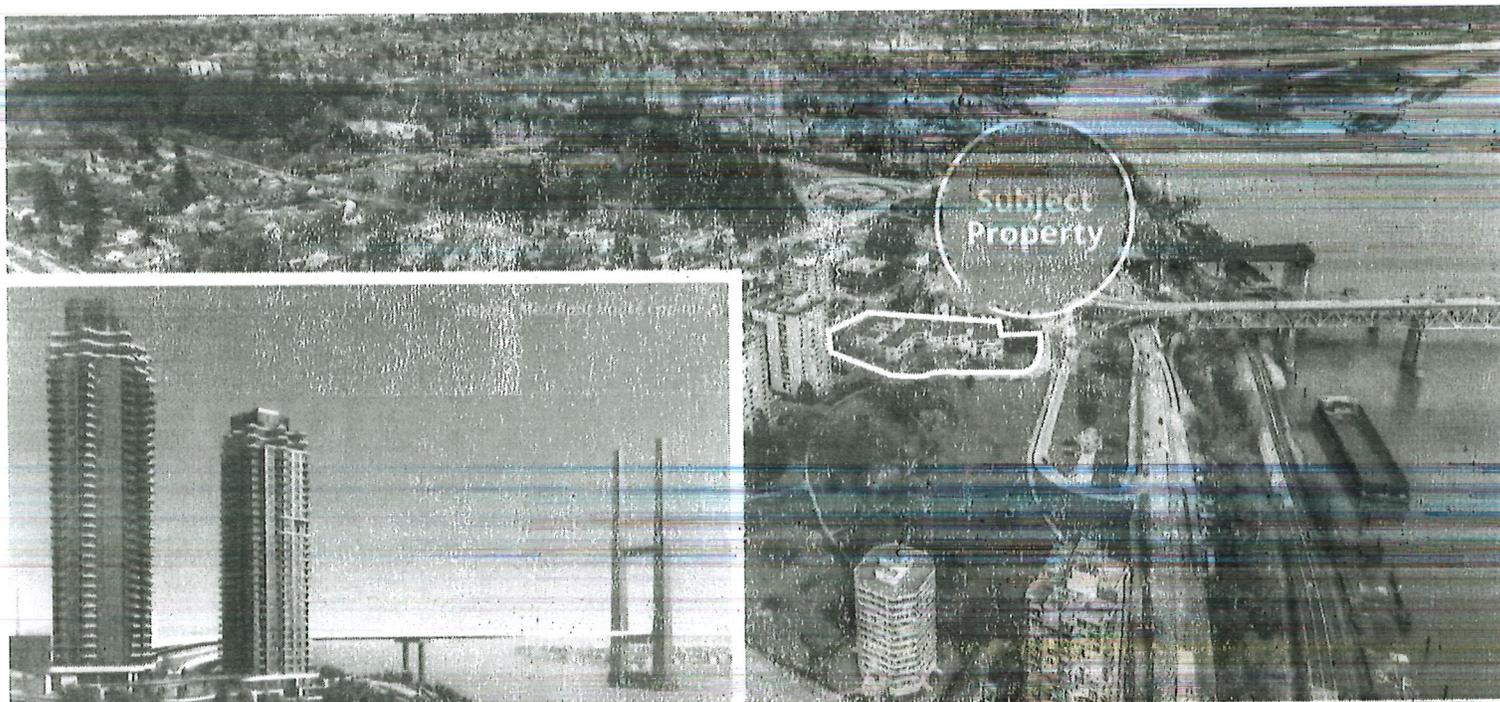
M.F.

**AVISON
YOUNG**

Progress report

Kinnaird Place
65 First Street, New Westminster, BC

August 11th, 2025



Prepared For:

Merchant House Capital

Prepared by

Carey Buntain*
604 647 1352
carey.buntain@avisonyoung.com
*PREC

Chris Wieser
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*PREC

Kevin Murray*
604 260 1873
kevin.murray@avisonyoung.com
*PREC

M.F



Marketing timeline

DATE	MATERIAL/CONTENT	PROGRESS
April 2025	Marketing brochure	Completed
April 2025	Digital data room	Completed
April 30, 2025	Full marketing launch	Full marketing campaign
April 30, 2025	Eblast	Formal eblast through AY subscription services
May 5 th	Commercial Broadcast	Opportunity sent to subscribed brokerage community
May 12 – 14 th	Toronto Trip	Booking meetings with qualified prospects



Email campaign launch

DATE SENT	CLICK RATE	OPEN RATE
April 30, 2025	2.6%	56.7%



Other planned marketing materials

- Avison Young Website - complete
- Avison Young Multi-Family Website complete
- Western Investor - complete
- LinkedIn banner - complete
- Sent out to AY National Multi Family Team - complete
 - BC, Alberta, Ontario, Quebec

avisonyoung.com

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**AVISON
YOUNG**

T.F.



Prospects - Interested/Engaged Parties

#	<u>NDA</u>	<u>Notes</u>
1	PC Urban	Set up direct call with Alitis. Proposing deal structure in the next couple of weeks
2	EBG Group	Toured on Thursday. Waiting feedback on information request on surrounding developments
3	Path Developments	Interested at revised pricing. Requested a follow-up call this week
4	GECC	Interested if Pure joins in as an equity partner. Looking at it more closely
5	Onni Development	Back this week waiting for feedback
6	Brookfield AM	Looking at it again at revised pricing.
7	Wesgroup	Asked to look into debt for existing asset under 40 year amort. Could be something Beau Jarvis looks at for his own portfolio

M.F.



Prospects - Notable Prospects

#	NDA	Notes
	Westland	
1	Development Gracorp (Graham	Followed up on Monday. Waiting to hear back from Austin
2	Construction)	Waiver on Kits site was extended until September 18 th . Follow up closer to then
3	Allure Ventures	Allure passed. Investor also passed.
4	Sightline Properties	Reconnected. Will take another look but likely a pass.
5	ML Emporio	Not buying for another year and half
6	White Tail Homes	Resent the information. Waiting for his feedback on revised pricing.
7	Redekop Ferrario	Resent in the information and going to take another look.
8	Marcon	Passing focusing on presales for Surrey site
9	Northchild	Waiting on feedback.
10	Pomerleau	Followed with David on Monday
	West Fraser	
11	Development	Relooking at the opportunity.
	Openform	
12	Development	1485 Davie Street closing this week. Will discuss with Jason thereafter.
13	Kingsett	Sent over cash flow analysis to justify pricing as an apartment asset.
14	Sun Commercial	Relooking at the asset. No feedback from Denise.
15	Emporio Capital	Following up with Wendy this week. No feedback since revised pricing discussion
16	Strand Development	Passing. focusing on West Coquitlam sites
17	Vesta Properties	Away.
18	Vescor	No interest on the condo component
19	Bosa Properties	Passing. Reviewed the site has two rental towers and residual land is off the mark
20	Anthem Properties	Resent to consider at new pricing.
21	Polygon	Passing. Not in buying mode and won't look at New West.
22	Rize Alliance	Passing. Selling 2 assets in the market.
23	Fiera Capital	Waiting for feedback.
24	Crestpoint	Passing without an existing development partner
25	Quadreal	Passing.
	Square Nine	
26	Developments	Passing. No capital.
27	Weststone	Left Brian.
	Macdonald	
28	Development	Passing.
29	Streetside	Passing. Too large
30	Zenterra Development	Following up again this week
31	Domus Homes	Passing too much scale
32	Oviedo Properties	Following up again. Likely a pass
33	Porte Communities	Left a voicemail this morning. Likely pass.
33	Shape Properties	Selling City of Lougheed Tower 4. Passing
34	Everest Group	Reached out again. No feedback.

M.F.



Prospects – Notable Prospects

#	<u>NDA</u>	<u>Notes</u>
35	Grosvenor	Passing. Raising equity and debt fund and focusing on core Vancouver
36	PCI	Passing not close enough to transit to Columbia Station
37	Edgar Development	Passing. Columbia Square project
38	Century Group	No feedback
39	Panatch Group	Passing. Focusing on existing projects
40	Alabaster	Passing. Focusing on capital raise for East Vancouver project
41	Mosaic Development	Passing. Focusing on Coquitlam, Surrey and Vancouver
42	Townline	Passing. Looking for equity in their own projects
43	Starlight Investments	Passing. Focusing on new(er) completed assets
44	Hazelview	Passing. Fund hasn't closed. Likely late 2025
45	Intracorp	Passing.
46	AIMco	Passing. Capital deployment currently on hold.
47	Cressey	Passing.
48	TPMG	Waiting on feedback. Will follow-up this week
49	Nicola Wealth	Waiting on feedback. Will follow-up this week
50	Forum AM	Passing.
51	Harlo Capital	Passing on development
52	Woodbourne Capital	Passing looking to create liquidity from existing development projects
53	Beedie Living	Passing.
54	Tien Sher Group	No feedback.
55	Concord Pacific	Following up this week.
	Beech Westgard Land	
56	Developments	No feedback.
57	Intergulf	Waiting for feedback
58	Keltic Canada	Passing.
59	Kunyuan Properties	Passing.
60	Ledingham McAlister	Passing. Large development pipeline in Coquitlam and Burnaby
61	Boffo Properties	No feedback
62	Concert Properties	Passing. Focusing on dispositions in Alberta. Gearing up for buying in 2026
63	Amacon	No feedback
	Millenium	
64	Development	Passing.
65	Westerich Pacific	Passing not interested in this site.
66	WIP Investments Ltd.	Selling two assets. Will look into after both closings
	Morgan Iannone	
67	(Colliers)	Mention he may have a client that is interested.
68	Upfield Capital	Looking at the existing asset as a medium term hold

This is **Exhibit "I"** referred to in the Affidavit of Michael Foy sworn before me at Surrey, British Columbia, the ____ day of December, 2025.



A Commissioner for taking affidavits within
British Columbia

M.F.



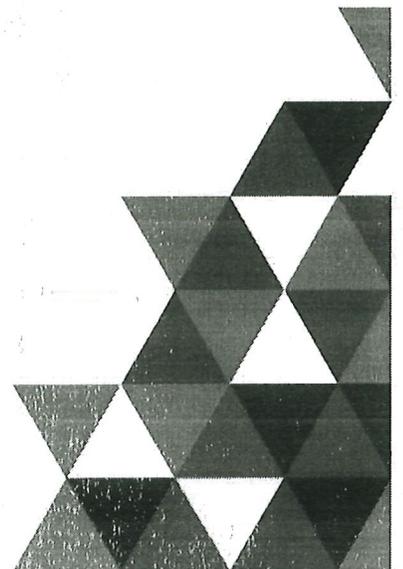
**D.R. COELL
& ASSOCIATES**

EST. 1974

Appraisal of:
'Kinnaird Place'
65 First Street
New Westminster, B.C.

Valuation Date
October 30, 2025

Prepared For
Price Capital Partners Inc.



M.E.



**D.R. COELL
& ASSOCIATES**
EST. 1974

Our File: M10406

November 14th, 2025

Price Capital Partners Inc.

Attention: Mr. Michael Foy

Re: Appraisal of 'Kinnaird Place': 65 First Street, New Westminster, B.C.

Based on the agreed upon terms of reference, I have formed an opinion of the Current Market Value of the above captioned property as described in detail herein. Both an 'as though vacant' land value and an 'as improved' value are included herein. The effective date of the value estimates is the date of inspection, October 30, 2025.

The Income Approach has been applied to arrive at each of the estimate of market value of the property 'as improved'. The Direct Comparison Approach has been applied to estimate the market value 'as improved' and of the underlying land 'as vacant'.

Based on an inspection of the property and the investigation and analysis undertaken, I have formed an opinion that as of October 30, 2025, *subject to the assumptions and limiting conditions contained herein*, the Current Market Values of the respective interests in the subject property are estimated at:

Current Market Value Estimates	
Current Market Value As Improved:	\$21,220,000 **
Market Value of Underlying Land 'As If Vacant':	\$20,760,000 **

**** NOTE:** THE VALUE ESTIMATES CONTAINED HEREIN ARE CONTINGENT UPON AND SUBJECT TO THE EXTRAORDINARY ASSUMPTIONS, HYPOTHETICAL AND LIMITING CONDITIONS DESCRIBED IN THIS REPORT.

This appraisal report includes a summary of the investigations undertaken and the relevant research, analysis, results and conclusions, together with the reasoning leading to the estimates of value stated herein. The conclusions are subject to changing market conditions which could shift rapidly. Thus, the conclusions of this report should regularly be revisited over time.

This report is to be read in its entirety. This letter must remain attached to the following report, in order for the value set forth to be considered valid. No other party including additional financiers of the authorized client or others may rely on this appraisal without specific written approval of the appraiser and approval by the authorized client designated as the exclusive user.

.../2

D.R. COELL & ASSOCIATES
REAL ESTATE VALUATION & ADVISORY SERVICES

2298 Bowker Avenue, Victoria, BC V8R 2E4 | P 250 388 6242 | E drc@drcoell.com | drcoell.com

M.F.



A description, summary and analysis leading to the conclusion of value are included herein. Should you require further information with regard to this report or wish to discuss the same, do not hesitate to contact me.

D.R. COELL & ASSOCIATES INC.

Appraiser

DRAFT

Liam Fast, B.Comm., AACI, P.App

AIC Membership #: 907600

Digital Signature Security: Microsoft

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

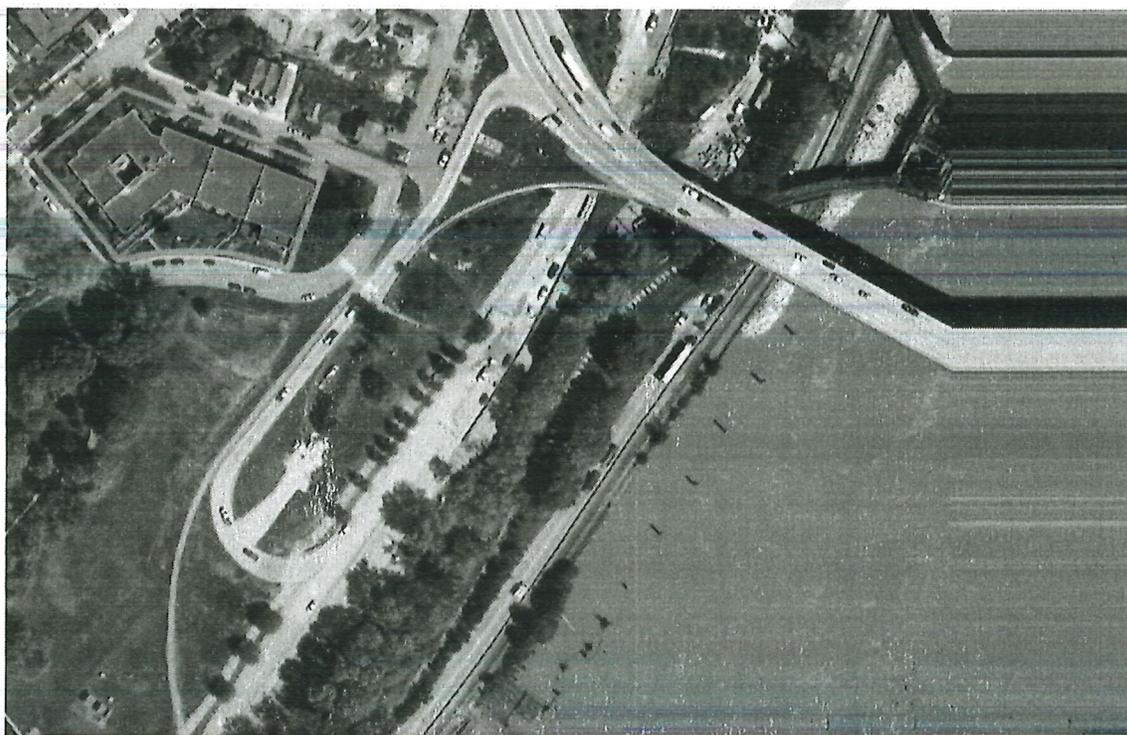
DRAFT

M.F.

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M.F.



'Kinnaird Place'
65 First Street
New Westminster, B.C.

M.F.

1.0 EXECUTIVE SUMMARY

Salient Facts

The subject consists of 61 rental suites within a building which consists of seven developed floor levels and an additional basement parking level. Within this report, the property is appraised both 'as improved' and 'as vacant'.

Civic Address:	65 First Street, New Westminster, B.C.
Jurisdiction:	City of New Westminster
PID:	000-812-277; 000-813-508 et. al.
Legal Description:	Strata Lots 1-61, Block 19, New Westminster District, Strata Plan NW2195
Registered Owner:	1274877 B.C. Ltd.
Land Size:	47,495 sq. ft. (1.09 Acres), as per City of New Westminster
Zoning:	RM-2, Multiple Dwelling District (Low-Rise)
OCP:	Residential – Tower Apartment
Improvements:	The suite mix includes 12 one-bedroom units, 45 two-bedroom units, and 4 three-bedroom units. The building was developed as a condominium complex circa 1984 and converted to a secured market rental complex by municipal housing agreement, which is to remain in effect until the building is demolished. The conversion to a rental use as a single entity reportedly took place following a major flood from off-site water main break.
Effective / Inspection Date:	October 30, 2025

Opinions and Conclusions

Highest and Best Use: Holding the subject property for rezoning and residential tower development in the medium- to long-term upon market conditions materially improving, and its continued multi-family rental use as presently improved, as secured by a municipal housing covenant in the near-term.

Value Conclusions:

Current Market Value Estimates	
Market Value As Improved by the Direct Capitalization (Income Approach):	\$21,090,000 **
Market Value As Improved by the Direct Comparison Approach (DCA):	\$21,350,000 **
Final Estimate of Market Value As Improved:	\$21,220,000 **
Market Value of Underlying Land 'As If Vacant' by the DCA:	\$20,760,000 **

** NOTE: THE VALUE ESTIMATES CONTAINED HEREIN ARE CONTINGENT UPON AND SUBJECT TO THE EXTRAORDINARY ASSUMPTIONS, HYPOTHETICAL AND LIMITING CONDITIONS DESCRIBED IN THIS REPORT.

M.F.

2.0 BASIS OF THE APPRAISAL

2.1 PURPOSE

The Purpose of this report is to estimate the Current Market Value of the subject property, as described in the Executive Summary on Page 1, as of the effective valuation date. Market Value is to be estimated both for the property as currently improved and for the underlying land on an 'as vacant' basis. Market value is defined below:

Market Value

"The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and the seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress¹."

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:

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

1. Source: CUSPAP 2024 and The Appraisal of Real Estate, 3rd Cdn. Edition, ed. Dybvig, (UBC, Real Estate Division, 2010), p. 2.8.

2.2 AUTHORIZED USE AND USER OF THE REPORT

The Authorized Use of this appraisal report is for receivership purposes. The sole Authorized User is the Authorized Client, Price Capital Partners Inc. All other uses are denied. No other users of this report are authorized, and it is not reasonable for any other party to rely on this report without first obtaining explicit written authorization from the authorized client and the author of this report. This report has been prepared on the assumption that no person will rely on it for any purpose other than that specifically outlined above and all liability to such persons is strictly denied.

Possession of this report, or a copy thereof, does not carry with it the right to reproduction or publication in any manner, in whole or in part. Applications may be made to the appraiser for written approval for use. A fee may be levied in compensation for the letter and transfer of liability for said use. This report shall be considered "marketable" for a period of one year from the effective date as noted herein. Release of the report after the "market" period shall be limited to the professional associations of which the Appraisers are members, or by a court of law or any other body with the power of subpoena.

2.3 EFFECTIVE DATE

The effective date of this appraisal report is October 30, 2025.

The date of the inspection was October 30, 2025.

2.4 PROPERTY RIGHTS APPRAISED

The property rights appraised are those of the Leased Fee Estate interest in the land and buildings on an 'as improved' basis, and that of the Fee Simple Estate in the case of the 'as though vacant' underlying land.

A **Fee Simple Estate** is defined as follows:

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

A **Leased Fee Estate** is defined as follows:

This is the lessor's or landlord's interest in the property if a lease has granted the lessee the right to use the property for a certain period of time. Lessor has the right to be paid rent, repossession on the termination of the lease, default provisions, and the right of disposition of the lessor's interest in the property.

2.5 SCOPE OF WORK

Definitions and Sources

Definitions of terms and detailed descriptions of the various methodologies utilized in this report are included in the Addenda. This is a narrative appraisal report and complies with the reporting requirements set forth under the Canadian Uniform Standards of the Appraisal Institute of Canada (2024). As such, all relevant material is provided in this report including the discussion of appropriate data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of current market value. Instructions concerning the purpose and authorized use of the appraisal were received from the authorized client. Additional supporting documentation concerning the data, reasoning, and analyses are retained in the appraiser's file. The depth of discussion contained in this report is specific to the needs of the authorized client and for the authorized use stated herein. The principal steps taken in completing in this assignment are summarized as follows:

Physical Inspection

Improved properties are typically inspected on the interior and exterior. When properties have no improvements, only the site is inspected. Whenever possible, a visual off-site inspection has been made of the comparable properties utilized in the report.

Liam Fast, B.Comm., AACI, P.App, personally inspected the subject property, including a sample of suite interiors as made available by the on-site contact, in addition to the roof, parkade, and electrical plus mechanical areas on October 30, 2025. Identification of the property also involved a review of mapping produced by the municipality;

Parcel area is that as reported by the City of New Westminster as it is not reported in the registered strata plan. No building, suite, nor site measurements were provided by the authorized client and none have been undertaken by the appraiser. Unit rentable areas relied upon are taken from the registered strata plan, which has been relied upon for accuracy. The gross building area and resultant existing built density is that as reported by the City of New Westminster. Should it subsequently be found that the site and building areas vary materially from those reported herein, the analyses and conclusions could vary. I reserve the right to revisit the analyses, conclusions, and estimates of value herein, should such measurements be found to vary to a material degree. No warranty or representation is provided by D.R. Coell & Associates Inc. pertaining to this matter and the authorized client is advised to seek professional measurements and a professional survey should more precise building and site areas be required.

Scope of Research

Information sources included the following, unless otherwise indicated in the report:

- The Authorized Client, Price Capital Partners Inc.;
- Maps and / or plans provided by various third parties such as the City, the Province, and BC LTSA;
- D.R. Coell & Associates Inc. information files and computer records;
- BC Realtors Association;
- BC Land Titles Office;
- Realtors; and
- Published advertising and interviews.
- The appraiser has relied upon sales and listing activity reported by the Greater Vancouver Real Estate Board, contracted reporting services and the appraiser's own files. Sources of market evidence include Land Title Office transactions as reported by Commercial Edge, Landcor Data Systems, assessors, realtors, vendors and purchasers active in the market; such information has been verified to the extent deemed most appropriate given the use of this report;
- This report presents the most pertinent data, analyses and conclusions arising from the research performed during the course of this assignment. Further details are retained in the working files of D.R. Coell & Associates Inc.;
- The analysis set out in this report relied on written and verbal information obtained from a variety of sources considered reliable. Unless otherwise stated herein, client-supplied information, which was believed to be correct has not been otherwise verified. The mandate for the appraisal did not require a report prepared to the standard appropriate for court purposes or for arbitration, so all information herein has not necessarily been fully documented or confirmed by reference to primary sources.

While information from others is believed to be correct, accuracy cannot be guaranteed. Reasonable efforts have been made to verify this information.

Appraisal Techniques

Each of the traditional appraisal approaches (Cost, Direct Comparison and Income) have been considered. However, only those believed to be most relevant for the type of property and market have been applied.

The subject property has been analyzed on a cash equivalent basis. Any current financing is not considered in the market value estimate.

**Limitations**

The Appraisal is limited to estimating (not "determining") market value of the subject property, as of the date and for the purpose specified. Market value is dynamic and changes over time because of continually changing factors. Only market value (defined in the Addenda) is estimated.

Valuation of fixed and non-fixed assets required in a "going-concern" or "value in use" assignment valuation are not included unless otherwise stated.

The valuation herein excludes consideration of any personal property, trade fixtures, chattels, equipment, etc.

Not Within the Scope of this Appraisal

The scope of the appraisal does not include market analysis, economic, legal or market feasibility studies, or detailed highest and best use analysis other than as a normal part of the appraisal process.

Legal investigation as to adverse influences on Title and marketability are also not within the scope of the appraisal.

Finally, the appraisal does not include inspection or use of engineers' reports related to roofing, mechanical systems (plumbing and heating), electrical, insulation, structural (including foundation), soil stability or toxic contamination unless indicated in the report. Appraisers are not qualified to complete inspections or offer opinion in these areas. Nor are they trained to detect the presence or absence of toxic materials.

2.7 ASSUMPTIONS & LIMITING CONDITIONS

This appraisal is contingent upon a number of general assumptions and conditions, which are listed in the addenda as *Assumptions, Limiting Conditions, Disclaimers, and Limitations of Liability*.

A variety of other assumptions and subjective judgements are necessary in the valuation process. These are made throughout the report where necessary and deemed appropriate. All of the assumptions and limiting conditions should be considered when reading this report and if the reader does not fully concur with them, this report should not be used.

The Extraordinary Assumptions and Hypothetical Conditions as noted, are critical to this analysis in that should the assumed conditions not hold true, the estimated values as noted herein would be void and invalid.

Wherever value estimates are provided throughout this report (Letter of Transmittal, Executive Summary, Valuation and Certification), a **Note will appear referring the reader to this section and the specific Extraordinary Assumptions noted below.

Extraordinary Assumption(s)

Extraordinary Assumptions presume as fact otherwise uncertain information about or anticipated changes in the physical, legal or economic characteristics of the subject property, or about conditions external to the subject property such as market conditions or trends, or the integrity of data used in an analysis.

1. No oil tank scans, nor Environmental Site Assessments were provided to the appraiser for review in conjunction with this assignment. This appraisal assumes there is no environmental site contamination associated with the subject property (1 properties) or any of the immediate neighbouring properties with the potential to migrate onto the subject lands, nor underground oil storage tanks present. Should it be subsequently found that contamination is present on/near the subject property, this report and value conclusions herein could be materially altered.
2. The subject property is assumed vacant and unimproved in the land value estimate.
3. Based on the authorized client-supplied terms of reference, it is assumed a 2.0% long-term vacancy and collection loss allowance is sufficient as an assumption so as to compensate a typical investor for the risk associated with the acquisition and holding of the subject property. This assumption is invoked despite the apparent 9.6% building vacancy as indicated by the July 28, 2025 rent roll provided.
4. The July 28, 2025 rent roll provided forms the basis of the valuation herein, being the most current information available as of the effective date. It is assumed the rents indicated were in place as of the appraisal's effective date, including those noted to be in effect and those scheduled to take effect as of August 1, 2025.
5. It is assumed all capital expenses associated with past repair and restoration work have been fully paid and there are no liens impacting the property. I reserve the right to revisit the estimates of value herein should this assumption be found to not hold true.
6. The subject property is assumed fully insured and insurable on an ongoing basis at a rate relatively comparable to the present insurance premium and based on a policy broadly satisfactory to most mortgage lenders.

7. As of April 7, 2025, a City Planning and Development staff report recommended that Council consider the rezoning and Housing Agreement Bylaws for first to third reading. The City of New Westminster was reached out to for confirmation of the present stage and status of the application and a response has not yet been received. It is understood the application is nearing approval, though it has not yet been formally granted, and that all cash in lieu and community amenity contributions have not yet been paid / incurred. It is assumed the preceding is true and accurate herein, which is subject to verification upon a response from the City of New Westminster's Planning Department being received. In the event the preceding assumption does not hold true, the analyses and conclusions herein could be subject to change.

Hypothetical Condition(s)

Hypothetical Conditions are a specific type of Extraordinary Assumption that presumes, as fact, simulated but untrue information about physical, legal or economic characteristics of the subject property or external conditions, and are imposed for purposes of reasonable analysis. Common hypothetical conditions relate to proposed improvements, retrospective or prospective appraisals. For every Hypothetical Condition, an Extraordinary Assumption is required.

1. The subject property is appraised as currently improved as if a 2.0% long-term vacancy and collection loss allowance is sufficient to compensate a typical investor for the risk associated with the acquisition and holding of the subject property. This assumption is invoked despite the apparent 9.6% building vacancy as of August 1, 2025, as indicated by the July 28, 2025 rent roll provided and relied upon for accuracy herein.
2. The subject property is appraised as if the rents indicated on the July 28, 2025 rent roll provided (in place or scheduled to take effect as of August 1, 2025) were in place as of the appraisal's effective date.
3. The subject property is appraised as if vacant and unimproved in the land valuation only.

Extraordinary Limiting Condition(s)

An Extraordinary Limiting Condition refers to a necessary modification to, or exclusion of, a Standard Rule which may diminish the reliability of the report. Before accepting the assignment and invoking this limiting condition, the appraiser must have concluded that the scope of work applied will result in credible opinions and conclusions.

1. It is noted that the 2024 Operating Statement provided includes only the months of January to November 2024. Thus, the December 2024 figures (all revenues and expenses) have been projected based on the average of the balance of the 11 months for which data is available. Wherever the annual 2024 figures are cited herein, this is based on the data for 11 months provided and, where deemed appropriate, projected December monthly data (based on the average of the first 11 months) to arrive at the total.

No further historical operating statement data reflecting patterns in or levels of income and expenses were made available to the appraiser upon request, and none have been reviewed by the appraiser, nor relied upon as part of this appraisal assignment. Further, no conversations were held with the present owner, nor the property manager to gain a better understanding of the available financial data as would typically be carried out.

In discussions with the authorized client, it was reported that no further historical financial data would be available for the completion of this assignment and that the appraisal would need to proceed based on the analysis of limited property data. Should further historical financial data be made available, I reserve the right to revisit the analyses and conclusions herein (for a fee). The analyses and conclusions, including the final value estimates, could vary materially and be subject to revision should new data become available for analysis.

Jurisdictional Exception(s)

A limiting condition that permits the Member to disregard a part or parts of these Standards that are determined to be contrary to law or public policy in a given jurisdiction; only that part or parts shall be disregarded and of no force or effect in that jurisdiction. The following comments identify that part or parts, if any, and the legal authority justifying these actions.

In this case, no Jurisdictional Exceptions are invoked.

DRAFT

3.0 FACTUAL INFORMATION

3.1 PROPERTY IDENTIFICATION

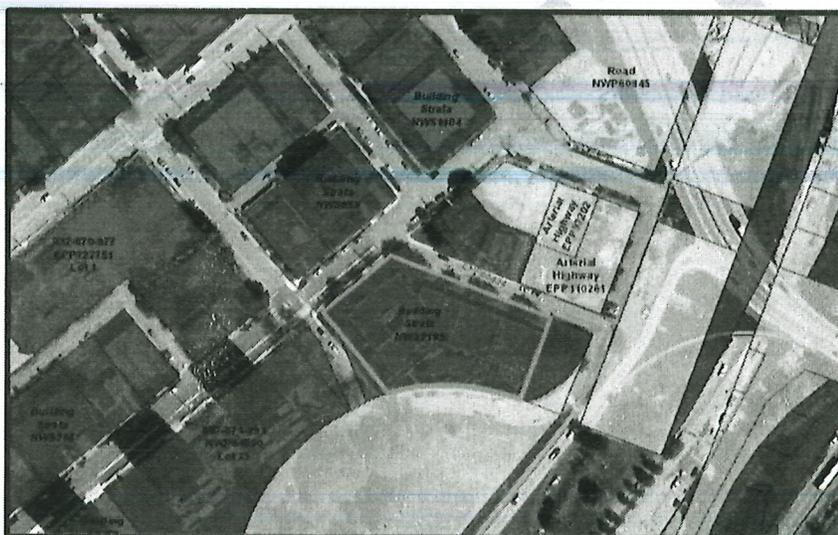
Civic Address: 65 First Street, New Westminster, B.C.

Jurisdiction: City of New Westminster

PID: 000-812-277; 000-813-508 et. al.

Legal Description: Strata Lots 1-61, Block 19, New Westminster District, Strata Plan NW2195

Certificate of Title Copies of the sample Title Search Prints and the common property title search print reviewed are included in the Addendum.



3.2 OWNERSHIP / SALES HISTORY

Sales History

The current representative titles to Strata Lots 1, 5, and 61 were reviewed, indicating each (# CA8859096; CA8859040; CA8859036) was created March 22, 2021 by registration with the BC LTSA for allocated portions of the overall complex sale price in the approximate range of \$380,000 to \$385,000. It is understood the bulk strata complex sold for a total of \$22,500,000 based on a purchase agreement dated September 27, 2019.

In compliance with CUSPAP, all sales history within the past three (3) years is as reported above.

Recent Listing Information

The bulk interest in the subject strata units was recently marketed for sale by Avison Young. Corey Buntain, one of the former listing agents, reports that the property was placed on the market based on pricing guidance of \$35,000,000 initially near the end of April 2025, being reduced to \$28,000,000 in the third week of September 2025; the property failed to sell and was subsequently taken off the market. There are no known current listings, offers or options on or marketing efforts associated with the property.

M.F.

3.3 ENCUMBRANCES

An encumbrance is a claim or liability against real estate, held by someone other than the fee owner of the property that affects the title to the property, and therefore has the potential to affect its value.

Registered title encumbrances found on the sample strata lot titles reviewed are as follows:

Encumbrances CA8859099: HOUSING AGREEMENT NOTICE, LOCAL GOVERNMENT ACT, S. 483 SEE CA8859098. Date: 2021-03-22.

Notice of Section 219 housing agreement relating to the provision of rental units for use by tenants who are permanent residents and members of the general public (excludes family of the owner); it also prohibits short-term rentals. The sale of the individual condo units is prohibited and subdivision of the property in any manner is prohibited. The entire complex must be sold together, similar to a non-strata (Fee Simple) multi-family rental complex. The agreement is to be in effect until a demolition permit for the building is issued by the City and until the building is completely demolished.

In the event the building is to be demolished, 4 months notice and 3 months rent must be provided to tenants and a Tenant Assistance Plan must be completed.

CA8859099; CA8859100: Mortgage and Assignment of Rents in favour of Portage Capital Nominee Corp. Date: 2021-03-22.

CB1247915: Modification of above mortgage. Date: 2024-04-05.

Note: The above charges relate to the first mortgage on title.

CB2112487; CB2112488: Mortgage and Assignment of Rents in favour of Price Capital Partners Inc. Date: 2025-06-17.

Note: The above charges relate to the second mortgage on title.

Legal Notation(s) HOUSING AGREEMENT NOTICE, LOCAL GOVERNMENT ACT, S. 483 SEE CA8859098.

NOTICE OF INTEREST, BUILDERS LIEN ACT (S.3(2)), SEE CA8869567. FILED 2021-03-25.

The Section 2019 housing agreement on title has the greatest impact, restricting the use of the property in accordance with the underlying strata property rights and essentially mandating the use of the strata lots as a single entity, similar to a Fee Simple multi-family rental complex.

In view of the nature of the Purpose and Authorized Use of this report, the subject property is treated as though free and clear of all financial encumbrances. In the case of the property's transfer, it is assumed such encumbrances would be discharged. Unless otherwise specified herein, this is consistent with the analysis of the comparable sales.

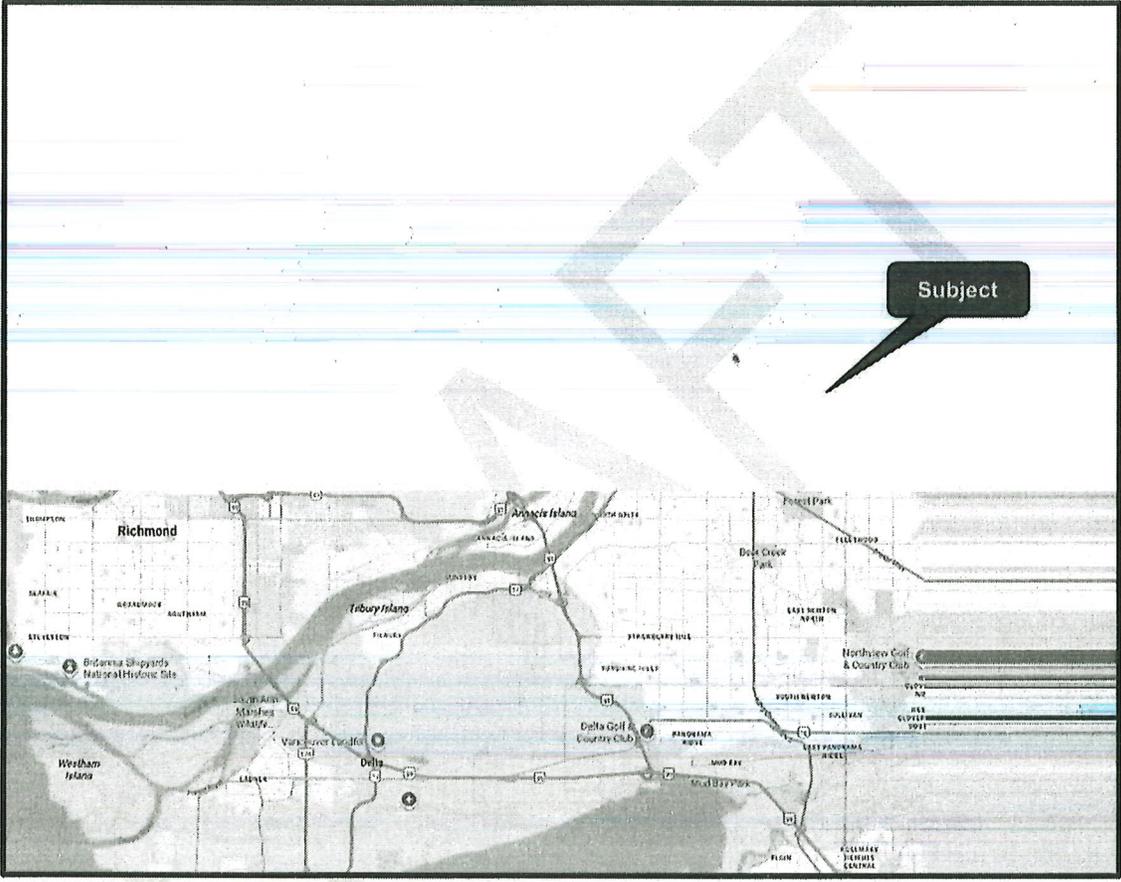
No professional legal opinion as to the state of the properties' title has been obtained. This is not to be construed as a legal opinion on title. For further details, copies of three (3) sample / representative title search prints are included in the addenda.

M.F.

3.4 EXISTING OR PROPOSED USE

The subject property is currently used as a 61-unit low-rise rental apartment complex under a municipal secured rental housing agreement. There is presently a pending Rezoning Application # RZ000249 to rezone the property to CD to allow for the development of a high-rise apartment building.

3.5 REGIONAL MAP



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3.6 MUNICIPAL DESCRIPTION

New Westminster

The property is situated in the long-established City of New Westminster, which is located ±10 kilometers east of the boundary of the City of Vancouver.



District Boundaries

- North • 10th Avenue and Highway 1; Burnaby and Coquitlam
- South • Fraser River, opposite which is Surrey and Delta (includes Annacis Island)
- East • Brunette River; Coquitlam
- West • Marine Drive; Burnaby East and Richmond

Major Arterials & Access

- Access • The City is centrally located and access to the balance of the metro area is generally considered excellent, via a combination of highways and rapid transit, rail lines and materials transport along the Fraser River
- Arterials • Stewardson Way, McBride Boulevard, 10th Avenue, and Royal Avenue

Real Estate Summary

New Westminster is a centrally located, riverfront municipality within Metro Vancouver, functioning as a mid-scale employment and services hub connected by four Expo Line SkyTrain stations – 22nd Street, New Westminster, Columbia, and Sapperton—and regional bus exchanges. This fixed-rail connectivity is a demand driver for office, institutional, retail-service, and mixed-employment uses near stations.

The Pattullo Bridge Replacement (provincial project; +\$1.6B) strengthens goods and commuter flows between Surrey and New Westminster, with separated active-transportation paths and improved approaches. Bridge opening is targeted for 2026, with removal of the 1937 span thereafter.

The city's economy leans on health care, public safety/education, government, and small-to-mid industrial and logistics. Royal Columbian Hospital (RCH) is undergoing a three-phase, ±\$1.35 billion redevelopment – the largest government-funded health project in B.C. This project should reinforce the Sapperton/Brewery District as a long-term medical employment node and spin-off services cluster. The Justice Institute of British Columbia's New Westminster campus adds steady institutional presence.

The Official Community Plan (OCP) to 2041 emphasizes compact, transit-oriented growth, mixed-employment intensification, and stewardship of industrial lands consistent with Metro Vancouver's regional strategy. Policy signals support long-term densification around SkyTrain nodes and protection or modernization of employment lands.

Industrial parcels are concentrated along the Fraser River waterfront, in Queensborough and the Sapperton/Brunette corridors. City guidelines for Queensborough's Industrial & Mixed Employment areas focus on modern forms, energy and water efficiency, and goods-movement. Regionally, chronic industrial land scarcity elevates the value of existing supply, favouring intensification and limiting conversion.

Parts of the city – especially Queensborough – are within flood-susceptible areas. New Westminster maintains flood mapping, dike programs, and a flood-management strategy now being updated to reflect climate science, with historic upgrades to Queensborough dikes under provincial programs.

The Queen's Park Heritage Conservation Area (HCA) provides durable constraints and guidance on alterations and redevelopment in that neighbourhood, preserving streetscapes and heritage value while channeling major growth to designated corridors and nodes.

The Westminster Pier Park corridor remains a symbolic riverfront amenity despite fire damage in 2020; ongoing planning and interim revitalization actions keep the waterfront central to the city's identity, supporting adjacent commercial uses over time.

Summary

Over a long horizon, New Westminster's commercial real estate is anchored by: (1) multi-node rapid-transit access and an improved Fraser crossing; (2) a stable institutional base led by RCH and JIBC; (3) policy-backed station-area intensification and industrial land protection amid region-wide scarcity; (4) proactive flood-risk management shaping site design; and (5) selected heritage controls that focus major growth to targeted areas.



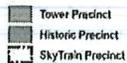
3.7 NEIGHBOURHOOD DESCRIPTION

Downtown New Westminster



The subject property is located within Downtown New Westminster. Downtown New Westminster is the urban core of the City, situated on the north bank of the Fraser River. It centers on the area around the SkyTrain Expo Line/SkyTrain Millennium Line station (New Westminster and Columbia stations), the waterfront esplanade, and the commercial spine along Columbia Street. More specifically, the subject property is situated within the Albert Crescent Precinct.

Subject



Not to scale

District Boundaries

North	•	Royal Avenue
South	•	Fraser River
East	•	McBride Boulevard
West	•	Fraser River

Major Arterials & Access

Access	•	Good arterial, bridge / highway, and rapid transit (Sky Train) access.
Arterials	•	Royal Avenue; Front Street; Eighth Street

Real Estate Summary

The area was part of New Westminster's original settlement (founded 1858) and retains a significant historic fabric, including original commercial street form and heritage buildings. The downtown waterfront has undergone revitalization in recent decades, with a focus on pedestrian orientation, mixed-use development and the waterfront esplanade. The existing building stock consists of predominantly strata condominiums and apartments (mid-rise, high-rise) supplemented by some townhomes. The streetscape incorporates retail at grade along Columbia Street and other main streets, and more substantial retail nodes such as the Shops at New West integrated with the SkyTrain station.

The neighbourhood benefits from excellent transit access: the New Westminster and Columbia SkyTrain stations provide direct service to central Vancouver in approximately 25-30 minutes. It offers close proximity to major arterials, highways, and bridges (i.e. Pattullo Bridge replacement project, Queensborough Bridge).

Neighbourhood Summary

In summary, Downtown New Westminster has a transit-oriented and waterfront location, offering good utility for residential dwelling. A broad array of commercial services, retail, and amenities support the residential market. There is ongoing redevelopment and densification, accelerated in many cases by the newer B.C. legislation increasing densities in close proximity to major transit stations.

3.8 SITE DESCRIPTION

The subject property is a corner parcel with quadruple road frontage, located in immediate proximity to the presently redeveloping Pattullo Bridge within Downtown New Westminster.

- Location:** The subject site is located in the Albert Crescent Precinct of the Downtown neighbourhood, in Tier 3 of the Columbia Station Transit Oriented Development Area. It is bounded by Agnes Street, Hastings Street, Wellington Street, First Street and Albert Crescent Park.
- Site Area:** 47,495 Sq. ft. (1.09 Acres), as per City of New Westminster.
- Frontage:** ±266 ft. along Hasting Street to the north; ±135 ft. along Agnes Street to the northwest; ±159 ft. along First Street to the west; ±132 ft. along Albert Crescent to the east; and ±209 ft. along a arched section of Albert Crescent to the south.
- Topography:** Gradually sloping site: ±20 metres of elevation change.
- Configuration:** Irregular pentagon.
- Site Influences:** Direct views of the Pattullo Bridge and the replacement project presently underway with exposure to material traffic noise on the balconies of suites and within suites, particularly when windows are open. Views over the adjacent Albert Crescent Park are offered to many units in the complex and some upper level suites offer views over the Fraser River.
- Soil Conditions:** No soil studies have been conducted in conjunction with the preparation of this appraisal report. It is reported the site is understood to be free of environmental contamination.
- It is assumed that the site is free and clear of any environmental detriments and that the bearing capacity is suitable for development in accordance with the highest and best use of the land. No environmental reports have been reviewed in conjunction with this assignment. Should site contamination be found to be present on/near the subject property, the analysis and conclusions herein would be subject to revision.**
- Services:** All typical public and private services which include:
- paved public streets and concrete sidewalks along full frontage roads on all sides (sidewalks are variable)
 - municipal sewage, storm drains and water
 - hydro, telephone, cablevision, and natural gas
 - public transportation in immediate area
 - fire protection services in area
- Exposure:** High bridge / highway traffic exposure at present, which should increase upon completion of the new Pattullo Bridge replacement project.



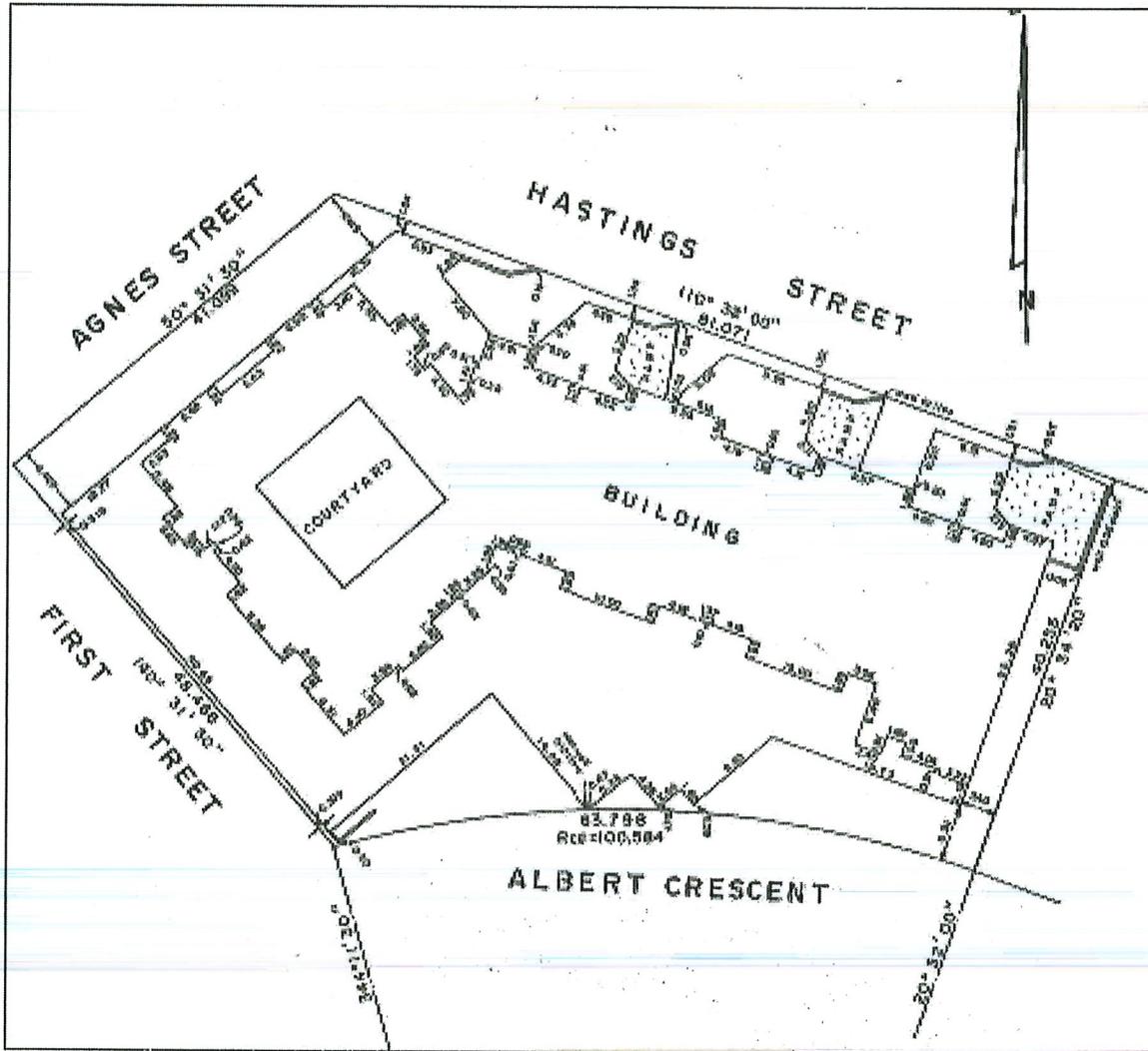
- Access:** Good access from bounding roads on all sides.
- Assemblage:** Given the bounding roads on all sides, there is no assemblage potential of a material nature associated with the parcel.
- Public Improvements:** An off-ramp for the new bridge under development is to directly side onto Hastings Street, the low traffic street abutting the subject complex to the east. Access over the Fraser River to the south will be enhanced by the bridge replacement project, while traffic exposure to the subject complex will be materially increased.
- Encumbrances:** A municipal housing agreement secures the use and sale of the property as a single multi-family rental entity over the duration the existing building stands. See Encumbrances section for further details.

Aerial View





Site Survey Plan

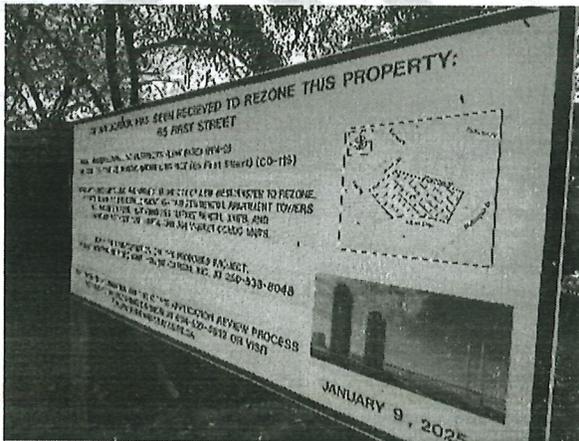


SOURCE: SURVEY PLAN NWS2195

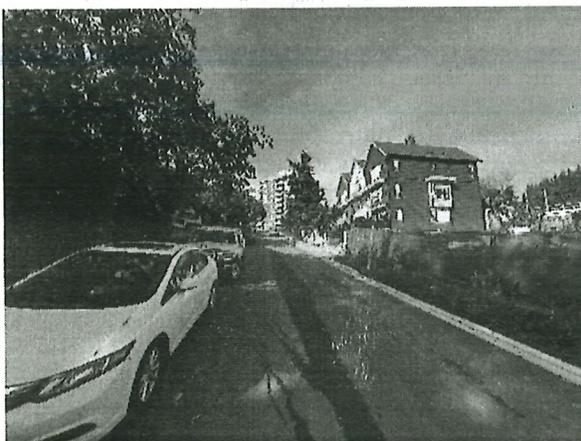
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Site Photographs



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3.9 IMPROVEMENT DESCRIPTION



The building description is included only to assist the user of this report in visualizing the subject development. Detailed architectural plans and/or specifications were not made available. Construction components are assumed to be in accordance with typical construction practices for this type and class of development, however the reader is advised to confirm this information. It should also be noted that D.R. Coell & Associates Inc. personnel are not qualified in the inspection of the roof, mechanical, plumbing, or electrical equipment, insulation, or in detection of the presence or absence of toxic materials nor legal, civil engineering, structural or maintenance matters.

Sketches, drawings, diagrams, photographs presented in this report are included for the sole purpose of illustration. The heating, electrical, plumbing or other mechanical systems have not been specifically tested. It is assumed that the improvements are sound. Accordingly, no responsibility is assumed concerning these matters, or other technical or engineering techniques which would be required to discover any inherent or hidden conditions of the subject property.

Age Built 1984 (41 years)

Style, Type The subject consists of 61 rental suites within a building which consists of seven developed floor levels, including a mix of partial floor levels – some of which include under-building parking footprints, and an additional basement parking level.

The building was originally developed as a condominium complex and was converted to a secured market rental complex by municipal housing agreement, reportedly following a major flood due to an off-site / adjacent water main break. The building is of wood frame construction over four partial levels of a poured concrete parking structure, which incorporates some concrete block demising walls.

The suite mix includes 12 one-bedroom units, 45 two-bedroom units, and 4 three-bedroom units.

Unit sizes are taken from registered Strata Plan NWS2195 and are assumed accurate, being summarized as follows:

SUITE MIX				
Strata Lot #	Unit Number	Floor Level	Unit Type	Unit Size (sq. ft.)
1	218	2	2 Bedroom	960
2	219	2	2 Bedroom	956
3	220	2	2 Bedroom	933
4	221	2	1 Bedroom	658
5	217	2	2 Bedroom	917
6	314	3	2 Bedroom	965
7	316	3	2 Bedroom	963
8	318	3	2 Bedroom	976
9	319	3	2 Bedroom	966
10	320	3	2 Bedroom	934
11	321	3	1 Bedroom	661
12	317	3	2 Bedroom	943
13	315	3	2 Bedroom	947
14	313	3	2 Bedroom	993
15	410	4	1 Bedroom	892
16	412	4	2 Bedroom	967
17	414	4	2 Bedroom	978
18	416	4	2 Bedroom	952
19	418	4	2 Bedroom	967
20	419	4	2 Bedroom	957
21	420	4	2 Bedroom	1,001

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SUITE MIX				
Strata Lot #	Unit Number	Floor Level	Unit Type	Unit Size (sq. ft.)
22	417	4	2 Bedroom	964
23	415	4	2 Bedroom	957
24	413	4	2 Bedroom	1,023
25	411	4	2 Bedroom	949
26	409	4	2 Bedroom	975
27	408	4	2 Bedroom	1,008
28	407	4	3 Bedroom	1,134
29	506	5	1 Bedroom	708
30	501	5	2 Bedroom	992
31	502	5	1 Bedroom	670
32	503	5	1 Bedroom	670
33	504	5	2 Bedroom	1,001
34	505	5	2 Bedroom	954
35	510	5	1 Bedroom	901
36	512	5	2 Bedroom	978
37	514	5	2 Bedroom	965
38	516	5	2 Bedroom	956
39	515	5	2 Bedroom	941
40	513	5	2 Bedroom	1,012
41	511	5	3 Bedroom	1,224
42	508	5	2 Bedroom	1,016
43	507	5	3 Bedroom	1,163
44	606	6	2 Bedroom	983
45	601	6	2 Bedroom	998
46	602	6	1 Bedroom	707
47	603	6	1 Bedroom	707
48	604	6	2 Bedroom	999
49	605	6	2 Bedroom	948
50	610	6	1 Bedroom	888
51	612	6	2 Bedroom	967
52	611	6	2 Bedroom	947
53	609	6	2 Bedroom	992
54	608	6	2 Bedroom	1,007
55	607	6	3 Bedroom	1,129
56	706	7	2 Bedroom	971
57	701	7	2 Bedroom	936
58	702	7	1 Bedroom	682
59	703	7	1 Bedroom	682
60	704	7	2 Bedroom	937
61	705	7	2 Bedroom	987
Total Rentable Floor Area:				57,114

	1 Bed Units	2 Bed Units	3 Bed Units
Average:	736	970	1,163
Median:	695	966	1,149
Min	658	917	1,129
Max	901	1,023	1,224

Density:

The property is developed to an approximate density of 1:27:1 FSR based on a total gross floor area of ±60,215 sq. ft. (per City of New Westminster).

Building Classification

The subject is best described as having those components typically found in "Class D Buildings" as described in Marshall & Swift / Boeckh, an internationally recognized costing publication. "Class D Buildings" are characterized by combustible construction which typically consists of wood frame base construction.

Substructure

This component consists of all that area of the structure that is below the superstructure. Depending upon geotechnical issues the structure may sit on poured concrete pilings that are set to Engineer's specifications. Set upon the pilings are concrete pad footings. The perimeter walls are set upon poured concrete strip footings that are set on undisturbed earth. The subject includes a series of parking levels consisting of poured concrete foundation walls which are exposed on the perimeter of the building; each parking garage level includes a concrete slab floor. A number of hairline cracks were observed in the slab floor and it was reported this may be due to settling as a result of the bridge replacement project. It is recommended a qualified structural engineer review the potential for settling of the building.

Superstructure

This component consists of all that area of the structure above grade level. The building's predominant structural component is defined as being wood frame. More specifically the exterior and suite demising walls are assumed to be 2x6 inch studs on 16-inch centre which is covered with plywood sheathing. There are assumed to be 16-inch wooden floor joists covered with a plywood subfloor, though concrete fire separation between the parkade.

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Roof Structure and Covering

The subject has several sloped asphalt shingle roof edges on wood trusses and sheathing plus a vapour barrier. The primary, central component of the roof (the vast majority of the roof) consists of a flat surface finished with an older torch-on waterproof membrane on wood trusses and plywood sheathing. The roof finish is nearing the end of its lifespan, as evidenced by surface cracks. Some pooling / standing water was present from recent rainfall. Further, a series of white 'X's had been marked on slumping / soft sections of the roof. The roof is understood to require its complete replacement in the near-term.

Exterior Finishes

The exterior is comprised of original stucco finish primarily with some painted wood accents. It is understood the siding may need upgrading in the near-term based on the vintage of construction.

Windows

The windows and patio doors are original double-glazed units in aluminum frames. The windows and patio doors are reaching the latter part of their lives.

Patios / Balconies

Each unit has an average to large covered balcony patio, primarily being in the range of a conventional / average size to somewhat above-average.

Electrical Service

Each unit has 100-amp power and is separately metered. The building has 600-amp main electrical service, as indicated on the main service panel on the parkade level.

Heating, Cooling, Ventilation

The units have electric baseboard heating. A central gas-fired boiler system heats the building. There are four (4) 660.7 USG Bradford White gas-fired water heaters, including two which were installed in 2025 and two which were installed between 2013 and 2014, now nearing the end of their respective service lives. There is ventilation in the bathrooms and kitchens with kitchen ventilation variable older / basic units or updated modern units; bathroom ventilation is generally original and is reportedly of poor quality resulting in an excess of moisture build-up in various units, some of which has resulted in bathroom repairs. External-wall-mounted ventilation units provide the parkade with fresh air intake as do open caged windows.

Vertical Transportation

The building is serviced by two (2) 2,100 lb, 12-person capacity elevators, which are original to the building; no material elevator cab or system upgrades have been completed beyond typical maintenance. The units are assumed hydraulic with relay-controlled systems (electric controls). Three internal stairwells are present.

Plumbing

Mixed plumbing lines (i.e. copper, ABS, PVC) are present, being original to the building in general. Each unit consists of one or two 3-piece to 4-piece washrooms with either a step-in shower or a tub/shower unit. Faucets and kitchen plumbing is of variable quality and condition, dependent on the degree of upgrades completed by the prior condo unit owners.

There are no in-suite laundry hook-ups and no in-suite laundry machines are present. A sole common laundry room is present on the fifth floor of the building.

Life Safety

The full building is sprinklered by a wet system, with the exception of a dry system in secured parking garage areas. Smoke detectors and fire alarms are present throughout the building. Emergency lights are in place. In-wall fire hose extensions are present behind locked glass. Exits are well-marked with illuminated signage.

Individual Units

The interior walls and ceilings are of painted gypsum with textured ceilings present. Bay windows are common as is laminate flooring or engineered hardwood of variable vintages. Tiles are generally in place for bathroom floors and showers, and tub/shower combinations are enclosed with tiles of variable quality and vintage. Kitchens have received variable degrees of upgrading, with some offer modern finishes of relatively high quality (i.e. high-gloss, soft-close cabinets, stainless steel appliances, undermount sinks, quartz or granite countertops) with other units offer dated galley kitchens with basic laminate cabinets and plastic laminate countertops original to the building; dishwashers are universally present. Plumbing fixtures and appliances are of basic quality, generally being older in the non-updated units. Older bulb lighting and outdated fixtures are present in non-updated units to newer units to newer units which include a significant number of pot lights as well as some modern fixtures in a best case. Older wood grain entrance doors, interior doors and closet doors are present throughout most units, though upgraded mirrored closet doors are present in some cases. Non-updated suites include dated washroom vanities of basic laminate cabinets and plastic laminate countertops original to the building; updated suite include modern plastic-laminate vanities. No in-suite laundry hook-ups or machines are present, with common laundry on-site. No fireplaces were observed in the building.

Some suites are partially updated with newer bathroom finishes and primarily older, non-updated galley kitchens of basic quality. The average suite is assumed partially updated given the lack of further info.

Common Building

The building is constructed around a central, open-air courtyard with concrete balconies with white-painted metal railings providing external entrances to various suites. The courtyard has dated tile floors, wooden bench seating and several planters; mailboxes are located in a covered area.

Common hallways consist of carpet floor coverings (appear midway through lifespan), stipple ceilings, and painted gypsum walls. Light fixtures are somewhat dated and of basic quality. The aesthetic is somewhat dated given the wood grain suite doors. The ceiling has been cut open in several areas to create plumbing access panels.

A small gym is located on-site which offers basic weights and cardio machines. A common laundry room with coin operated washers and dryers (side-by-side) is present on the fifth floor.

Parking

There are a total of 91 secured underground parking stalls on multiple levels with separate entrances to the various distinct parking garage areas.

Overall Quality / Condition

The building is deemed to be of above-average overall quality with a range of variable suite updates completed by the former condominium unit owners, while other suites exhibit older finishes. In general, the quality and condition of suite finishes is deemed above-average. The roof is nearing the end of its lifespan and will require replacement in the near-term and it is reported additional building envelope upgrades are required (i.e. to the siding – and possible the replacement of the original windows). Planned updates are reported to cost in the approximate range of \$3.0-\$5.0 million.

An array of primarily hairline cracks were observed in the parking garage foundation slabs on multiple floor levels, as well as some instances in the concrete around the exterior of the parking structure. It is reported settling may have occurred during construction of the new bridge – it is recommended a structural engineer review the building to verify whether or not settling of the underlying soils has taken place and when this is likely to have occurred, as well as if there are any implications for the ongoing use of the structure.

Assuming there has been no major detrimental impact to the ongoing viability of the existing structure (subject to verification by a structural engineer), the overall condition of the building is deemed to be average relative to the year of construction.

Remaining Economic Life

Physical Life: Physical life of a property can be well over 60 years depending upon the type of construction and its overall maintenance. In some parts of Canada, many buildings are hundreds of years old.

Economic Life: Total Economic Life and Useful Life is the length of time that the improvements contribute to the value of the property and ends when the use for which it was originally intended, is no longer its highest and best use. At this point, the options to the owner are to renovate or convert to a new use, rehabilitation, remodeling or demolition and redevelopment. Economic life is normally shorter than the physical life.

Effective Age: Effective Age is an appraiser's estimate based on the property's present condition and general overall maintenance. Effective age can be lesser than or greater than its actual age at the date of the appraisal.

Remaining Economic Life 1: Remaining Economic Life (REL) is the difference between Economic Life and Effective Age. The REL is the remaining expected economically productive lifespan of the structure. It changes due to market conditions and the building's overall maintenance. (The Appraisal of Real Estate, Third Canadian Edition, 2010)

Year Built: Built 1984 (41 years)

Effective Age: ±40 years

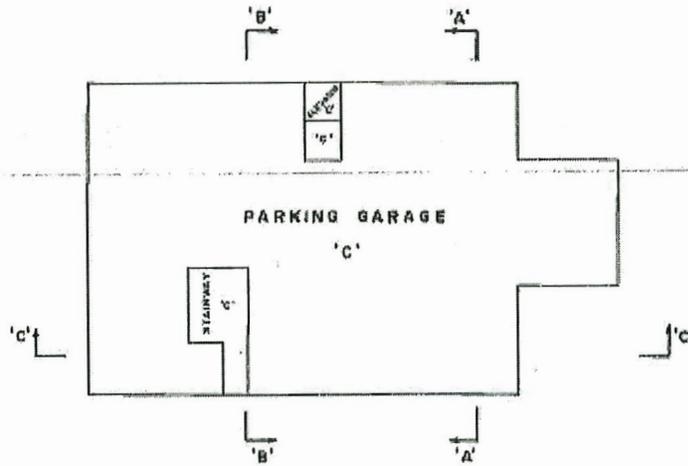
Economic Lifespan: ±55-65 years

Remaining Economic Life: ±15-25 years*

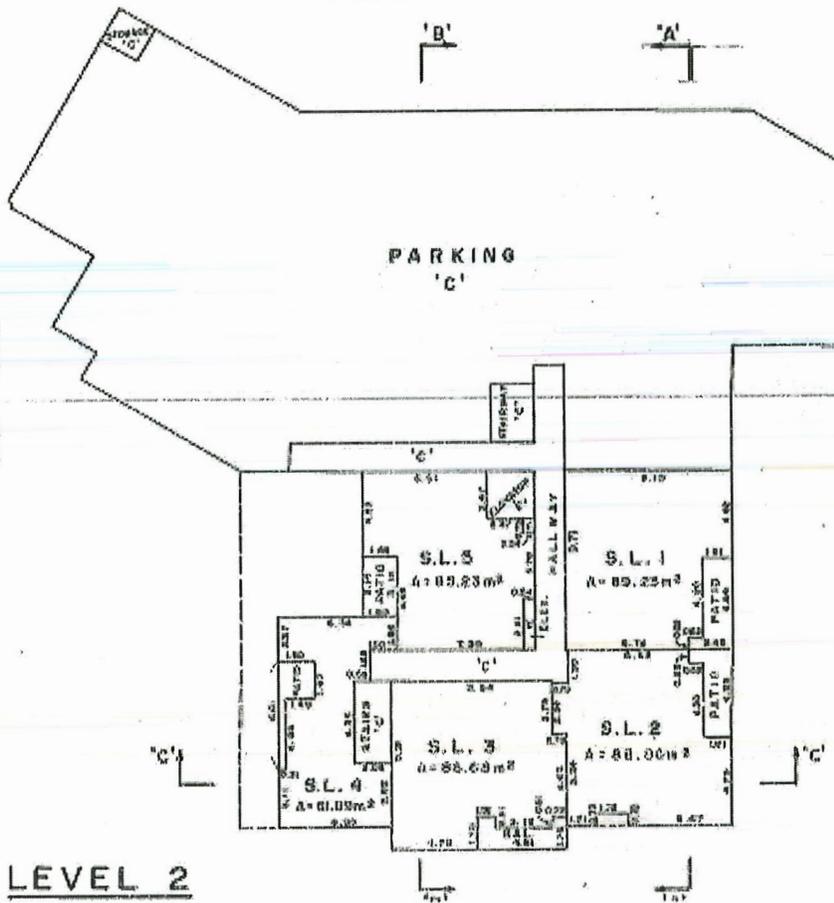
Remaining Physical Life: ±30-35+ years*

* (1) Each of the preceding REL and RPL estimates assumes adequate regular maintenance and that attention would be given to deferred maintenance as required, also assuming no material detrimental influence to the use of the structure from settling.

(2) The preceding REL estimate focusses on the value of the improvements and the ability to adequately service debt, though would diminish materially if the high underlying land value and redevelopment pressures were given greater emphasis. This figure is equal to Remaining Economic Life, if the impact of the high underlying land value was excluded.

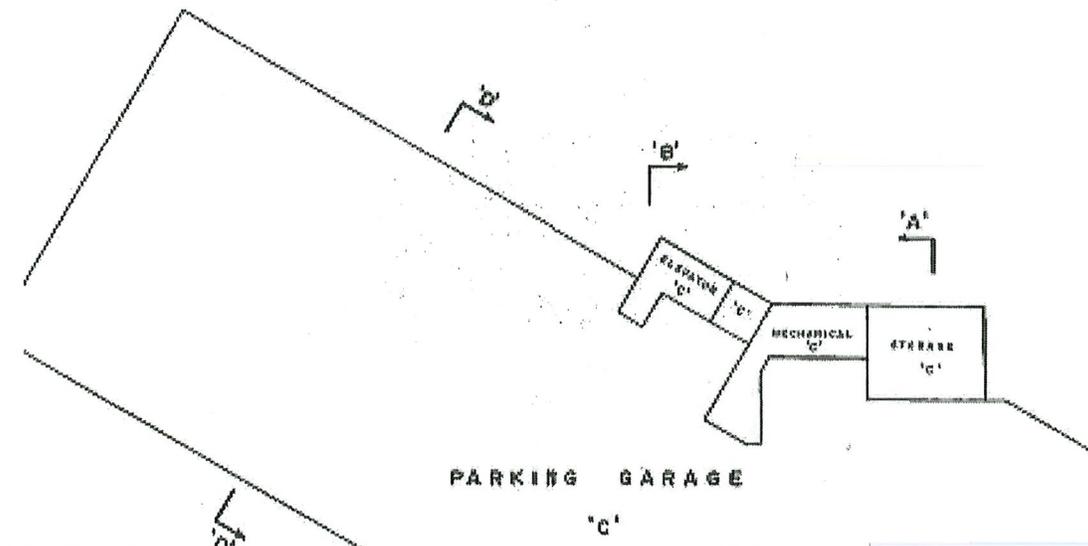


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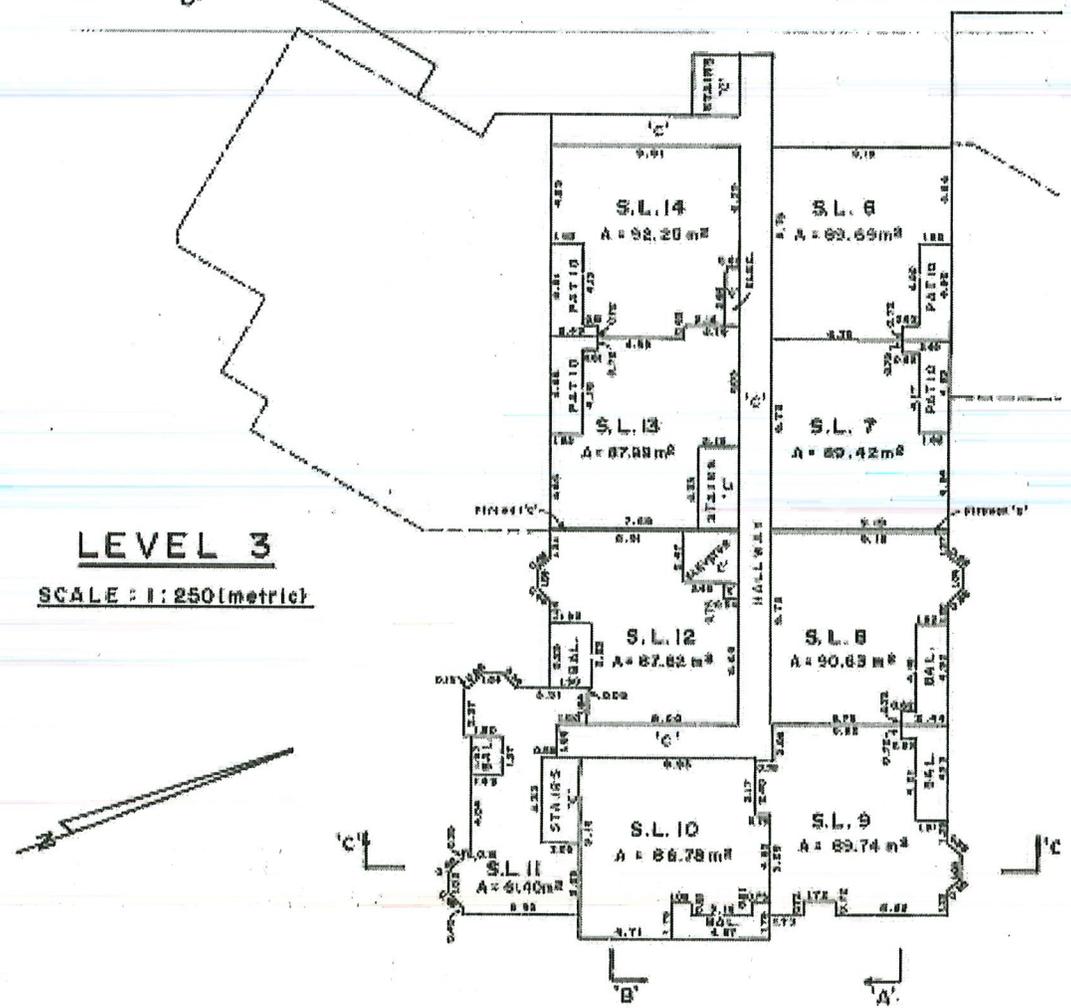


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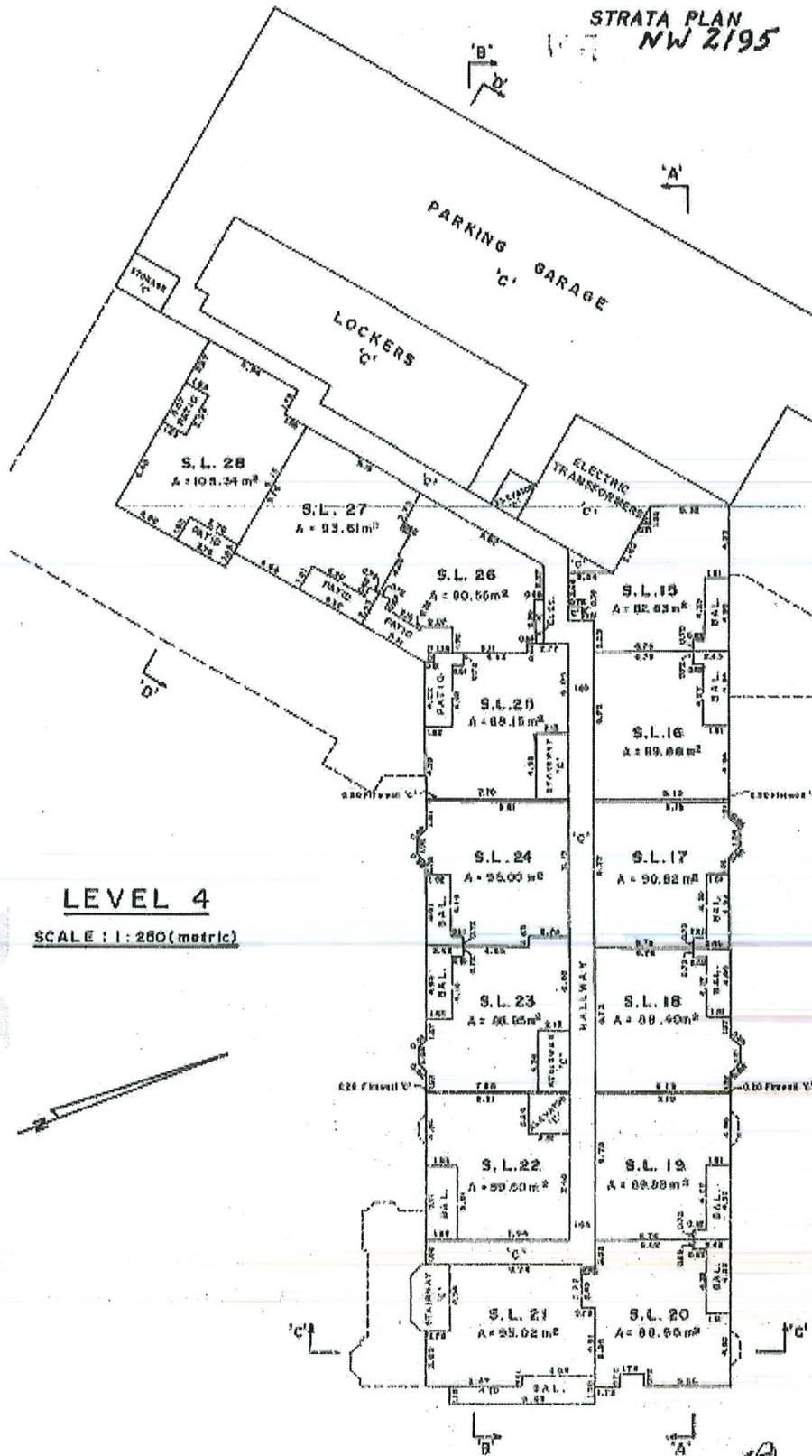
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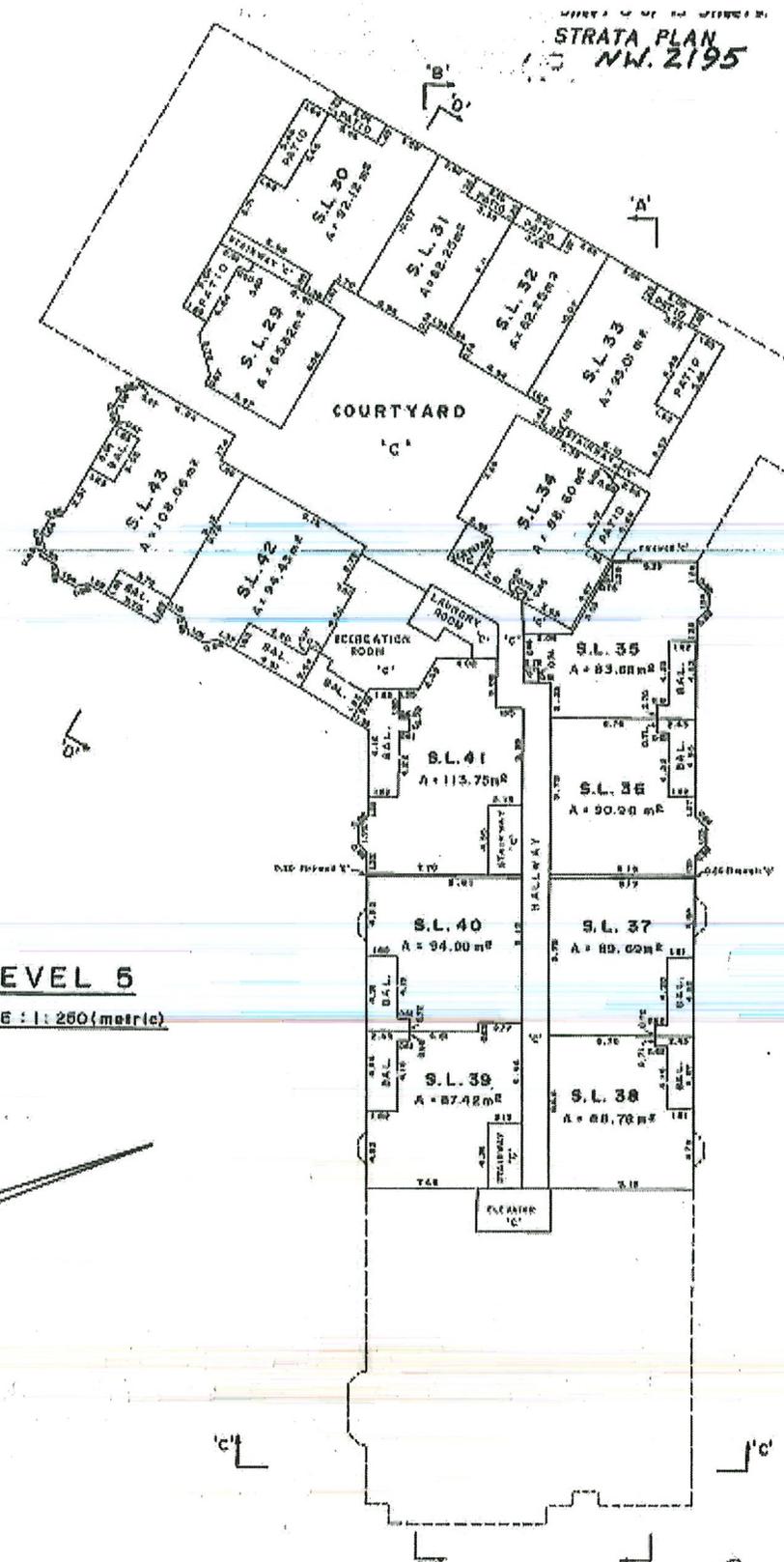


STRATA PLAN
NW 2195



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STRATA PLAN
NW. 2195

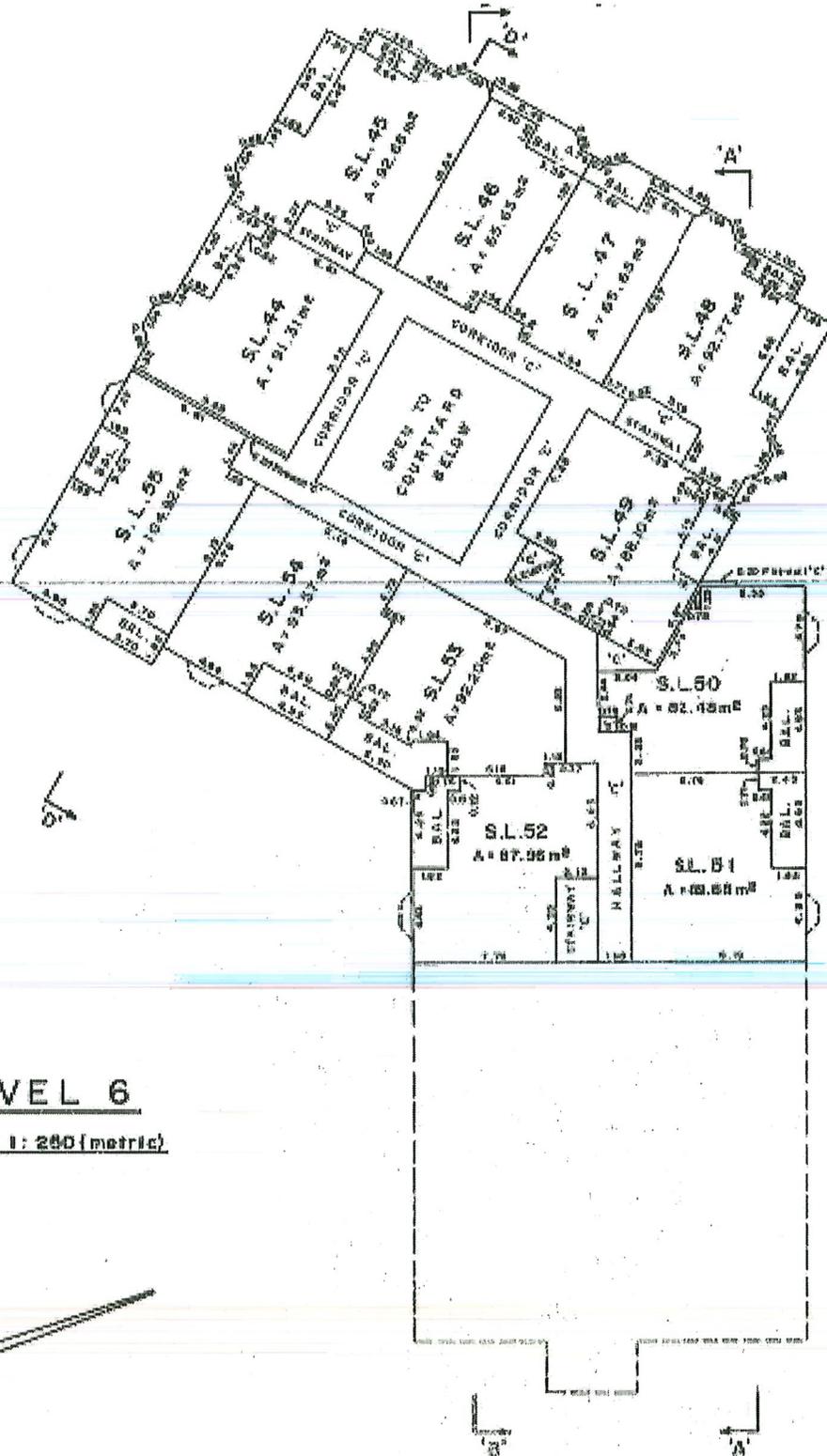


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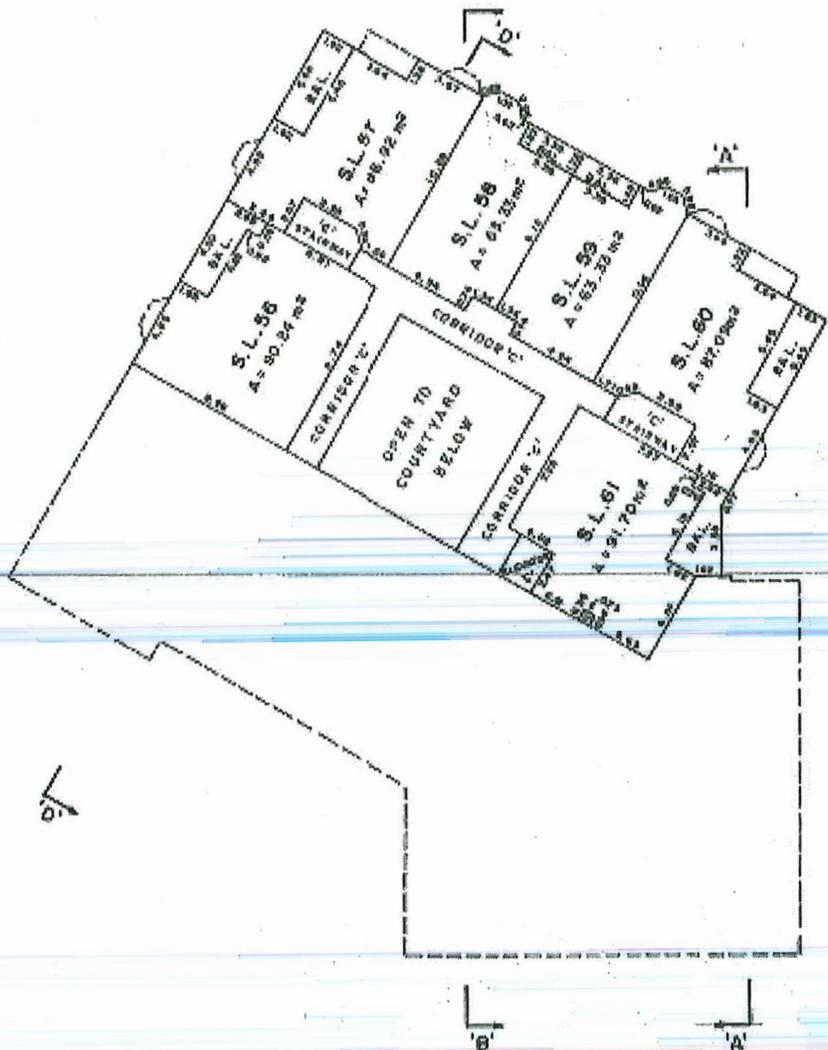


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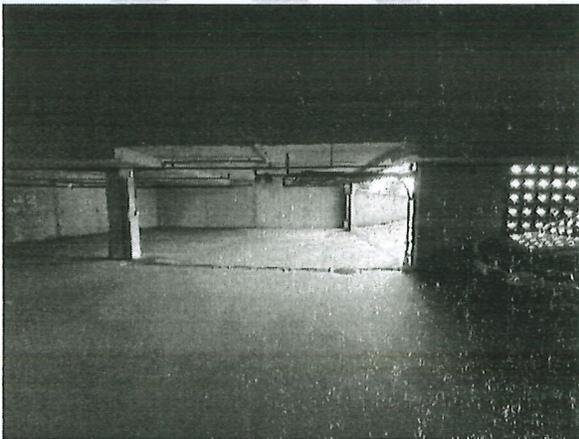
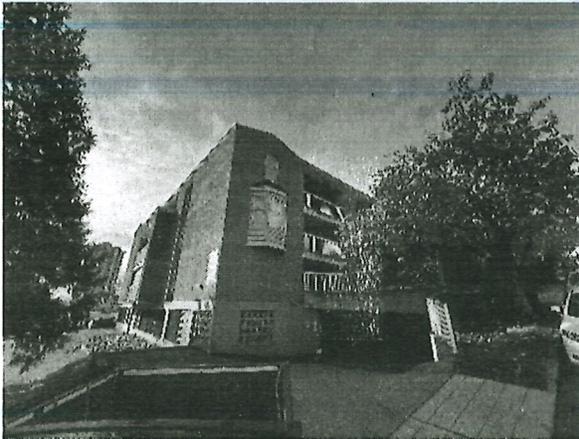


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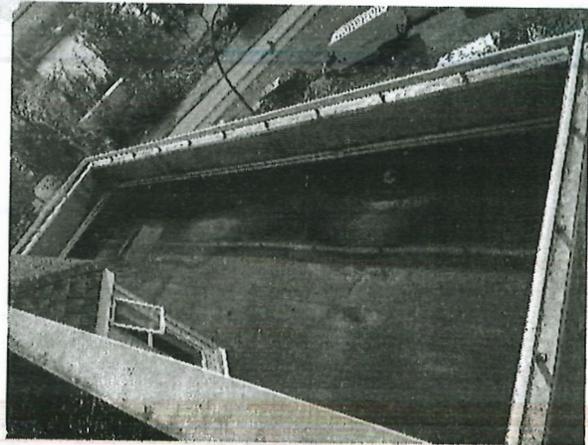
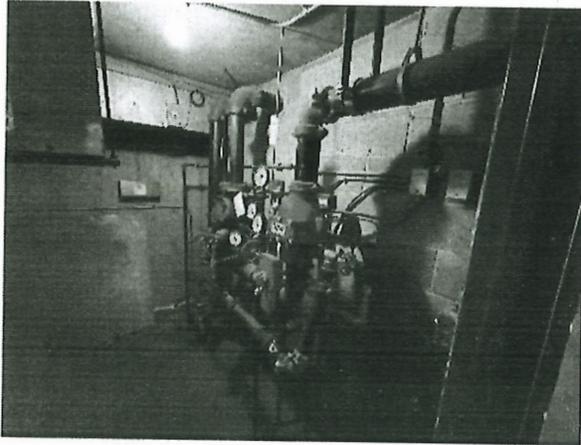
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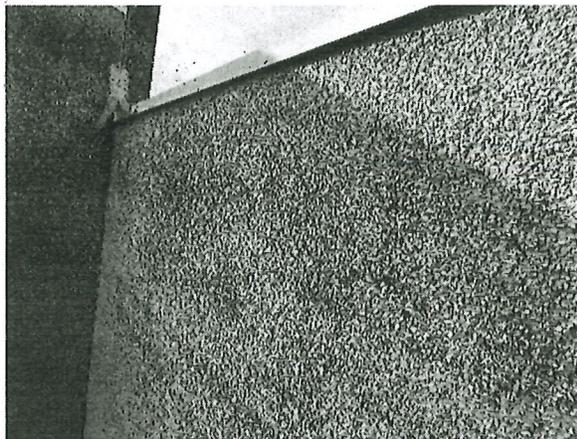
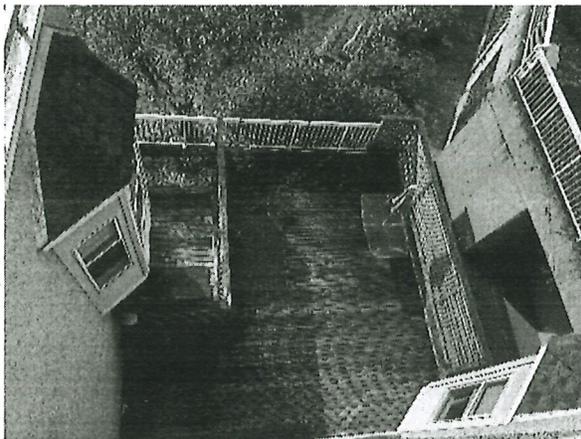
3.10 SUBJECT PHOTOGRAPHS

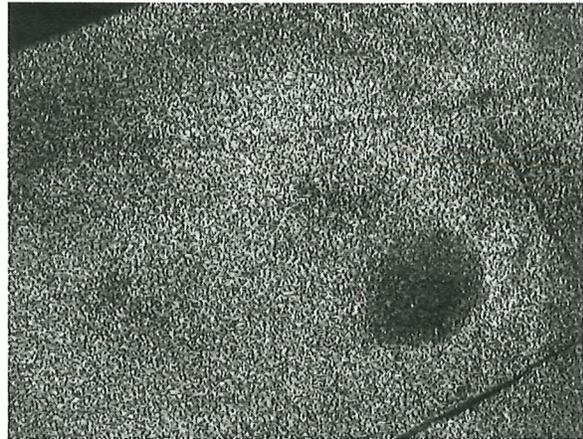


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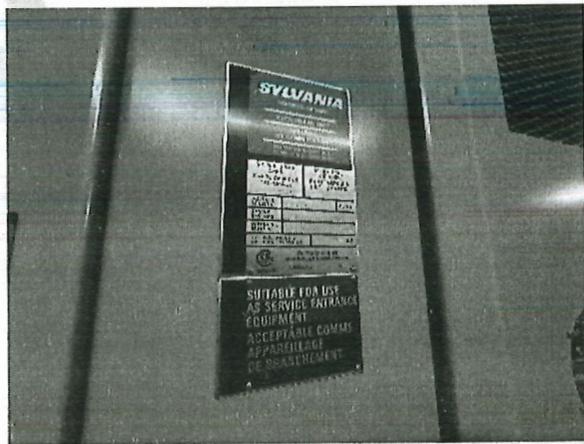
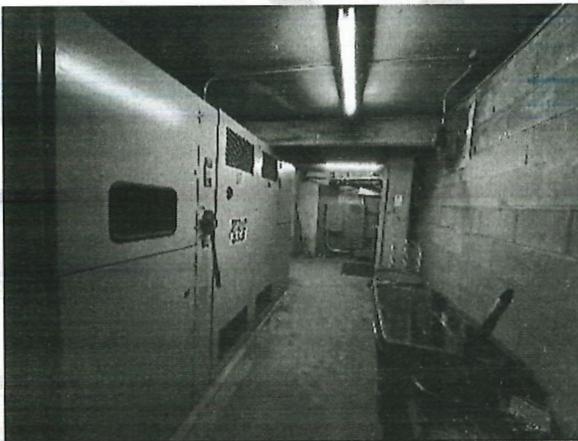
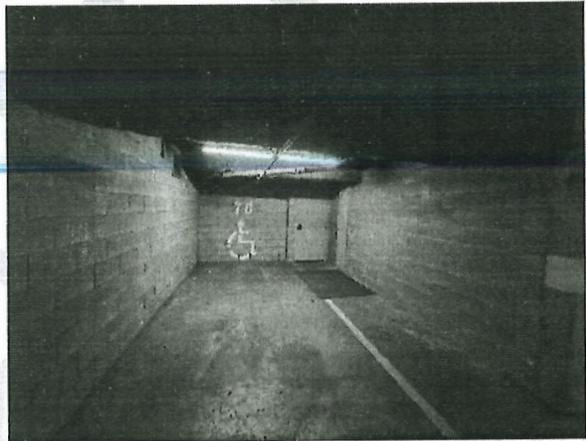
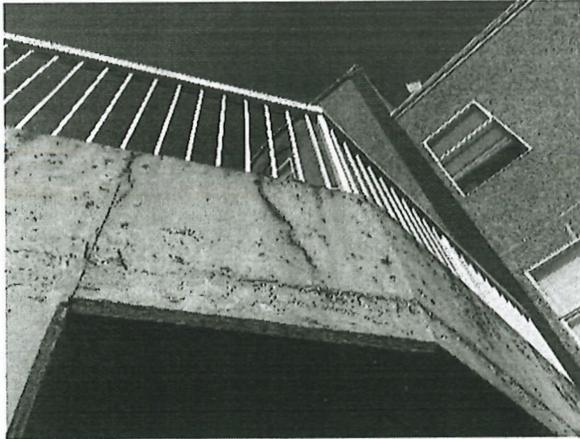


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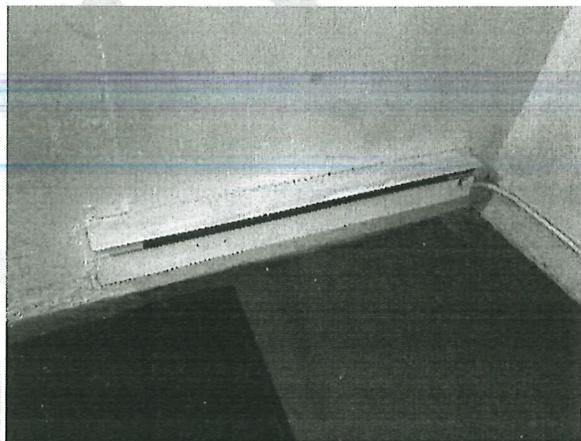
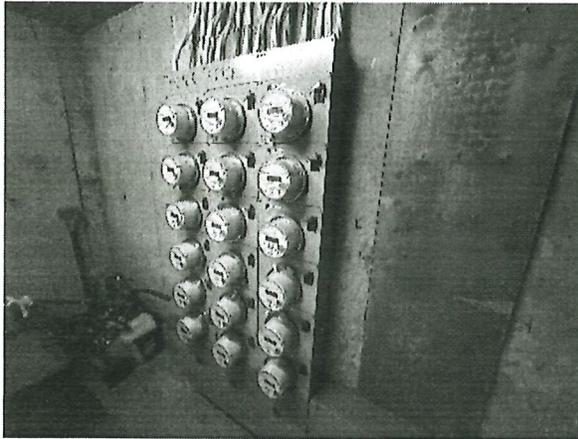




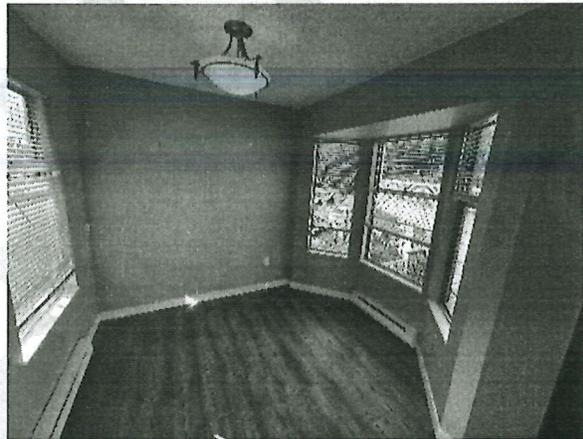
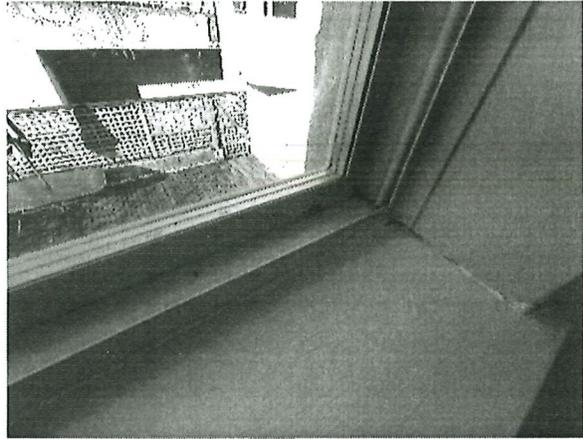
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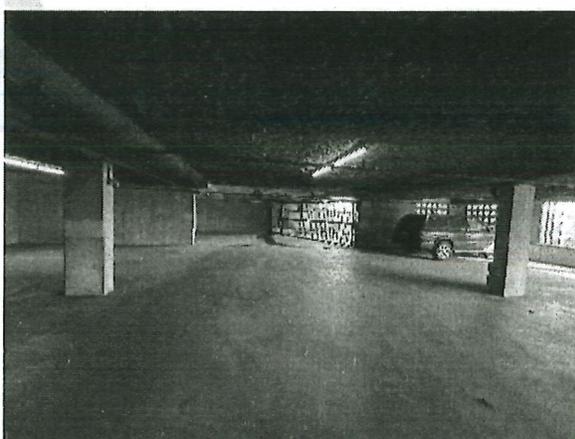
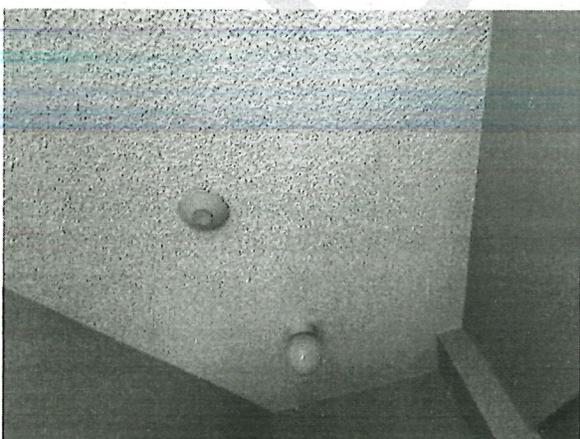
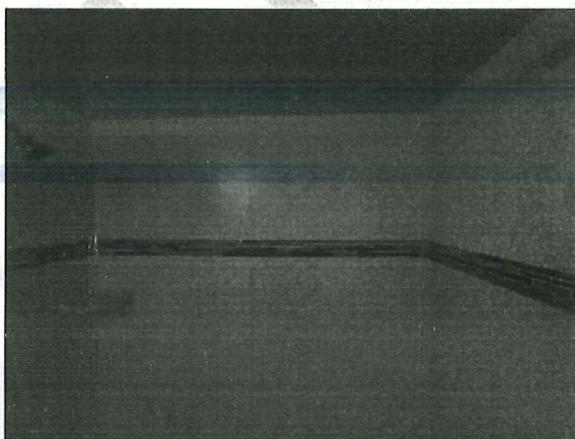
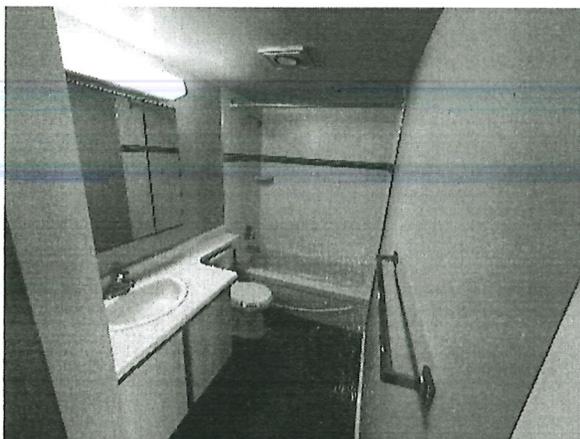
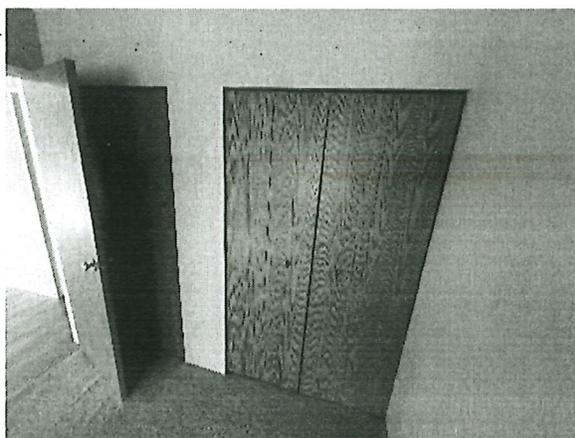
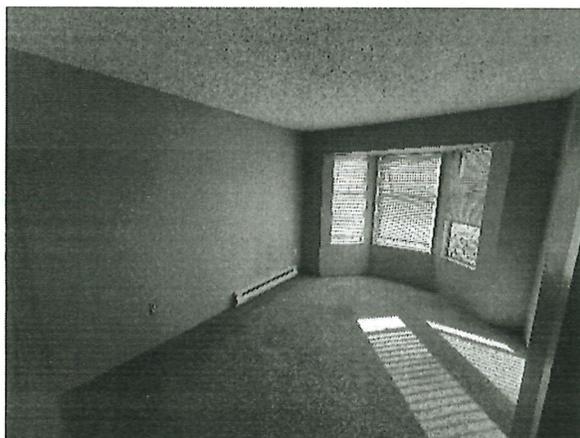
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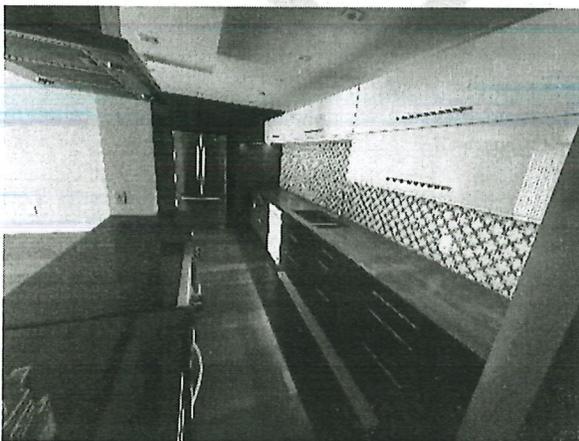
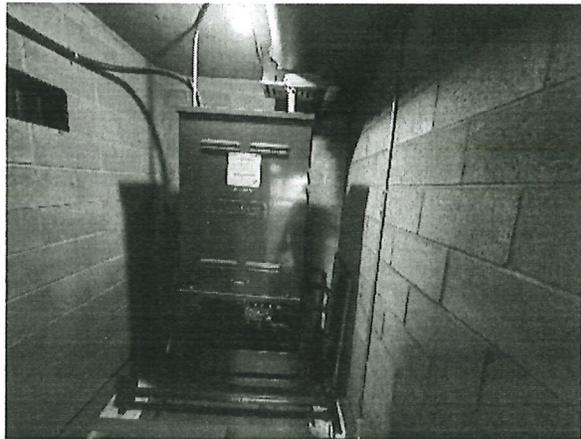


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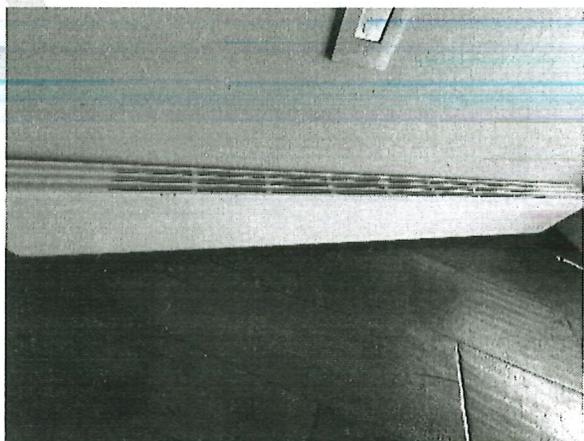
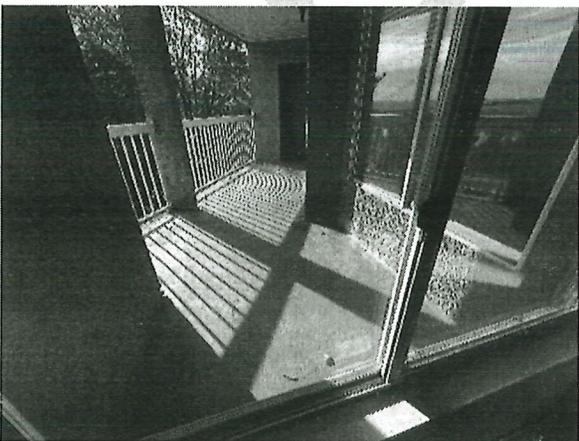
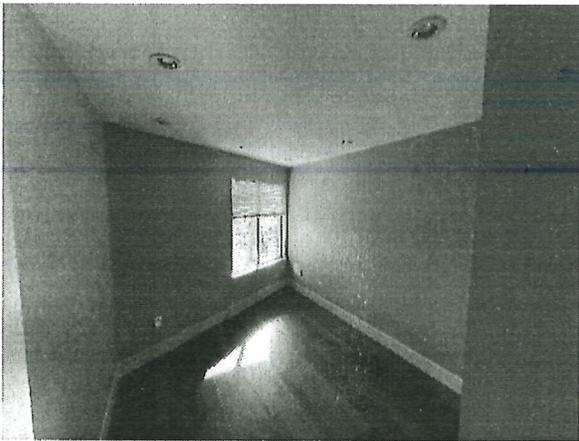


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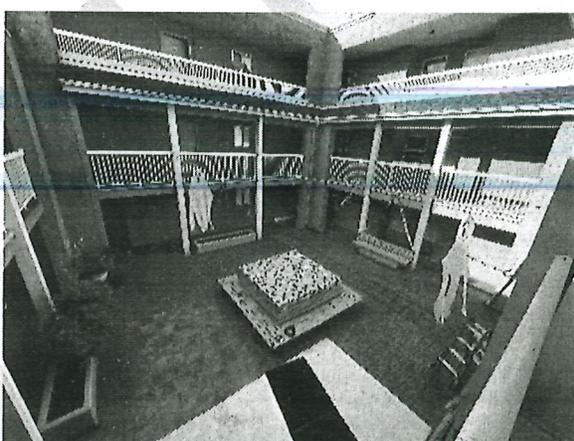
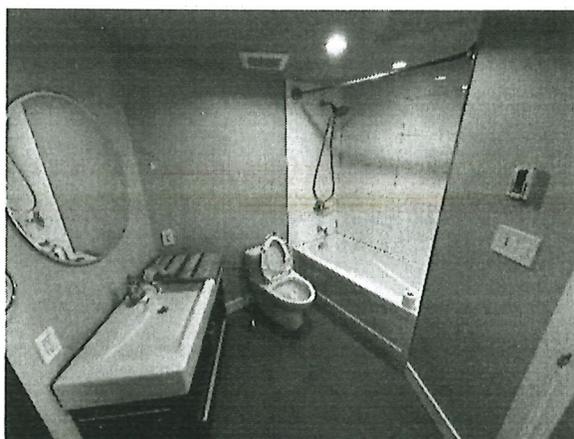




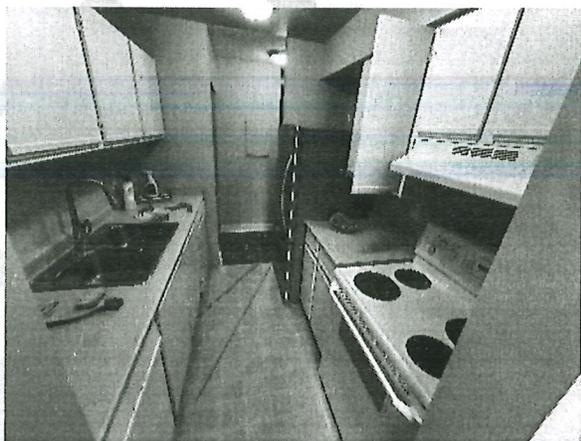
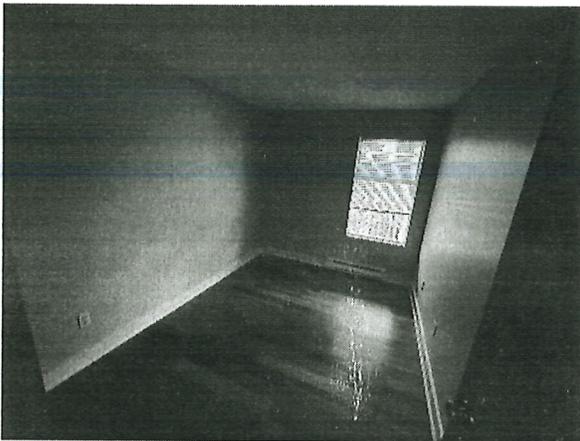
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3.11 LAND USE CLASSIFICATION

The land use of a property is regulated by two municipal documents; the Zoning Bylaw and the Official Community Plan which may be altered by bylaw amendments. The Zoning Bylaw is a detailed document outlining guidelines for construction and development. The Official Community Plan is a long-term policy document which dictates proposed land uses for zoning purposes and also addresses issues such as traffic, transportation, servicing amenity provision and a range of other matters throughout the municipality.

Official Community Plan (OCP)

All local governments are required to ensure that zoning bylaws and new development conform to the OCP. Proposed zoning changes must comply with land uses permitted by the OCP in order to be passed by city council. Proposed re-zoning not supported by the OCP requires that the OCP be amended. Such applications are also considered by city council.

The subject property is designated **Residential Tower – Apartment** which is targeted for residential and is intended for residential towers. It also may include mid-rise apartments, low rise apartments, townhouses, stacked townhouses, row houses. Community amenities such as churches, child care, libraries or community space and small-scale, corner store type retail, restaurant, and service uses are slated for this designation. The OCP and Downtown Community Plan (Schedule C to the OCP) refer the reader to the zoning bylaw for details on building heights and densities, offering only general guidance through DPA's which are outlined.

The subject property falls under the Downtown Building and Public Realm Design Guidelines and Master Plan which offers a vision for the form and character of development, with development being regulated by the Downtown Development Permit Area.

Objectives

The City of New Westminster will ensure that new development supports a vibrant, pleasant, and people oriented downtown. The guidelines for Downtown are based upon the following objectives for development:

- Reflect the context of New Westminster and unique characteristics such as history, views and topography.
- If building in the Columbia Street Historic District, form, height and character will be evaluated based on adjacencies to heritage assets. If building outside the historic district but next to a heritage asset, factors such as sympathetic design and materials must be considered.
- Support the protection and revitalization of heritage buildings and the neighbourhood's heritage character.
- Provide safe and pleasant streets and public spaces where pedestrians feel comfortable and welcome.

- Create a positive, people oriented connection between new buildings and the street, between public and private spaces.
- Promote excellence in architectural design and creativity in the architectural form, massing and character of new development.
- Protect important public views, and ensure light and air penetration to the street.
- Promote a vibrant and diverse local economy through the encouragement of attractive and functional commercial areas.
- Guide the development of new buildings which conserve energy, materials and water.
- Encourage new habitat and a greened built environment which supports ecological cycles and reconnects people with nature.
- Minimize negative impacts on air quality and the water quality of the Fraser River.
- Maximize opportunities for rooftop features which generate energy, minimize runoff and create multi-purpose green spaces.
- Promote sustainable modes of transport (e.g., walking, cycling, transit).

Guidelines

1. BUILDING FORM AND MASSING

The massing and form of buildings should showcase high level design and creativity, respecting the pedestrian scale and heritage assets of the Downtown.

- a. Vary the shape, massing, and exterior finishes of buildings in order to avoid a repetitive appearance when the development is viewed as a whole. Extra attention should be paid to doorways and corners.
- b. Create focal points and prominence in building design at the corners of street intersections. Gateway elements are encouraged at visually prominent intersections.
- c. Design the building with continuity throughout. Design elements or key proportions from the tower may extend through the podium and be reflected at street level.
- d. Provide a consistent and cohesive colour palette utilizing colours appropriate to a New Westminster context. Consider the heritage colour palette in the older buildings of New Westminster.
- e. Quality, natural materials that are historic to New Westminster are encouraged.
- f. Contribute to the unique character of the city through clear architectural references. While it is important not to mimic heritage buildings, the use of traditional materials, proportions and details that help reinforce New Westminster as a historic place are encouraged.
- g. Buildings located adjacent to heritage assets must ensure the form, massing and design of the building is sympathetic to the heritage building.

- h. The spacing of towers and units should be staggered so that private views are directed past neighbouring high-rise developments.
- i. Locate the portion of commercial buildings below 12 metres (40 feet) in height close to the edge of the sidewalk. Special attention should be given to the first 3 or 4 storeys to reinforce the pedestrian scale.
- j. Provide a minimum 4.5 metre (15 foot) setback from the edge of the top of a podium fronting a pedestrian oriented street. This does not apply to lanes or narrow streets intended primarily for access, utilities and servicing.
- k. Reinforce the scale and character of heritage buildings through ensuring the top edge of the heritage façade forms the edge of the podium of the building. The setback from the edge of a street front heritage façade should be at least 4.5 metres (15 feet).
- l. When designing point towers:
- Integrate the design of the podium with the tower.
 - Shape buildings above the 7th storey as tall and slender towers that respect views, and provide for light and air penetration to the street.
- m. Reinforce the conclusion of the building design through special consideration of the form, massing and detail of the top several floors and roof of the building. Provide organized rooftops that are attractive when seen from above as well as the street. Rooftop mechanical and service equipment should be screened in a way that incorporates it as an integral part of the building's architectural design.
- n. Provide some variety and unique characteristics of each building where there are multiple buildings in one development to reinforce individual building identity.
- o. Creativity in the design of the building and landscaping is encouraged to promote interest and whimsy in the Downtown.
- p. Interior sidewalls, created as a result of construction/redevelopment phasing, should be designed to complement the overall appearance of development, and should not appear temporary or unfinished.

The subject parcel is further identified as part of the **Albert Crescent Precinct**.

The intent of the Albert Crescent Precinct is to encourage the development of more ground-oriented housing and housing suitable for families, preserve the existing market rental housing stock, and respect, enhance and celebrate its recognized heritage resources, including Irving House and the four historic churches. The boundaries of the Albert Crescent Precinct are Clarkson and Columbia Streets to the south, Royal Avenue to the north, and from McBride Boulevard to the east to Sixth Street to the west.



This precinct is home to Albert Crescent Park, a green space offering magnificent views of the Fraser River; Irving House, the oldest surviving home in the City; and Downtown's entire stock of purpose-built rental housing. It will also include a new elementary school, with capacity for 300 children, and a neighbourhood park, both of which are co-located on the former Saint Mary's Hospital site.

VISION

The Albert Crescent Precinct will remain predominantly residential, with some mixed-use land uses at its western edge close to Sixth Street. Development within this precinct will maintain a human scale, enhancing the pedestrian experience and respecting recognized heritage resources. The defining characteristics of the Albert Crescent Precinct include: a variety of housing types and tenure arrangements; significant heritage resources, including Irving House and several historic churches; good views to the Fraser River; a new elementary school and park, which will act as a community hub and focal point for residents; pedestrian oriented streetscapes; good east/west access to other parts of the Downtown; and proximity to SkyTrain.

This Precinct will continue to provide easy access to a range of amenities and services. It will be served by two neighbourhood parks, which incorporate active play spaces, and will be connected to Queens Park and the new waterfront park at Westminster Pier through enhanced pedestrian connections. The Albert Crescent Precinct provides a range of housing types and tenure arrangements that appeal to a variety of households. It contains all of Downtown's purpose-built market rental housing, which represents approximately 12% of the City's total purpose-built rental housing stock. Rental housing serves an important role in the community, providing access to a form of affordable housing to households with varied income levels. It also allows for flexibility in the housing market for workers who need to live closer to their employment. Retention of rental housing in this area will continue to be a City priority. Development applications will be evaluated based on the ability to retain, create and/or replace rental housing. Given the location of the new elementary school, the Albert Crescent Precinct is well suited for additional ground-oriented housing suitable for families, households with pets, seniors and those who desire access to a garden or small urban yard.



There will be a mix of medium to high density development, ensuring all new development includes at-grade, ground-oriented units such as townhouses and garden apartments. Landscaped garden areas at the street face will be strongly encouraged. The Albert Crescent Precinct will be designed for the pedestrian and cyclist, with limited access for through-traffic. Its parks and open spaces will be designed and programmed to encourage positive uses, both day and night. The historic churches, civic plazas, greenways, parks and new school will serve as important nodes, facilitating social contact, interaction and neighbourliness. The Agnes Street corridor will be designed as a pedestrian friendly east-west connection across the precinct. Ground-oriented housing with entrances and windows fronting the street, which enhance safety through "eyes on the street," will promote interaction with neighbours and passers-by. Well articulated ground-oriented housing will be encouraged with the use of details in doors, lighting, fencing and landscaping that provide visual interest to the street, and materials sympathetic to the historic character of parts of the precinct.

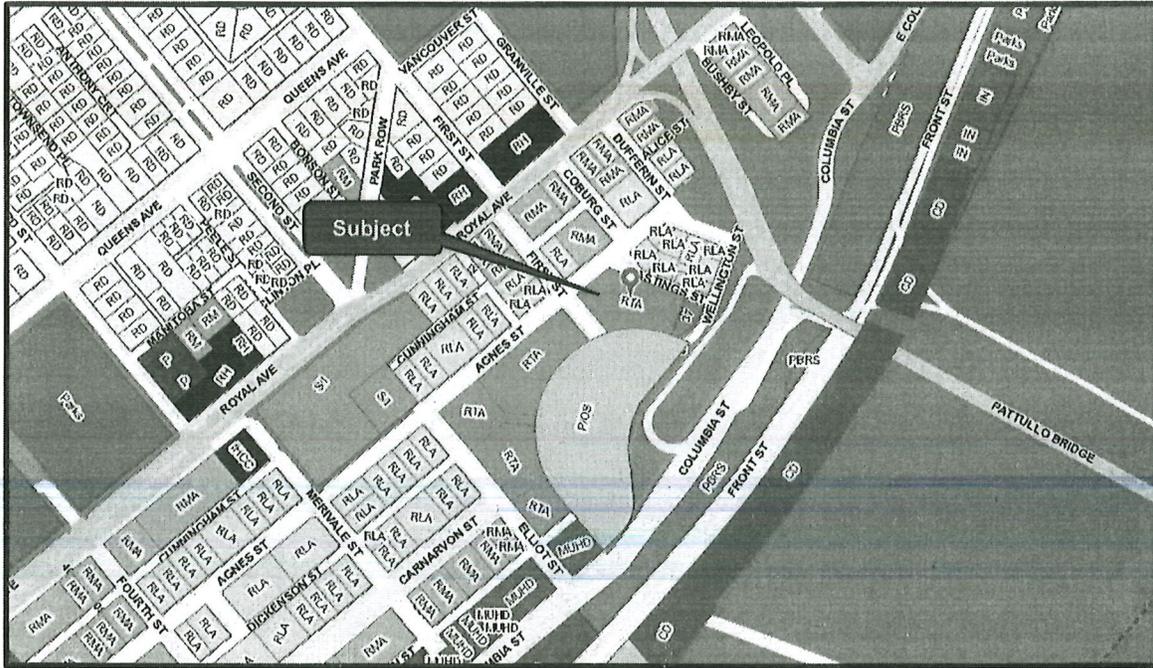
High rise towers around Albert Crescent Park enhance its formal park setting. The Park will be programmed in the future to promote active family use and maximize the views of the Fraser River.

Sixth Street is an important north/south connector linking Downtown with Uptown. Sixth Street will continue to be designed as a main pedestrian route and high density residential and commercial corridor.

Conclusion

The current zoning of the property is deemed to be well below the potential of the site considering a potential high-rise apartment / tower usage. Rezoning approval is deemed well within reason for a high-density application that conforms to the various municipal guidelines and is supported by the OCP. That said, the outcome of a rezoning application is uncertain. In summary, the present development is well below the potential for the site.

An OCP map excerpt is presented as follows for reference:



OCP LAND USE MAP EXCERPT

M.F.



Zoning The subject property is zoned **RM-2, Multiple Dwelling District (Low-Rise)** under New Westminster's Zoning Bylaw No. 6680, 2001. An excerpt of the Zoning Bylaw is contained in the Addenda.

Permitted Uses: The following uses and no others shall be permitted in the (RM-2) district:

Density: Single detached dwellings to RS-1 district standards provided that detached accessory dwelling units are a permitted use only for lots which are designated '(RD) Residential Single Detached and Semi-Detached Housing' or '(RGO) Residential – Ground Oriented Infill Housing' in the City of New Westminster Official Community Plan.

- Duplex dwelling to (RT-1) District standards
- Duplexes, row houses or townhouses
- Apartment buildings and multiple dwellings
- Child care in accordance with the regulations in Section 170.13
- Home based businesses
- Lodging and boarding houses
- Public utilities
- Accessory buildings and uses provided that all accessory buildings:
 - shall not exceed one storey nor a height of 15 feet (4.57 metres) measured from the finished floor of a building;
 - shall not be located in the required front yard;
 - shall not be located closer than 5 feet (1.52 metres) from the rear or side site line;
 - shall not be located closer than 10 feet (3.05 metres) from a window of a habitable room;
 - shall not occupy more than ten percent (10%) of the site area;
 - are used solely for recreation purposes and if attached to a principal building shall be deemed to be an accessory building;
 - shall not be located closer than a distance of 15 feet (4.57 metres) from the corner of a site at the intersection of a street and lane.

Rules and Regulations

Building Height: The height of a building shall not exceed 35 feet (10.67 metres).

Site Coverage: All principal buildings in total shall not cover more than forty percent (40%) of the site area.

Density: The maximum permitted base density must not exceed:

- a) Housing units: 60 per net acre (148.26 per net hectare); or
- b) A floor space ratio of 1.2 provided that the density may be increased to a maximum floor space ratio of 1.8 pursuant to the satisfaction of the amenity conditions set out in S. 190.49.

For senior citizens' housing the floor space ratio shall not exceed a factor of 1.2.

Open Space: Usable open space shall be provided of not less than ten percent (10%) of the gross residential floor area.

Density Bonus Regulations: Despite S. 430.12, S. 430.13, S. 430.14, S. 430.15 and S. 430.17, where density is increased beyond the permitted base density pursuant to S. 430.18, the following provisions apply:

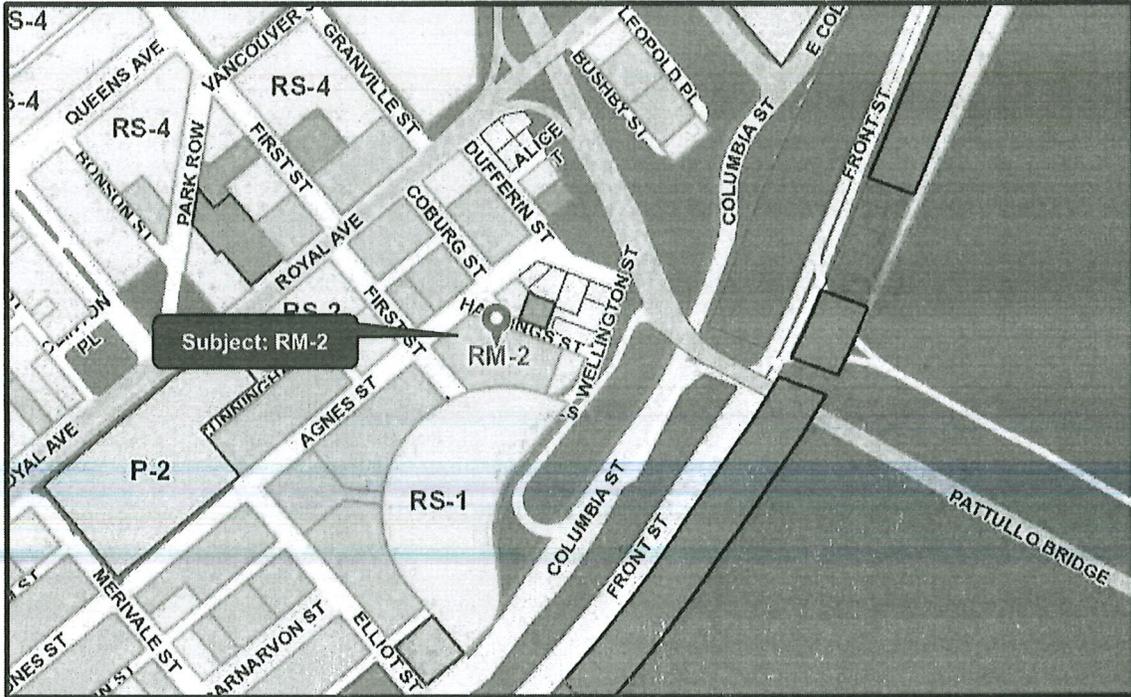
- a) the height of a building shall not exceed 45 feet (13.72 metres);
- b) a front yard shall be provided of not less than 20 feet (6.10 metres) in depth;
- c) a rear yard shall be provided of not less than 20 feet (6.10 metres) in depth;
- d) side yards shall be provided which, in total, must equal not less than the height of the building but need not exceed 40 feet (12.19 metres) in total; however, a side yard adjoining a street must not be less than 20 feet (6.10 metres);
- e) there shall be no limit on site coverage.

Rental Tenure: There are no rental tenure restrictions impacting the subject.

Conclusion: Under the present RM-2, Multiple Dwelling District (Low-Rise) zoning, the subject property is capable of being developed up to a maximum building height of 35 feet and to a maximum site coverage of 40%. A multi-family apartment complex may be built up to a maximum density in the range of 1.2-1.8:1 FSR or 60 units per net acre. For the subject property (1.09 acres), a maximum of 65 units may be developed. There are no rental tenure restrictions impacting the subject based on the RM-2 zone alone.

The existing strata-titled, market rental secured multi-family / apartment complex is deemed to generally conform to the RM-2 zone. That said, building setback and building code compliance have not been verified as each is beyond the scope of this report.

Zoning Map



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Rezoning Application

There is presently a pending Rezoning Application # RZ000249 to rezone the property to CD to allow for the development of a high-rise apartment building.

Rezoning and Special Development Permit applications have been received to facilitate a mixed-tenure, mixed-income development at 65 First Street, located within Tier 3 of the Columbia Station Transit Oriented Development Area. A total of 304 stratified condo units, 299 market rental units, and 30 below-market rental units (9.9% of condo units) are proposed within two 30 and 35 storey towers. Drawings indicate a total Floor Space Ratio of 10.64. As such, the application proposes density and heights above those mandated in Tier 3.

The project is advancing under the City's Interim Development Review Framework and Interim Density Bonus Policy. The proposed 30 below-market rental units, to be owned and operated by the YWCA, would be considered as an in-kind amenity contribution and have been evaluated under the latter policy. Consistent with the City's typical process, all rental dwelling units would be secured through the Housing Agreement and zoning district (Attachments 1 and 2). The remaining estimated density bonus balance (\$4,321,866) would be a cash contribution payable at the time of Building Permit issuance.

Applicant-led and City-led public consultation have been undertaken for the project. The proposal is considered to be consistent with City policy, Council Strategic Priorities, and the Official Community Plan, and the applicant has responded to public and staff feedback. The statutory requirement for public notification has been met. As such, staff a City Planning and Development Report to Mayor Johnstone and Council recommended that Council consider the rezoning and Housing Agreement Bylaws for first, second and third readings as of April 7, 2025.

Housing Agreement and Tenant Assistance Requirements

Following an agreement to purchase the site in 2019, the developer advised the City of their intention to temporarily operate the existing building as rental housing, until redevelopment. Together, staff and the developer negotiated a Housing Agreement that: 1) provides a legal framework for operating and maintaining the rental units; 2) requires the developer adhere to the City's Tenant Relocation Policy (2016), upon redevelopment; and, 3) clarifies that the City's Rental Replacement Policy does not apply to the site, nor is it subject to Rental Tenure Only Zoning.

The Housing Agreement Bylaw was considered by Council on February 24, 2020 (report / minutes) and adopted March 20, 2020. Sale of the property completed in 2021. The clarity provided through the Housing Agreement was critical to the developer's decision to tenant the building, rather than leave the units vacant until redevelopment.

Policy Regulations

The proposed project is consistent with the Official Community Plan and Downtown Community Plan, which designates the site Residential – Tower Apartment. The site is located within the Downtown Development Permit Area and Albert Crescent Precinct.

As the project is not consistent with existing zoning, rezoning is required.



Interim Development Review Framework and Interim Density Bonus Policy

The City is currently working to review and update its regulations, policies, and practices in light of wide ranging changes to housing legislation and financing growth tools, introduced by the Provincial government. While this work is underway, development applications are being processed in light of the Interim Development Review Framework and the Interim Density Bonus Policy. These policies provide greater transparency and predictability in the development review process, and facilitate continued project review.

Per these policies, rezoning applications that are consistent with the Official Community Plan and propose multi-unit residential density have two financing growth options:

1. Meet the requirements of the current Inclusionary Housing Policy, in which case, density bonus charges would not apply; or,
2. Provide a cash density bonus contribution and/or in-kind amenities, such as below-market housing units, the City-accepted value of which would offset all or a portion of the project's cash density bonus charge.

Project Proposal

The applications propose two residential towers at 65 First Street, at heights of 30 and 35 residential storeys, and drawings indicate a Floor Space Ratio of 10.64. Tower A would be rental tenure, comprising 299 market rental units and 30 below-market units.

Tower B would contain 304 stratified market condo units. The two buildings would be connected by a podium and upper level amenity bridge, with both strata and rental ground-oriented townhouse units addressing the site's frontages.

While residential vehicle parking cannot be required per Transit Oriented Development Area legislation, with the exception of accessible parking, 364 resident (0.58 spaces per unit) and 32 visitor (0.05 spaces) are proposed. A total of 1,236 long-term bicycle and 12 short-term bicycle parking spaces would be provided, exceeding Zoning Bylaw requirements. Albert Crescent (road), and portions of Hastings Street and Wellington Street, made redundant through the application, would be closed to vehicles and would remain in the City's possession.

Overall Evaluation (per City of New Westminster)

The development proposes a mixed-tenure, mixed-income community in a transit-oriented neighbourhood, and would address Council's Homes and Housing Options strategic priority. While the proposal exceeds prescribed Transit Oriented Development Area heights and densities, it is consistent with the Official Community Plan land use designation, the Interim Development Review Framework, and the Interim Density Bonus Policy.

The proposal would result in two significant community benefits: 1) an in-kind amenity consisting of 30 below-market housing units, and 2) an estimated density bonus (cash) contribution of \$4,321,866. The below-market housing units would be owned and operated by the YWCA, and offered to households at or below BC Housing Income Limits, with rents limited to those set out by the Inclusionary Housing Policy. Consistent with the City's typical process, market and below-market units would be secured as rental tenure through the site's zoning, and their management secured through the Housing Agreement.

The overall project design is supported by staff given its consistency with key tower planning principles, including tower separation, tower floorplate sizes, and minimizing shadow and view impacts on public spaces. Additionally, the applications include offsite works including repurposing of redundant road space and new pedestrian and cyclist connections to Albert Crescent Park.

In-Kind Amenity Proposal

The proposal includes 30 below-market housing units (9.9% of condo units). Consistent with best practice for inclusionary housing development, the below-market units would be constructed by the applicant and sold to the YWCA for approximately 60% of the cost of construction (\$8,000,000). The units would be owned and operated by the YWCA, a registered charity whose mandate includes the operation of affordable housing.

Below-market units would be rented to households with incomes at or below BC Housing Income Limits, with some units reserved for single mothers and their children. Rents would not exceed 10% below Canada Mortgage and Housing Corporation market median rents, all years, for New Westminister (consistent with Inclusionary Housing Policy maximum rents). Where possible, the organization would endeavor to deepen the affordability of units, as operationally feasible. More information on the YWCA's affordable housing programs is provided in Attachment 5. YWCA has also provided a letter to Council (Attachment 14) that details the organization's mission and mandate.

The proposed units, rents, household income limits, and other key housing principles would be secured by Housing Agreement Bylaw No. 8504, 2025. Sale of the units to YWCA would be secured through the Development Agreement Covenant.

Density Bonus Balance

Per the Interim Density Bonus Policy, density bonus is chargeable on strata residential density in excess of existing entitlements. The cost of the in-kind amenity (below-market housing units) would be deducted from the density bonus value, resulting in a balance. This balance is estimated in Table 1 based on the City's current rates, and would be confirmed based on the City's rates at time of Building Permit application.

Table 1: Estimated Density Bonus Balance

Proposed Strata Density Above Base Entitlements	4.04 FSR 17,817.4 sq. m. (191,784.8 sq. ft.)
Estimated Density Bonus Value¹	\$9,589,240
In-kind Amenity Cost²	\$5,267,374 (approx. 55% of density bonus value)
Estimated Density Bonus Balance	\$4,321,866

¹ Per City's current density bonus rate of \$50 per sq. ft.

² City-accepted in-kind amenity costs (\$13,267,374) less sale price (\$8,000,000)

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Public Consultation & Review Process

Consultation has been completed for this application consisting of applicant-led consultation, presentation to the New Westminster Design Panel, and City-led consultation. The development application review process for this application is as follows:

1. Preliminary report to Council (October 21, 2024);
2. Applicant-led public consultation, including dissemination of information through the Downtown Residents' Association (October to November 2024);
3. Presentation to the New Westminster Design Panel (December 10, 2024);
4. City-led public consultation, including creation of a Be Heard New West webpage and survey (January to February 2025);
5. Public notification that no Public Hearing will be held (March 28 to April 7, 2025);
6. Council consideration of first, second, and third readings of the proposed Zoning Amendment and Housing Agreement Bylaws. **Project most recently reported at this stage.** Next steps as follows:
7. Completion of adoption requirements;
8. Council consideration of adoption of the bylaws;
9. Issuance of the Development Permit by the Director of Planning and Development.

Per changes to the Local Government Act on November 30, 2023, under Section 464(3), municipalities are prohibited from holding Public Hearings for projects that are consistent with the Official Community Plan, and in which the residential component of the project accounts for at least half of the proposed gross residential floor area. As this project satisfies these conditions, a Public Hearing must not be held.

Conclusion

There is a pending Rezoning Application # RZ000249 to CD to allow for the development of a high-rise apartment complex of a total of 304 stratified condo units, 299 market rental units, and 30 below-market rental units (9.9% of condo units) in two towers of 30 and 35 storeys. The proposed density is to a Floor Space Ratio of 10.64:1, $\pm 4.04:1$ of which is reportedly above base entitlements supported by land use guidelines and is to be effectively paid for through a combination of community amenity contributions (i.e. 30 below-market housing units to be provided on-site and sold to the YWCA for approximately 60% of the cost of construction (\$8,000,000)) and a \$4,321,866 cash contribution payable at the time of building permit issuance. Thus, excluding density to be paid for, there is effectively a proposed density of 6.6:1 FSR. It is common to see up to 1.0:1 FSR in bonus density which entails some form of community amenity contribution or payment, while it is deemed highly unlikely market participants would pay for this site based on a 10.64:1 FSR, where 4.04:1 FSR is to be paid for by the landowner in one form or another. Adjusting the 6.6:1 FSR up by 1.0:1 results in a density which is deemed reasonable to form the basis of a sale and is best representative of the available comparable indices of **7.6:1 FSR**.

As of April 7, 2025, a City Planning and Development staff report recommended that Council consider the rezoning and Housing Agreement Bylaws for first to third reading. The City of New Westminster was reached out to for confirmation of the present stage and status of the application and a response has not yet been received. It is understood the application is nearing approval, though it has not yet been formally granted, and that all cash in lieu and community amenity contributions *have not* yet been paid / incurred.

3.12 ASSESSMENT & TAXES

In the Province of British Columbia, property tax assessments are based on fair market value of the Fee Simple interest, as if unencumbered by any leases, using a process known as 'mass appraisal'. The assessed value is effective as of July 1 in the year prior to the tax year and the condition of the property is referenced as at October 31st in the year prior to the tax year.

Mass appraisal evaluates properties in groups as opposed to individually and employs a variety of statistical tests to measure the quality and equity of the process. Mass appraisal may not always recognize the site-specific advantages or disadvantages of a property. Property Assessment is based on a Mass Model Valuation process and applied on a general basis. As a result, the values to follow may not necessarily represent current market value of the subject property. By definition and necessity, the mass appraisal process relies on land use classifications as one of the elements in estimating market values and is not always cognizant of alternate or transitional Highest and Best Use considerations.

The 2025 tax assessment is based on an assessment date of July 31, 2024, and the 2024 tax assessment date is exactly one year earlier.

ASSESSMENT SUMMARY								
Strata Lot #	Unit Number	Unit Size (sq. ft.)	2024 Assessment	2025 Assessment	YoY Change	2024 Taxes	2025 Taxes	YoY Change
1	218	960	\$464,800	\$463,800	-0.2%	\$1,899	\$2,024	6.6%
2	219	956	\$451,400	\$446,900	-1.0%	\$1,844	\$1,950	5.7%
3	220	933	\$441,500	\$432,600	-2.0%	\$1,804	\$1,888	4.7%
4	221	658	\$358,700	\$353,200	-1.5%	\$1,466	\$1,541	5.1%
5	217	917	\$435,800	\$428,000	-1.8%	\$1,781	\$1,868	4.9%
6	314	965	\$452,900	\$442,800	-2.2%	\$1,850	\$1,932	4.4%
7	316	963	\$463,100	\$458,700	-1.0%	\$1,892	\$2,002	5.8%
8	318	976	\$443,400	\$431,000	-2.8%	\$1,812	\$1,881	3.8%
9	319	966	\$454,300	\$445,400	-2.0%	\$1,856	\$1,944	4.7%
10	320	934	\$442,200	\$438,900	-0.7%	\$1,807	\$1,915	6.0%
11	321	661	\$358,500	\$347,500	-3.1%	\$1,465	\$1,517	3.5%
12	317	943	\$443,400	\$431,000	-2.8%	\$1,812	\$1,881	3.8%
13	315	947	\$458,400	\$454,000	-1.0%	\$1,873	\$1,981	5.8%
14	313	993	\$460,200	\$448,900	-2.5%	\$1,880	\$1,959	4.2%
15	410	892	\$431,600	\$422,600	-2.1%	\$1,763	\$1,844	4.6%
16	412	967	\$453,000	\$441,700	-2.5%	\$1,851	\$1,928	4.2%
17	414	978	\$457,000	\$456,000	-0.2%	\$1,867	\$1,990	6.6%
18	416	952	\$448,800	\$442,100	-1.5%	\$1,834	\$1,929	5.2%
19	418	967	\$458,700	\$456,500	-0.5%	\$1,874	\$1,992	6.3%
20	419	957	\$457,300	\$457,200	0.0%	\$1,868	\$1,995	6.8%
21	420	1,001	\$464,400	\$483,400	4.1%	\$1,897	\$2,110	11.2%
22	417	964	\$452,600	\$462,800	2.3%	\$1,849	\$2,020	9.2%
23	415	957	\$450,000	\$465,600	3.5%	\$1,839	\$2,032	10.5%

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ASSESSMENT SUMMARY								
Strata Lot #	Unit Number	Unit Size (sq. ft.)	2024 Assessment	2025 Assessment	YoY Change	2024 Taxes	2025 Taxes	YoY Change
24	413	1,023	\$468,900	\$482,400	2.9%	\$1,916	\$2,105	9.9%
25	411	949	\$448,200	\$465,000	3.7%	\$1,831	\$2,029	10.8%
26	409	975	\$458,300	\$469,500	2.4%	\$1,873	\$2,049	9.4%
27	408	1,008	\$469,400	\$490,600	4.5%	\$1,918	\$2,141	11.6%
28	407	1,134	\$502,300	\$526,000	4.7%	\$2,052	\$2,295	11.8%
29	506	708	\$377,100	\$367,000	-2.7%	\$1,541	\$1,602	4.0%
30	501	992	\$470,800	\$473,000	0.5%	\$1,923	\$2,064	7.3%
31	502	670	\$361,300	\$355,700	-1.5%	\$1,476	\$1,552	5.1%
32	503	670	\$361,400	\$349,200	-3.4%	\$1,477	\$1,524	3.2%
33	504	1,001	\$470,900	\$473,100	0.5%	\$1,924	\$2,065	7.3%
34	505	954	\$450,400	\$440,300	-2.2%	\$1,840	\$1,921	4.4%
35	510	901	\$434,400	\$424,200	-2.3%	\$1,775	\$1,851	4.3%
36	512	978	\$456,800	\$446,800	-2.2%	\$1,866	\$1,950	4.5%
37	514	965	\$452,700	\$443,700	-2.0%	\$1,850	\$1,936	4.6%
38	516	956	\$450,300	\$441,300	-2.0%	\$1,840	\$1,926	4.7%
39	515	941	\$446,600	\$455,600	2.0%	\$1,825	\$1,988	8.9%
40	513	1,012	\$465,800	\$481,400	3.3%	\$1,903	\$2,101	10.4%
41	511	1,224	\$525,900	\$544,000	3.4%	\$2,149	\$2,374	10.5%
42	508	1,016	\$466,500	\$480,000	2.9%	\$1,906	\$2,095	9.9%
43	507	1,163	\$510,000	\$530,400	4.0%	\$2,084	\$2,315	11.1%
44	606	983	\$458,000	\$449,000	-2.0%	\$1,871	\$1,959	4.7%
45	601	998	\$467,800	\$458,800	-1.9%	\$1,911	\$2,002	4.8%
46	602	707	\$378,000	\$372,500	-1.5%	\$1,544	\$1,626	5.3%
47	603	707	\$375,600	\$364,500	-3.0%	\$1,535	\$1,591	3.6%
48	604	999	\$467,800	\$469,000	0.3%	\$1,911	\$2,047	7.1%
49	605	948	\$447,500	\$437,400	-2.3%	\$1,828	\$1,909	4.4%
50	610	888	\$432,800	\$430,600	-0.5%	\$1,768	\$1,879	6.3%
51	612	967	\$452,800	\$444,900	-1.7%	\$1,850	\$1,942	5.0%
52	611	947	\$448,300	\$468,200	4.4%	\$1,832	\$2,043	11.5%
53	609	992	\$462,900	\$479,600	3.6%	\$1,891	\$2,093	10.7%
54	608	1,007	\$464,600	\$483,700	4.1%	\$1,898	\$2,111	11.2%
55	607	1,129	\$500,800	\$523,200	4.5%	\$2,046	\$2,283	11.6%
56	706	971	\$454,100	\$470,800	3.7%	\$1,855	\$2,055	10.8%
57	701	936	\$446,400	\$439,800	-1.5%	\$1,824	\$1,919	5.2%
58	702	682	\$367,200	\$360,600	-1.8%	\$1,500	\$1,574	4.9%
59	703	682	\$365,400	\$355,400	-2.7%	\$1,493	\$1,551	3.9%
60	704	937	\$446,400	\$437,300	-2.0%	\$1,824	\$1,908	4.6%
61	705	987	\$460,600	\$471,800	2.4%	\$1,882	\$2,059	9.4%
Total:		57,114	\$27,147,000	\$27,166,900	0.1%	\$110,915	\$118,557	6.9%



Note:

1. The current assessed value appears well above current market value and the subject property should therefore be considered as a candidate for assessment appeal (LFAST@DRCOELL.COM). This may be due to the property being assessed based on the values of individual condo units, in part, which is deemed to be an error.

DRAFT

4.0 MARKET OVERVIEWS

British Columbia Q3 2025 Market Overview

4.1 PROVINCIAL OVERVIEW

As of late-2025, the British Columbia economy continues to exhibit modest growth amid persistent challenges such as elevated interest rates, softening consumer demand, and uncertainties related to potential U.S. tariffs, with forecasts indicating a gradual recovery supported by sectors like energy and trade. Real GDP growth is projected at 1.5 to 1.8 percent for the full year 2025, building on a 1.2 percent increase in 2024. Recent trends show resilience in service industries while goods sectors like construction and manufacturing have lagged.

Unemployment stood at 6.4 percent as of September 2025, remaining below the national average, with the labor market stable to slowly contracting due to slower job growth compared to labor force expansion. Forecasts suggest an average of 6.4 percent unemployment for 2025, peaking at 6.6 percent by year-end, following a 5.6 percent average in 2024.

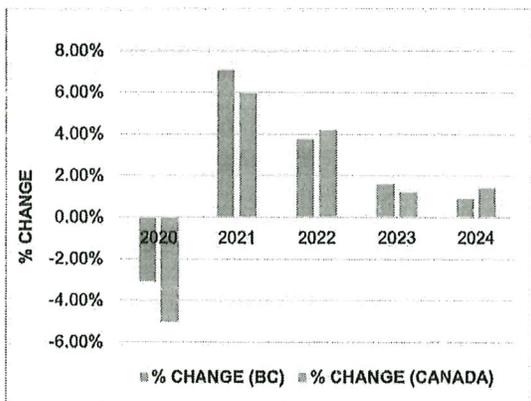
Population growth has slowed from post-pandemic highs, with the province's population at 5.722 million as of January 1, 2025, reflecting a 1.7 percent year-over-year increase driven primarily by international migration, compared to 5.698 million on July 1, 2024; further deceleration is anticipated due to reduced federal immigration targets announced in late 2024.

Retail sales showed improvement with a 6.1 percent year-to-date increase through March 2025, following a modest 0.6 percent rise for the full year 2024, supported by gains in health and building materials sectors but offset by declines in gasoline and furniture. Consumer spending remains subdued overall due to affordability issues.

Housing starts have declined sharply, down 20.6 percent year-to-date through April 2025 and below the 10-year average, with 45,828 units in 2024, representing a 9.2 percent drop from 2023. Forecasts point to 39.9 thousand units for 2025 amid high costs, labor shortages, and delayed projects. Home prices are under pressure from increased listings and soft demand, with the average sale price at \$981,766 in 2024, up 1.0 percent from 2023. Projections for 2025 indicate a modest decline for the year, though sales rose for the fourth consecutive month in July 2025. In the following months, housing sales have broadly slowed.

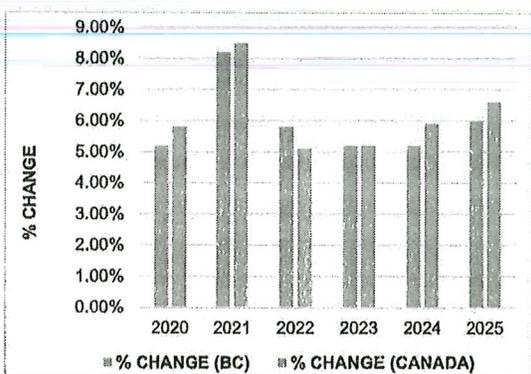
The following provides a statistical overview and is sourced from Statistics Canada, BC Stats, RBC, etc.

Real Gross Domestic Product (GDP)



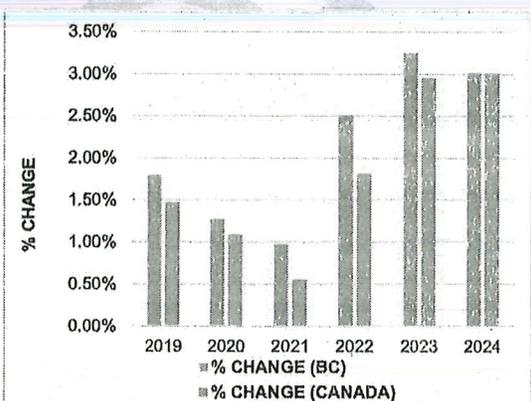
B.C.'s Real GDP reduction registered at -3.1% in 2020 and saw growth of 7.1% in 2021, according to BC Stats. Growth moderated in 2022, falling to 3.8%. Following the sharp rise in interest rates in 2022, the real estate dependent economy slowed sharply to 1.6% real growth in 2023 and 0.90% growth in 2024 (projected). In 2024, the province's real GDP growth fell below the national average.

Unemployment Rate



BC's unemployment rate was 6.0% as of February 2025, below the Canadian Average of 6.60%. The Unemployment Rate has increased from lows of 5.20% seen in Feb. 2022 and 2023 respectively, following a persistent decline from 8.20% seen in 2021. The 2021 rate followed a surge higher in mid-2020 from the 5.20% rate seen at the start of the pandemic.

Population Growth



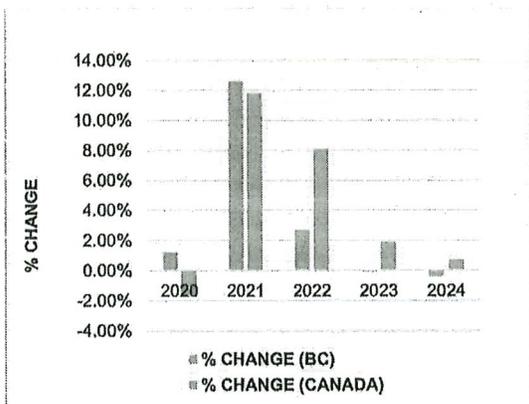
BC's population growth registered at 1.27% in 2020 and fell to a growth rate of 0.98% in 2021. In 2022 this rate more than doubled to 2.50%. 2023 saw further population growth with the rate increasing to 3.25% relative to 3.02% in 2024.

Compared to Canada overall, BC experienced greater population growth from 2019 to 2023, though the province saw similar growth in 2024. Going forward, population growth should decline as Canada takes a somewhat more restrictive stance to immigration.

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Retail Sales

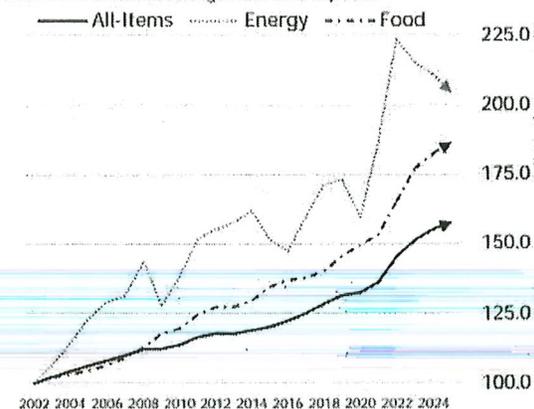


BC's retail sales growth registered at 1.2% in 2020 and substantially grew by 12.6% in 2021. This was a direct result of increased consumer confidence and higher savings accumulated after the onset of the pandemic. In 2023, retail sales marginally declined from the level seen the year earlier, following a slight increase in 2022. 2024 resulted in a further slight decline. The province has now underperformed the Canada as a whole for every year since 2022, resulting from high consumer debt loads and deteriorating consumer confidence.

Inflation

Annual Average Index

2025 is the 12-month average index as of Sep 2025

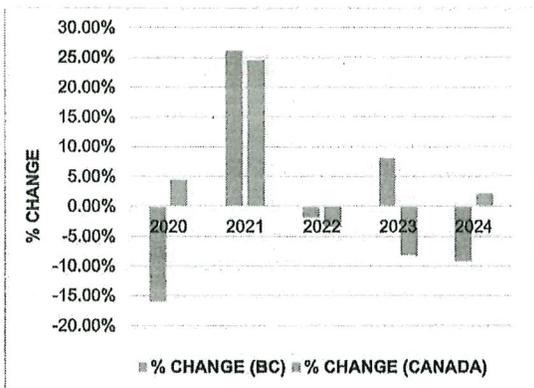


The latest 12-month average index is a moving average of the consumer price index. By nature of the calculation, averaging the index gives a better representation of price behaviour in the past year by mitigating the effects of unusual or temporary events.

As of September 2025, the 12-month average price index for all-items in British Columbia was 157.7, a 2.2% increase when compared to the previous 12-month average. Energy had an average price index of 204.3 (-3.3%), while the average food price index climbed to 186.5 (+2.9%). In B.C.'s census metropolitan areas (CMAs), the 12-month average price index rose to 160.7 (+2.3%) in Vancouver and 154.3 (+2.2%) in Victoria, the only CMAs with available data.

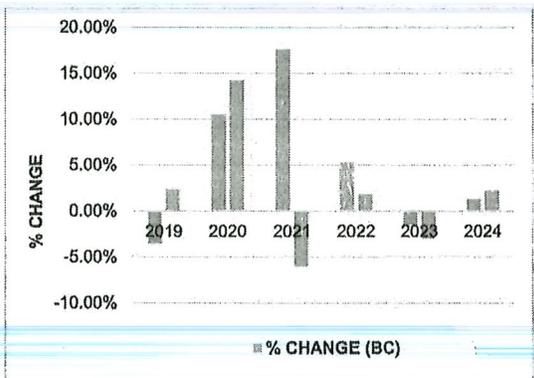
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Housing Starts



BC's Housing Starts registered a reduction of -16.02% in 2020 and substantially grew 26.16% in 2021. This was a result of a lack of supply that has caused home prices to surge higher across the province. 2022 saw a slight reduction in housing starts from 2021 levels with an uptick seen in 2023, prior to falling back in 2024. This compares to Canada overall, which saw a moderate decline in 2022, followed by a further moderate decline in 2023, prior to seeing a slight rebound in 2024.

Existing Home Prices



B.C.'s Home Price growth registered at 10.5% in 2020 and increased to 17.6% in 2021. Price growth fell to 5.3% in 2022, with a subsequent decline of -1.50% in 2023. 2024 saw the BC market stabilize with nominal home price growth of 1.3%, below the national average.

Summary

British Columbia's natural resources sector is expected to continue its role as a key economic driver in 2025. Natural gas production, which saw an increase in 2024, is expected to remain robust, with continued high demand from international markets, particularly in Asia. The construction of the LNG Canada plant in Kitimat, which has been ongoing, is expected to contribute significantly to BC's energy exports in 2025. However, the sector faces challenges, including volatility in commodity prices and labor shortages that could hinder project timelines and now great uncertainty surrounding both U.S. and Chinese tariffs on Canadian goods.

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The lumber sector, on the other hand, is facing a more challenging year in 2025, with a slowdown in US housing demand and continued global supply chain disruptions and recently implemented increased tariffs. The U.S. increased its anti-dumping and countervailing duties on Canadian softwood lumber, bringing the total to 35.19% in August 2025. The U.S. Department of Commerce raised the countervailing duty rate from 6.74% to 14.63% and the anti-dumping duty rate to 20.56%, resulting in the combined total of over 35%. As B.C. is one of the largest exporters of lumber, decreased demand from the U.S. and softening global economic conditions, especially in China, are hindering the sector's growth prospects.

Tourism, a key sector for BC, continued to recover in 2024 as international and domestic travel surged. BC's tourism industry has proven resilient post-pandemic, with summer 2024 showing strong performance across popular destinations like Vancouver, Victoria, and Whistler. The tourism sector remains a critical small business generator, employing tens of thousands of people across the province. Labor shortages persist in the tourism industry with companies struggling to meet the surge in demand. Businesses in this sector have continued to face operational challenges in 2025, particularly those relying on seasonal workers. Despite the challenges, B.C.'s tourism sector is expected to contribute positively to the province's economic growth in 2025, bolstered by a steady recovery in international travel and strong domestic tourism activity.

Despite a material decline, inflation is still expected to outpace wage growth in BC, continuing to strain household budgets. Although BC's consumption is less heavily weighted toward food and energy compared to other provinces, the higher cost of living, combined with rising interest rates, means that BC households are still feeling the pressure. Thus, consumer confidence is likely to remain subdued, continuing to constrain discretionary spending and growth in retail and service sectors.

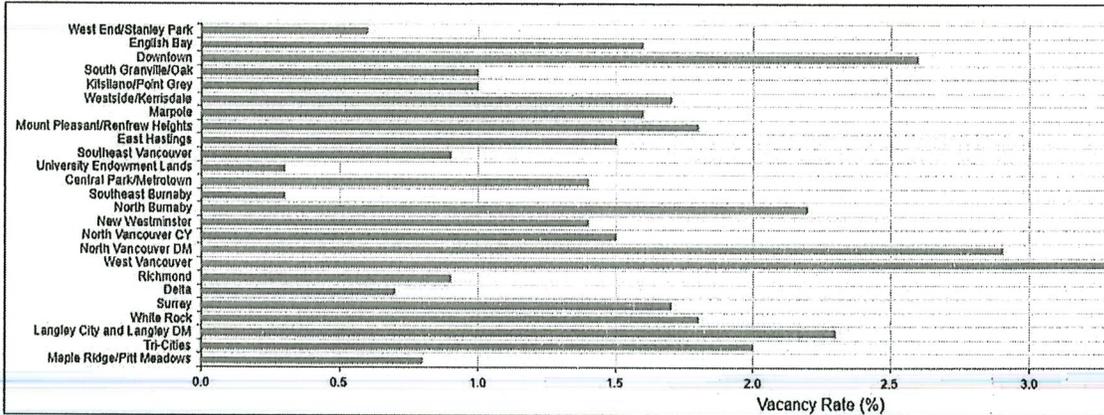
While there is some stabilization in the housing market, it remains a source of economic vulnerability. As a substantial number of mortgages secured at record low interest rate levels come up for renewal in late 2025 to 2026, there is a notable risk to the housing market's stabilization and recovery. The possible bright spot is emerging economic weakness in Canada may result in further interest rate declines and declines in bond yields that underpin the mortgage market; this could fuel a recovery in real estate.

B.C.'s economy is projected to experience sluggish growth in the range of 1.5% to 1.8% in 2025, though still outpacing the projected national average, supported by immigration, robust energy exports, and a recovery in tourism. However, challenges such as labour shortages, high household debt, and affordability concerns in the housing market will pose significant risks. The economic uncertainty surrounding tariffs poses a further risk slower growth is seen. Despite these challenges, BC remains well-positioned to capitalize on opportunities in the tech and energy sectors, provided it can manage its demographic pressures and ensure the continued competitiveness of its natural resource industries.

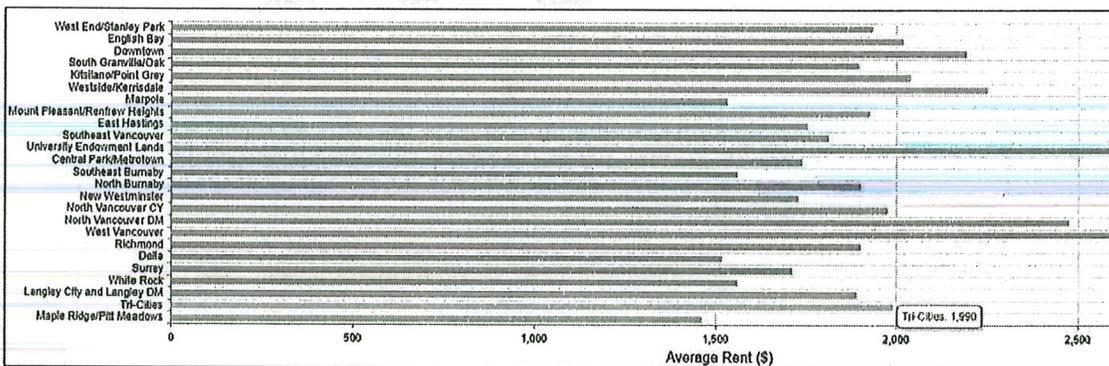
4.2 REAL ESTATE MARKET OVERVIEW

Greater Vancouver Multi-Family Market

Key Insights:



- The overall vacancy rate for the Vancouver CMA increased from 0.9% in Fall 2023 to 1.6% in October 2024. The increase was driven by relatively consistent across the board increases in vacancy by rental suite type (i.e. bachelor, one, two, and three bedrooms).
- New Westminster saw its overall vacancy rate increase modestly from 1.2% to 1.5% year-over-year, exactly matching that of neighbouring Burnaby, on an overall basis.



- An increase of 5.4% year-over-year was seen in the average Vancouver CMA rent, from \$1,819 in October 2023 to \$1,924 in October 2024.
- A relatively slight increase of 6.5% was seen in New Westminster, in contrast, with the average rent increasing from \$1,622 in October 2023 to \$1,729 in October 2024. This compares with a 7.5% increase year-over-year seen in Burnaby.

Note: The preceding figures are based on the results of CMHC annual survey data.

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Market Overview

- Multi-family property sales in Metro Vancouver reached \$1.78 billion in 2024, a 71% increase from 2023.
- Transactions rose 33% to 97, though this figure remains lower than most years in the past decade.
- Eight deals exceeded \$50 million, with three surpassing \$100 million.

Suburban Activity

- Burnaby and New Westminster saw significant recovery, moving from 4 transactions and \$16 million in 2023 to 22 transactions and \$270 million in 2024.
- North Vancouver and Richmond experienced notable increases in dollar volume.
- Coquitlam, Surrey, White Rock, and Langley recorded declines in dollar volume.

Non-Profit and Government Activity

- Non-profit and government buyers acquired 18 properties for \$366 million, representing 19% of transactions and 21% of dollar volume.
- 14 of these 18 acquisitions occurred in the suburbs.

Institutional Buyers

- Institutional buyers completed 7% of transactions, down from 11% in 2023.
- Total spend was \$563 million on seven properties.

Key Influences

- A change in capital gains tax policy led to \$324 million in sales closing in one month.
- Suburban dollar volume declined in the second half but was balanced by increased activity in Vancouver.
- Total sales volume was nearly even between the first and second half of the year.

Despite a barrage of negative headlines related to inflation, proposed capital gains tax changes, Residential Tenancy Act changes, increased development cost charges, a continued growth in court-ordered sales, fluctuations in land use policy, and variably softening rental rates, 2024 turned out to be a resilient year for multi-family property sales in the Greater Vancouver multi-family rental market. The picture for developers remains quite bleak and the market requires further adjustment for most development projects to once again be feasible.

5.0 ANALYSIS AND CONCLUSIONS

5.1 HIGHEST AND BEST USE ANALYSIS

Highest and Best Use is defined in by the Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP) 2024 Edition 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. (3.32).

As a standard appraisal rule under CUSPAP, an appraiser must “define, analyze and resolve the Highest and Best Use as of the Effective Date of the Report”. (8.2.6).

The principle of highest and best use is fundamental to the concept of value in real estate and may be further defined as that use which is most likely to produce the greatest net return or risk-adjusted return over a given period of time. Interpretation of the foregoing includes the realization that, in addition to the property being physically adaptable and suited to a specific use, there must be a demand for it, the market must be appropriately supplied, the use must be legally permissible according to the zoning ordinances, bylaws, health regulations and other public or private limitations, the use must be financially feasible, and the maximally productive use that results in the highest value. Economic analysis of what is maximally profitable is a critical component to HBU which includes the analysis of surplus or excess land or surplus productivity otherwise and whether or not the use of the property is in balance based on market expectations.

Highest and best use is arrived at by a detailed analysis of all physical, legal, and economic facts and trends that affect the property’s potential to be used in the most profitable way. Typically, a property is considered in relation to the most likely and optimal potential uses of the parcel both “as though vacant” and available for development and “as improved” with a single HBU conclusion reconciled among the various alternatives. The HBU may be joint or hybrid based on the conclusion being a mix of concurrent uses or based on the HBU being something at the present and something else in the future, based on a specific time horizon.

In determining the highest and best use of a property, four elements must be considered:

- physically possible and supported uses;
- legally permissible uses;
- financially feasible uses; and
- maximally productive uses.

**Highest and Best Use
“As if Vacant”**

“Among all reasonable, alternative uses, the use that yields the highest present land value, after payments are made for labour, capital and coordination. The use of a property based on the assumption that the parcel of land is vacant or can be vacant by demolishing any improvements.”

Source: The Dictionary of Real Estate Appraisal, Third Edition, p. 171

**Highest and Best Use
“As Improved”**

“The use that should be made of a property as it exists. An existing property should be renovated or retained “as is” so long as it continues to contribute to the total market value of the property, or until the return from a new improvement would more than offset the cost of demolishing the existing building and constructing a new one.”

Source: The Dictionary of Real Estate Appraisal, Third Edition, p. 171

In formulating an opinion of value for the subject property, the highest and best use is considered both 'As Vacant' and 'As Improved':

Highest and Best Use 'As Vacant'

Legally Permissible:

The use must be legally permissible based on land use, any existing leases, easements, deed restrictions or subdivision controls, covenants and restrictions or other public or private limitations.

Under the present RM-2, Multiple Dwelling District (Low-Rise) zoning, the subject property is capable of being developed up to a maximum building height of 35 feet and to a maximum site coverage of 40%. A multi-family apartment complex may be built up to a maximum density in the range of 1.2-1.8:1 FSR or 60 units per net acre. For the subject property (1.09 acres), a maximum of 65 units may be developed. There are no rental tenure restrictions impacting the subject based on the RM-2 zone alone.

The subject is designated Residential Tower – Apartment in the OCP, which is targeted for residential and is intended for residential towers. It also may also include mid-rise apartments, low rise apartments, townhouses, stacked townhouses, row houses. The OCP and Downtown Community Plan (Schedule C to the OCP) refer the reader to the zoning bylaw for details on building heights and densities, offering only general guidance through DPA's which are outlined.

The subject property falls under the Downtown Building and Public Realm Design Guidelines and Master Plan which offers a vision for the form and character of development, with development being regulated by the Downtown Development Permit Area. The property is further located within the Albert Crescent Precinct of the downtown area, which is envisioned for high-rise towers around Albert Crescent Park to enhance its formal park setting. The Park will be programmed in the future to promote active family use and maximize the views of the Fraser River.

The current zoning of the property is deemed to be well below the potential of the site considering a potential high-rise apartment / tower usage. Rezoning approval is deemed well within reason for a high-density application that conforms to the various municipal guidelines and is supported by the OCP. That said, the outcome of a rezoning application is uncertain. In summary, rezoning is deemed logical and supportable to develop the site with a use of materially greater density.

There is presently a pending Rezoning Application # RZ000249 to rezone the property to CD to allow for the development of a high-rise apartment complex consisting of a total of 304 stratified condo units, 299 market rental units, and 30 below-market rental units (9.9% of condo units) within two 30 and 35 storey towers. The proposed density is to a Floor Space Ratio of 10.64:1, $\pm 4.04:1$ of which is reportedly above base entitlements supported by land use guidelines and is to be effectively paid for through a combination of community amenity contributions (i.e. below-market housing to be provided on-site) and a \$4,321,866 cash contribution payable at the time of building permit issuance. Thus, excluding density to be paid for, there is effectively a proposed density of 6.6:1 FSR.

As of April 7, 2025, a City Planning and Development staff report recommended that Council consider the rezoning and Housing Agreement Bylaws for first to third readings. The City of New Westminster was reached out to for confirmation of the present status of the application and has not yet responded. See Extraordinary Assumptions.

The Section 2019 housing agreement on title has the greatest impact of any title charges, restricting the use of the property in accordance with the underlying strata property rights and essentially mandating the use of the strata lots as a single entity, similar to a Fee Simple multi-family rental complex. The property therefore does not benefit from the same liquidity profile as a typical bulk strata property holding. It is further noted the agreement is to terminate upon demolition of the existing building, though council appears to have taken this agreement into account and the impact it has on securing rental housing in evaluating the proposed redevelopment of the site. There are no other material detrimental influences on the use, development potential, or marketability of the land resulting from registered title encumbrances.

In summary, the rezoning and redevelopment of the subject property with a mixed rental and strata complex consisting of two high-rise towers over a podium, which take advantage of southerly views over the Fraser River, as is presently proposed, is deemed to be legally supportable. That said, there is no guarantee of rezoning approval nor of the issuance of demolition and redevelopment permits.

Physically Possible:

The use must be physically supported for the site given its size, shape, topography, soils and environmental conditions.

The location has excellent access and will benefit from the redevelopment of the Pattullo Bridge presently underway, offering enhanced access over the Fraser River. That said, an on-ramp of the bridge will directly side onto the street which abuts the subject property and traffic exposure, resulting both from the on-ramp and the expanded bridge, is to be increased.

There is good access to rapid transit within the general vicinity of the subject and the area is characterized by pedestrian paths. An improved biking trail along the ridge is to be completed as part of planned public realm upgrades.

The site slopes down gradually to the south, enabling good southerly views towards the Fraser River, particularly for potential upper-level suites in a development. That said, the existing bridge and the bridge under development are prominent visual features at this location and would impact the nature of tower development likely to be successful at this location. Full municipal service connect to the parcel and there is a generally desirable configuration. The site benefits from excellent direct access from bounding streets on all sides. There is no assemblage potential of a material nature.

This appraisal assumes there is no environmental site contamination associated with the subject property (the bulk collection of strata units) or any of the immediately neighbouring properties and there are no underground oil storage tanks present. Should it be subsequently found that contamination is present on/near the subject property, this report and the conclusions herein could be materially altered.

In summary, the subject parcel offers a range of desirable features from a physical perspective, offering moderately good utility and appeal for development purposes.

Financially Feasible:

The use must be financially feasible, producing a positive net financial or economic return to the owner of the site.

Interest rates surged higher over the course of 2022, 2023, and the first half of 2024, substantially reducing the purchasing power of most market participants. Elevated construction and purchase financing rates, paired with significantly elevated construction costs, have and continue to challenge the viability of many new developments to proceed, particularly given the softening in the market and a material decline in tower development land values throughout Greater Vancouver. A sharp reduction in the number of condo pre-sales has posed the challenge of reduced absorption rates and challenges in obtaining financing.

The overall vacancy rate for the Vancouver CMA increased from 0.9% in Fall 2023 to 1.6% in October 2024. The increase was driven by relatively consistent across the board increases in vacancy by rental suite type (i.e. bachelor, one, two, and three bedrooms). New Westminster saw its overall vacancy rate increase modestly from 1.2% to 1.5% year-over-year, exactly matching that of neighbouring Burnaby, on an overall basis.



An increase of 5.4% year-over-year was seen in the average Vancouver CMA rent, from \$1,819 in October 2023 to \$1,924 in October 2024. A relatively slight increase of 6.5% was seen in New Westminister, in contrast, with the average rent increasing from \$1,622 in October 2023 to \$1,729 in October 2024. This compares with a 7.5% increase year-over-year seen in Burnaby. More recent reports, suggest a softening in rents to a modest decline, variable by region. The 2025 rental market report has not yet been released.

Given the sustained local housing shortage, rezoning and development near to the maximum permissible density so as to provide tower which take advantage of southerly views is likely to be feasible in the medium- to long-term. In the short-term, development of condo and rental towers at the subject location is unlikely to be feasible. Holding the land until market conditions become more favourable is supported.

Maximum Productivity:

The use must be the maximally productive one which will produce the greatest net return or result in the highest residual land value to purchase and hold the property, of the various legally permissible, physically possible and financially feasible uses.

On an 'as vacant' basis, the optimal and maximally productive use of the subject parcel is deemed to be holding the land for rezoning and residential tower development in the medium- to long-term upon market conditions becoming more favourable.

Highest and Best Use Conclusion 'As Vacant'

The highest and best use of the subject parcel on an 'as vacant' basis is deemed to be holding the land for rezoning and residential tower development in the medium- to long-term upon market conditions becoming more favourable.

Highest and Best Use 'As Improved'

The highest and best use of a property as improved may be continuation of the existing use, renovation or rehabilitation, expansion, adaptation or conversion to another use, partial or total demolition, or some combination of these alternatives.

Consideration must also be given to the four criteria described in the previous section (the use must be legally permissible, physically possible, financially feasible and maximally productive).

The existing strata-titled, market rental secured multi-family / apartment complex is deemed to generally conform to the RM-2 zone. That said, building setback and building code compliance have not been verified as each is beyond the scope of this report.

The present development is well below the potential for the site given the Residential Tower – Apartment OCP and Downtown Community Plan designation and considering the position of the site within the Albert Park Precinct, the latter of which envisions high-rise towers around Albert Crescent Park.

The existing improvements have been adequately maintained and are of a vintage of construction that the remaining service lifespan could be extended by attention to deferred maintenance and completion of some repair items. The improvements continue to offer good utility, generating a reasonable return as presently improved.

An Extraordinary Assumption is invoked that there is no material detrimental influence on the use and marketability of the property, nor on its ability to continue generating income going forward resulting from the settlement of the building (subject to verification by a structural engineer).

Construction costs remain elevated on an all-in basis, supporting the continued use of existing improvements in many cases in lieu of redevelopment in the current market. Thus, the existing improvements are deemed to contribute materially to the property value over and above that of the underlying land.

Highest and Best Use 'As Improved'

Of the various alternatives, the holding of the subject property for rezoning and residential tower development in the medium- to long-term upon market conditions becoming more favourable and its continued multi-family rental use as presently improved, is considered the highest and best use in the short- to medium-term.

5.2 VALUATION PROCESS

Approaches

The three approaches recognized in the current Canadian Standards of Professional Appraisal Practice are **Cost, Income** and **Direct Comparison**.

Cost Approach

The Principle of Substitution is the basis for this method of valuation. Use of the Cost Approach is typically confined to proposed improvements as a test of feasibility, or for special purpose properties.

Value is determined in the Cost Approach using the following steps:

- 1) Estimate the value of the land as if vacant.
- 2) Estimate the Reproduction Cost New (RCN) of the structure(s) and the ancillary improvements.
- 3) Estimate the depreciation affecting the structure(s) and other improvements.
- 4) Deduct this total depreciation from the RCN.
- 5) Add the land value obtained in step "1" to the depreciated value of all improvements obtained in step "4".

"Cost" and "Value", although related, are not synonymous: "Cost" is the amount of money necessary to erect the structure. "Value" is the market worth of the building once erected. In a situation where labour and material become scarce for a period of time, the cost of building may be higher than its value a year later when labour and materials are more plentiful.

A cost approach requires the estimation of accrued depreciation from all sources which is critical in the analysis. With existing improvements determining what the accrued depreciation is can be subjective and difficult to accurately measure and as a result, the cost approach does not tend to produce a reliable market value indicator.

The subject consists of an older existing building. Thus, estimating accrued depreciation from all sources (critical in a Cost Approach) is very difficult to accurately measure and apply with precision. A value estimate based on depreciated replacement cost would therefore not produce a reliable market value indicator. The Cost Approach has not been applied herein for the preceding reasons.

Income Approach

This approach involves analysing the income produced by a property to determine its relative worth in a given market. It is typically utilized when valuing an income-producing property.

Value is determined in the Income Capitalization Approach using the following steps:

- 1) Estimate the annual potential gross income (PGI), which represents the maximum revenue that the property can generate in one year given 100% occupancy and any other ancillary income from other sources such as; coin-operated machines, parking, etc.
- 2) Determine a vacancy and collection loss and deduct that amount from the PGI to arrive at the effective gross income (EGI).
- 3) Estimate and deduct the annual operating and maintenance expenses from the EGI to determine the net operating income (NOI).
- 4) The NOI is converted to value through either the Income Rate method or the Discount Rate method. The methodology applied is dependent upon existing or anticipated earnings. Choosing the appropriate rate or rates will convert the income into a capital value of the property.

This approach involves analysing the income produced by a property to determine its relative worth in a given market. It is typically utilized when valuing income producing property. Considering the property type and its potential to generate income, the Income Approach is considered relevant and will be used in this appraisal.

Direct Comparison Approach

This approach involves the comparison of properties similar to the subject to arrive at a value. The process requires a study of like properties that have recently been sold or offered for sale, analysing the differences and making quantitative or qualitative adjustments to the comparable properties for differences found to exist in each in order to provide a correlation of values between the comparable properties and the subject.

This approach is appropriate when a number of similar properties have sold or are currently offered for sale. However, when applying this approach knowing the nuances within each comparable relative to those within the subject is critical to the adjustment process. If they are not known, then this approach is deemed simplistic in the valuation of complex investment grade real estate. The Direct Comparison Approach requires a significant amount of subjectivity by the appraiser, so accurate information is important.

Value is determined in the Direct Comparison Approach using the following steps:

- 1) Locate comparable properties that have sold, or are currently being marketed.



- 2) Compile all relevant data about each comparable and check for accuracy.
- 3) Analyse and verify all differences regarding the property and conditions of sale as compared to the subject.
- 4) Make direct comparisons between the subject and the comparable and adjust for differences affecting the value.
- 5) Reconcile all of the data to arrive at a value for the subject property.

In this instance, adequate data is available to use the Direct Comparison Approach with supportable results. However, given that the comparable sales will all require subjective adjustments this approach serves as a secondary supporting measure for the income approach, where applicable.

Conclusion

The subject has been valued both as a redevelopment parcel 'as vacant' and based on the improved multi-family use in order to illustrate the highest and best use conclusion. If the value 'as vacant' is near or above the value as improved, then the property is considered to be approaching the level where redevelopment is the highest and best use and is on pace to become more economic than a continuation of the present use.

The subject has been first valued by the Direct Capitalization Method of the Income Approach.

The Direct Comparison Approach (DCA) is employed in the valuation of the subject property 'as improved' and is also used to value the underlying land on an 'as vacant' basis.

5.3 INCOME APPROACH

Two methodologies are commonly used in an income analysis:

- The Income Capitalization Approach (Discounted Cash Flow Analysis); or
- The Income Multiplier approach (Direct Capitalization).

Income Capitalization analysis is defined as, "a set of procedures through which an appraiser derives a value indication for income-producing property by converting anticipated benefits (cash flows and reversion) into property value. This conversion can be accomplished in two ways. One year's income expectancy can be capitalized at a market-derived capitalization rate or at a capitalization rate that reflects a specified income pattern, return on investment and change in the value of the investment. Alternatively, the annual cash flows for the holding period and the reversion can be discounted at a specified yield rate."

Source: AI, p. 156

An Income Multiplier is defined as, "the reciprocal of the Capitalization Rate".

Source: Canadian Valuation Service 2002 Student Edition, p.3-20

Methodology

The Income Approach is used to transform the future benefits of ownership into a present worth or value estimate. Basic rental income is estimated to determine the Potential Gross Income. An allowance for vacancy and collection loss is then calculated and applied and finally, ancillary income if any is added to determine the Effective Gross Income. Expenses are then subtracted to yield the Net Operating Income.

The Net Operating Income is typically converted to value through one of the following methodologies, dependent upon existing or anticipated earnings:

- the Income Rate method, which is the ratio of one year's income to the corresponding capital value of the property; or
- the Discount Rate method, applied to multi-year incomes to determine the present value of the property.

The Income Rate method is more commonly applied for the subject property type where a building is operating at stabilized occupancy, and is deemed most appropriate in this case.

An Overall Capitalization Rate (R_o), reflects the relationship between a single year's net operating income and the total value of the property, being most representative of actions of vendors and purchasers of the subject property type. Thus, an Overall Capitalization Rate is applied to the estimated stabilized net operating income herein.

Potential Gross Income (PGI)

The first step is to consider the property's income potential in order to derive the potential annual income.

Existing contract rents and suite vacancy as of August 1, 2025, based on information presented within the July 28, 2025 Kinnaird Rent Roll (per Gulf Pacific Property Management) are reported as follows:

Rent Roll (as of Aug. 1, 2025)										
SL #	Unit #	Floor Level	# of Bed-rooms	Unit Size (sq. ft.)	Tenancy Start	Suite Vacated	Monthly Contract Rent (\$/SF)	Monthly Contract Rent	Annual Contract Rent	T - Tenanted; N - New Tenant; V - Vacant
1	218	2	2	960	Sep. 2021	n/a	\$2.46	\$2,357	\$28,284	T
2	219	2	2	956	Dec. 2021	n/a	\$2.19	\$2,090	\$25,074	T
3	220	2	2	933	Jun. 2021	n/a	\$2.19	\$2,042	\$24,504	T
4	221	2	1	658	Nov. 2021	n/a	\$1.79	\$1,179	\$14,148	T
5	217	2	2	917	Jun. 2025	n/a	\$2.34	\$2,150	\$25,800	T
6	314	3	2	965	Jun. 2021	n/a	\$2.07	\$2,000	\$24,000	T
7	316	3	2	963	May-2021	n/a	\$2.37	\$2,152	\$27,396	T
8	318	3	2	976	Nov. 2024	n/a	\$2.20	\$2,400	\$25,824	T
9	319	3	2	966	Sep. 2024	n/a	\$2.48	\$2,400	\$28,800	T
10	320	3	2	934	Aug. 2021	n/a	\$2.35	\$2,197	\$26,364	T
11	321	3	1	661	N/A: Vacant	Jul. 2025	N/A: Vacant	N/A: Vacant	N/A: Vacant	V
12	317	3	2	943	N/A: Vacant	Jul. 2025	N/A: Vacant	N/A: Vacant	N/A: Vacant	V
13	315	3	2	947	Feb. 2022	n/a	\$2.41	\$2,283	\$27,396	T
14	313	3	2	993	N/A: Vacant	May 2025	N/A: Vacant	N/A: Vacant	N/A: Vacant	V
15	410	4	1	892	Dec. 2019	n/a	\$1.24	\$1,104	\$13,248	T
16	412	4	2	967	May 2025	n/a	\$2.38	\$2,300	\$27,600	T
17	414	4	2	978	Jul. 2021	n/a	\$2.30	\$2,250	\$27,000	T
18	416	4	2	952	Aug. 2025	Jul. 2025	\$2.31	\$2,200	\$26,400	N
19	418	4	2	967	Nov. 2021	n/a	\$2.16	\$2,090	\$25,080	T
20	419	4	2	957	Aug. 2021	n/a	\$2.35	\$2,250	\$27,000	T
21	420	4	2	1,001	Apr. 2024	n/a	\$2.37	\$2,369	\$28,428	T
22	417	4	2	964	Dec. 2023	n/a	\$2.35	\$2,266	\$27,192	T
23	415	4	2	957	Jan. 2021	n/a	\$2.16	\$2,066	\$24,792	T
24	413	4	2	1,023	Jan. 2025	n/a	\$2.44	\$2,500	\$30,000	T
25	411	4	2	949	May 2022	n/a	\$2.64	\$2,501	\$30,012	T
26	409	4	2	975	Jun. 2021	n/a	\$1.98	\$1,931	\$23,172	T
27	408	4	2	1,008	Aug. 2021	n/a	\$2.18	\$2,197	\$26,364	T
28	407	4	3	1,134	Jan. 2024	n/a	\$2.54	\$2,884	\$34,608	T
29	506	5	1	708	Nov. 2021	n/a	\$2.27	\$1,607	\$19,284	T
30	501	5	2	992	Sep. 2021	n/a	\$2.27	\$2,250	\$27,000	T
31	502	5	1	670	Aug. 2025	Jul. 2025	\$2.69	\$1,800	\$21,600	N

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Rent Roll (as of Aug. 1, 2025)										
SL #	Unit #	Floor Level	# of Bed-rooms	Unit Size (sq. ft.)	Tenancy Start	Suite Vacated	Monthly Contract Rent (\$/SF)	Monthly Contract Rent	Annual Contract Rent	T - Tenanted; N - New Tenant; V - Vacant
32	503	5	1	670	Jul. 2024	n/a	\$2.77	\$1,854	\$22,248	T
33	504	5	2	1,001	Feb. 2022	n/a	\$2.34	\$2,338	\$28,056	T
34	505	5	2	954	Sep. 2015	n/a	\$1.35	\$1,292	\$15,504	T
35	510	5	1	901	Aug. 2025	Jul. 2025	\$2.11	\$1,900	\$22,800	N
36	512	5	2	978	Nov-2020	n/a	\$1.69	\$1,656	\$19,872	T
37	514	5	2	965	Jan. 2022	n/a	\$2.20	\$2,120	\$25,440	T
38	516	5	2	956	Jul. 2021	n/a	\$2.25	\$2,152	\$25,824	T
39	515	5	2	941	Nov. 2021	n/a	\$2.28	\$2,143	\$25,716	T
40	513	5	2	1,012	Apr. 2022	n/a	\$2.31	\$2,338	\$28,056	T
41	511	5	3	1,224	Jul. 2018	n/a	\$1.08	\$1,324	\$15,888	T
42	508	5	2	1,016	Mar. 2024	n/a	\$1.35	\$1,367	\$16,404	T
43	507	5	3	1,163	Apr. 2024	n/a	\$2.48	\$2,884	\$34,608	T
44	606	6	2	983	Apr. 2022	n/a	\$2.49	\$2,447	\$29,364	T
45	601	6	2	998	Jun. 2021	n/a	\$2.27	\$2,263	\$27,156	T
46	602	6	1	707	Jan. 2015	n/a	\$1.25	\$883	\$10,596	T
47	603	6	1	707	Apr. 2020	n/a	\$2.26	\$1,600	\$19,200	T
48	604	6	2	999	Sep. 2021	n/a	\$2.25	\$2,250	\$27,000	T
49	605	6	2	948	Oct. 2021	n/a	\$1.98	\$1,875	\$22,500	T
50	610	6	1	888	Jun. 2025	n/a	\$2.25	\$2,000	\$24,000	T
51	612	6	2	967	Feb. 2022	n/a	\$2.42	\$2,338	\$28,056	T
52	611	6	2	947	Sep. 2023	n/a	\$2.40	\$2,277	\$27,324	T
53	609	6	2	992	Nov. 2021	n/a	\$2.43	\$2,411	\$28,932	T
54	608	6	2	1,007	N/A: Vacant	Jul. 2025	N/A: Vacant	N/A: Vacant	N/A: Vacant	V
55	607	6	3	1,129	Oct. 2021	n/a	\$2.23	\$2,518	\$30,216	T
56	706	7	2	971	Jul. 2021	n/a	\$2.15	\$2,090	\$25,080	T
57	701	7	2	936	N/A: Vacant	May 2025	N/A: Vacant	N/A: Vacant	N/A: Vacant	V
58	702	7	1	682	May 2021	n/a	\$2.18	\$1,490	\$17,880	T
59	703	7	1	682	Jul. 2021	n/a	\$2.27	\$1,545	\$18,540	T
60	704	7	2	937	N/A: Vacant	Mar. 2025	N/A: Vacant	N/A: Vacant	N/A: Vacant	V
61	705	7	2	987	Aug. 2021	n/a	\$2.01	\$1,982	\$23,784	T
Total:				57,114				\$113,152	\$1,356,414	

Note:

1. New tenancies ('N') have been included only where the notes in the rent roll specifically indicate the suite had been rented to a new tenant for the start of August. Based on the assumption no additional tenancies were secured for August 1st, between the dates of July 28th to July 31st, there were a total of six (6) suites comprising 5,477 sq. ft. of rentable area that were vacant as of August 1st, 2025; this equates to ±9.6% of rentable area.

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Analysis of Market Rent The purpose of undertaking a market rent survey is to (1) establish the most probable rental rates that the vacant suites are capable of achieving if rented on the open market as of the effective valuation date; and (2) to determine where the existing contract rent levels fall relative to the market level. The following table provides an overview of rental accommodations within competitive properties throughout the subject market area:

MARKET RENT SURVEY						
#	Address	Municipality	Type	Size (sq. ft)	Rent Per Month	Rent PSF
One-Bedroom Suites						
1	702 Gloucester Street	New Westminster	1 Bed; 1 Bath.	650	\$1,850	\$2.85
Partially updated with modern tub/shower surround tiles, an updated bathroom vanity of basic quality, interior paint, and a stainless steel dishwasher. Finishes are relatively simple and include oak cabinets, plastic-laminate countertops and primarily laminate flooring. There is common laundry on-site. Located on a street which carries moderate traffic near to the heart of Downtown New Westminster. Heat, hot water and secured underground parking are included (1 stall).						
2	325 Ward Street	New Westminster	1 Bed; 1 Bath.	700	\$1,850	\$2.64
Extensively renovated unit with modern quartz kitchen and bathroom countertops, updated laminate cabinets, tub/shower surround tiles, laminate floors throughout most of the unit, a stainless steel dishwasher, and mirrored closet doors in the bedroom. Located on a low traffic street near to Royal Hospital / Sapperton Skytrain. Third floor unit which includes an average sized balcony. Common laundry on-site. Heat and hot water are included in the rent with electrical charges paid by the tenant. Parking is available for a fee.						
3	1218 Fifth Avenue	New Westminster	1 Bed; 1 Bath.	850	\$1,895	\$2.23
This building includes generally older finishes of basic quality and is of a materially older vintage than the subject. There is no dishwasher present. The building has moderate traffic exposure, being positioned as an internal lot along Fifth Avenue, to the northwest of the downtown core. There are 10 ft. ceilings in the suite and heat and hot water are included in the suite rent; additional electrical charges are to be paid by the tenant. Located on the first floor of the building. Shared coin laundry on-site. There is no on-site parking available or included with this unit.						
4	73 Coburg Street	New Westminster	1 Bed; 1 Bath.	700	\$1,650	\$2.36
'The Birches' is located near Royal Avenue and 1 st Street, across from Queen's Park, offering good access to the Pattullo Bridge and the Columbia Skytrain Station, which is within walking distance. The unit has older hardwood and updated tile flooring. A total of 1 secured underground parking stall is available for a fee. Cabinets are older and of basic quality with somewhat dated plastic-laminate countertops in place in the kitchen and bathroom. Rent includes heating and water with the balance of electrical charges paid by the tenant.						
5	1115 4th Avenue	New Westminster	1 Bed; 1 Bath.	650	\$1,850	\$2.85
This building has high traffic exposure, being located on the intersection with 12 th Street, and is located in a predominantly residential neighbourhood to the northwest of the downtown core. Finishes are generally dated, though the unit has been well-maintained. Heat and water are included in the suite rent. Common laundry is present on-site. A total of 1 secured underground parking stall is available for a fee. The unit includes an average sized balcony and is located on the top floor of the building.						
Two-Bedroom Suites						
6	726 5 th Avenue	New Westminster	2 Bed; 1 Bath.	1,000	\$2,100	\$2.10
Located on a low traffic street one block from Moody Park and Royal City Shopping Centre. This unit features hardwood floors, an updated kitchen (now somewhat dated) of average quality and condition, basic quality finishes in a single 4-piece bathroom, modern appliances, etc. Heat and hot water are included in the suite rent with electrical paid by the tenant. Third floor corner unit with an average sized balcony. There is shared coin laundry on-site and no on-site parking.						
7	76 Coburg Street	New Westminster	2 Bed; 1 Bath.	850	\$2,075	\$2.44
Third floor rental suite in a building with view towards the Fraser River and Pattullo Bridge. The newly updated suite offers n laminate flooring, new bathroom/kitchen cabinets and quartz countertops, new tub/shower surround tiles, and new Stainless steel appliances (stove, fridge, dishwasher). There is shared laundry on-site. Includes 1 underground secure parking stall and 1 storage locker. Rent includes hot water with the tenant responsible for electrical charges.						

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8	720 Queens Avenue	New Westminster	2 Bed; 1.5 Bath.	875	\$2,499	\$2.86
<p>Located along a moderately busy street on the west side of the downtown core. This rental suite has been extensively renovated throughout, including new floors, new light fixtures, an updated kitchen with new shaker cabinets, plastic-laminate countertops, and a full stainless steel appliance package including a microwave and dishwasher. There is shared coin laundry on-site. The unit offers an average sized covered balcony and includes a single underground parking stall.</p>						
9	621 8 th Street	New Westminster	2 Bed; 2 Bath.	960	\$2,375	\$2.47
<p>Fully extensively renovated 9th floor apartment corner unit with two balconies. The unit is located opposite Moody Park and overlooks the park. The suite features newer laminate floors, a fully renovated galley kitchen with stainless steel appliances, high-gloss cabinets, and quartz countertops, new light fixtures, etc. The master bathroom has been fully renovated. Rent includes heat and hot water. One secured underground parking stall is available for \$40 per month. Shared laundry on-site.</p>						
10	104, 855 McBride Boulevard	New Westminster	2 Bed; 2 Bath.	1,025	\$2,330	\$2.27
<p>First floor unit in a high-rise building of concrete construction which features amenities such as an outdoor pool. The unit has been moderately well maintained though is generally non-updated with basic quality / older finishes in place. Heat and hot water are included with electrical charges the responsibility of the tenant. Shared card laundry is available on-site. Covered (\$30/month) and uncovered (\$15/month) surface parking stalls are available for rent as well as secured underground stalls (\$40/month). Note: A one-bedroom suite of 850 sq. ft. is also available for rent, asking \$2,000 per month or \$2.35/sq. ft.</p>						
Three-Bedroom Suites						
11	Confidential - Queensborough	New Westminster	3 Bed; 2 Bath.	1,348	\$3,100	\$2.30
<p>Modern rental suite which offers an open concept kitchen with sizable island, granite countertops, modern laminate cabinets, stainless steel appliances, modern flooring, a dishwasher, extensive tile work in bathrooms and oversized tubs, and two large balconies. Rent includes 1 parking stall and 1 storage locker. The unit offers in-suite laundry. The exact location has not been reported, though this unit is understood to be located in Queensborough.</p>						
12	Royal Avenue near 4 th Street	New Westminster	3 Bed; 2 Bath.	1,200	\$3,200	\$2.67
<p>Semi-modern townhouse suite with hardwood floors, modern carpet, and wide-cut tile, a gas fireplace and semi-modern kitchen with dishwasher. Modern bathroom vanities are in place and in-suite laundry is present. The unit includes a private fenced yard area and two tandem garage parking stalls. Located near to the New Westminster and Columbia SkyTrain Stations as well as the Pattullo Bridge.</p>						
13	Empire Drive near North Gamma Avenue	Burnaby	3 Bed; 1 Bath.	1,350	\$3,450	\$2.56
<p>First floor suite in Burnaby's Capitol Hill neighbourhood. The unit offers hardwood floors, French interior doors, extensive tile work in the bathroom, granite kitchen flooring and countertops, and in-suite laundry. The kitchen is equipped with a gas stove, dishwasher, and a fridge/freezer. Good quality finishes of modern appeal are present in general given substantial updating completed. There is a sizable sun deck and a storage room is included. Street parking only. Heat and hot water are included with electrical charges the responsibility of the tenant.</p>						
14	228 Nelson Crescent	New Westminster	3 Bed; 2 Bath.	1,008	\$2,904	\$2.88
<p>New construction, high end rental suite in a high-rise building of concrete and steel construction which is located in the heart of New Westminster's downtown core. The building abuts Brunette Avenue (high traffic arterial), being in the immediate vicinity of the Sapperton Skytrain Station. There is private in-suite laundry with a gym, community gardens, an amenity lounge, and rooftop deck with BBQ area available for shared tenant use. Underground parking is available on-site for \$125/month and electric vehicle parking for \$175/month; storage lockers rent for \$75/month.</p>						

The foregoing comparables were selected on the basis of their similarity to the subject property as well as given the limited available suites for rent given low vacancy rates at present – particularly with respect to New Westminster three-bedroom rental units. Thus, the geographic scope has been broadened somewhat in the search for three-bedroom suites and some renovated and new construction units are considered for comparison in this one case. The comparables selected are generally considered those most similar to the subject.

M.F.

1-Bedroom Units

Indices 1-5 are rental indicators for the subject one-bedroom suites. The subject one-bedroom suites range between 658 to 901 sq. ft., with most falling towards the lower end of the range.

Indices 1 and 5 are relatively comparable to the typical one-bedroom suite within the subject overall with Index 1 being more comparable in terms of being partially updated, while Index 5 is located on the top floor of the building, which typically commands a premium, though is generally non-updated. Index 1 also includes a parking stall and storage locker in the suite rent, warranting a downward adjustment. Overall, a downward adjustment is applied to the \$2.85 PSF rental rate of each.

Index 2 is somewhat superior to the typical suite within the subject complex in terms of overall quality and condition as well as in terms of traffic exposure. A downward adjustment is applied to the \$2.64 PSF rent.

Index 3 has no on-site parking available and is of inferior overall quality and condition with a relatively similar location. Thus, an upward adjustment is applied to the \$2.23 PSF rental rate.

Index 4 provides a good representation for the subject in terms of location as well as in terms of the quality and condition of the unit, with respect to the relatively non-updated suites in the subject complex. That said, this Index is inferior to the typical updated suite in the subject complex, of which there are many – to varying degrees. Overall, an upward adjustment to the \$2.36 PSF rental rate is applicable.

Overall, an appropriate market rent for the subject 1-bedroom suites of \pm \$2.35-\$2.50 PSF is indicated; the one exception is for the nearly 900 sq. ft. suites, for which the appropriate market rental rate per square foot declines materially. The result is a concluded monthly market rent in the approximate range of **\$1,600 to \$1,700 per month** for most typical suites and a market rent in the approximate range of **\$1,800 to \$1,900 per month** for the larger suites. That said, contract rents in general are applied herein, with market rents only applied to the vacant suites.

2-Bedroom Units

Indices 6-10 are indicators of rent for the 2-bedroom units. The subject two-bedroom suites range between 917 and 1,023 sq. ft.

Index 6 provides a low indication for the subject at \$2.10 PSF, including only a single washroom and no on-site parking.

Index 7 is of somewhat superior quality and condition than the typical / average subject two-bedroom suite and includes a parking stall and locker in the posted rental rate. A moderate downward adjustment is applied to the \$2.44 PSF rental rate.

N.F.

Index 8 is far superior in terms of overall quality and condition as compared to the typical subject suite, thus warranting a sizable downward adjustment to the \$2.86 PSF rental rate.

Index 9 has received a materially superior degree of updating as compared to the typical subject suite. A downward adjustment is applied to the \$2.47 PSF rental rate.

Index 10 has received less updating than the typical subject suite, though has superior on-site amenities. Overall, this Index falls within the anticipated range for the subject suites at \$2.27 PSF.

Given the foregoing, a monthly market rental rate range of \$2.20 to \$2.40 PSF is estimated. On a gross basis, a market rent in the approximate range of **\$2,150 to \$2,350** is concluded. It is noted there may be some exceptions to the preceding based on specific suite updates.

3-Bedroom Units

Indices 11-14 are indicators of rent for the 3-bedroom units. The subject three-bedroom suites range between 1,129 and 1,224 sq. ft.

In general, each of the comparable indicators is of materially superior quality and condition, particularly with respect to Index 14 which is a new construction unit. Construction is relatively modern and of superior quality and condition for Indices 11 and 12. Index 13 has a much superior Burnaby Heights location. Most include in-suite laundry, being superior to the subject in this respect, and Index 11 includes a parking stall in the suite rent, being superior. A downward adjustment to each of Indices 12-14 (\$2.56 to \$2.88 PSF) is applicable, with the greatest downward adjustment applied to Index 14, which sets the upper end of the range. Excluding Index 14, the range narrows to below \$2.67 PSF. Both Indices 11 and 13 are particularly large in size relative to the subject suites, placing downward pressure on the rental rates. Thus, an upward adjustment is applied to each. While this is offset by location for Index 13, an overall net upward adjustment is applied to Index 11 at \$2.30 PSF.

Given the foregoing, a monthly market rental rate range of \$2.40 to \$2.60 PSF is estimated. On a gross basis, a market rent in the approximate range of **\$2,850 to \$3,050** is concluded. It is noted there may be some exceptions to the preceding based on specific suite updates.

Market Rent Conclusion

In completing the market rent survey and adjusting for the elements of comparison, appropriate market level rents are concluded for the presently vacant units as indicated by highlighted light red in the table which follows. As earlier noted, highlighted light yellow indicates the new contractual rents to take imminent effect for suites which recently turned over as of the date of the rent roll provided and relied upon herein (in the absence of further information):

M.F.



Stabilized Rent Roll							
SL #	Unit #	Floor Level	# of Bed-rooms	Unit Size (sq. ft.)	Monthly Rent (\$/SF)	Monthly Rent	Annual Rent
1	218	2	2	960	\$2.46	\$2,357	\$28,284
2	219	2	2	956	\$2.19	\$2,090	\$25,074
3	220	2	2	933	\$2.19	\$2,042	\$24,504
4	221	2	1	658	\$1.79	\$1,179	\$14,148
5	217	2	2	917	\$2.34	\$2,150	\$25,800
6	314	3	2	965	\$2.07	\$2,000	\$24,000
7	316	3	2	963	\$2.37	\$2,152	\$27,396
8	318	3	2	976	\$2.20	\$2,400	\$25,824
9	319	3	2	966	\$2.48	\$2,400	\$28,800
10	320	3	2	934	\$2.35	\$2,197	\$26,364
11	321	3	1	661	\$2.50	\$1,650	\$19,800
12	317	3	2	943	\$2.33	\$2,200	\$26,400
13	315	3	2	947	\$2.41	\$2,283	\$27,396
14	313	3	2	993	\$2.27	\$2,250	\$27,000
15	410	4	1	892	\$1.24	\$1,104	\$13,248
16	412	4	2	967	\$2.38	\$2,300	\$27,600
17	414	4	2	978	\$2.30	\$2,250	\$27,000
18	416	4	2	952	\$2.31	\$2,200	\$26,400
19	418	4	2	967	\$2.16	\$2,090	\$25,080
20	419	4	2	957	\$2.35	\$2,250	\$27,000
21	420	4	2	1,001	\$2.37	\$2,369	\$28,428
22	417	4	2	964	\$2.35	\$2,266	\$27,192
23	415	4	2	957	\$2.16	\$2,066	\$24,792
24	413	4	2	1,023	\$2.44	\$2,500	\$30,000
25	411	4	2	949	\$2.64	\$2,501	\$30,012
26	409	4	2	975	\$1.98	\$1,931	\$23,172
27	408	4	2	1,008	\$2.18	\$2,197	\$26,364
28	407	4	3	1,134	\$2.54	\$2,884	\$34,608
29	506	5	1	708	\$2.27	\$1,607	\$19,284
30	501	5	2	992	\$2.27	\$2,250	\$27,000
31	502	5	1	670	\$2.69	\$1,800	\$21,600
32	503	5	1	670	\$2.77	\$1,854	\$22,248
33	504	5	2	1,001	\$2.34	\$2,338	\$28,056
34	505	5	2	954	\$1.35	\$1,292	\$15,504
35	510	5	1	901	\$2.11	\$1,900	\$22,800
36	512	5	2	978	\$1.69	\$1,656	\$19,872
37	514	5	2	965	\$2.20	\$2,120	\$25,440
38	516	5	2	956	\$2.25	\$2,152	\$25,824
39	515	5	2	941	\$2.28	\$2,143	\$25,716



Stabilized Rent Roll							
SL #	Unit #	Floor Level	# of Bed-rooms	Unit Size (sq. ft.)	Monthly Rent (\$/SF)	Monthly Rent	Annual Rent
40	513	5	2	1,012	\$2.31	\$2,338	\$28,056
41	511	5	3	1,224	\$1.08	\$1,324	\$15,888
42	508	5	2	1,016	\$1.35	\$1,367	\$16,404
43	507	5	3	1,163	\$2.48	\$2,884	\$34,608
44	606	6	2	983	\$2.49	\$2,447	\$29,364
45	601	6	2	998	\$2.27	\$2,263	\$27,156
46	602	6	1	707	\$1.25	\$883	\$10,596
47	603	6	1	707	\$2.26	\$1,600	\$19,200
48	604	6	2	999	\$2.25	\$2,250	\$27,000
49	605	6	2	948	\$1.98	\$1,875	\$22,500
50	610	6	1	888	\$2.25	\$2,000	\$24,000
51	612	6	2	967	\$2.42	\$2,338	\$28,056
52	611	6	2	947	\$2.40	\$2,277	\$27,324
53	609	6	2	992	\$2.43	\$2,411	\$28,932
54	608	6	2	1,007	\$2.33	\$2,350	\$28,200
55	607	6	3	1,129	\$2.23	\$2,518	\$30,216
56	706	7	2	971	\$2.15	\$2,090	\$25,080
57	701	7	2	936	\$2.46	\$2,300	\$27,600
58	702	7	1	682	\$2.18	\$1,490	\$17,880
59	703	7	1	682	\$2.27	\$1,545	\$18,540
60	704	7	2	937	\$2.45	\$2,300	\$27,600
61	705	7	2	987	\$2.01	\$1,982	\$23,784
Total:				57,114		\$126,202	\$1,513,014

The market rental rates for the vacant suites as well as the existing contractual rents for those suites which are rented amount to a total monthly suite revenue of **\$126,202** or **\$1,513,014** on an annual basis, before vacancy and collection loss. Based on the level of the contract rents applied and market rents imputed to the vacant suites, overall suite rents are deemed still to be approximately 3.0% to 5.0% below the market level. That said, the property is subject to rent controls which materially limit the ability of the landlord to realize said revenue upside on tenanted suites in the near-term.

Effective Gross Income (EGI)

The Effective Gross Income is the anticipated income from all operations of the real property (rental and other) after an allowance is made for vacancy and collection loss and adding Ancillary Income, if any.

Vacancy & Collection Loss

This is an allowance for reductions in potential gross income attributed to projected vacancy (physical or economic) and potential collection loss considerations. Vacancy is an expected loss in income as a result of periodic vacancy space attributable to unrented space and tenant turnover. Collection loss considers non-payment of rent and can include rents rented at below market rents (also known as lag vacancy).

Vacancy rates applied are based on CMHC reported data as well as discussions with local property owners and managers as well as information from the working files of D.R. Coell & Associates Inc. pertaining to similar properties. A prudent investor would anticipate a contingency allowance for vacancy and collection loss. This is not intended to reflect the actual vacancy rate at the date of valuation, but rather a stabilized estimate over a long-term period.

According to the results of CMHC's most recent Greater Vancouver Rental Market Report published in Fall 2024, the overall vacancy rate for the Vancouver CMA increased from 0.9% in Fall 2023 to 1.6% in October 2024. The increase was driven by relatively consistent increases in vacancy by rental suite type (i.e. bachelor, one, two, and three bedrooms). New Westminster saw its overall vacancy rate increase modestly from 1.2% to 1.5% year-over-year, exactly matching that of neighbouring Burnaby, on an overall basis. Further data as relates to 2025 is not yet available, though verbal reports by those active in the market suggest a further modest to moderate increase in apartment vacancies over the course of the past year. It is projected the 2025 vacancy for New Westminster will fall relatively near to 2.0%.

Based on the assumption no additional tenancies were secured for August 1st, between the dates of July 28th (date of rent roll relied upon herein) to July 31st, there were a total of six (6) suites comprising 5,477 sq. ft. of rentable area that were vacant as of August 1st, 2025. Thus, the building was experiencing vacancy of ±9.6%, materially above the broad market level. This irregularly high vacancy is attributed in part to the rezoning application to allow for the redevelopment of the site, as is highly visible to current and prospective tenants by signage posted around the perimeter of the property, including near to the main entrance. The signage is deemed to act as a detrimental influence on the marketability of the property for rent as the prospects for tenants to remain at this building over a medium- to long-term horizon are materially diminished. Housing stability is a critical consideration for most renters.

Based on client supplied terms of reference, a stabilized long-term vacancy and collection loss allowance of **2.0%**, significantly below the actual 9.6% vacancy, is deemed adequate to compensate an investor for the acquisition of this asset and is applied herein. The selected rate is near the level projected for the local area as of Fall 2025. See Extraordinary Assumptions and Hypothetical Conditions.

Financial Data Availability It is noted that the 2024 Operating Statement includes only the months of January to November 2024. Thus, the December 2024 figures (all revenues and expenses) have been projected based on the average of the balance of the 11 months for which data is available.

****Wherever the annual 2024 figures are cited, this is based on the data for 11 months provided and the projected December data (based on the average of the first 11 months, where deemed appropriate), unless otherwise indicated.****

The budget provided is for the year ending December 31, 2025, and includes projected estimates for all 12 months as well as the total annual figures budgeted, as produced by Gulf Pacific Property Management.

No further historical operating statement data reflecting patterns in or levels of income and expenses were made available to the appraiser upon request, and none have been reviewed by the appraiser, nor relied upon as part of this appraisal assignment. Further, no conversations were held with the present owner, nor the property manager to gain a better understanding of the available financial data as would typically be carried out. In discussions with the Authorized Client, it was reported that no further historical financial data would be available for the completion of this assignment and that the appraisal would need to proceed based on the analysis of limited property data. Should further historical financial data be made available, I reserve the right to revisit the analyses and conclusions herein (for a fee) to incorporate this additional data. The analyses and conclusions, including the final value estimates, could vary materially and be subject to revision should new data become available for analysis.

Ancillary Income Multi-family developments usually generate additional income by providing laundry facilities and in some instances from miscellaneous sources such as interest on security deposits, N.S.F. cheque charges, lease break fees and forfeited deposits. These additional sources of revenue are indicated in the 2024 operating statement and the 2025 budget provided.

Storage Lockers Storage lockers generated revenue of approximately \$17,000 in 2024. The 2025 budget estimates \$11,125 in storage locker rental revenue. Based on the limited available data and given the Extraordinary Assumption invoked with respect to a vacancy and collection loss allowance of 2.0% being an adequate investor assumption (well below the actual suite vacancy), a figure equal to the 2024 level at **\$17,000** is applied herein.

Laundry & Sundry

There are no in-suite laundry hook-ups or machines present. Laundry revenue generated in 2024 was $\pm\$19,100$. The 2025 budget estimates total annual laundry revenue of $\$19,200$. Based on the limited available data, the actual 2024 figure of $\pm\$19,100$ is applied herein.

No other ancillary income was realized in 2024 and non is projected for 2025; thus, no further ancillary income is applied herein.

Parking

The units are generally assigned a secured under-building parking stall that results in additional revenue to the complex. There is a total of 91 parking stalls, including resident and visitor stalls. A portion of these are vacant while the balance are rented; specific parking tenancy figures were not made available to the appraiser. Thus, historical parking revenues are relied upon.

Comparable older buildings in the general area are generating parking rents of approximately $\$30-\$50/\text{stall}/\text{month}$ in most cases, below the level of parking rents realized in modern complexes and those with central downtown core locations.

In 2024, parking revenue of $\pm\$25,100$ was realized. This compares to $\$22,500$ in parking revenue budgeted for 2025. Based on the vacancy assumption invoked herein, it may be inferred that budgeted 2025 parking revenue is below that which is realistic at a 2.0% suite vacancy rate. Thus, the higher historical figure of $\$25,100$ is relied upon in the analysis to follow.

Assuming a portion of the parking stalls are required to have remain vacant and available to visitors and considering the vacancy assumption invoked herein (2.0%) as well as typical levels of parking vacancy found in buildings with comparable parking stall to suite ratios, approximately 65% parking occupancy by tenants is assumed or ± 59 stalls. An estimated 59 stalls rented results in a ratio of nearly one-to-one stalls to each rental suite. Dividing $\$25,100$ by 59 stalls by 12 months results in a parking rental charge of $\pm\$35/\text{stall}/\text{month}$ which is deemed within reason as an overall blended average. It is probable some parking stalls are included with suite rents, having been offered as a rental incentives, while others may rent for rates above the preceding figure.

As a parking utilization rate well below 100% has been estimated based on a review of comparable multi-family properties relative to the subject property's attributes, no additional deduction to parking revenue for vacancy is applicable.

Expenses

Expenses are stabilized and projected through the next fiscal year, with consideration given to historical costs, inflation rates, and other factors.

Through investigations, including reviews of operating statements for a broad array of properties over time and speaking with property managers, operating expenses for apartment buildings have been found to be in the order of $\pm 25\%$ to 50% of effective gross income. This percentage depends on the development size, property type, age and amenities in the building. A higher expense ratio for older buildings reflects lower quality of construction, less durable materials with more frequent turnover of residential tenants and notably the metering (or not) of tenants for various utilities.

Expenses are analyzed as follows. Once again, the analysis is based on limited available historical data for the same reasons discussed preceding the discussion of Ancillary Income – labelled "Financial Data Availability".
See Extraordinary Limiting Conditions.

Property Taxes

The annual property taxes as levied by the City are included in this category. Property taxes are based on the individual strata unit assessed values based on the present titles to the property. These values were estimated by BC Assessment and then multiplied by a "mill rate" to yield the gross property taxes payable.

As of the end of 2024, monthly property taxes of \$9,073 were being paid, or \$108,876 per annum. The aggregate assessment increased a marginal 0.1% between 2024 and 2025. Property taxes increased materially by 6.9% from \$110,915 to \$118,557. Based on the preceding, the actual 2025 property taxes of **$\pm \$118,600$** are applied herein.

Insurance

Insurance premiums have escalated dramatically in some cases over the past few years and are broadly higher across the Greater Vancouver area. Both local and global factors are responsible for driving up the cost of insurance in B.C., from rising property values to increased earthquake risk. Typical industry averages range between \$800 to \$1,800 per unit.

The 2024 year-end Insurance cost is reported at \$6,225 per month or \$74,700 per annum (\$1,225 per suite), up $\pm 12-17\%$ from the year earlier dependent upon the month which is used as the basis to project the former annual insurance cost. The budget provided omits consideration of insurance as it is indicated "the owner tracks" this in lieu of the property management company.

Based on the available historical property data, the most recent insurance expense incurred at the end of 2024 of **$\$74,700$ (\$1,225 per suite)** is applied herein.

Caretaker / Salaries This expense is the salary incurred in the daily operation of an apartment for cleaning common areas such as hallways, stairways, etc. This fee does not include casual labour or yard maintenance expenses, which are applied in the Repair and Maintenance category. This expense is exclusive of a unit that may be provided to the caretaker at reduced rent, though the economic value of the same should be appropriately accounted for, where present.

The subject property reports a 'Wages and Benefits' expense of \$78,276 budgeted for 2025, and a Caretaking / Janitorial Expense of \$86,064 incurred in 2024 (11 months of data extrapolated to 12 months).

Typically, comparable properties of this size will employ maintenance personnel on a full- or a part-time basis with costs generally ranging between \$70-\$110/unit/month. Given the scope of responsibilities with repairs and maintenance expenses and other office and administrative expenses accounted for separately herein, and considering the size of the building, a rate of \$110/unit/month is deemed reasonable or **\$80,520** per annum; this figure is applied herein.

*General Office /
Administrative /
Consulting*

Telephone, professional fees, license and miscellaneous office expenses are considered part of the day-to-day costs of operating a multi-family complex. Information provided by the authorized client indicates total Bank Charges/Fees, Licenses/Dues, Telephones Expenses, and Travel expenses are budgeted at \$5,431 for 2025 (excludes 'Management Contract' category). This compares with Total Bank Charges and Admin. costs reported at \$6,351 for 2025 and Accounting Costs of \$6,300. A cost of \$130,911 per annum (extrapolated from 11 months of data to a full year) is reported for 2024 under the category of 'Total Admin. Operating Costs', which is assumed to include Bank Charges/Fees, Licenses/Dues, Telephones Expenses, and Travel. However, the balance of inclusions in this operating expense category are unknown. Expenses can at times be inflated for tax purposes or may include substantial items not anticipated to recur. The general market does not support General Office / Administrative expenses being as high as is reported for 2024.

Based on an analysis of comparable properties and placing limited weight on the particularly high historical expense incurred, a stabilized office / administrative / consulting expense of **\$30,000** per annum (1.9% of EGI) is applied.

Utilities In this instance, operating statements were provided by a representative of the board of directors which display a breakdown of the individual utility charges in most cases.

Garbage Removal The City of New Westminster issues an annual utilities statement which bundles water, sewer and solid waste (garbage) charges. Thus, this expense is discussed separately under the category of 'Water and Sewer' to follow.

Electricity & Gas A total of \$28,304 in hydro / electrical charges was incurred in 2024 (extrapolated to 12 months) while \$36,600 is projected for 2025. The simplistic manner in which the expense is extrapolated to December 2024 likely somewhat under-accounts for this expense. Further, the component of the expense associated with vacant suites is anticipated to be higher over the course of 2025 due to the elevated vacancy. Thus, the higher budgeted 2025 figure of **\$36,600** is relied upon herein.

Common area Fortis gas / heating expenses of \$13,231 were incurred in 2024 (extrapolated to 12 months – likely a somewhat low estimate based on December being an expensive month for heating), while there is a budgeted expense of \$15,600 for 2025. The budgeted 2025 expense of **\$15,600** is deemed most appropriate and is applied herein.

Water and Sewer The 2025 budgeted water and sewer figure is \$59,187, somewhat below the 2024 figure of \$68,734 (11 months of data extrapolated to 12 months). There are reasons both to consider the 2024 figure as somewhat inflated as well as to expect a higher figure going forward. On balance, an expense near the mid-point of this range at **\$64,000** is applied herein.

Overall Utilities The preceding stabilized utilities expense estimates amount to a total of **\$116,200 per annum or ±\$1,905 per suite** (per annum), which is deemed well within reason given a review of comparable properties and considering the subject property type, the nature of construction, and the typical size of the rental suites and the extent of common area development. The preceding figures are applied herein.

Repairs and Maintenance Repairs and maintenance is an expense category that can vary as a result of management style, particularly in response to supply and demand for rental accommodations.

Industry averages for multi-family apartments range depending on age and overall condition of the property. Newer buildings may see as little as \$600-\$700 per unit per year while the vast majority of existing buildings run from \$800 to \$1,800 per suite per annum. Higher per unit costs most often reflect the inclusion of some amount of capital repair items.

N.F.

The aggregate of all repairs and maintenance expenses incurred in 2024 (extrapolated from 11 to 12 months) was \$164,548 or ±\$2,698 per suite. This includes \$45,410 of suite upgrades and maintenances, nearly half of which is attributed to suite cleaning upon tenant turnover and a sizable portion of which is attributed to capital upgrades. Presumably, the decision to complete capital upgrades has resulted in cleaning charges that would not have otherwise been incurred, and are therefore associated with capital upgrades. The balance of R&M expenses is associated with common area maintenance and repair, being weighted towards landscaping (and snow removal) costs, though also including general maintenance contracts and common area general maintenance.

Excluding the suite repairs and maintenance expenses as an approximation of the component which refers to capital repair items (considered separately herein), the remaining R&M expense incurred in 2024 was \$119,137 or ±\$1,953 per suite. It is estimated that this figure is somewhat high given the extrapolation of the historical 2024 data from 11 to 12 months and given that the majority of R&M expenses tend to be incurred outside of Dec./Jan., and as a result of the inclusion of some one-time items which are not anticipated to recur.

Total Repairs and Maintenance Expenses budgeted for 2025 are \$139,210 or ±\$2,282 per suite, with the figure appearing to be within reason for an estimate which primarily excludes capital repair items, upon a review of the various individual components of this expense.

Considering the older vintage of the subject building, the deferred maintenance items to address and older building systems and components, and the high tenant turnover and extraordinarily high vacancy, a stabilized R&M Expense somewhat above the general market range at **\$2,000 per suite or \$122,000** is deemed appropriate and is applied herein.

Replacement Reserve Fund

The replacement reserve is used to fund capital repair items, most often falling within the range of 2.0% to 4.0% of Effective Gross Income, though it may be higher in the case of some older buildings with inadequate reserves. For purposes of this analysis a stabilized rate of **3.00% of Effective Gross Income (\$46,319)** is deemed reasonable, approximating a typical market rate for buildings of this vintage.

M.F.

Advertising

This expense is related to the costs associated with the promotion of the property, mainly in the area of attracting new tenants. Advertising may take the form of newspaper, magazines, radio or television promotion.

Ads for this asset type can be posted online, often at no direct charge or a modest fee which may be required in a less competitive market than seen at present. Labour costs are inherent within a management expenses allowance. Typically, multi-family properties see advertising expenses in the range of \$30-\$50 per suite per annum, though the figure may be somewhat higher where extraordinary vacancies are present. Given the abnormally vacancy assumption invoked herein, a rate at the upper end of the typical market range of **\$50/suite** is applied in this analysis.

Management

Discussions with property managers indicates that a typical management contract for an improvement similar to the subject would be in the range of 3.5% to 6.0% of the Effective Gross Income, most often falling at 4.0% or above for buildings within the general size range of the subject property.

The subject property has a budgeted management expense of \$55,678 for 2025, which compares to the 2024 figure (11 months of data extrapolated to 12 months) of \$54,314.

Given the level of rents applied which are relatively near to the stabilized market level, a stabilized rate of **4.00% of Effective Gross Income** is deemed reasonable and is applied, amounting to **\$61,758**.

Miscellaneous Items

Miscellaneous Items generally relate to unforeseen and unexpected charges that occur from time to time. Industry standards typical result in an allowance of 1.0% to 2.0% of Effective Gross Income being made. An expense of **1.0% of Effective Gross Income** is consistent with industry standards and is applied herein.

Total Expenses

Total operating expenses represent 43.3% of the Effective Gross Income or ±\$10,960/suite, which each fall within the range of anticipated market norms, though towards the upper part of the broad market range. This is considered appropriate given the elevated repairs and maintenance expenses as well as the elevated property taxes associated the property being held in strata title; high utilities expenses is another contributing factor which is not likely to change.

Net Operating Income

Net Operating Income is calculated using the total income generated from a property and subtracting the operating expenses, as indicated in the table below.

STABILIZED OPERATING STATEMENT				
Income				Stabilized
Suite Revenue (at full occupancy)				\$1,513,014
Potential Gross Suite Income				\$1,513,014
Less: Suite Vacancy (2.00% Suite Revenue)				(\$30,260)
Effective Gross Suite Income				\$1,482,754
Laundry Income (+ sundry items)				\$19,100
Parking Income (@ ±65% utilization)				\$25,100
Storage Lockers				\$17,000
Effective Gross Income (EGI)				\$1,543,954
Operating Expenses	/Suite/Mo.	/Suite/Yr.	% of EGI	Stabilized
Property Taxes	\$162	\$1,944	7.7%	\$118,600
Insurance	\$102	\$1,225	4.8%	\$74,700
Caretaker / Salaries	\$110	\$1,320	5.2%	\$80,520
General Office / Admin. / Prof. Fees	\$41	\$492	1.9%	\$30,000
Utilities	\$159	\$1,905	7.5%	\$116,200
Repairs & Maintenance	\$167	\$2,000	7.9%	\$122,000
Replacement Reserve Fund	\$63	\$759	3.0%	\$46,319
Advertising	\$4	\$50	0.2%	\$3,050
Management	\$84	\$1,012	4.0%	\$61,758
Miscellaneous	\$21	\$253	1.0%	\$15,440
Total Expenses	\$913	\$10,960	43.3%	\$668,586
Net Operating Income				\$875,367

Overall Capitalization Rate Analysis

This section includes an overview of reported broad market multi-family investment asset cap rates as well as an overview and an analysis of specific comparable multi-family investment properties used to select the most appropriate capitalization rate to apply in the valuation of the subject.

General Market

The Goodman Report's 2025 Mid-Year Report indicates an approximate 40 basis point increase in 'suburban' (non-Vancouver proper) cap rates over the course of the past year to an average level of 4.40%, being up ± 160 basis points from the low in the market in 2022.

Colliers reports Vancouver multi-family cap rates for low-rise buildings as ranging between 3.75% and 4.75% as of Q3 2025.

CBRE reports Vancouver multi-family cap rates for 'low-rise Class B' buildings as ranging between 3.50% and 4.50% (best applicable to the subject) and for 'low-rise Class A' buildings as ranging between 3.25% and 4.25%, as of Q3 2025.

Each of the preceding reported rates reflect actual cap rates on sales, which are most often based on below-market rents in place as a result of rent controls in B.C. Thus, the stabilized cap rate level is expected to be materially above each of these ranges.

The subject property has only modestly below-market rents in place and an appropriate cap rate should therefore be near to the stabilized level, though modestly lower.

Investment Comparables

The following specific investment comparables include a cross-section of similar multi-family developments in the Greater area. Each of the surrounding cities and districts is considered to be competitive in terms of investment asset sales. All have been analyzed in a manner generally consistent with the analysis of the subject property with the exception of some property-specific considerations.

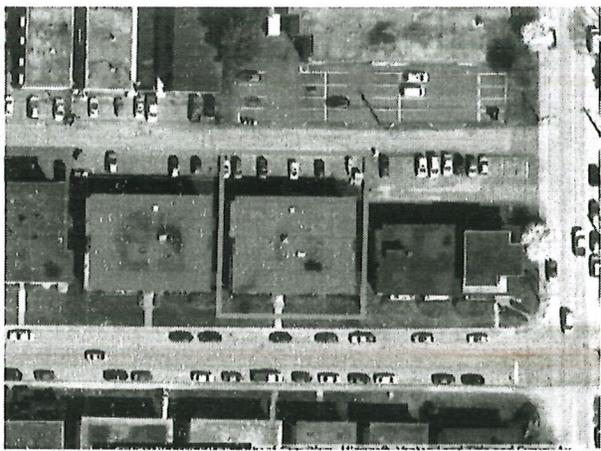
M.F.

Index No. 1 Dogwood Apartments

Civic Address:	6831 Arcola Street	Property Type:	Multi-Family
Municipality:	Burnaby	Property Sub-Type:	Apartment Land
Legal Description:	Lot K, DL 96, Group 1, New Westminster District, Plan 18681	PID(s):	010-404-091
Listing Price:	\$4,500,000	Sale Date:	Active @ Nov-2025
Property Rights Conveyed:	Fee Simple	Sale Title:	N/A: Active Listing
Vendor:	TBD	Purchaser:	N/A: Active Listing
Site Area (SF):	12,000	Site Influences:	Interior Lot: Assemblage Potential
Access:	Average: Internal Lot; Rear Lane	Exposure:	Moderate Traffic
Configuration:	Rectangular	Zoning / Land Use:	RM-3, Multiple Family Res.; Mid-Rise Apartment 2
Year Built:	1958	# of Buildings:	1
Construction:	Wood Frame; Walk-up	# of Storeys:	2
# of Suites:	13	Price Per Suite:	\$346,154
Quality:	Average	Condition:	Average
Parking Stalls:	8	Parking Type:	Surface, Open
Contract Rents:	Below-Market	Cap Rate (Ro), Going-In:	3.40%
		Cap Rate (Ro), Stabilized:	4.60%

Comments:

Dogwood Apartments is located in South Burnaby's Edmonds neighbourhood, on the north side of Arcola Street and one block north of Kingsway, representing holding value in the interim for a property with good future redevelopment potential. Built in 1958, the property comprises a suite mix of 2 bachelors (400 sq. ft.), 7 one-bedrooms (711 sq. ft.) and 4 two-bedrooms (938 sq. ft.); it features 12 storage lockers, laundry facilities (1 washer/1 dryer) and 8 surface parking stalls. Upgrades include roof replacement (2006) and re-piping (1995). A Stage 1 Environmental Report does not recommend any further investigation. The property is designated Mid-Rise Apartment 2 (20 storeys) under both the recently updated (2025) Edmonds Community Plan and draft Burnaby 2050 Official Community Plan. The designation follows R6 zoning guidelines, permitting residential towers up to 20-storeys, with up to 10-storeys as a conditional height increase (30 storeys maximum). Under the new height-based framework, the City of Burnaby has eliminated maximum densities; buildable area is now determined based on permitted height and setbacks. Up to a maximum density of 5.0:1 FSR is suggested, though this could be higher if a building height between 21-30 storeys was approved.



M.F.



Index No. 2 Springer Manor

Civic Address:	5190 Hastings Street	Property Type:	Multi-Family
Municipality:	Burnaby	Property Sub-Type:	Apartment Land
Legal Description:	Part: Lot 12, Blk G, DL 127, Grp 1, N.W. District, PI NWP1254	PID(s):	001-159-623
Sale Price:	\$3,575,000	Sale Date:	Sep-2025
Property Rights Conveyed:	Fee Simple	Sale Title:	CB2345339
Vendor:	10*	Purchaser:	15*
Site Area (SF):	12,768	Site Influences:	Corner Lot: Assemblage Potential
Access:	Good: Corner Lot; Rear Lane	Exposure:	High Traffic
Configuration:	Rectangular	Zoning / Land Use:	Mid-Rise Apartment 2
Year Built:	1962	# of Buildings:	1
Construction:	Wood Frame; Walk-up	# of Storeys:	3
# of Suites:	13	Price Per Suite:	\$275,000
Quality:	Average	Condition:	Average
Parking Stalls:	8	Parking Type:	Surface, Open
Contract Rents:	Below-Market	Cap Rate (Ro), Going-In:	4.30%
		Cap Rate (Ro), Stabilized:	5.40%

Comments:

Located at the southwest corner of Hastings Street and Springer Avenue in Burnaby's sought-after Capitol Hill neighbourhood, this site is improved with an older building which offers holding value in the interim and good redevelopment potential once market conditions become more favourable. Built in 1962, this 3-storey walk-up building sits on an RM3 zoned lot and is improved with 7 one-bedroom and 6 two-bedroom units. The two top-floor, south-facing units offer rooftop patios with views of Brentwood and Metrotown. Updates include a new wall-mounted high-efficiency boiler (December 2023), new 2nd floor roof (December 2024) with the upper level roof replaced (2014). 7 of the 13 units have been renovated with modern finishes of basic quality. There are 12 tenant lockers and a large ground-floor room that could be converted into an additional suite. The property is designated Mid-Rise Apartment 2 (20 storeys) under both the recently updated (2025) Edmonds Community Plan and draft Burnaby 2050 Official Community Plan. The designation follows R6 zoning guidelines, permitting residential towers up to 20-storeys, with up to 10-storeys as a conditional height increase (30 storeys maximum). Under the new height-based framework, the City of Burnaby has eliminated maximum densities; buildable area is now determined based on permitted height and setbacks. Up to a maximum density of 5.0:1 FSR is suggested, though this could be higher if a building height between 21-30 storeys was approved.



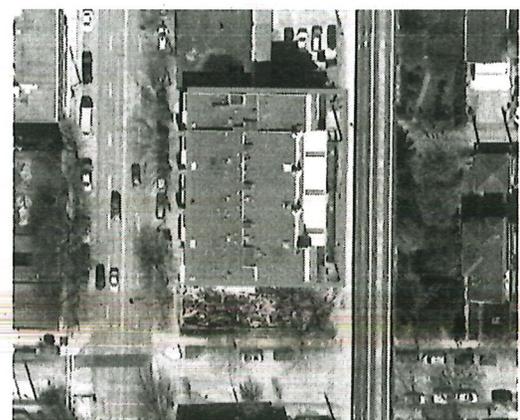
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Index No. 3

Civic Address:	2928 Commercial Drive	Property Type:	Multi-Family
Municipality:	Vancouver	Property Sub-Type:	Apartment Land
Legal Description:	Strata Lots 5-34 District Lot 264A Strata Plan LMS79	PID(s):	017-423-937 et. al.
Sale Price:	\$11,900,000	Sale Date:	Aug-2025
Property Rights Conveyed:	Fee Simple	Sale Title:	CB2222449
Vendor:	RA*	Purchaser:	29*
Site Area (SF):	13,860	Site Influences:	Corner Lot: Assemblage Potential
Access:	Good: Corner Lot; Rear Lane	Exposure:	High Traffic; SkyTrain
Configuration:	Rectangular	Zoning / Land Use:	C-2C1, Commercial District
Year Built:	1991	# of Buildings:	1
Construction:	Wood Frame; Elevator	# of Storeys:	4
# of Suites:	30	Price Per Suite:	\$396,667
Quality:	Above-Average	Condition:	Above-Average
Parking Stalls:	30	Parking Type:	Secured Underground
Contract Rents:	Below-Market	Cap Rate (Ro), Going-In:	3.70%
		Cap Rate (Ro), Stabilized:	5.19%

Comments:

Located on a corner lot backing onto a rear lane, beyond which run overhead SkyTrain tracks, this property is positioned along a prominent commercial / mixed-use corridor in Vancouver's Kensington-Cedar Cottage neighbourhood. All 30 residential strata units are under single ownership contained on levels two through four of a four-storey mixed-use building; the ground floor commercial (strata lots 1-4) are held separately and are not included in the sale. The building was built by the current owner in 1991 and features large units averaging 817 sq. ft., with 7 two-bedrooms and 23 two-bedroom & dens. The building is fully sprinklered with gas fireplaces and electric baseboard heating. Suites were designed with space for in-suite laundry, but currently offers shared facilities, with 3 washers and 4 dryers which are leased. All suites have dishwashers, and several have been renovated with new flooring and modern kitchen and bath finishes. The majority of units offer fully enclosed balconies complete with drywall and laminate flooring. The rental units have use of 30 underground parking stalls. The 132 x 105 ft. lot is zoned C-2C1 and falls within Tier 3 of the City of Vancouver's TOA Rezoning Policy. C-2C1 zoning permits up to 3.0 FSR for mixed-use strata buildings, or 3.5 FSR for mixed-use purpose-built rental with no rezoning or below-market housing requirements. Expenses are adjusted up from the reported figure to equate to 30% of EGI in the stabilized NOI analysis; suite revenue upside potential from contract rents is estimated at ±23%.



Comments:

M.F.

Index No. 4

Civic Address:	580 Whiting Way	Property Type:	Multi-Family
Municipality:	Coquitlam	Property Sub-Type:	Apartment Land
Legal Description:	Lot 88, DL 5, Group 1, New Westminster District, Plan 40104	PID(s):	004-897-838
Sale Price:	\$11,650,000	Sale Date:	Apr-2025
Property Rights Conveyed:	Fee Simple	Sale Title:	CB2306342
Vendor:	L.*	Purchaser:	Dogwood Holdings Society Inc.
Site Area (SF):	28,975	Site Influences:	Near 2 Rapid Transit Stations
Access:	Internal lot with dual road frontage	Zoning / Land Use:	RM-2 – 3 Storey Med. Density A.R.; NP: High Density Apartment Res.
Configuration:	Rectangular	Exposure:	High Traffic; SkyTrain
Year Built:	1970	# of Buildings:	1
Construction:	Wood Frame; Elevatored	# of Storeys:	3
# of Suites:	44	Price Per Suite:	\$264,773
Quality:	Above-Average	Condition:	Above-Average
Parking Stalls:	44+ (estimated)	Parking Type:	Surface & Secured Underground
Contract Rents:	Below-Market	Cap Rate (Ro), Going-In:	2.95%
		Cap Rate (Ro), Stabilized:	5.34%

Comments:

Located 850 m. NE of the Lougheed Station and ±1.1 km SW of the Burquitlam Skytrain Station, this internal parcel has dual road frontage with high traffic and elevated skytrain exposure along North Road to the west and low traffic exposure to the east. The 44 suite building includes a mix of 5 studio units (427 SF), 30 one-bed units (603 SF), and 9 two-bed units (860 SF). The roof was replaced in 2024, a new boiler system was installed in 2020, some wiring, lighting and panel upgrades have been completed, lobby and common area flooring has been updated, and limited suite updated have been completed as required, including the renovation of one suite in 2024. Designated High Density Apartment Residential in the Burquitlam Lougheed Neighbourhood Plan which supports rezoning and development with high density apartment development in tower form up to a maximum density of 6.0:1 FSR; there is no maximum height requirement. Subject to an easement and municipal SRW in addition to Covenant # CB2306343 which limits the subdivision or stratification of the property and mandates its use in accordance with specific non-profit housing society regulations, including maintaining a portion of the suites as affordable units. The building had a reported NOI of \$343,221 and a reported gross suite revenue of \$605,784 (prior to ancillary revenue).



Index No. 4

M.F.

Index No. 5 **Premiere**

Civic Address:	408 E. Columbia Street	Property Type:	Multi-family
Municipality:	New Westminster	Property Sub-Type:	Apartment
Legal Description:	Lt A, Blk 1, Suburban Block 2, New Westminster Dist., PI EPP82825, exc. Air Space PI EPP115540	Tenancy Type:	Multi-Tenant
		PID(s):	030-626-501
Sale Price:	\$31,000,000	Sale Date:	Jan-2024
Property Rights Conveyed:	Fee Simple	Sale Title:	CB1403679
Vendor:	I4*	Purchaser:	PL*
Site Area (SF):	20,344	Exposure:	High Traffic; City Plaza Views
Access:	Avg.+ Internal Lot; Rear Lane	Zoning / Land Use:	CD-79, Comp. Dev. District
Configuration:	Rectangular		
Year Built:	2022	# of Buildings:	1
Construction:	Wood Frame; Elevator	# of Storeys:	4
# of Suites:	72	Price Per Suite:	\$430,556
Quality:	Good	Condition:	Excellent
Parking Stalls:	92	Parking Type:	Secured Underground
Contract Rents:	Near-Market	Cap Rate (Ro), Going-In:	5.40%
		Cap Rate (Ro), Stabilized:	5.40%

Comments:

Brand-new fully-leased 72-unit market rental component within a six-storey mixed-use project located nearly opposite the Royal Columbian Hospital in the Sapperton neighbourhood of New Westminister. Two airspace parcels comprising ground-floor retail and 2nd-floor office space are not included in this sale. The rental component represents the Remainder Parcel with ownership of the 72 rental suites along with common areas and full operational control over the building. The suite mix features 44 one-bedroom, 24 two-bedroom, and 4 three-bedroom suites well-appointed, high quality, modern finishes, in-suite laundry, and a balcony per each suite. Residents have access to a rooftop amenity space with panoramic river and mountain views, a fully equipped fitness facility, along with ample parking (73 secured, underground stalls for residents plus visitor parking) and 81 residential storage lockers. The intent of the CD-79 zoning is to allow a six-storey development having retail uses on the ground floor, office uses on the second floor, and residential rental units, secured through a long-term housing agreement on the upper levels.



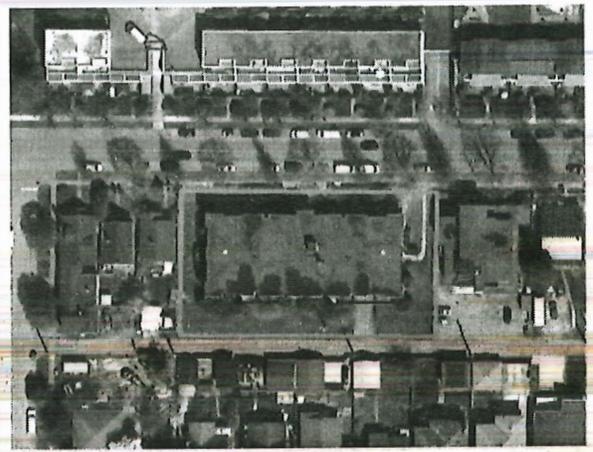
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Index No. 6 **Bethany Estate**

Civic Address:	3940 Pender Street	Property Type:	Multifamily
Municipality:	Burnaby	Property Sub-Type:	Apartment
Legal Description:	Lot 33, District Lot 116, Group 1, New Westminster Dist., PI 36269	Tenancy Type:	Multi-Tenant
		PID(s):	003-332-071
Sale Price:	\$11,790,000	Sale Date:	Jan-2024
Property Rights Conveyed:	Fee Simple	Sale Title:	N/A: Share Sale
Vendor:	13*	Purchaser:	TBD: Share sale
Site Area (SF):	26,474	Exposure:	Moderate traffic; no views
Access:	Avg.+: Interior Lot; Laneway	Zoning / Land Use:	RM3, Multi-Family Residential
Configuration:	Rectangular		
Year Built:	1970	# of Buildings:	1
Construction:	Wood Frame; Elevatored	# of Storeys:	3
# of Suites:	41	Sale Price Per Suite:	\$287,561
Quality:	Average	Condition:	Average
Parking Stalls:	40	Parking Type:	Secured Underground
Contract Rents:	Significantly Below-Market	Cap Rate (Ro), Going-In:	3.10%
		Cap Rate (Ro), Stabilized:	5.75%

Comments:

Sale of a 41-suite, three-storey, apartment building in the heart of the established Burnaby Heights neighbourhood, 1 block south of Hastings St. and 3 blocks E. of Boundary Rd. Built in 1970, the building's suite mix comprises 7 bachelors (405 SF), 31 one-bedrooms (590 SF) and 3 two-bedrooms (830 SF). Includes lane access at the rear, 40 underground parking stalls, 32 residential storage lockers & 9 that have been converted into one storage room. Recent renovations include balcony resurfacing and the addition of new railings, installation of 2 new boilers, fuse boxes converted to breakers, lobby flooring, exterior paint, and limited suite updates. Each of the 3 sets of washer/dryers was replaced in 2015, the roof was replaced and elevator upgrades were completed in 2014, the building was re-piped circa 2003/04, and several decks were rebuilt in 2013. The RM3 zoning permits medium density apartment development up to 3 storeys and to a max base density of 0.9/1.1:1 relative to a max bonus density, upon provision of a range of CAC's, of 2.05:1. Designated Medium Density Multiple Family Residential in the Burnaby Heights Plan which indicates the subject is zoned to its highest and best use. Note: Sold previously for \$11.5 M. in June 2022.

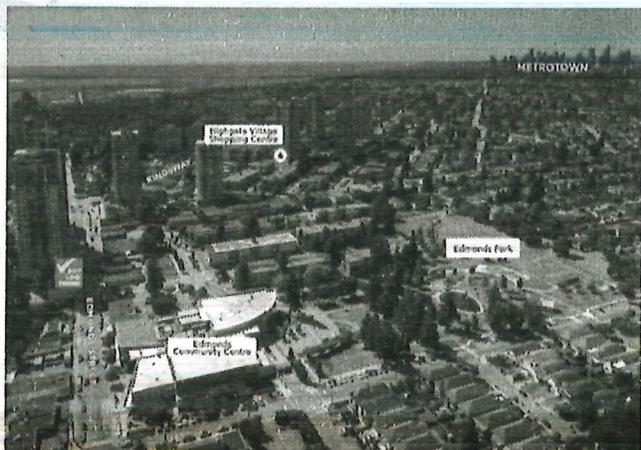


N.F.



Index No. 7		Casa Mia	
Civic Address:	7268 Balmoral Street	Property Type:	Multifamily
Municipality:	Burnaby	Property Sub-Type:	Apartment
Legal Description:	Lot 173, Group 1, District Lot 95, Plan NWP31913	Tenancy Type:	Multi-Tenant
		PID(s):	006-667-902
Sale Price:	\$16,240,000	Sale Date:	Oct-2023
Property Rights Conveyed:	Fee Simple	Sale Title:	CB1187986
Vendor:	Go*, N**	Purchaser:	TBD
Site Area (SF):	39,509	Exposure:	Modest Traffic; Highgate Village Shopping Centre
Access:	Good	Zoning / Land Use:	RM-3
Configuration:	Rectangular	# of Buildings:	1
Year Built:	1967	# of Storeys:	3
Construction:	Wood Frame	\$/Suite:	\$290,000
# of Suites:	56	Condition:	Below Average
Quality:	Average		
Parking Type:	Secure Underground		
Contract Rents:	Below-Market	Cap Rate (Ro), Going-In:	3.00%
		Cap Rate (Ro) Stabilized:	5.26%

Comments:
 Sale of the Casa Mia within the City of Burnaby near the Highgate Village Shopping Centre. The 56-suite purpose built rental building was originally constructed in 1967 and was previously under similar ownership for 40 years. The 39,509 square foot has long-term future redevelopment potential under the current RM-3 zoning allowing for a base density of 1.1 FSR with multiple density bonuses which can increase the FSR up to 3.15:1. The improvement includes 56 suites and 38,500 square feet of net rentable area along with 38 one-bedroom units, 2 bachelor units and 16 two-bedroom units. The sale was under contract as of October 2023 and closed as of February 2024. The first year NOI was reported at \$494,421.



M.F.



Comparable Sales Map



M.F.



*Overall Capitalization
(R_o) Rate Selection*

Rates of return on bonds, treasury bills and commercial paper are typically lower than real estate rates of return, which is to be expected given the lower relative risk and higher liquidity potential. Emphasis is therefore placed on real estate investments to select the appropriate Overall Capitalization Rate.

In selecting the rate to be applied, the following observations are made regarding the subject property:

- the improvements are considered to be of above-average overall quality and average condition relative to the year built. A range of variable suite updates were completed by the former condominium unit owners, while other suites exhibit older finishes. The roof is nearing the end of its lifespan and will require replacement in the near-term and it is reported additional building envelope upgrades are required (i.e. to the siding – and possible the replacement of the original windows). Planned updates are reported to cost in the approximate range of \$3.0-\$5.0 million. An array of primarily hairline cracks were observed in the parking garage foundation slabs on multiple floor levels, as well as some instances in the concrete around the exterior of the parking structure. It is reported settling may have occurred during construction of the new Pattullo Bridge. The preceding observations assume there is no major detrimental impact to the ongoing viability of the existing structure (subject to verification by a structural engineer);
- the property has a relatively central location immediately adjacent to the Pattullo Bridge replacement project under construction and will experience exposure to on-ramp traffic. The building offers views over the Fraser River, though obstructed by the Bridge. A potential future redevelopment of the site could offer good southerly river views from the upper levels of residential towers;
- demand for well-appointed rental accommodation within the area remains robust and is anticipated to remain strong due to the increasing population and limited supply of rental units, as well as the particularly unaffordable housing market at present as a result of elevated interest rates. Market rental rates are broadly softening at present, though constraints are being placed on supply, which should result in an eventual resumption in an increasing trajectory;

Capitalization rates for the comparable properties analyzed range between 2.95% and 5.40% on an actual / "going-in" basis. The one property which sold based on approximately market level rents was Index 5, which sets the upper end of the range. The balance of Indices sold based on contract rents which are below to well below the market level, reflecting a range of 2.95% to 4.30%.

M.P.

On a stabilized to market rent basis, cap rates range from 4.60% to 5.75%. The low end of the range is set by Index 1, which is a present active listing and may be somewhat over-priced. Excluding this Index, the range narrows to 5.19% to 5.75%.

Generally speaking, if the existing income is thought to be below market levels, the investor will perceive some potential upside to the existing income and as such, be willing to pay a premium for the property in question. This premium results in a lower overall capitalization rate for the sale based on existing income.

The subject property has only modest revenue and net operating income upside and should theoretically fall nearer to the stabilized cap rate range as a result of this influence, with a modest downward adjustment applicable. However, the subject property experiences superior redevelopment potential than each of the comparable Indices, having the potential for the development of a taller tower to a higher density in all probability, given the underlying land use consideration. High underlying land value is deemed a primary influence impacting a lower cap rate for the subject, and warranting a sizable downward adjustment to the stabilized cap rate range.

In the current market, redevelopment value is somewhat theoretical as most infill projects remain infeasible. That said, the underlying land value is particularly high for the subject in proportion to the value 'as improved', influencing a materially higher overall holding value for the property as presently improved than would otherwise be the case. In the current market, the high underlying land value is derived largely from the ability to hold this property for the next 3-5 years until market conditions supportive of redevelopment materially improve.

Comparable Adjustments

Index 1 indicates a stabilized cap rate of 4.60%, as reflected by the present listing price. Considering a probable sale price being moderately lower, a moderate upward adjustment is applied to the rate. While there is good redevelopment potential and this property represents primarily land value, the potential density is materially inferior to that of the subject and the various attributes for redevelopment are inferior (i.e. road frontages, view potential, etc.). The general location in East Burnaby is similar. Thus, a sizable downward adjustment is applied to reflect the superior redevelopment prospects of the subject. The subject is a relatively modern building and has a range of superior income-generating attributes, being of a lower risk to buy and hold for as long as necessary until market conditions favourable to redevelopment materially improve. Thus, a further downward adjustment is applied. Overall, a net sizable downward is applied to the 4.60% listing cap rate.

Index 2 indicates a stabilized cap rate of 5.40% for the sale. While there is good redevelopment potential and this property represents primarily land value, the potential density is materially inferior to that of the subject. While the parcel benefits from triple road frontage, it likewise has high traffic exposure. The general location in north Burnaby is somewhat superior to that of the subject. Overall, from a redevelopment value perspective, the subject property is far superior, seeing more of an outsized influence on its holding value. Thus, a sizable downward adjustment to the cap rate is applied. The subject is a relatively modern building and has a range of superior income-generating attributes, being of a lower risk to buy and hold for as long as necessary until market conditions favourable to redevelopment materially improve. Thus, a further downward adjustment is applied. A modest downward adjustment to the rate is necessary to reflect the modest revenue upside of the subject. Overall, a net substantial downward is applied to the 5.40% rate.

Index 3 has a notably superior East Vancouver (Commercial Drive) location, though backs directly onto an elevated SkyTrain guideway. The building is of a similar vintage as the subject, being of similar quality and somewhat superior condition. An upward adjustment to the rate is applied for location and a modest upward adjustment is applied to reflect somewhat superior condition. While there is some redevelopment potential, this strata property represents a far higher proportion of improvement value and there is significantly less redevelopment value inherent within the cap rate. Further, potential density is materially inferior to that of the subject. Overall, from a redevelopment value perspective, the subject property is far superior, seeing an outsized influence on its holding value. Thus, a sizable downward adjustment to the cap rate is applied. A modest downward adjustment to the rate is necessary to reflect the modest revenue upside of the subject. Overall, a net sizable downward is applied to the 5.19% rate.

Index 4 has a somewhat inferior Burquitlam (west Coquitlam) location, warranting a modest downward adjustment to the cap rate. While more updating major capex items has been completed (i.e. the recent roof replacement), this is a materially older building. Overall, this property is generally similar to the subject with respect to quality and condition. While there is good redevelopment potential, potential density is materially inferior to that of the subject. Overall, from a redevelopment value perspective, the subject property is far superior, seeing an outsized influence on its holding value. Thus, a sizable downward adjustment to the cap rate is applied. A modest downward adjustment to the rate is necessary to reflect the modest revenue upside of the subject relative to contract rents included in the stabilized income estimate herein. Overall, a net substantial downward adjustment is applied to the 5.34% rate.



Index 5 is a new construction airspace parcel above ground floor commercial space and has a slightly inferior east New Westminster location. There is far inferior ability to add value to this property and redevelopment would only nominally be considered in a purchase price, resulting in material upward pressure on the cap rate relative to that appropriate of the subject. Thus, a sizable downward adjustment to the cap rate is applied. A modest downward adjustment to the rate is necessary to reflect the modest revenue upside of the subject relative to contract rents included in the stabilized income estimate herein. Overall, a substantial net downward adjustment to the 5.40% stabilized cap rate is applied.

Index 6 has a somewhat superior North Burnaby location, though is a materially older building of an inferior risk profile relative to its income-generating capacity. Overall, a net modest downward adjustment is applied. The redevelopment potential is far inferior to the subject, warranting a sizable downward adjustment. A further modest downward adjustment to the stabilized rate is applied to reflect the modest revenue upside of the subject. Overall, a net significant downward adjustment to the 5.75% stabilized cap rate is applied.

Index 7 has a relatively comparable East Burnaby location, though is a materially older building of an inferior risk profile relative to its income-generating capacity. A downward adjustment is applied. The redevelopment potential is far inferior to the subject, warranting a sizable downward adjustment. A further modest downward adjustment to the stabilized rate is applied to reflect the modest revenue upside of the subject. Overall, a net substantial downward adjustment to the 5.26% stabilized cap rate is applied.

Based on the preceding analysis, a Stabilized Overall Capitalization Rate in the approximate range of 4.25% to 4.50% is supported for the subject. However, considering the modest revenue upside potential in the near-term, a Going-In Capitalization Rate in the approximate range of 4.00% to 4.25% is deemed applicable. A single point capitalization within this range at **4.15%** is concluded and applied.

Value Conclusion

Net Operating Income (NOI) is taken from the preceding Stabilized Income and Expense Statement. This is then divided by the Overall Capitalization Rate (R_o). The following calculation process is used to estimate the Current Market Value of the property:

$$\text{Value} = \frac{\text{Income}}{\text{Rate}} = \frac{\$875,367}{4.15\%} = \$21,093,191^{**}$$

Based on the foregoing, a rounded Current Market Value of **\$21,090,000**** is estimated via the Income Approach, assuming market rents are in place.

**** NOTE: THE VALUE ESTIMATES CONTAINED HEREIN ARE CONTINGENT UPON AND SUBJECT TO THE EXTRAORDINARY ASSUMPTIONS, HYPOTHETICAL AND LIMITING CONDITIONS AS DESCRIBED IN THIS REPORT.**

Note: The preceding market value estimate is based on economic property operating characteristics, equating to a sale price of ±\$345,738 per suite.



5.4 DIRECT COMPARISON APPROACH 'AS IMPROVED'

Introduction

The market value of a property is directly related to the price of comparable and competitive properties. The advantage of the Direct Comparison Approach is that it reflects the actions of buyers and sellers in the marketplace. The approach is most valid when truly comparable sales or offerings from the same general area are available for comparison.

Adjustment Process

Since no two properties are identical, adjustments for differences found in each are applied to the sale prices to provide a correlation of values between the comparable properties and the subject.

The two recognized methods of applying the adjustment process to comparables are the quantitative and qualitative techniques.

- The **quantitative technique** involves making specified dollar or percent adjustments to the sale price of a comparable. An adjustment is applied to each of the characteristics that affect the value of a comparable (i.e., location, market conditions, land use, etc.). This mathematical process results in an adjusted sale price for each of the comparables. Theoretically, the range of adjusted sale prices of the comparables should be narrower than the respective sale prices prior to the adjustment process.
- The **qualitative technique** involves the relative comparison of a given sale to the subject, without recourse to quantification. This process involves the determination of whether the comparable is superior, inferior or similar to the subject for each of the characteristics that affect value. An "adjusted sale price" is not calculated from this adjustment method. Rather, each comparable is considered in its relationship with the subject and an overall positive, negative, or equal adjustment is applied to the comparable without expressing a dollar or percentage amount.

Analysis of Comparables

In consideration of the information available relative to each comparable being analyzed, a hybrid technique of adjustment is deemed appropriate, utilizing both quantitative and qualitative adjustments.

The following sales have been analyzed to determine the value of the subject property. **Price per suite** has been adopted as the unit of comparison, being best reflective of vendors and purchasers of the subject property type.

Reference is made to the comparables analyzed in detail in the Income Approach and summarized in the table which follows.



SALES SUMMARY								
Description	Subject	Index No. 1	Index No. 2	Index No. 3	Index No. 4	Index No. 5	Index No. 6	Index No. 7
Address	65 First Street	6831 Arcola Street	5190 Hastings Street	2928 Commercial Drive	580 Whiting Way	408 E. Columbia Street	3940 Pender Street	7268 Balmoral Street
Municipality	New Westminster	Burnaby	Burnaby	Vancouver (East)	Coquitlam	New Westminster	Burnaby	Burnaby
Year Constructed	1984	1958	1962	1991	1970	2022	1970	1967
Lot Size	47,495	12,000	12,768	13,860	28,975	20,344	26,474	39,509
# of Rental Units	61	13	13	30	44	72	41	56
Suite Mix	12 x one-bed 45 x two-bed 4 x three-bed	2 x bach. 7 x one-bed 4 x two-bed	7 x one-bed 6 x two-bed	7 x two-bed 23 x two-bed plus den	5 x studio 30 x one-bed 9 x two-bed	44 x one-bed 24 x two-bed 4 x three-bed	7 x bach. 31 x one-bed 3 x two-bed	2 x bach. 38 x one-bed 16 x two-bed
Sale / Listing Date (m/y)		Active @ Nov-2025	Sep-2025	Aug-2025	Apr-2025	Jan-2024	Jan-2024	Oct-2023
Price (\$)		\$4,500,000	\$3,575,000	\$11,900,000	\$11,650,000	\$31,000,000	\$11,790,000	\$16,240,000
Price Per Suite		\$346,154	\$275,000	\$396,667	\$264,773	\$430,556	\$287,561	\$290,000
ADJUSTMENTS								
Comparable Property	Subject	Index No. 1	Index No. 2	Index No. 3	Index No. 4	Index No. 5	Index No. 6	Index No. 7
<u>Transaction Adjustments</u>								
Real Property Rights	Leased Fee	Leased Fee	Leased Fee	Leased Fee	Leased Fee	Leased Fee	Leased Fee	Leased Fee
Adjustment		6.0%	6.0%	10.0%	10.0%	-3.0%	16.0%	13.0%
Terms of Finance	Market	Market	Market	Market	Market	Market	Market	Market
Adjustment		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Conditions of Sale	Arms Length	Active Listing	Arms Length	Arms Length	Arms Length	Arms Length	Arms Length	Arms Length
Adjustment		-12.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Market Conditions (Time in Months)		0 months	2 months	3 months	7 months	22 months	22 months	25 months
Adjustment		0.0%	0.0%	0.0%	0.0%	-12.0%	-12.0%	-12.0%
Adjusted Price Per Suite		\$322,892	\$291,500	\$436,333	\$291,250	\$367,522	\$293,542	\$288,376
<u>Property Adjustments</u>								
Location (Macro)		Similar	Superior	Superior	Inferior	Inferior	Superior	Similar
Site Influences		Inferior	Inferior	Similar	Inferior	Inferior	Inferior	Inferior
Suite Mix		Inferior	Inferior	Superior	Inferior	Inferior	Inferior	Inferior
Condition		Inferior	Inferior	Superior	Similar	Superior	Inferior	Inferior
Quality		Inferior	Inferior	Similar	Similar	Superior	Inferior	Inferior
# of Units		Superior	Superior	Superior	Similar	Similar	Similar	Similar
Land Use		Inferior	Inferior	Inferior	Inferior	Inferior	Inferior	Inferior
Lot Size / Suite		Superior	Superior	Inferior	Similar	Inferior	Similar	Similar
Overall Net Adjustment		Inferior	Inferior	Superior	Inferior	Superior	Inferior	Inferior

Explanation of Adjustments The comparables chosen are considered to be the most competitive or similar properties to have recently sold or been offered for sale.

The adjustment table shows the areas of comparison considered for each comparable property in relation to the subject. Categories described as 'similar' indicate that no adjustment was deemed necessary. 'Inferior' indicates an upward adjustment and 'superior' indicates a downward adjustment was necessary. Alternatively, a positive or negative percentage adjustment may be applied. The adjustments applied are discussed below.

Quantitative Adjustments

Real Property Rights

The subject property is considered on a Leased Fee basis with modest revenue upside potential based on existing contract rents and stabilized market rents for vacant suites.

Indices 1, 2, 3, 4, 6, and 7 have contract rents in place which are below the market level to a substantially greater degree, being the most pronounced in the case of Index 6. The next greatest discrepancy from market rent is seen in Index 7, followed by Indices 3 and 4. The least degree of discrepancy from market rent is found in Indices 1 and 2, of those Indices with below-market rents in place.

A 6.0% upward adjustment is applied to each of Indices 1 and 2. A 10.0% upward adjustment is applied to each of Indices 3 and 4. A 16.0% upward adjustment is applied to Index 6, and 13.0% upward adjustment is applied to Index 7.

Index 5 had contract rents in place near to the market level, being somewhat superior to the subject in this respect and warranting a slight downward adjustment of -3.0%.

Terms of Finance

To the best of my knowledge, all of the comparable sales analyzed were either financed at current market rates or purchased with cash or cash equivalents. No assumable financing of a material beneficial or detrimental nature is known as relates to any of the comparable sales. Thus, adjustments for financing are not required.

M.F.

Conditions of Sale

Index 1 is a current active listing which is deemed to be somewhat overpriced. A moderate downward adjustment of -12.0% is applied.

Each of Indices 2 to 7 sold on an arm's length basis with no known irregular motivational influences impacting these sales. Thus, no adjustments are applied.

Market Conditions/Time

In a market with upward or downward momentum, an adjustment may be warranted to reflect the time differential between the sale of the comparable Indices in relation to the effective date of the report.

Index 1 is a current market indication as an active listing; no adjustment is necessary.

Indices 2 to 4 sold between April 2025 and September 2025, being sufficiently recent that no adjustments for market conditions are applied.

Indices 5 to 7 sold between October 2023 and January 2024, with cap rates having increased materially since this time and rents softening as of late, placing downward pressure on prices. Thus, a -12.0% downward adjustment is applied to each.

Qualitative Adjustments**Location (Macro)**

In analyzing the macro locational attributes, factors such as the type and extent of development within the neighbourhood and the ingress and egress to the area all play a role in determining value.

Indices 1 and 7 are sufficiently similar to the subject with respect to their nearby East Burnaby locations that no adjustments are applied.

A modest downward adjustment is applied to each of Indices 2 and 6, which have somewhat superior locations in North Burnaby.

A sizable downward adjustment is applied to Index 3 for its much superior East Vancouver location in the Kensington – Cedar Cottage neighbourhood.

Index 4 is located in the Lougheed Town Centre neighbourhood of neighbouring Coquitlam, being somewhat inferior to the subject with respect to general location and warranting a modest upward adjustment.

Index 5 is located in the Sapperton area of New Westminster, being somewhat inferior to the subject with respect to general location, and warranting a slight upward adjustment.



Site Influences

In real estate, property influences are factors or characteristics that affect a property in a positive or negative way. Examples of influences include the traffic exposure, proximity to the ocean, beach access, water or mountain views, and proximity to nearby amenities. Negative influences could be traffic noise, frontage on a busy street, or proximity to an airport or mill expelling exhaust or pollutants. Additional considerations are corner vs. interior lots, site configuration, topography, etc.

The subject benefits from Fraser River views, though has substantial direct exposure to bridge / freeway traffic and will directly side onto an on-ramp to the new bridge upon completion of construction; the preceding influences are deemed to be primarily offsetting.

Index 1 is an internal parcel with rear lane and has moderate traffic exposure. Overall, a modest upward adjustment is applied.

Index 2 is a corner lot with triple frontage and high direct traffic exposure. Overall, a modest upward adjustment is applied.

Index 3 has rear (east), nearly direct exposure to an elevated SkyTrain guideway and has high traffic exposure to the west. That said, the property is positioned along 'Commercial Drive', also known as 'The Drive', a desirable commercial corridor. The site is on the periphery of the corridor, being positioned outside of the most desirable retail frontage area. Overall, the net impact of the preceding desirable commercial feature and undesirable influence with respect to residential dwelling units are deemed to offset and no net adjustment is applied.

Index 4 has dual road frontage, including direct arterial frontage along North Road to the west, down the centre of which an elevated SkyTrain guideway runs (nearest station ± 0.9 km away). A modest upward adjustment is applied for site influences.

Index 5 has dual frontage, including to an arterial road and a rear lane and is positioned near the heart of a mixed-use node, ± 0.6 km from the Sapperton SkyTrain Station. Considering the superior frontages of the subject, an overall slight upward adjustment is applied.

Index 6 is an internal parcel with rear lane and has moderate traffic exposure. Overall, a modest upward adjustment is applied.

Index 7 is a corner parcel with triple frontage, including along a rear lane, and has modest traffic exposure. A slight upward adjustment is applied.

**Suite Mix**

This category reflects differences between the suite mix, being the weighting towards one, two or three-bedroom suites (where applicable), including the typical suite sizes within the complex.

A modest to moderate upward adjustment is applied to each of Indices 1, 2, 5, 6, and 7, which each have inferior suite mixes.

A slight downward adjustment is applied to Index 3 for its somewhat superior suite mix.

A slight upward adjustment is applied to Index 4 for its somewhat inferior suite mix.

Condition

This category reflects differences between the subject building condition and that of the comparable Indices and considers the age of the building as well as the degree of updating and quality of general maintenance undertaken. Condition reflects renovations, additions, modernizations and/or deferred maintenance.

Indices 1, 2, 6, and 7 are inferior to the subject with respect to condition, warranting a moderate upward adjustment to each.

A modest downward adjustment is applied to Index 3 for its somewhat superior overall condition.

Index 4 is deemed sufficiently similar to the subject in this respect on an overall / net basis that no adjustment is applied.

A significant downward adjustment is applied to Index 5, which is of much newer construction.

**Quality:**

This category reflects the overall building quality, including suite and common area finishes, various built-in features and building systems, the general quality of workmanship and the impact this is likely to have on the amount of repairs and maintenance and capital upgrades necessary to maintain the current net operating income going forward.

A modest upward adjustment for building quality is applied to each of Indices 1, 2, 6, and 7, which have received less in the way of suite modernizations.

Indices 3 and 4 are deemed sufficiently similar to the subject in terms of building quality that no adjustments are applied.

Index 5 is far superior as a result of its modern construction, warranting a sizable downward adjustment for this category.

Number of Units

The value of the subject property and the comparables has already been reduced to a dollar per unit denominator. The size adjustment is therefore intended to reflect only a refinement to the size adjusted on a price per suite basis based on major discrepancies, where applicable. This adjustment is a result of the law of increasing and diminishing marginal returns which apply to the number of suites as well as to reflect a higher or lower gross price point which may significantly increase or reduce the size of the potential market for the building. That is, typically, smaller buildings will sell for less, but on a price per unit basis the indicator will be higher, thus potentially requiring a downward adjustment. Conversely, larger buildings will sell for more but on a price per unit basis the indicator will be lower, requiring an upward adjustment.

In recent years, there has been an abundance of activity in the multi-family sector with strong demand for larger assets demonstrated, in part as a result of economies of scale in building operations. Thus, the need for this adjustment is considered only modest in this case.

Indices 1, 2, and 3 are each materially smaller than the subject in terms of size, warranting a modest downward adjustment to each of Indices 1 and 2 and a slight downward adjustment to Index 3.

Each of Indices 4, 5, 6, and 7 is sufficiently similar to the subject in terms of building size that no adjustments are applied.

Land Use

The subject property is zoned RM-2, Multiple Dwelling District (Low-Rise) which allows apartment development up to a density in the range of 1.2-1.8:1 FSR or 60 units per net acre.

The subject is designated Residential Tower – Apartment in the OCP, which is intended for residential towers. It also may also include mid-rise apartments, low rise apartments, townhouses, stacked townhouses, row houses.

The subject property falls under the Downtown Building and Public Realm Design Guidelines and Master Plan and is regulated by the Downtown Development Permit Area. The property is further located within the Albert Crescent Precinct, which is envisioned for high-rise towers around Albert Crescent Park to enhance its formal park setting. The Park will be programmed in the future to promote active family use and maximize the views of the Fraser River.

The current zoning of the property is deemed to be well below the potential of the site considering a potential high-rise apartment / tower usage. Rezoning approval is deemed well within reason for a high-density application that conforms to the various municipal guidelines and is supported by the OCP. That said, the outcome of a rezoning application is uncertain.

There is presently a pending Rezoning Application # RZ000249 to rezone the property to CD to allow for the development of a high-rise apartment complex consisting of a total of 304 stratified condo units, 299 market rental units, and 30 below-market rental units (9.9% of condo units) within two 30 and 35 storey towers. The proposed density is to a Floor Space Ratio of 10.64:1, $\pm 4.04:1$ of which is reportedly above base entitlements supported by land use guidelines and is to be effectively paid for through a combination of community amenity contributions (i.e. 40 below-market housing units to be sold to the YWCA at 60% of development cost or \$8,000,000) and a \$4,321,866 cash contribution payable at the time of building permit issuance. Thus, excluding density to be paid for, there is effectively a proposed density of 6.6:1 FSR.

As of April 7, 2025, a City Planning and Development staff report recommended that Council consider the rezoning and Housing Agreement Bylaws for first to third readings. The City of New Westminster was reached out to for confirmation of the present status of the application and has not yet responded. See Extraordinary Assumptions.



The Section 2019 housing agreement on title requires the use of the strata lots as a single entity, similar to a Fee Simple multi-family rental complex. The property therefore does not benefit from the same liquidity profile as a typical bulk strata property holding. It is further noted the agreement is to terminate upon demolition of the existing building, though council appears to have taken this agreement into account and the impact it has on securing rental housing in evaluating the proposed redevelopment of the site. There are no other material detrimental influences on the use, development potential, or marketability of the land resulting from registered title encumbrances.

In summary, the rezoning and redevelopment of the subject property with a mixed rental and strata complex consisting of two high-rise towers over a podium, which take advantage of southerly views over the Fraser River, as is presently proposed, is deemed to be legally supportable. While much of the proposed density is effectively to be paid for, the potential density of $\pm 6.6:1$ FSR net of that which exceeds base entitlements is still above to the potential density of each of the comparable Indices upon eventual redevelopment. A moderate upward adjustment is applied to each of Indices 1 to 7.

Lot Size Per Suite

The lot size per unit is considered as another key indicator of future redevelopment prospects, indicating the size of the underlying land relative to the improvements which the site supports.

A modest downward adjustment is applied to each of Indices 1 and 2 which have greater relative lot sizes per suite. A modest upward adjustment is applied to Index 3 and a moderate upward adjustment is applied to Index 5, which each have smaller to notably smaller proportionate parcel areas per suite. Indices 4, 6, and 7 are sufficiently similar to the subject in this respect that no adjustments are applied.

Conclusion

The preceding sales indicate an unadjusted price per unit range of \$264,773 to \$430,556. The foregoing qualitative adjustments indicate a substantially narrowed price per suite value range of approximately \$335,000 to \$365,000. A single point value rate of \$350,000 per suite is selected and applied as follows:

$$61 \text{ suites} \times \$350,000 \text{ per suite} = \$21,350,000^{**}$$

Based on the foregoing, a Market Value of **\$21,350,000^{**}** is estimated by the Direct Comparison Approach.

**** NOTE: THE VALUE ESTIMATES CONTAINED HEREIN ARE CONTINGENT UPON AND SUBJECT TO THE EXTRAORDINARY ASSUMPTIONS, HYPOTHETICAL AND LIMITING CONDITIONS AS DESCRIBED IN THIS REPORT.**

M.F.



5.5 LAND VALUATION – DIRECT COMPARISON APPROACH

Land Value

Three generally recognized methods are available to estimate market value of a site via Direct Comparison Approach:

- The **Direct Comparison Method** is the most commonly used method of site valuation. It involves analyzing recent sales of similar properties. Sales that are most like the subject and sold most recently are given the most weight.
- The **Allocation Method** uses a ratio of land value to property value as extracted from improved comparable sales, which is then applied to the sale price of the subject property to yield a residual value.
- The **Extraction Method** is a variant of the abstraction method in which land value is extracted from the sale price of an improved property by deducting the value of the improvements estimated from their depreciated costs.

In this particular case, the Direct Comparison Method is deemed the best reflective of market participants based on the subject property type.

Adjustment Process

Adjustments for differences found in each are applied to the sale prices to provide a correlation of values between the comparable properties and the subject. In the case of properties similar to the subject, the sale price per square foot (PSF) is the most commonly used unit of comparison, which is the metric adopted for this analysis.

The two recognized methods of applying the adjustment process to comparable Indices are the quantitative and qualitative techniques.

- The **quantitative technique** involves making specified dollar or percent adjustments to the sale price of a comparable. An adjustment is applied to each of the characteristics that affect the value of a comparable (i.e., location, market conditions, land use, etc.). This mathematical process results in an adjusted sale price for each of the comparable Indices. Theoretically, the range of adjusted sale prices of the Indices should be more narrow than the respective sale prices prior to the adjustment process.
- The **qualitative technique** involves the relative comparison of a given sale to the subject, without recourse to quantification. This process involves the determination of whether the comparable is superior, inferior or similar to the subject for each of the characteristics that affect value. An "adjusted sale price" is not calculated from this adjustment method. Rather, each comparable is considered in its relationship with the subject and an overall positive, negative, or equal adjustment is applied to the comparable without expressing a dollar or percentage amount.



Analysis of Comparables

A hybrid adjustment technique is adopted in this case, including both quantitative adjustments for transaction attributes and qualitative adjustments for property attributes, given the moderate availability of market data to offer indications of the former in this case. In the latter case, the application of qualitative adjustments is best representative of the actions taken by market participants where limited available market data is available.

The **sale price per buildable square foot (PBF)** is adopted as the unit of comparison most commonly used in valuing such properties by market participants, including vendors, purchasers and in marketing and pricing by realtors. This metric best captures the full development potential of a property as it is applied to potential buildable area, which is a factor of density, as supported by land use considerations. The sale price per square foot of land is also considered as a secondary metric given the uncertainty (the range in potential outcomes) in development density in some instances. Theoretically, a property can be valued accurately on either basis, so long as consistency in analysis between the subject and comparable Indices is employed and a comprehensive analysis and adjustment process is carried out.

Following are detailed summary sheets of the land sale comparable Indices and sales of properties which represent primarily land value, having been adjusted with the extraction technique to arrive at land value:

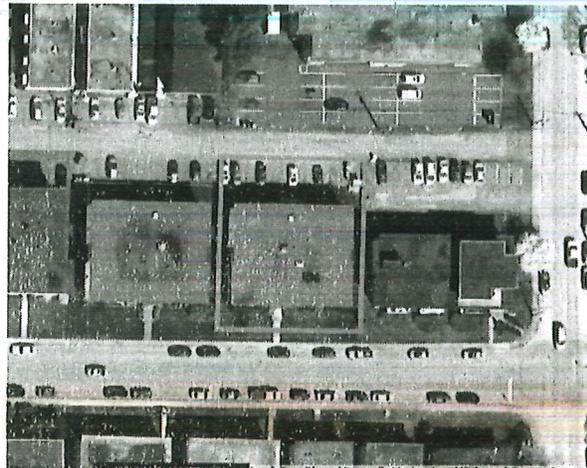


Index No. 1

Civic Address:	6831 Arcola Street	Property Type:	Multi-Family
Municipality:	Burnaby	Property Sub-Type:	Apartment Land
Legal Description:	Lot K, DL 96, Group 1, New Westminster District, Plan 18681	PID(s):	010-404-091
Listing Price:	\$4,500,000	Sale Date:	Active @ Nov-2025
Property Rights Conveyed:	Fee Simple	Sale Title:	N/A: Active Listing
Vendor:	TBD	Purchaser:	N/A: Active Listing
Improvement Value (est.):	±\$250,000		
Extracted Land Value:	\$4,250,000	Land Value PSF:	\$354
Site Area (SF):	12,000	Site Influences:	Interior Lot: Assemblage Potential
Access:	Average: Internal Parcel	Exposure:	Moderate Traffic
Configuration:	Rectangular	Topography:	Gently Sloping
Zoning / Land Use:	Mid-Rise Apartment 2	Maximum Density:	5.0:1
Max. Buildable Area:	60,000	Land Value PBF:	\$71

Comments:

Dogwood Apartments is located in South Burnaby's Edmonds neighbourhood, on the north side of Arcola Street and one block north of Kingsway, representing holding value in the interim for a property with good future redevelopment potential. The property is just 400 metres from Highgate Shopping Centre and within walking distance to Edmonds Community Centre, restaurants, transit, and other amenities. It is a 12-minute walk to the Edmonds SkyTrain Station and a 5-minute drive to Metrotown. The property is designated Mid-Rise Apartment 2 (20 storeys) under both the recently updated (2025) Edmonds Community Plan and draft Burnaby 2050 Official Community Plan. The designation follows R6 zoning guidelines, permitting residential towers up to 20-storeys, with up to 10-storeys as a conditional height increase (30 storeys maximum). Under the new height-based framework, the City of Burnaby has eliminated maximum densities; buildable area is now determined based on permitted height and setbacks. That said, up to a maximum density of 5.0:1 FSR is suggested, though this could potentially be higher if a building height between 21 to 30 storeys was approved.



M.F.

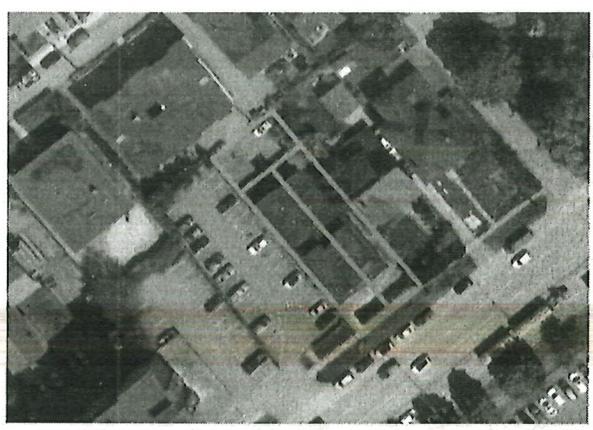


Index No. 2

Civic Address:	217 Royal Avenue	Property Type:	Multi-Family
Municipality:	New Westminster	Property Sub-Type:	Apartment Land
Short Legal Description:	Lots 4, 5; Parcel E, Lot 7, of Lots 1, 2, & 5, NWD, Plan NWP2620	PID(s):	004-147-537; 004-147-545; 004-147-588
Sale Price:	\$3,850,000	Sale (Transfer) Date:	Jul-2025
Property Rights Conveyed:	Fee Simple	Sale Title:	CB2194404--06
Vendor:	10*	Purchaser:	1547013 B.C. Ltd.
Improvement Value (est.):	±\$150,000	Land Value PSF:	\$419
Extracted Land Value:	\$3,700,000	Site Influences:	Adjacent to paved parking lot
Site Area (SF):	8,835	Exposure:	High Traffic
Access:	Internal parcel; singular road frontage	Topography:	Gently to gradually Sloping
Configuration:	Rectangular	Zoning / Land Use:	RM-2 (Multiple Family Residential); Residential – High Rise (RH)
Maximum Density:	±6.6:1	Max. Buildable Area:	± 67,146
Land Value PBF:	\$55		

Comments:

This internal assemblage parcel is improved with a 19-suite, circa 1961-built, wood frame, walk-up apartment building nearing the end of its economic lifespan. There is high traffic exposure to the south and this parcel sides onto a parking lot (assumed rented from the adjacent property owner), being located on the periphery of Downtown New Westminster. Under the Residential – High Rise land use designation, this parcel has the ability to seek rezoning so as to allow the development of a high density, multi-unit residential complex; no height limit applies. While there are a range in potential density outcomes, ±6.6:1 FSR is projected as within reason without being more or less paid for; an additional 1.0:1 FSR is added, resulting in a 7.6:1 FSR, for consistency of analysis with the subject property and other comparable Indices, which commonly have a component of realizable density available upon being effectively purchased. This conclusion is based on a review of recent applications for neighbouring comparable properties. The existing zoning development potential is well below the potential for the site. The representative title reviewed was free and clear of all non-financial encumbrances.



M.F.

Index No. 3

Civic Address:	580 Whiting Way	Property Type:	Multi-Family
Municipality:	Coquillam	Property Sub-Type:	Apartment Land
Legal Description:	Lot 88, DL 5, Group 1, New Westminster District, Plan 40104	PID(s):	004-897-838
Sale Price:	\$11,650,000	Sale Date:	Apr-2025
Property Rights Conveyed:	Fee Simple	Sale Title:	CB2306342
Vendor:	L.*	Purchaser:	Dogwood Holdings Society Inc.
Improvement Value (est.):	±\$350,000	Land Value PSF:	\$390
Extracted Land Value:	\$11,300,000		
Site Area (SF):	28,975	Site Influences:	Near 2 Rapid Transit Stations
Access:	Internal lot with dual rd. frontage	Exposure:	High Traffic; SkyTrain
Configuration:	Rectangular	Topography:	Gently Sloping
Zoning / Land Use:	RM-2 – 3 Storey Med. Den. A.R.; NP: High Density Apartment Res.	Maximum Density:	5.0-6.0:1
Max. Buildable Area:	173,850	Land Value PBF:	\$65

Comments:

Located 850 m. NE of the Lougheed Station and ±1.1 km SW of the Burquillam Skytrain Station, this internal parcel has dual road frontage with high traffic and elevated skytrain exposure along North Road to the west and low traffic exposure to the east. The 44 suite building includes a mix of 5 studio units (427 SF), 30 one-bed units (603 SF), and 9 two-bed units (860 SF); it has recently had the roof replaced and has otherwise received modest updating, offering modest contributory holding value. Designated High Density Apartment Residential in the Burquillam Lougheed Neighbourhood Plan which supports rezoning and development with high density apartment development in tower form up to a maximum density of 5.0:1 FSR (per associated RM-4, RM-5, and RM-6 zones); there is no maximum height requirement. That said, past applications have indicated council support for up to a 6.0:1 FSR density or higher in certain cases on High Density Apartment Residential lands, upon rezoning to a CD zone. The parcel is subject to an easement and municipal SRW in addition to Covenant # CB2306343 which limits the subdivision or stratafication of the property and mandates its use in accordance with specific non-profit housing society regulations, including maintaining a portion of the suites as affordable units.





Index No. 4

Civic Address:	402 & 408 Sixth St.; 607 Fourth Ave.	Property Type:	Multi-Family
Municipality:	New Westminster	Property Sub-Type:	Apartment Land
Short Legal Description:	Lot A, Sub Blk 7, PI NWP5633; Lot 7, Sub Blk 7, PI NWP2620	PID(s):	014-137-364; 000-516-996; 011-175-567
Sale Price:	\$3,600,000	Sale (Transfer) Date:	Oct-2024
Property Rights Conveyed:	Fee Simple	Sale Title:	CB1675688-690
Vendor:	Elaine Young	Purchaser:	Benedet Properties (Sixth St.) Ltd.
Improvement Value (est.):	±\$150,000	Land Value PSF:	\$198
Extracted Land Value:	\$3,450,000	Site Influences:	Corner Lot: Assemblage Potential
Site Area (SF):	17,424	Exposure:	High Traffic
Access:	Corner parcel; dual rd. frontage	Topography:	Gradually Sloping
Configuration:	Rectangular	Zoning: C-3(C-3A) & C-3; OCP:	
Zoning / Land Use:	Mixed Use – High Rise (MH); Bent Court Study Area (BC)	Maximum Density:	± 5.05:1
Max. Buildable Area:	± 87,991	Land Value PBF:	\$39

Comments:

The sale involves a three parcel assembly with underlying redevelopment potential, which is located within the City of New Westminster's Uptown neighbourhood. All leases are short-term in nature or have demolition clauses, with income upside potential. The subject is located on the northwest corner of the intersection of Sixth Street and Fourth Avenue, in close proximity to Royal City Centre shopping mall, Westminster Centre mall, and numerous national and local businesses. Sean Ungemach represented the buyer in this transaction. A flyer from Colliers indicates the property was listed for sale, asking \$6,500,000 (C8059998 - Expired - DOM 172). 402 & 408 Sixth Street are zoned C-3(C-3A): Community Commercial Districts (High Rise – 5.0:1 FSR); and 607 Fourth Avenue is zoned C-3: Community Commercial Districts (High Rise – 5.2:1 FSR). 607 Fourth Ave. consists of 5,016 sq. ft. and is designated Bent Court Study Area in the OCP, while the balance (12,408 sq. ft.) is designated Mixed Use – High Rise (MH), which supports residential tower development up to a maximum density of 5.0 FSR.





Index No. 5

Civic Address:	600, 604, 606, 612, 616 Kemsley Ave., 597, 595, 601, 605, 609 Westley Ave. & 639 Elmwood St.	Property Type:	Multi-Family
Municipality:	City of Coquitlam	Property Sub-Type:	High-Rise Apartment Land
Legal Description:	Lots 7-11, New West. District, Plan NWP14294; Lots 96-101, New W. District, Plan NWP22358	PID(s):	009-926-470; 009-108-611 et. al.
Sale Price:	\$33,700,133	Sale (Transfer) Dates:	May-2022; May-2023; Nov./Dec-2023
Property Rights Conveyed:	Fee Simple	Sale Title:	CB591751; CB591750; et. al.
Vendor:	Various Owners	Purchaser:	Rize Alliance (Oakdale Rental) Nominee Ltd.
Improvement Value (est.):	\$0	Land Value PSF:	\$436
Extracted Land Value:	\$33,700,133	Site Influences:	Near SkyTrain Station; Assemblage Parcel; Some protected views
Site Area (SF):	77,349	Exposure:	Low Traffic
Access:	Good: Triple Road Frontage	Topography:	Gently to gradually sloping
Configuration:	Multiple Rectangles	Maximum Density:	5.5:1
Zoning / Land Use:	RS-1, Single Family Residential; OCP: High Density Apt. Res.	Land Value PBF:	\$79
Max. Buildable Area:	425,420		

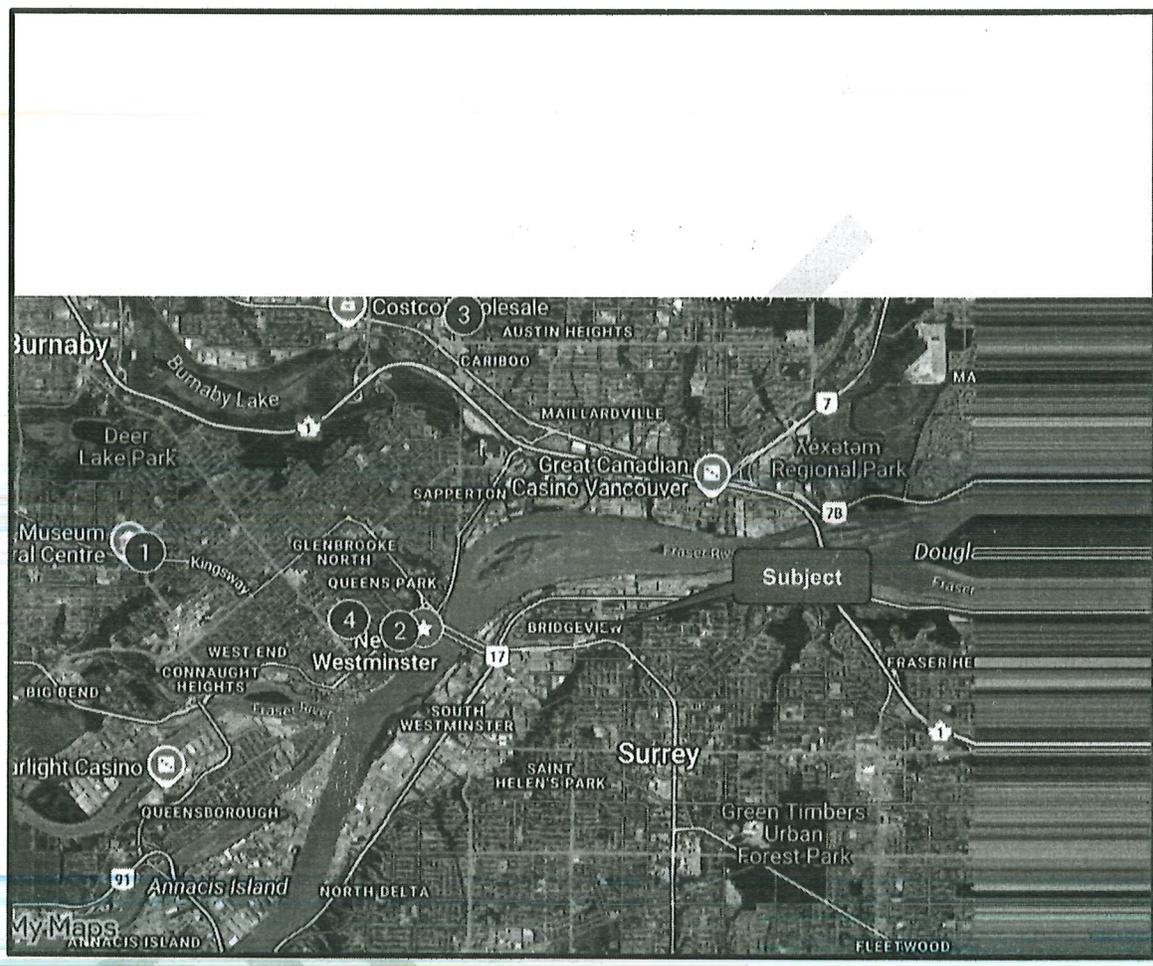
Comments:

Corner, assemblage parcel located an ±8-minute walk from the Burquitlam SkyTrain Station along the Evergreen Line, across from a future park. 597 & 595 Westley were acquired in May 2022 for \$6,255,466 (14,076 SF). 612 Kemsley & 601 Westley Ave. (CB591751 & CB591750 - \$3,022,804 & \$3,052,733 - 6,969 SF & 7,038 SF) -611 - May 1, 2023). 600, 604, 606, 616 Kemsley Ave. & 639 Elmwood Street and 605, 609 Westley Street were registered on Nov. 1, 2023 / Dec. 18, 2023, with the 49,266 sq. ft. site having sold for \$21,369,130. Following the sale in late-2023, the lands were legally assembled and a road right of way was dedicated, resulting in a remaining net parcel area of 69,696 sq. ft. The individual lots were zoned RS-1, One Family Residential at the time of sale. Following the sale, an application was submitted to rezone the lands to CD-44, Comprehensive Development to allow for mixed-use tower development up to a maximum density of 5.5:1 FSR; there is no height limit.



M.F.

Comparable Sale Map



M.F.



The following table summarizes the adjustment process.

SALES SUMMARY						
Subject	Index No. 1	Index No. 2	Index No. 3	Index No. 4	Index No. 5	
Address	65 First Street	6831 Arcola Street	217 Royal Avenue	580 Whiting Way	402; 408 Sixth St.; 607 Fourth Ave.	600, 604, 606, 612, 616 Kemsley Ave., 597, 595, 601, 605, 609 Westley Ave. & 639 Elmwood St.
Location	Albert Crescent Precinct - New Westminster	Burnaby - Edmonds	Downtown - New Westminster	Lougheed T.C. - Coquitlam	Uptown - New Westminster	Burquitlam - Coquitlam
Sale Date (M/Y)	-	Active @ Nov-2025	Jul-2025	Apr-2025	Oct-2024	May-2022
Existing Zoning	RM-2, Multiple Dwelling District (Low-Rise)	RM-3, Multiple Family Res.	RM-2 (Multiple Family Residential)	RM-2, 3 Storey Medium Density Apartment Res.	C-3(C-3A): Community Commercial Districts (High Rise); C-3: Community Commercial Districts (High Rise)	RS-1 One-Family Residential (Potential for CD-44)
OCP / LAP	Residential - Tower Apartment	Mid-Rise Apartment 2	Residential - High Rise (RH)	NP: High Density Apartment Residential	Mixed Use - High Rise (MH); Bent Court Study Area (BC)	NP: High Density Apartment Residential
Potential Density (FSR)	7.6	5.0	7.6	6.0	5.05	5.5
Rezoning Required?	Yes	Yes	Yes	Yes	Partial	No
Land Area (Sq.Ft.)	47,495	12,000	8,835	28,975	17,424	77,349
Bulldable Area (Sq.Ft.)	360,982	80,000	87,146	173,850	87,991	425,420
Sale Price (\$)	-	\$4,500,000	\$3,850,000	\$11,650,000	\$3,600,000	\$33,700,133
Improvement Value	-	\$250,000	\$150,000	\$350,000	\$150,000	\$0
Land Value	-	\$4,250,000	\$3,700,000	\$11,300,000	\$3,450,000	\$33,700,133
Land Value Per Sq.Ft.	-	\$354	\$419	\$300	\$198	\$436
Land Value Per Bulldable Sq.Ft.	-	\$71	\$55	\$65	\$39	\$79

ADJUSTMENT GRID					
	Index No. 1	Index No. 2	Index No. 3	Index No. 4	Index No. 5
Quantitative Adjustments					
Real Property Rights Adjustment	Fee Simple 0%				
Terms of Finance Adjustment	Market 0%	Market 0%	Market 0%	Market 0%	Market 0%
Conditions of Sale Adjustment	Active Listing -12%	Arms Length; Typical 0%	Arms Length; Typical 0%	Arms Length; Typical 0%	Arms Length; Typical 0%
Market Conditions (Time), Approx. Adjustment	0 Months 0%	4 Months 0%	7 Months 0%	13 Months -3%	42 Months -24%
Adjusted Price Per Bulldable Sq.Ft.	\$62	\$55	\$65	\$38	\$60
Qualitative Adjustments					
Location (Macro)	Similar	Similar	Inferior	Inferior	Inferior
Site Influences	Inferior	Inferior	Inferior	Inferior	Superior
Site Size	Superior	Superior	Superior	Superior	Similar
Site Services	Similar	Similar	Similar	Similar	Similar
Topography	Similar	Similar	Similar	Similar	Similar
Configuration	Similar	Similar	Similar	Similar	Similar
Land Use	Superior	Similar	Superior	Superior	Superior
Development Horizon	Inferior	Inferior	Inferior	Similar	Inferior
Overall Net Adjustment	Moderately Superior	Slightly Inferior	Modestly Inferior	Modestly Superior	Moderately Superior

M.F.



Explanation of Adjustments The comparables chosen are considered to be the most competitive or similar properties to have recently sold or been offered for sale.

The adjustment table shows the areas of comparison considered for each comparable property in relation to the subject. Categories described as 'similar' indicate that no adjustment was deemed necessary. 'Inferior' indicates an upward adjustment and 'superior' indicates a downward adjustment was necessary. Alternatively, a positive or negative percentage adjustment may be applied. The adjustments applied are discussed below.

Quantitative Adjustments

Real Property Rights

Each of the comparable Indices represents Leased Fee property rights and generates holding income, as with the subject, being subject to the requirements of the Residential Tenancy Act. The one exception is Index 4, which offers holding value associated with commercial tenancies in place, including demolition clauses. Theoretically, Index 4 is materially superior in this respect, though development activity is muted in the present market and the understood premium paid for this influence is deemed nominal. Thus, no adjustments are applied for this category.

Terms of Finance

To the best of my knowledge, all of the comparable sales were either financed at current market rates or purchased with cash / cash equivalents. Thus, no adjustments for financing are required.

Conditions of Sale

To the best of my knowledge, each of the comparable Indices sold on an 'arms-length' basis with no irregular motivational influences impacting the sale prices. The one exception is Index 1 which is a current active listing which is believed to be listed above the level of a probable sale price in the current market. A -12.0% downward adjustment is applied to Index 1. No adjustments are applied to the remaining sales.

Market Conditions/ Time

In a market with upward or downward momentum, an adjustment may be warranted to reflect the time differential between the sale of the comparables in relation to the effective date of the report.

Index 1 offers a current market indication as a present active listing. Thus, no adjustment for market conditions is applied.

Indices 2 and 3 sold circa 2025, being sufficiently recent that no adjustment is applied.

Index 4 sold in 2024, with the transfer taking place in October 2024. The sale price is deemed to have been forward looking with respect to the declining market trend for land values; no adjustment is therefore applied.

A -24.0% downward adjustment is applied to Index 5, which sold near the peak of the market circa May 2022, with the first of a series of transfers taking place at this time and extending to the end of 2023. Discussions with market participants – including analysts – indicate the peak to trough decline in land values to be as much as 40% in the case of some urban lands, though this varies by property type and municipality; the greatest declines tend to be associated with those assets which saw the greatest price inflation in a short span of time. Thus, the preceding adjustment is deemed well within reason given the present economic environment.

Qualitative Adjustments

Location

In analysing the locational attributes, factors such as the type and extent of development within the community and the access and egress to the area all play a role in determining value.

Index 1 is located in the Edmonds area of East Burnaby, being sufficiently similar to the subject in terms of general location that no adjustment is applied.

Index 2 has a comparable location on the periphery of the downtown core in New Westminster, being sufficiently similar that no adjustment is applied.

Index 3 is located in the Lougheed Town Centre neighbourhood of neighbouring Coquitlam, being somewhat inferior to the subject with respect to general location and warranting a modest upward adjustment.

Index 4 is positioned in a somewhat less central location in New Westminster, warranting a slight upward adjustment.

A modest upward adjustment is applied to Index 5, which is located in the Burquitlam neighbourhood of neighbouring Coquitlam.

Site Influences

In real estate, property influences are factors or characteristics that affect a property in a positive or negative way. Examples of influences include the traffic exposure, proximity of the ocean, beach access, water or mountain views, and proximity to nearby amenities. Negative influences could be traffic noise, frontage on a busy street, or proximity to an airport or mill expelling exhaust or pollutants.

Index 1 is an internal parcel with rear lane and has moderate traffic exposure. Overall, a modest upward adjustment is applied.

Index 2 is an internal assemblage parcel with no lane, nor secondary road frontage, being materially inferior to the subject. Thus, a moderate upward adjustment is applied.

Index 3 has dual road frontage, including direct arterial frontage along North Road to the west, down the centre of which an elevated SkyTrain guideway runs (nearest station ± 0.9 km away). A modest upward adjustment is applied for site influences.

Index 5 has triple road frontage and low traffic exposure, being notably superior to the subject in this respect and warranting a moderate downward adjustment.

Buildable Area

The value of the subject property and the comparables has already been reduced to a dollar per square foot denominator. The site size adjustment therefore is not required to account for the variance in the area, but rather the value per square foot as the law of increasing and diminishing marginal returns to size applies.

Typically, smaller parcels will sell for less, but on a price per buildable square foot basis the indicator will be higher, thus requiring downward adjustments. Conversely, larger parcels will sell for more but on a price per buildable square foot basis the indicator will be lower, requiring an upward adjustment.

A moderate downward adjustment is applied to each of Indices 1 and 2, which are substantially smaller in terms of buildable area by an order or magnitude of several factors.

A slight downward upward adjustment is applied to Index 3 which is nearly half the size of the subject in terms of buildable area.

A modest downward adjustment is applied to Index 4 which is materially smaller than the subject in terms of buildable area by a greater magnitude than Index 3.

Index 5 is greater than the size of the subject, though is sufficiently similar to the subject in terms of buildable area that no adjustment is applied.



**Topography,
Services &
Configuration**

Topography generally refers to sloping and elevation change, though it could also refer to the impact of a ravine, rock outcroppings and required blasting work, the degree of elevation change, cliffsides, washes, etc. Each of the preceding is considered only in terms of the impact it has on the use potential, marketability and/or value of a property.

Each of the comparable Indices is sufficiently similar to the subject in terms of topography that no adjustments are applied.

Services refer to the presence of various public and private services at the site boundary as well as those which are tied into a property such as hydro, telecom/cable lines, municipal water and sewer, etc.

Each of the comparable Indices is sufficiently similar to the subject in terms of site services that no adjustments are applied.

Configuration refers to the shape of a parcel and the impact this has on development potential. Frontages are excluded and were previously considered as an impact on access, under the category of 'Site Influences'.

Each of the comparable Indices is sufficiently similar to the subject in terms of configuration that no adjustments are applied.

Land Use

Land use classification legally restricts a site's development potential. When selecting a site, purchasers typically attribute value to a less restrictive land use classification as it provides more flexibility in construction and development density.

The subject property is zoned RM-2, Multiple Dwelling District (Low-Rise) which allows apartment development up to a density in the range of 1.2-1.8:1 FSR or 60 units per net acre.

The subject is designated Residential Tower – Apartment in the OCP, which is intended for residential towers. It also may also include mid-rise apartments, low rise apartments, townhouses, stacked townhouses, row houses.

The subject property falls under the Downtown Building and Public Realm Design Guidelines and Master Plan and is regulated by the Downtown Development Permit Area. The property is further located within the Albert Crescent Precinct, which is envisioned for high-rise towers around Albert Crescent Park to enhance its formal park setting. The Park will be programmed in the future to promote active family use and maximize the views of the Fraser River.



The current zoning of the property is deemed to be well below the potential of the site considering a potential high-rise apartment / tower usage. Rezoning approval is deemed well within reason for a high-density application that conforms to the various municipal guidelines and is supported by the OCP. That said, the outcome of a rezoning application is uncertain.

There is presently a pending Rezoning Application # RZ000249 to rezone the property to CD to allow for the development of a high-rise apartment complex consisting of a total of 304 stratified condo units, 299 market rental units, and 30 below-market rental units (9.9% of condo units) within two 30 and 35 storey towers. The proposed density is to a Floor Space Ratio of 10.64:1, $\pm 4.04:1$ of which is reportedly above base entitlements supported by land use guidelines and is to be effectively paid for through a combination of community amenity contributions (i.e. 40 below-market housing units to be sold to the YWCA at 60% of development cost or \$8,000,000) and a \$4,321,866 cash contribution payable at the time of building permit issuance. Thus, excluding density to be paid for, there is effectively a proposed density of 6.6:1 FSR. For valuation purposes, an additional 1.0:1 FSR is added to facilitate greater consistency of analysis with comparable sales, which generally include a comparable degree of density inherent within the maximum which is primarily paid for in one form or another (i.e. community amenity contribution and/or cash in lieu).

As of April 7, 2025, a City Planning and Development staff report recommended that Council consider the rezoning and Housing Agreement Bylaws for first to third readings. The City of New Westminster was reached out to for confirmation of the present status of the application and has not yet responded. See Extraordinary Assumptions.

The Section 2019 housing agreement on title requires the use of the strata lots as a single entity, similar to a Fee Simple multi-family rental complex. The property therefore does not benefit from the same liquidity profile as a typical bulk strata property holding. It is further noted the agreement is to terminate upon demolition of the existing building, though council appears to have taken this agreement into account and the impact it has on securing rental housing in evaluating the proposed redevelopment of the site. There are no other material detrimental influences on the use, development potential, or marketability of the land resulting from registered title encumbrances.



In summary, the rezoning and redevelopment of the subject property with a mixed rental and strata complex consisting of two high-rise towers over a podium, which take advantage of southerly views over the Fraser River, as is presently proposed, is deemed to be legally supportable. While much of the maximum density relied upon for valuation purposes of 7.6:1 FSR is effectively to be paid for as it falls above base entitlements, this figure falls at the upper end of the comparable range.

Indices 1 and 4 likewise required rezoning and had maximum potential densities much lower than that of the subject. Considering the typical modest adverse influence of density on the unit value rate, a modest downward adjustment is applied to each. A slightly lesser modest downward adjustment is applied to Index 3, which likewise required rezoning and had a materially lower potential density.

Index 2 has been analyzed on the basis of a similar potential density, given the lack of a clear maximum density figure, though similar New Westminster land use influences. No adjustment is deemed necessary.

Index 5 was zoned in accordance with its highest and best use, with a materially lower potential density. Thus, a moderate downward adjustment is applied.

Development Horizon

A slight upward adjustment for development horizon is applied to each of Indices 1, 2, 3, and 5, given the substantial progress towards rezoning to allow a high density tower use on the subject property, though considering the limited viability of such developments in the current market.

Index 4 was zoned in accordance with its highest and best use; no adjustment is therefore applied.

Land Value Conclusion

The sales selected for this analysis have an unadjusted price range of \$39 to \$79 PBF (per buildable square foot). Index 3 represents an outlying indicator at the upper end of the range following adjustments, while Index 4 represents an outlying indicator at the low end of the range, following adjustments. The balance of sales see a material narrowing of the value range.

Based on the preceding analysis, a price per buildable square foot value range of \$55.00 to \$60.00 is considered reasonable, following the application of qualitative and quantitative adjustments. A single point value estimate at the centre of this range of \$57.50 PBF is concluded.



Based on the site area of 47,495 sq. ft. multiplied by a maximum density of 7.6 FSR likely to form the basis of a sale, there is 360,962 sq. ft. of potential buildable area. Thus, the following calculation process is applied:

$$360,962 \text{ buildable square feet} \times \$57.50 \text{ PBF} = \$20,755,315^{**}$$

Based on the foregoing, the 'as vacant' Current Market Value of the subject underlying land is estimated at **\$20,760,000**** (rounded).

**** NOTE: THE VALUE ESTIMATES CONTAINED HEREIN ARE CONTINGENT UPON AND SUBJECT TO THE EXTRAORDINARY ASSUMPTIONS AND LIMITING CONDITIONS AS DESCRIBED IN THIS REPORT.**

Note: The estimated land value equates to \pm \$437 per square foot based on 47,495 sq. ft. of land area. This falls appropriately at the upper end of the comparable range of \$198 to \$436/sq. ft. of land. Excluding Index 4, which is an outlier at the low end of the range, the general market range narrows to between \$354 and \$436/sq. ft. of land area.

6.0 RECONCILIATION

Each of the value estimates to follow is based on the Extraordinary Assumptions, Hypothetical and Limiting Conditions detailed in Section 2.7, as well as in the general assumptions and disclaimers indication in Section A.4.

Income Approach

The Income Analysis looks at value from an investor's point of view and considers what the purchaser could expect in terms of return on investment. The reliability of the approach is dependent upon well-researched income and expense data and accurately determined cap rates. For investment properties, potential purchasers tend to place considerable emphasis on the income earning potential of the property.

The value estimate for the subject property as indicated by the Income Approach and more specifically a Direct Capitalization Analysis is **\$21,090,000****.

Direct Comparison Approach

The Direct Comparison Approach can be a good indicator of value if good comparable sales are available. In this instance, although limited, there was adequate market data available to determine a value for the subject property on this basis.

The Market Value estimate for the subject property as indicated by the Direct Comparison Approach is **\$21,350,000****.

Value Conclusion "As Improved"

With equal weight placed on the Income and Direct Comparison Approaches to reflect the limited data available in the Income Approach, though its general higher degree of reliance, the Current Market Value conclusion for the subject property, is estimated at **\$21,220,000**** (rounded).

Value Conclusion "As Vacant"

The Direct Comparison Approach was applied to estimate the market value of the underlying land as a test of the highest and best use. Given the value of the property 'as vacant' is below the value 'as improved', redevelopment of the site is not yet the maximally profitable use of the land. The 'As If Vacant' Current Market Value of the underlying land is estimated, as of the effective valuation date, at **\$20,760,000****.

** NOTE: THE VALUE ESTIMATES CONTAINED HEREIN ARE CONTINGENT UPON AND SUBJECT TO THE EXTRAORDINARY ASSUMPTIONS AND LIMITING CONDITIONS AS DESCRIBED IN THIS REPORT.



7.0 EXPOSURE ANALYSIS & FINAL VALUE ESTIMATE

Exposure Time

Market exposure time may be defined as:

The estimated length of time the property interest being appraised would have been offered on the market before the hypothetical consummation of a sale at the estimated value on the Effective Date of the appraisal. The overall concept of reasonable Exposure Time encompasses not only adequate, sufficient, and reasonable time, but also adequate, sufficient, and reasonable marketing effort. Exposure Time is a retrospective estimate of a length of time based upon an analysis of past events assuming a competitive and open market within which a property would have sold. Exposure Time is always presumed to have preceded the Effective Date of the Report. Exposure Time is different for various types of Real Estate and under various market conditions. Rather than appearing as an isolated estimate of time, it must refer to the property appraised, at the value estimated. (CUSPAP, 2024).

The market for multi-family development lands remains far less active than over the course of 2021 near the peak of the market. Economic uncertainty is a headwind at present as is development feasibility until vendor and purchaser expectations come into greater alignment.

Based on the above information and given the demand for improved multi-family properties with good holding potential in comparable areas of Greater Vancouver, a reasonable exposure time for this property is deemed to be in the approximate range of three (3) to twelve (12) months prior to the effective date of the appraisal, assuming appropriate pricing and marketing efforts.

Final Value Estimate

Based on the analysis presented herein, a summary of the final estimates of current market value for the subject property, as at the effective date of this report, subject to the assumptions and limiting conditions detailed herein, is as follows:

Current Market Value Estimates	
Current Market Value As Improved:	\$21,220,000 **
Market Value of Underlying Land 'As If Vacant':	\$20,760,000 **

** NOTE: THE VALUE ESTIMATES CONTAINED HEREIN ARE CONTINGENT UPON AND SUBJECT TO THE EXTRAORDINARY ASSUMPTIONS, HYPOTHETICAL AND LIMITING CONDITIONS DESCRIBED IN THIS REPORT.

M.F.

8.0 APPRAISER'S CERTIFICATION

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

- The statements of fact contained in this report are true and correct;
- 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;
- 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;
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment;
- My engagement in and compensation is not contingent upon developing or reporting predetermined results, the amount of the value estimate(s), a conclusion favouring the authorized client, or the occurrence of a subsequent event;
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP) 2024 Edition;
- I have the knowledge and experience to complete the assignment competently and this report is signed in compliance with CUSPAP;
- Except as herein disclosed, no one has provided significant professional assistance to the person(s) signing this report;
- As of the date of this report, the undersigned has fulfilled the requirements of the Appraisal Institute of Canada's Continuing Professional Development Program;
- The undersigned is a member in good standing of the Appraisal Institute of Canada;
- The undersigned, Liam Fast, B.Comm., AACI, P.App, personally conducted an inspection of the subject property on October 30, 2025;
- Based upon the data, analyses and conclusions contained herein, the Current Market Values of the respective interests in the subject property described, *subject to the limiting and hypothetical conditions and the extraordinary assumptions herein*, as of October 30, 2025, are estimated at:

Current Market Value Estimates	
Current Market Value As Improved:	\$21,220,000 **
Market Value of Underlying Land 'As If Vacant':	\$20,760,000 **

**** NOTE:** THE VALUE ESTIMATES CONTAINED HEREIN ARE CONTINGENT UPON AND SUBJECT TO THE EXTRAORDINARY ASSUMPTIONS, HYPOTHETICAL AND LIMITING CONDITIONS DESCRIBED IN THIS REPORT.

Dated this 14th day of November 2025

Appraiser

DRAFT

Liam Fast, B.Comm, AACI, P.App
 AIC Membership #: 907600
 Digital Signature Security: Microsoft

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

M.F.

ADDENDA

A.1 Title Search Print

A.2 Zoning Bylaw Excerpt

A.3 Housing Agreement (Title Covenant)

A.4 Assumptions, Limiting Conditions, Disclaimers and Limitations of Liability

A.5 Glossary of Terms

A.6 Qualifications of Appraiser



A.1 SAMPLE TITLE SEARCH PRINTS

TITLE SEARCH PRINT
File Reference: m10406
Declared Value \$379678

2025-11-04, 09:36:54
Requestor: Liam Fast

****CURRENT AND CANCELLED INFORMATION SHOWN****

Title Issued Under STRATA PROPERTY ACT (Section 249)

Land Title District NEW WESTMINSTER
Land Title Office NEW WESTMINSTER

Title Number CA8859096
From Title Number BW138563

Application Received 2021-03-22

Application Entered 2021-04-13

Registered Owner in Fee Simple
Registered Owner/Mailing Address: 1274877 B.C. LTD., INC.NO. BC1274877
PO BOX 8087, VICTORIA MAIN
VICTORIA, BC
V8W 3R9

Taxation Authority New Westminster, The Corporation of the City of

Description of Land
Parcel Identifier: 000-814-199
Legal Description:
STRATA LOT 61 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195 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
HOUSING AGREEMENT NOTICE, LOCAL GOVERNMENT ACT, S. 483 SEE CA8859098

NOTICE OF INTEREST, BUILDERS LIEN ACT (S.3(2)), SEE CA8869567
FILED 2021-03-25

Charges, Liens and Interests
Nature: MORTGAGE
Registration Number: CA1139369
Registration Date and Time: 2009-06-08 09:13
Registered Owner: THE TORONTO-DOMINION BANK
Cancelled By: CA9347944
Cancelled Date: 2021-09-09

M.F.



TITLE SEARCH PRINT

File Reference: m10406
Declared Value \$379678

2025-11-04, 09:36:54
Requestor: Liam Fast

Nature: ASSIGNMENT OF RENTS
Registration Number: CA1139370
Registration Date and Time: 2009-06-08 09:13
Registered Owner: THE TORONTO-DOMINION BANK
Cancelled By: CA9347945
Cancelled Date: 2021-09-09

Nature: COVENANT
Registration Number: CA8859097
Registration Date and Time: 2021-03-22 12:03
Registered Owner: THE CORPORATION OF THE CITY OF NEW WESTMINSTER
Remarks: INTER ALIA

Nature: MORTGAGE
Registration Number: CA8859099
Registration Date and Time: 2021-03-22 12:03
Registered Owner: PORTAGE CAPITAL NOMINEE CORP.
INCORPORATION NO. 002814032
Remarks: INTER ALIA
MODIFIED BY CB1247915

Nature: ASSIGNMENT OF RENTS
Registration Number: CA8859100
Registration Date and Time: 2021-03-22 12:03
Registered Owner: PORTAGE CAPITAL NOMINEE CORP.
INCORPORATION NO. 002814032
Remarks: INTER ALIA

Nature: MODIFICATION
Registration Number: CB1247915
Registration Date and Time: 2024-04-05 16:46
Remarks: INTER ALIA
MODIFICATION OF CA8859099

Nature: MORTGAGE
Registration Number: CB2112487
Registration Date and Time: 2025-06-17 10:46
Registered Owner: PRICE CAPITAL PARTNERS INC.
INCORPORATION NO. A0117352
Remarks: INTER ALIA

M.F



TITLE SEARCH PRINT
File Reference: m10406
Declared Value \$379678

2025-11-04, 09:36:54
Requestor: Liam Fast

Nature:	ASSIGNMENT OF RENTS
Registration Number:	CB2112488
Registration Date and Time:	2025-06-17 10:46
Registered Owner:	PRICE CAPITAL PARTNERS INC. INCORPORATION NO. A0117352
Remarks:	INTER ALIA

Duplicate Indefeasible Title	NONE OUTSTANDING
Transfers	NONE
Pending Applications	NONE
Corrections	NONE

M.F.



TITLE SEARCH PRINT
File Reference: m10406
Declared Value \$379678

2025-11-04, 09:29:59
Requestor: Liam Fast

****CURRENT AND CANCELLED INFORMATION SHOWN****

Title Issued Under STRATA PROPERTY ACT (Section 249)

Land Title District NEW WESTMINSTER
Land Title Office NEW WESTMINSTER

Title Number CA8859040
From Title Number CA3928750

Application Received 2021-03-22

Application Entered 2021-04-13

Registered Owner in Fee Simple
Registered Owner/Mailing Address: 1274877 B.C. LTD., INC.NO. BC1274877
PO BOX 8087, VICTORIA MAIN
VICTORIA, BC
V8W 3R9

Taxation Authority New Westminister, The Corporation of the City of

Description of Land
Parcel Identifier: 000-813-508
Legal Description:
STRATA LOT 5 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195 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
HOUSING AGREEMENT NOTICE, LOCAL GOVERNMENT ACT, S. 483 SEE CA8859098

NOTICE OF INTEREST, BUILDERS LIEN ACT (S.3(2)), SEE CA8869567
FILED 2021-03-25

Charges, Liens and Interests
Nature: COVENANT
Registration Number: CA8859097
Registration Date and Time: 2021-03-22 12:03
Registered Owner: THE CORPORATION OF THE CITY OF NEW WESTMINSTER
Remarks: INTER ALIA

M.F.



TITLE SEARCH PRINT

File Reference: m10406
Declared Value \$379678

2025-11-04, 09:29:59
Requestor: Liam Fast

Nature: MORTGAGE
Registration Number: CA8859099
Registration Date and Time: 2021-03-22 12:03
Registered Owner: PORTAGE CAPITAL NOMINEE CORP.
INCORPORATION NO. 002814032
Remarks: INTER ALIA
MODIFIED BY CB1247915

Nature: ASSIGNMENT OF RENTS
Registration Number: CA8859100
Registration Date and Time: 2021-03-22 12:03
Registered Owner: PORTAGE CAPITAL NOMINEE CORP.
INCORPORATION NO. 002814032
Remarks: INTER ALIA

Nature: MODIFICATION
Registration Number: CB1247915
Registration Date and Time: 2024-04-05 16:46
Remarks: INTER ALIA
MODIFICATION OF CA8859099

Nature: MORTGAGE
Registration Number: CB2112487
Registration Date and Time: 2025-06-17 10:46
Registered Owner: PRICE CAPITAL PARTNERS INC.
INCORPORATION NO. A0117352
Remarks: INTER ALIA

Nature: ASSIGNMENT OF RENTS
Registration Number: CB2112488
Registration Date and Time: 2025-06-17 10:46
Registered Owner: PRICE CAPITAL PARTNERS INC.
INCORPORATION NO. A0117352
Remarks: INTER ALIA

Duplicate Indefeasible Title NONE OUTSTANDING

Transfers NONE

Pending Applications NONE

Corrections NONE

M.F.



TITLE SEARCH PRINT
File Reference: m10406
Declared Value \$384217

2025-11-04, 09:36:54
Requestor: Liam Fast

****CURRENT AND CANCELLED INFORMATION SHOWN****

Title Issued Under	STRATA PROPERTY ACT (Section 249)
Land Title District Land Title Office:	NEW WESTMINSTER NEW WESTMINSTER
Title Number From Title Number	CA8859036 CA4773499
Application Received	2021-03-22
Application Entered	2021-04-13
Registered Owner in Fee Simple Registered Owner/Mailing Address:	1274877 B.C. LTD., INC.NO. BC1274877 PO BOX 8087, VICTORIA MAIN VICTORIA, BC V8W 3R9
Taxation Authority	New Westminister, The Corporation of the City of
Description of Land Parcel Identifier: Legal Description:	000-812-277 STRATA LOT 1 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195 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	HOUSING AGREEMENT NOTICE, LOCAL GOVERNMENT ACT, S. 483 SEE CA8859098 NOTICE OF INTEREST, BUILDERS LIEN ACT (S.3(2)), SEE CA8869567 FILED 2021-03-25

Title Number: CA8859036

TITLE SEARCH PRINT

Page 1 of 3



TITLE SEARCH PRINT

File Reference: m10406
Declared Value \$384217

2025-11-04, 09:36:54
Requestor: Liam Fast

Charges, Liens and Interests

Nature:	MORTGAGE
Registration Number:	CA4773500
Registration Date and Time:	2015-10-29 09:16
Registered Owner:	VANCOUVER CITY SAVINGS CREDIT UNION INCORPORATION NO. FI 97 IN TRUST, SEE BL51963
Cancelled By:	CA8942396
Cancelled Date:	2021-04-23

Nature:	COVENANT
Registration Number:	CA8859097
Registration Date and Time:	2021-03-22 12:03
Registered Owner:	THE CORPORATION OF THE CITY OF NEW WESTMINSTER
Remarks:	INTER ALIA

Nature:	MORTGAGE
Registration Number:	CA8859099
Registration Date and Time:	2021-03-22 12:03
Registered Owner:	PORTAGE CAPITAL NOMINEE CORP. INCORPORATION NO. 002814032
Remarks:	INTER ALIA MODIFIED BY CB1247915

Nature:	ASSIGNMENT OF RENTS
Registration Number:	CA8859100
Registration Date and Time:	2021-03-22 12:03
Registered Owner:	PORTAGE CAPITAL NOMINEE CORP. INCORPORATION NO. 002814032
Remarks:	INTER ALIA

Nature:	MODIFICATION
Registration Number:	CB1247915
Registration Date and Time:	2024-04-05 16:46
Remarks:	INTER ALIA MODIFICATION OF CA8859099

Nature:	MORTGAGE
Registration Number:	CB2112487
Registration Date and Time:	2025-06-17 10:46
Registered Owner:	PRICE CAPITAL PARTNERS INC. INCORPORATION NO. A0117352
Remarks:	INTER ALIA

M.F.



TITLE SEARCH PRINT
File Reference: m10406
Declared Value \$384217

2025-11-04, 09:36:54
Requestor: Liam Fast

Nature:	ASSIGNMENT OF RENTS
Registration Number:	CB2112488
Registration Date and Time:	2025-06-17 10:46
Registered Owner:	PRICE CAPITAL PARTNERS INC. INCORPORATION NO. A0117352
Remarks:	INTER ALIA

Duplicate Infeasible Title	NONE OUTSTANDING
Transfers	NONE
Pending Applications	NONE
Corrections	NONE



COMMON PROPERTY SEARCH PRINT

File Reference: m10406

2025-11-04, 09:29:59

Requestor: Liam Fast

CURRENT AND CANCELLED INFORMATION SHOWN

Land Title District NEW WESTMINSTER
Land Title Office NEW WESTMINSTER

Common Property Strata Plan NWS2195

Transfers NONE

Legal Notations

DESIGNATION OF LIMITED COMMON PROPERTY FOR STRATA LOTS 1 TO 61,
SEE BW135279, FILED 2004/04/02
PURSUANT TO SECTION 74 STRATA PROPERTY ACT

NOTICE OF INTEREST, BUILDERS LIEN ACT (S.3(2)), SEE CA8869567
FILED 2021-03-25

Charges, Liens and Interests NONE

Corrections NONE

T0001 1995-03-06 13:16:00

PREVIOUS TEXT:
CHARGE X41238
REMOVED.

T0002 1995-03-06 13:17:00

PREVIOUS TEXT:
CHARGE X41239
REMOVED.

T0003 1995-03-06 13:17:00

PREVIOUS TEXT:
CHARGE X41240
REMOVED.

T0004 1995-03-06 13:17:00

PREVIOUS TEXT:
CHARGE X138485
REMOVED.

T0005 1995-03-06 13:17:00

PREVIOUS TEXT:
CHARGE X138486
REMOVED.

T0006 1995-03-06 13:17:00

PREVIOUS TEXT:
CHARGE X144914
REMOVED.

T0007 1995-03-06 13:18:00

PREVIOUS TEXT:
CHARGE X144915
REMOVED.

M.F.



COMMON PROPERTY SEARCH PRINT

2025-11-04, 09:29:59

File Reference: m10406

Requestor: Liam Fast

T0008 1995-03-06 13:18:00

PREVIOUS TEXT:

CHARGE Y5634

REMOVED.

T0009 1995-03-06 13:18:00

PREVIOUS TEXT:

CHARGE AC325899

REMOVED.

T0010 1995-03-06 13:19:00

PREVIOUS TEXT:

CHARGE AC325900

REMOVED.

T0011 1995-03-06 13:19:00

PREVIOUS TEXT:

CHARGE AC325901

REMOVED.

T0012 1995-03-06 13:19:00

PREVIOUS TEXT:

CHARGE AC325902

REMOVED.

T0013 1995-03-06 13:19:00

PREVIOUS TEXT:

CHARGE AC325903

REMOVED.

Miscellaneous Notes:

NONE



A.2 ZONING BYLAW EXCERPT

400

RM-2

430. Multiple Dwelling Districts (Low Rise) (RM-2)

430.1 **The intent of this district is to allow low-rise apartment development with an opportunity for increased density upon amenity provision conditions being met. (BYLAW 7392, 2010)**

Permitted Uses

430.2 The following uses and no others shall be permitted in the (RM-2) district:

430.3 Single detached dwellings to RS-1 district standards provided that detached accessory dwelling units are a permitted use only for lots which are designated '(RD) Residential Single Detached and Semi-Detached Housing' or '(RCO) Residential - Ground Oriented Infill Housing' in the City of New Westminster Official Community Plan.
(BYLAW 7936, 2017)

430.4 *Duplex dwelling to (RT-1) District standards*

430.5 *Duplexes, row houses or townhouses*

430.6 *Apartment buildings and multiple dwellings*

430.7 *Child care in accordance with the regulations in Section 170.13 of this Bylaw*

430.8 *Home based businesses*

430.9 *Lodging and boarding houses*

430.10 *Public utilities*

430.11 *Accessory buildings and uses provided that all accessory buildings:*

- a) shall not exceed one storey nor a height of 15 feet (4.57 metres) measured from the finished floor of a building;
- b) shall not be located in the required front yard;
- c) shall not be located closer than 5 feet (1.52 metres) from the rear or side site line;
- d) shall not be located closer than 10 feet (3.05 metres) from a window of a habitable room;
- e) shall not occupy more than ten percent (10%) of the site area;
- f) are used solely for recreation purposes and if attached to a principal building shall be deemed to be an accessory building;
- g) shall not be located closer than a distance of 15 feet (4.57 metres) from the corner of a site at the intersection of a street and lane.

Height

430.12 The height of a building shall not exceed 35 feet (10.67 metres).
 (BYLAW 8172, 2020)

Front Yard

430.13 A front yard shall be provided of not less than 25 feet (7.62 metres) in depth.

Rear Yard

430.14 A rear yard shall be provided of not less than twenty percent (20%) of the depth of the site but need not exceed 25 feet (7.62 metres).

Side Yard

430.15 A side yard shall be provided on each side of the site as follows:

- a) where the side yard adjoins a street, a side yard shall be not less than 8 feet (2.44 metres) plus an amount equal to fifty percent (50%) of the height of the building;
- b) where the side yard does not adjoin a street, a side yard shall be provided as in a) immediately above less 8 feet (2.44 metres);
- c) where a site is used for *single detached dwellings and duplexes*, the provisions of Schedules for the (RS-1) Single Detached Dwelling Districts and (RT-1) Duplex Dwelling Districts respectively of this Bylaw apply;
- d) where the site is a corner locked-in lot and the side yard adjoins a street, such side yards shall be as in a) above, less 8 feet (2.44 metres).

Distance Between Buildings or Portion of Buildings on the Same Site

430.16 Where there is more than one principal building on the site or more than one shaft to a building or where an outer wall is recessed more than 16 feet (4.88 metres) from the main outer wall line of the building, the horizontal distance between such buildings, shafts or opposite walls of such recessed portions shall not be less than 20 feet (6.10 metres) plus an amount equal to twenty percent (20%) of the combined heights of the relevant buildings, shafts or walls, as the case may be.

Site Coverage

430.17 All principal buildings in total shall not cover more than forty percent (40%) of the site area.

Density

430.18 The maximum permitted base density must not exceed:

- a) Housing units: 60 per net acre (148.26 per net hectare); or
- b) A floor space ratio of 1.2 provided that the density may be increased to a maximum floor space ratio of 1.8 pursuant to the satisfaction of the amenity conditions set out in S. 190.49. (BYLAW 7392, 2010; 8287, 2021)

430.19 For senior citizens' housing the floor space ratio shall not exceed a factor of 1.2.

Off-Street Parking

430.20 *Off-Street parking* shall be provided in accordance with the provisions of the Off-Street Parking Regulations section of this Bylaw. **(BYLAW 8184, 2020)**

Usable Open Space

430.21 Usable open space shall be provided of not less than ten percent (10%) of the gross residential floor area.

Density Bonus Regulations

430.22 Despite S. 430.12, S. 430.13, S. 430.14, S. 430.15 and S. 430.17, where density is increased beyond the permitted base density pursuant to S. 430.18, the following provisions apply:

- a) the height of a building shall not exceed 45 feet (13.72 metres);
- b) a front yard shall be provided of not less than 20 feet (6.10 metres) in depth;
- e) a rear yard shall be provided of not less than 20 feet (6.10 metres) in depth;
- d) side yards shall be provided which, in total, must equal not less than the height of the building but need not exceed 40 feet (12.19 metres) in total; however, a side yard adjoining a street must not be less than 20 feet (6.10 metres);
- e) there shall be no limit on site coverage. **(BYLAW 7392, 2010)**

Rental Tenure

430.23 The tenure of dwelling units on the land that on January 28, 2019 comprised the following strata plans is limited to residential rental tenure:

- Strata Plan NW95 (214 Agnes Street)
- Strata Plan NW1544 (215 Tenth Street)
- Strata Plan NW1772 (514 Thirteenth Street).

(BYLAW 8078, 2019)(BYLAW 8123, 2019)



M.F.

A.3 HOUSING AGREEMENT (COVENANT CA8859097)

Status: Registered Doc #: CA8859097 RCVD: 2021-03-22 RQST: 2025-11-04 09:34:24

NEW WESTMINSTER LAND TITLE OFFICE
LAND TITLE ACT FORM C (Section 233) CHARGE Mar-22-2021 12:03:59.062 CA8859097
GENERAL INSTRUMENT - PART 1 Province of British Columbia PAGE 1 OF 15 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, R.S.B.C. 1996, c.124, that you certify this document under section 168.4(1.4) of the act, and that an executed copy, or a true copy of that execution copy, is in your possession.

Jonathan David
Robert McKee
JEKIQL
Digitally signed by Jonathan David Robert McKee (E)EQOL Date: 2021.03.22 19:44:53 -0700

1. APPLICATION: (Name, address, phone number of applicant, applicant's solicitor or agent)
DLA Piper (Canada) LLP
Barristers & Solicitors
2800 - 666 Burrard Street
Vancouver BC V6C 2Z7
Tel: 604.687.9444
LTO Client No. 10371
016848-00006 RJLylt
Document Fees: \$74.87
Deliver LTSA Fees? Yes

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND (LEGAL DESCRIPTION)
SEE SCHEDULE
STC? YES

3. NATURE OF INTEREST CHARGE NO. ADDITIONAL INFORMATION
Covenant S.219

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

5. TRANSFEROR(S)
1274877 B.C. LTD., INC. NO. BC1274877

6. TRANSFEREE(S): (including postal address(es) and postal codes)
THE CORPORATION OF THE CITY OF NEW WESTMINSTER
511 ROYAL AVENUE
NEW WESTMINSTER BRITISH COLUMBIA
V3L 1H9 CANADA

7. ADDITIONAL OR MODIFIED TERMS:

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

OFFICER SIGNATURE(S)
JASON YAO
Barrister & Solicitor
DLA Piper (Canada) LLP
666 Burrard Street, Suite 2800
Vancouver, BC V6C 2Z7
604.687.9444
(as to both signatories)

Execution Date		
Y	M	D
21	03	08

TRANSFEREE(S) SIGNATURE(S)
1274877 B.C. LTD. by its authorized signatory(ies):
Name: PAUL SILK
Name:

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.

Status: Registered Doc #: CA8859097 RCVD: 2021-03-22 RQST: 2025-11-04 09:34:24

NEW WESTMINSTER LAND TITLE OFFICE
LAND TITLE ACT FORM D PAGE 2 OF 15 PAGES
EXECUTIONS CONTINUED

OFFICER SIGNATURE(S)
CARILYN COOK
A Commissioner for Taking Affidavits within British Columbia
CORPORATION OF THE CITY OF NEW WESTMINSTER
511 Royal Avenue
New Westminster, BC V3L 1H9
Exp. June 30, 2021

Execution Date		
Y	M	D
21	03	09

TRANSFEROR / ENDORSE / PARTY SIGNATURE(S)
THE CORPORATION OF THE CITY OF NEW WESTMINSTER by its authorized signatory(ies):
Name: MAYOR JONATHAN X. COTE
Name: JACQUE KILLAWEE CITY CLERK

(as to both signatures)

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.



M.E.

Status: Registered

Doc # CA885097

RCVD: 2021-03-22 RCST: 2025-11-04 09:34:24

FORM 150

LAND TITLE ACT
FORM 150

MEMORANDUM

PAGE 3 OF 15 PAGES

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND

STC for each PID listed below? YES

PID	LEGAL DESCRIPTION - must fit in a single text field
000-812-277	STRATA LOT 1 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-812-400	STRATA LOT 2 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-812-478	STRATA LOT 3 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-812-484	STRATA LOT 4 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-812-508	STRATA LOT 5 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-812-516	STRATA LOT 6 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-812-532	STRATA LOT 7 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-812-541	STRATA LOT 8 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-812-559	STRATA LOT 9 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-812-567	STRATA LOT 10 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-812-583	STRATA LOT 11 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-812-591	STRATA LOT 12 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-812-605	STRATA LOT 13 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-812-613	STRATA LOT 14 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-812-621	STRATA LOT 15 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-812-630	STRATA LOT 16 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-812-656	STRATA LOT 17 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-812-664	STRATA LOT 18 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-812-672	STRATA LOT 19 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-812-681	STRATA LOT 20 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-812-689	STRATA LOT 21 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-812-702	STRATA LOT 22 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-812-711	STRATA LOT 23 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-812-729	STRATA LOT 24 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-812-737	STRATA LOT 25 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-812-745	STRATA LOT 26 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-812-753	STRATA LOT 27 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-812-761	STRATA LOT 28 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-812-770	STRATA LOT 29 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-812-796	STRATA LOT 30 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195

Status: Registered

Doc # CA885097

RCVD: 2021-03-22 RCST: 2025-11-04 09:34:24

FORM 150

LAND TITLE ACT
FORM 150

MEMORANDUM

PAGE 4 OF 15 PAGES

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND

STC for each PID listed below? YES

PID	LEGAL DESCRIPTION - must fit in a single text field
000-813-800	STRATA LOT 31 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-826	STRATA LOT 32 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-834	STRATA LOT 33 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-842	STRATA LOT 34 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-851	STRATA LOT 35 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-869	STRATA LOT 36 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-877	STRATA LOT 37 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-893	STRATA LOT 38 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-923	STRATA LOT 39 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-931	STRATA LOT 40 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-940	STRATA LOT 41 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-958	STRATA LOT 42 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-966	STRATA LOT 43 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-974	STRATA LOT 44 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-813-982	STRATA LOT 45 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-814-016	STRATA LOT 46 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-814-024	STRATA LOT 47 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-814-032	STRATA LOT 48 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-814-041	STRATA LOT 49 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-814-059	STRATA LOT 50 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-814-075	STRATA LOT 51 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-814-083	STRATA LOT 52 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-814-113	STRATA LOT 53 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-814-121	STRATA LOT 54 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-814-130	STRATA LOT 55 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-814-148	STRATA LOT 56 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-814-156	STRATA LOT 57 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-814-164	STRATA LOT 58 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-814-172	STRATA LOT 59 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195
000-814-181	STRATA LOT 60 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195



M.F.

Status: Registered Doc #: CA889087 RCVD: 2021-03-22 RGST: 2025-11-04 09:34:24

LAND TITLE ACT FORM E

SCHEDULE PAGE 5 OF 15 PAGES

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LANDS [PID] [LEGAL DESCRIPTION] 000-814-199 STRATA LOT 61 BLOCK 19 NEW WESTMINSTER DISTRICT STRATA PLAN NW2195 STC? YES

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LANDS [PID] [LEGAL DESCRIPTION] STC? YES

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LANDS [PID] [LEGAL DESCRIPTION] STC? YES

M10406

Status: Registered Doc #: CA889087 RCVD: 2021-03-22 RGST: 2025-11-04 09:34:24

PART 2 - TERMS OF INSTRUMENT

HOUSING AGREEMENT AND COVENANT (Section 483 Local Government Act and Section 219 Land Title Act)

THIS AGREEMENT is dated for reference the 22nd day of March, 2021 is:

BETWEEN: 1274877 B.C. Ltd. PO Box 3087, Victoria Main, Victoria, BC V8W 2B9 (the "Owner" as more fully defined in section 1.1 of this Agreement)

AND: THE CORPORATION OF THE CITY OF NEW WESTMINSTER, 511 Royal Avenue, New Westminster, British Columbia, V3L 1H9 (the "City")

- WHEREAS: A. Section 483 of the Local Government Act permits the City to enter into housing agreements for the provision of affordable housing... B. Section 219 of the Land Title Act permits the registration of a covenant... C. The Owner purchased the Lands... D. The City and the Owner wish to enter into this Agreement...

In consideration of \$10.00 and other good and valuable consideration (the receipt and sufficiency of which is acknowledged by both parties), and in consideration of the promises exchanged below, the Owner and the City covenant and agree pursuant to section 483 of the Local Government Act and section 219 of the Land Title Act as follows:

ARTICLE 1 DEFINITIONS AND INTERPRETATION

- 1.1 Definitions - In this Agreement, the following words have the following meanings: (a) "Agreement" means this agreement together with all LTO forms, schedules, appendices, attachments and priority agreements attached hereto;

Page 156 of 175



- (b) "Building" means the residential building forming part of the Lands;
- (c) "Dwelling Unit" means a residential dwelling unit or units located or to be located on the Lands, and includes single family detached dwellings, duplexes, townhouses, auxiliary residential dwelling units, apartments and condominiums and includes, where the context permits, an Interim Secured Market Rental Unit (hereinafter defined);
- (d) "Interim Secured Market Rental Unit" means all Dwelling Units on the Lands;
- (e) "Interpretation Act" means the *Interpretation Act*, R.S.B.C. 1996, Chapter 238, together with all amendments thereto and replacements thereof;
- (f) "Lands" means the following lands and premises situate in the City of New Westminster and legally described in item 2 of Part 1 of this Agreement and any part, including a building or a portion of a building, into which said land is subdivided;
- (g) "Land Title Act" means the *Land Title Act*, R.S.B.C. 1996, Chapter 250, together with all amendments thereto and replacements thereof;
- (h) "Local Government Act" means the *Local Government Act*, R.S.B.C. 2015, Chapter 1, together with all amendments thereto and replacements thereof;
- (i) "LTO" means the New Westminster Land Title Office or its successor;
- (j) "Owner" means the party described on page 1 of this Agreement as the Owner and any subsequent owner of the Lands or of any part into which the Lands are subdivided, and includes any person who is a registered owner in fee simple of an Interim Secured Market Rental Unit from time to time;
- (k) "Pre-Existing Tenancy Agreements" means any tenancy agreement, lease, license or other agreement granting rights to occupy an Interim Secured Market Rental Unit as a residence, entered into by a Tenant and the Owner, a Former Strata Lot Owner or a prior owner of any of the Strata Lots, before the date this Agreement is registered in the LTO and specifically includes any delayed possession agreement entered into between the Owner and a Former Strata Lot Owner;
- (l) "Real Estate Development Marketing Act" means the *Real Estate Development Marketing Act*, S.B.C. 2004, Chapter 41, together with all amendments thereto and replacements thereof;
- (m) "Residential Tenancy Act" means the *Residential Tenancy Act*, S.B.C. 2002, Chapter 78, together with all amendments thereto and replacements thereof;
- (n) "Strata Property Act" means the *Strata Property Act* S.B.C. 1998, Chapter 43, together with all amendments thereto and replacements thereof;
- (o) "Subdivide" means to divide, apportion, consolidate or subdivide the Lands or any building

- on the Lands, or the ownership or right to possession or occupation of the Lands or any building on the Lands, into two or more lots, strata lots, parcels, parts, portions or shares, whether by plan, descriptive words or otherwise, under the *Land Title Act*, the *Strata Property Act*, or otherwise, and includes the creation, conversion, organization or development of "cooperative interests" or a "shared interest in land" as defined in the *Real Estate Development Marketing Act*;
 - (p) "Tenancy Agreement" means a tenancy agreement, lease, license or other agreement granting rights to occupy an Interim Secured Market Rental Unit as a residence, that is entered into by the Owner and a Tenant on or after the date this Agreement is registered in the LTO;
 - (q) "Tenant" means an occupant of an Interim Secured Market Rental Unit; and
 - (r) "Tenant Relocation Policy" means the City of New Westminster's *Tenant Relocation Policy*, endorsed by the City of New Westminster's Council on December 7, 2015, and implemented January 1, 2016.
- 1.2 Interpretation – In this Agreement:**
- (a) reference to the singular includes a reference to the plural, and vice versa, unless the context requires otherwise;
 - (b) article and section headings have been inserted for ease of reference only and are not to be used in interpreting this Agreement;
 - (c) if a word or expression is defined in this Agreement, other parts of speech and grammatical forms of the same word or expression have corresponding meanings;
 - (d) reference to any enactment includes any regulations, orders or directives made under the authority of that enactment;
 - (e) reference to any enactment is a reference to that enactment as consolidated, revised, amended, re-enacted or replaced, unless otherwise expressly provided;
 - (f) the provisions of section 25 of the *Interpretation Act* with respect to the calculation of time apply;
 - (g) time is of the essence;
 - (h) all provisions are to be interpreted as always speaking;
 - (i) reference to a "party" is a reference to a party to this Agreement and to that party's respective successors, assigns, trustees, administrators and receivers. Wherever the context so requires, reference to a "party" also includes a Tenant, agent, officer and invitee of the party;

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- (j) reference to a "day", "month", or "year" is a reference to a calendar day, calendar month, calendar or calendar year, as the case may be, unless otherwise expressly provided; and
- (k) where the word "including" is followed by a list, the contents of the list are not intended to circumscribe the generality of the expression preceding the word "including".

ARTICLE 2 USE AND OCCUPANCY OF INTERIM SECURED MARKET RENTAL UNITS

2.1 Use and Occupancy of Interim Secured Market Rental Units – The Owner agrees that each Interim Secured Market Rental Unit may only be used and occupied as a permanent residence offered for rent and occupied by a Tenant under a Tenancy Agreement or a Pre-Existing Tenancy Agreement. An Interim Secured Market Rental Unit must not be occupied by the Owner, the Owner's family members (unless the Owner's family members are Tenants under a Tenancy Agreement or a Pre-Existing Tenancy Agreement), or any guest of the Owner for more than thirty (30) consecutive days or more than forty-five (45) days total in any calendar year.

2.2 Short-term Rentals Prohibited – The Owner agrees that no Interim Secured Market Rental Unit may be rented to or occupied by any person for a term of less than thirty consecutive (30) days.

2.3 Attachment of Housing Agreement to Tenancy Agreements – The Owner shall attach a copy of this Agreement to every Tenancy Agreement.

2.4 Requirement for Statutory Declaration – Within thirty (30) days after receiving notice from the City, the Owner must, in respect of each Interim Secured Market Rental Unit, provide to the City a statutory declaration, substantially in the form (with, in the City's discretion, such further amendments or additions as deemed necessary) attached as Appendix A, sworn by the Owner, containing all of the information required to complete the statutory declaration. The City may request such statutory declaration in respect to each Interim Secured Market Rental Unit no more than once in any calendar year; provided, however, notwithstanding that the Owner may have already provided such statutory declaration in the particular calendar year, the City may request and the Owner shall provide to the City such further statutory declarations as requested by the City in respect to an Interim Secured Market Rental Unit if, in the City's absolute determination, the City reasonably believes that the Owner is in breach of any of its obligations under this Agreement.

2.5 No Subdivision to Allow Separate Sale – No building on the Lands may be subdivided by deposit of a strata plan under the *Strata Property Act* or by any other means. Without limiting the foregoing, the Owner acknowledges that the City will not support applications for Subdivision in any manner that would allow the Interim Secured Market Rental Units to be sold independently of each other.

2.6 No Separate Sale – The Owner covenants with the City that the Owner will not sell or transfer, or agree to sell or transfer, any interest in the Building (or if the building has been stratified, any strata lot) other than a full interest in the fee simple title to all Interim Secured Market Rental Units.

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2.7 City Authorized to Make Inquiries – The Owner hereby irrevocably authorizes the City to make such inquiries as it considers necessary in order to confirm that the Owner is complying with this Agreement.

2.8 Expiry of Housing Agreement – The City covenants and agrees with the Owner that this Agreement shall cease to apply from and after the date that both of the following requirements have been satisfied:

- (a) the City of New Westminster's Building Division issues to the Owner a building permit authorizing demolition of the entire Building; and
- (b) the Building is completely demolished in accordance with such permit.

Upon expiry, the Owner may provide to the City a discharge of this Agreement, which the City shall execute and return to the Owner for filing in the LTO.

ARTICLE 3 MISCELLANEOUS

3.1 Housing Agreement – The Owner acknowledges and agrees that:

- (a) this Agreement includes a housing agreement entered into under section 483 of the *Local Government Act* and a covenant under section 219 of the *Land Title Act*; and
- (b) the City may file notice of, and register, this Agreement in the LTO pursuant to section 483(5) of the *Local Government Act* against the title to the Lands.

3.2 Modification – This Agreement may be modified or amended from time to time, by consent of the Owner and a bylaw duly passed by the Council of the City, and thereafter if it is signed by the City and the Owner.

3.3 Management – The Owner covenants and agrees that:

- (a) it will furnish good and efficient management of the Interim Secured Market Rental Units;
- (b) all Interim Secured Market Rental Units will be managed by the same manager;
- (c) it will permit representatives of the City to inspect the Interim Secured Market Rental Units at any reasonable time, subject to the notice provisions in the *Residential Tenancy Act*;
- (d) it will maintain all Interim Secured Market Rental Units occupied by one or more Tenants in a good state of repair and fit for habitation;
- (e) it will forthwith deliver a certified true copy of a Tenancy Agreement or Pre-Existing Tenancy Agreement to the City upon demand; and

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- (f) it will comply with all applicable laws, including, without limitation:
- (i) the City of New Westminster Business Regulations and Licensing (Rental Units) Amendment bylaw No. 8130 (2019), and all other City bylaws, and any health and safety standards applicable to the Lands; and
 - (ii) the *Residential Tenancy Act*.
- 3.4 Owner Acknowledgements –** The Owner acknowledges that:
- (a) An application by the Owner for rezoning or redevelopment of the Lands requiring the Owner to obtain a planning permit or amendment of the City of New Westminster's Zoning Bylaw No. 6680, 2001, from the City will be subject to all applicable laws, bylaws, and policies of the Provincial Government and the City of New Westminster, including, but not limited to, the *Tenant Relocation Policy*.
 - (b) The *Tenant Relocation Policy*, if applicable, currently requires an owner who, as part of its rezoning application, intends to demolish a multi-family residential building containing six or more purpose-built market rental housing units, to:
 - (i) provide tenants of such building at least four months' notice of the date they are required to vacate the building;
 - (ii) provide tenants of such building not less than three months' rent in compensation, and
 - (iii) complete and implement a Tenant Assistance Plan.
- 3.5 Indemnity –** The Owner will indemnify and save harmless the City and each of its elected officials, officers, directors, and agents, and their heirs, executors, administrators, personal representatives, successors and assigns, from and against all claims, demands, actions, loss, damage, costs and liabilities, which all or any of them will or may be liable for or suffer or incur or be put to by reason of or arising out of:
- (a) any negligent act or omission of the Owner, or its officers, directors, agents, contractors or other persons for whom at law the Owner is responsible relating to this Agreement;
 - (b) the construction, maintenance, repair, ownership, lease, license, operation, management or financing of the Lands or any Interim Secured Market Rental Unit or the enforcement of any Tenancy Agreement or Pre-Existing Tenancy Agreement; or
 - (c) without limitation, any legal or equitable wrong on the part of the Owner or any breach of this Agreement by the Owner.
- 3.6 Release –** The Owner hereby releases and forever discharges the City and each of its elected officials, officers, directors, and agents, and its and their heirs, executors, administrators, personal

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- representatives, successors and assigns, from and against all claims, demands, damages, actions, or causes of action by reason of or arising out of or which would or could not occur but for the:
- (a) construction, maintenance, repair, ownership, lease, license, operation or management of the Lands or any Interim Secured Market Rental Unit under this Agreement; or
 - (b) the exercise by the City of any of its rights under this Agreement.
- 3.7 Survival –** The indemnity and release set out in this Agreement will survive termination or discharge of this Agreement.
- 3.8 Priority –** The Owner will do everything necessary, at the Owner's expense, to ensure that this Agreement will be noted and registered against title to the Lands in priority to all financial charges and financial encumbrances which may have been registered or are pending registration against title to the Lands save and except those specifically approved in advance in writing by the City or in favour of the City, and that a notice under section 483(5) of the *Local Government Act* will be filed on the title to the Lands.
- 3.9 City's Powers Unaffected –** This Agreement does not:
- (a) affect, fetter or limit the discretion, rights, duties or powers of the City under any enactment or at common law, including in relation to the use or subdivision of the Lands;
 - (b) impose on the City any legal duty or obligation, including any duty of care or contractual or other legal duty or obligation, to enforce this Agreement;
 - (c) affect or limit any enactment relating to the use or subdivision of the Lands; or
 - (d) relieve the Owner from complying with any enactment, including in relation to the use or subdivision of the Lands.
- 3.10 Agreement for Benefit of City Only –** The Owner and the City agree that:
- (a) this Agreement is entered into only for the benefit of the City;
 - (b) this Agreement is not intended to protect the interests of the Owner, any Tenant, or any future owner, lessee, occupier or user of the Lands or the building or any portion thereof, including any Interim Secured Market Rental Unit; and
 - (c) the City may at any time execute a release and discharge of this Agreement, without liability to anyone for doing so, and without obtaining the consent of the Owner.
- 3.11 No Public Law Duty –** Where the City is required or permitted by this Agreement to form an opinion, exercise a discretion, express satisfaction, make a determination or give its consent, the Owner agrees that the City is under no public law duty of fairness or natural justice in that regard and agrees that the City may do any of those things in the same manner as if it were a private party and not a public body.

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3.12 Notice – Any notice required to be served or given to a party herein pursuant to this Agreement will be sufficiently served or given if delivered, to the postal address of the Owner set out in the records at the LTO, and in the case of the City addressed to:

City of New Westminster
511 Royal Avenue
New Westminster, BC V3L 1H9
Attention: Clerk

or to the most recent postal address provided in a written notice given by each of the parties to the other. Any notice which is delivered is to be considered to have been given on the first day after it is dispatched for delivery.

3.13 Enuring Effect – This Agreement will extend to and be binding upon and enure to the benefit of the parties hereto and their respective successors and permitted assigns.

3.14 Severability – If any provision of this Agreement is found to be invalid or unenforceable, such provision or any part thereof will be severed from this Agreement and the resultant remainder of this Agreement will remain in full force and effect.

3.15 Waiver – All remedies of the City will be cumulative and may be exercised by the City in any order or concurrently in case of any breach and each remedy may be exercised any number of times with respect to each breach. Waiver of or delay in the City exercising any or all remedies will not prevent the later exercise of any remedy for the same breach or any similar or different breach.

3.16 Whole Agreement – This Agreement, and any documents signed by the Owner contemplated by this Agreement, represent the whole agreement between the City and the Owner respecting the use and occupation of the Interim Secured Market Rental Unit, and there are no warranties, representations, conditions or collateral agreements made by the City except as set forth in or contemplated by this Agreement.

3.17 Further Assurance – Upon request by the City the Owner will forthwith do such acts and execute such documents as may be reasonably necessary in the opinion of the City to give effect to this Agreement.

3.18 Agreement Runs with Lands – This Agreement burdens and runs with the Lands and every parcel into which it is subdivided in perpetuity. All of the covenants and agreements contained in this Agreement are made by the Owner for itself, its personal administrators, successors and assigns, and all persons who after the date of this Agreement acquire an interest in the Lands.

3.19 Equitable Remedies – The Owner acknowledges and agrees that damages would be an inadequate remedy for the City for any breach of this Agreement and that the public interest strongly favours specific performance, injunctive relief (mandatory or otherwise), or other equitable relief, as the only adequate remedy for a default under this Agreement.

3.20 No Joint Venture – Nothing in this Agreement will constitute the Owner as the agent, joint venturer, or partner of the City or give the Owner any authority to bind the City in any way.

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3.21 Applicable Law – The laws of British Columbia (including, without limitation, the *Residential Tenancy Act*) will apply to this Agreement and all statutes referred to herein are enactments of the Province of British Columbia.

3.22 Deed and Contract – By executing and delivering this Agreement the Owner intends to create both a contract and a deed executed and delivered under seal.

3.23 Joint and Several – If the Owner is comprised of more than one person, firm or body corporate, then the covenants, agreements and obligations of the Owner shall be joint and several.

3.24 Limitation on Owner's Obligations – The Owner is only liable for breaches of this Agreement that occur while the Owner is the registered owner of the Lands provided however that notwithstanding that the Owner is no longer the registered owner of the Lands, the Owner will remain liable for breaches of this Agreement that occurred while the Owner was the registered owner of the Lands.

IN WITNESS WHEREOF the parties hereto have executed this Agreement on the *Land Title Act* Form C and D which is attached to and forms part of this Agreement.

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Appendix A to Housing Agreement

STATUTORY DECLARATION

CANADA	}	IN THE MATTER OF A HOUSING
	}	AGREEMENT WITH THE
	}	CORPORATION OF THE CITY OF NEW
	}	WESTMINSTER
PROVINCE OF BRITISH COLUMBIA	}	("Housing Agreement")

TO WIT:

I, _____ of _____ British Columbia, do solemnly declare that:

1. I am the owner or authorized signatory of the owner (the "Owner") of Insert Dwelling Unit # (the "Interim Secured Market Rental Unit"), and make this declaration to the best of my personal knowledge.
2. This declaration is made pursuant to the Housing Agreement in respect of the Interim Secured Market Rental Unit.
3. For the period from _____ to _____ the Interim Secured Market Rental Unit was occupied only by the tenants whose names and current addresses and whose current addresses appear below:
[insert name(s), address(es) and phone number(s) of tenant(s)]
4. The Owner has complied with the Owner's obligations under the Housing Agreement.
5. I make this solemn declaration, conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath and pursuant to the *Canada Evidence Act*.

DECLARED BEFORE ME at the City of _____	}	
_____ in the Province of British	}	
Columbia, this _____ day of _____	}	
_____ 20____	}	
	}	
	}	
_____	}	DECLARANT
A Commissioner for Taking Affidavits in the	}	
Province of British Columbia	}	

DATE: 2024/03/22

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A.4 ASSUMPTIONS, LIMITING CONDITIONS, DISCLAIMERS; LIMITATIONS OF LIABILITY

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

1. This report is prepared only for the authorized client and authorized users specifically identified in this report and only for the specific use identified herein. No other person may rely on this report or any part of this report without first obtaining consent from the authorized client and written authorization from the authors. Liability is expressly denied to any other person and, accordingly, no responsibility is accepted for any damage suffered by any other person as a result of decisions made or actions taken based on this report. Liability is expressly denied for any unauthorized user or for anyone who uses this report for any use not specifically identified in this report. Payment of the appraisal fee has no effect on liability. Reliance on this report without authorization or for an unauthorized use is unreasonable.
2. Because market conditions, including economic, social and political factors, may change rapidly and, on occasion, without warning, this report cannot be relied upon as of any date other than the effective date specified in this report unless specifically authorized by the author(s).
3. The author will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The property is appraised on the basis of it being under responsible ownership. No registry office search has been performed and the author assumes that the title is good and marketable and free and clear of all encumbrances. Matters of a legal nature, including confirming who holds legal title to the appraised property or any portion of the appraised property, are outside the scope of work and expertise of the appraiser. Any information regarding the identity of a property's owner or identifying the property owned by the listed client and/or applicant provided by the appraiser is for informational purposes only and any reliance on such information is unreasonable. Any information provided by the appraiser does not constitute any title confirmation. Any information provided does not negate the need to retain a real estate lawyer, surveyor or other appropriate experts to verify matters of ownership and/or title.
4. Verification of compliance with governmental regulations, bylaws or statutes is outside the scope of work and expertise of the appraiser. Any information provided by the appraiser is for informational purposes only and any reliance is unreasonable. Any information provided by the appraiser does not negate the need to retain an appropriately qualified professional to determine government regulation compliance.
5. No survey of the property has been made. Any sketch in this report shows approximate dimensions and is included only to assist the reader of this report in visualizing the property. It is unreasonable to rely on this report as an alternative to a survey, and an accredited surveyor ought to be retained for such matters.

6. This report is completed on the basis that testimony or appearance in court concerning this report is not required unless specific arrangements to do so have been made beforehand. Such arrangements will include, but not necessarily be limited to: adequate time to review the report and related data, and the provision of appropriate compensation.
7. Unless otherwise stated in this report, the author has no knowledge of any hidden or unapparent conditions (including, but not limited to: its soils, physical structure, mechanical or other operating systems, foundation, etc.) of/on the subject property or of/on a neighbouring property that could affect the value of the subject property. It has been assumed that there are no such conditions. Any such conditions that were visibly apparent at the time of inspection or that became apparent during the normal research involved in completing the report have been noted in the report. This report should not be construed as an environmental audit or detailed property condition report, as such reporting is beyond the scope of this report and/or the qualifications of the author. The author makes no guarantees or warranties, express or implied, regarding the condition of the property, and will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. The bearing capacity of the soil is assumed to be adequate.
8. The author is not qualified to comment on detrimental environmental, chemical or biological conditions that may affect the market value of the property appraised, including but not limited to pollution or contamination of land, buildings, water, groundwater or air which may include but are not limited to moulds and mildews or the conditions that may give rise to either. Any such conditions that were visibly apparent at the time of inspection or that became apparent during the normal research involved in completing the report have been noted in the report. It is an assumption of this report that the property complies with all regulatory requirements concerning environmental, chemical and biological matters, and it is assumed that the property is free of any detrimental environmental, chemical legal and biological conditions that may affect the market value of the property appraised. If a party relying on this report requires information about or an assessment of detrimental environmental, chemical or biological conditions that may impact the value conclusion herein, that party is advised to retain an expert qualified in such matters. The author expressly denies any legal liability related to the effect of detrimental environmental, chemical or biological matters on the market value of the property.
9. The analyses set out in this report relied on written and verbal information obtained from a variety of sources the author considered reliable. Unless otherwise stated herein, the author did not verify client-supplied information, which the author believed to be correct.
10. The term "inspection" refers to observation only as defined by CUSPAP and reporting of the general material finishing and conditions observed for the purposes of a standard appraisal inspection. The inspection scope of work includes the identification of marketable characteristics/amenities offered for comparison and valuation purposes only.

11. The opinions of value and other conclusions contained herein assume satisfactory completion of any work remaining to be completed in a good and workmanlike manner. Further inspection may be required to confirm completion of such work. The author has not confirmed that all mandatory building inspections have been completed to date, nor has the availability/issuance of an occupancy permit been confirmed. The author has not evaluated the quality of construction, workmanship or materials. It should be clearly understood that this visual inspection does not imply compliance with any building code requirements as this is beyond the professional expertise of the author.
12. The contents of this report are confidential and will not be disclosed by the author to any party except as provided for by the provisions of the CUSPAP and/or when properly entered into evidence of a duly qualified judicial or quasi-judicial body. The author acknowledges that the information collected herein is personal and confidential and shall not use or disclose the contents of this report except as provided for in the provisions of the CUSPAP and in accordance with the author's privacy policy. The authorized client agrees that in accepting this report, it shall maintain the confidentiality and privacy of any personal information contained herein and shall comply in all material respects with the contents of the author's privacy policy and in accordance with the PIPEDA.
13. The author has agreed to enter into the assignment as requested by the authorized client named in this report for the use specified by the authorized client, which is stated in this report. The authorized client has agreed that the performance of this report and the format are appropriate for the authorized use.
14. This report, its content and all attachments/addendums and their content are the property of the author. The authorized client, authorized 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.
15. 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 author can be reasonably relied upon.
16. 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.
17. Where the authorized use of this report is for financing or mortgage lending or mortgage insurance, it is a condition of reliance on this report that the authorized user has or will conduct lending, underwriting and insurance underwriting and rigorous due diligence in accordance with the standards of a reasonable and prudent lender or insurer, including but not limited to ensuring the borrower's demonstrated willingness and capacity to service debt obligations on a timely basis, and to conduct loan underwriting or insuring due diligence similar to the standards set out by the Office of the Superintendent of Financial Institutions (OSFI), even when not otherwise required by law. Liability is expressly denied to those that do not meet this condition. Any reliance on this report without satisfaction of this condition is unreasonable.

A.5 GLOSSARY OF TERMS

Absolute Net Lease

In an absolute net lease, sometimes called a bondable lease, the tenant is responsible for rent and all other property related expenses, which includes roof and structure. This agreement completely relieves the property owner or investor of all financial obligations.

Assumption

That which is taken to be true. (Source: CUSPAP, 2022 Edition)

Cost Approach

A set of procedures through which a value indication is derived for the Fee Simple interest in a property by estimating the current cost to reconstruct a reproduction of, or replacement for, the existing structure; deducting accrued depreciation from the reproduction or replacement cost; and adding the estimated land value plus an entrepreneurial profit. Adjustments may then be made to the indicated Fee Simple value of the subject property to reflect the value of the property interest being appraised. (Source: The Dictionary of Real Estate Appraisal, Third Edition)

Depreciation

The following types of depreciation are considered in conducting an appraisal:

Physical

This is common and caused by wear and tear, natural material deterioration, decay and structural defects. The extent and degree of physical depreciation is usually linked to the amount of maintenance provided to the property. It can be curable or incurable.

- Curable items are those that the prudent buyer would anticipate correcting upon purchasing the property. Curable depreciation is measured by the cost to cure or correct.
- Incurable items are those that are not yet ready to be cured or would not be economically sound to cure at this time, since the cost of correction will be greater than the anticipated increase in utility. Incurable depreciation is measured by the observed condition based on the straight-line method. For the purposes of measurement, items of incurable physical depreciation are broken down into two elements:
 - Short-Lived Items - The component parts of the structure or items of equipment which have a shorter remaining economic life than that of the basis structure and which can be expected to be replaced during its remaining life (i.e., a 10 year old roof expected to be serviceable for 20 years in a building that has a remaining economic life of 40 years).
 - Long-Lived Items - Those components with the same remaining economic life as that of the basic structure. These generally include the structural components such as foundation, framing, walls, sub-floor, etc.

Functional

Functional Depreciation is the loss in utility and therefore in value, caused by the inability of the structure or any component of the structure to perform its intended function in terms of today's standards. It occurs over a period of time as a result of changing trends however poor original design can also be a cause. Functional Depreciation reflects a loss in value due to such factors as a deficiency, inadequacy, super adequacy, poor style or layout and outmoded equipment. This is further divided into two categories: curable and incurable.

- Curable items are those worth replacing, as their replacement costs would be offset by an equal or greater resultant value. Curable functional depreciation may be classified into:
 - Deficiency (such as a single two piece washroom in a commercial or industrial building where there would typically be two public washrooms and possibly a third for staff).
 - Modernization (where the component part of the item of equipment is outdated).
 - Superadequacy (where the structural component is measurably greater than one would expect to find or require for this type of structure. An example would be an excessively large heating system).
- Incurable depreciation occurs when the cost of the cure is greater than the anticipated increase in value and is therefore uneconomical. Incurable functional depreciation may be classified into:
 - Deficiency (could mean a serious omission in the building plan such as the exclusion of washroom facilities on the second floor of a two-storey office building. Though these may be physically and technically possible to correct, they would be classified "incurable" if the cost to cure is in excess of the additional value resulting from the correction).
 - Superadequacy (items that add unnecessarily to the reproduction cost such as excessive footings, too many elevators, etc.).

External

External Depreciation is caused by conditions and circumstances outside and independent of the subject property, which adversely affect its value. It can be caused by the location of a property relative to undesirable influences (i.e., airport, truck route, prison, etc.) or by economic factors (i.e., plant closure, neighbourhood decline, etc.).

Due to the fact that the property cannot be moved, this type of depreciation is considered to be incurable. However, as the External Depreciation will already be reflected in the site value, only the loss in value to the structure is accounted for as depreciation under this category

Direct Comparison Approach

A set of procedures in which a value indication is derived by comparing the property being appraised to similar properties that have been sold recently, applying appropriate units of comparison, and making adjustments to the sale prices of the comparables based on the elements of comparison. (Source: The Dictionary of Real Estate Appraisal, Third Edition)

Discount Rate

A yield rate used to convert future payments or receipts into present value (Source: The Dictionary of Real Estate Appraisal, Third Edition).

Various sorts of discount rates are used to discount cash flows applicable to a specific position or interest in defined real estate. Discount rates may or may not be developed in the same way as internal rates of return and may not necessarily consider all expected property benefits.

Economic Life

The period over which improvements to real property contribute to property value. (Source: The Dictionary of Real Estate Appraisal, Third Edition)

Effective Age

The age indicated by the condition and utility of a structure. (Source: The Dictionary of Real Estate Appraisal, Third Edition)

Effective Date

The date at which the analyses, opinions and advice in an assignment apply. (Source: CUSPAP 2022)

Excess Land

In regard to an improved site, the surplus land not needed to serve or support the existing improvement. In regard to a vacant site or a site considered as though vacant, excess land is the land not needed to accommodate the site's primary highest and best use. (Source: The Appraisal of Real Estate, Canadian Edition).

Extraordinary Assumption

An assumption, directly related to a specific Assignment, which, if found to be false, could materially alter the opinions or conclusions. Extraordinary Assumptions presume as fact otherwise uncertain information about or anticipated changes in the physical, legal or economic characteristics of the subject property, or about conditions external to the subject property such as market conditions or trends, or the integrity of data used in an analysis. (Source: CUSPAP, 2022 Edition)

Extraordinary Limiting Condition

A necessary modification to, or exclusion of, a Standard Rule which may diminish the reliability of the report. (Source: CUSPAP, 2022 Edition)

Fair (Market) Value

The estimated price for the transfer of an asset or liability between identified knowledgeable and willing parties that reflects the respective interests of those parties. (Source: International Valuation Standards Council, International Valuation Glossary of Terms)

For use in financial reporting under International Financial Reporting Standards ("IFRS"), Fair Value has a different meaning as follows:

"Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date."

The distinction between these two definitions and their usage is discussed in the IVS Framework paras 39-43 and IVS 300, paras G1-G2.

Fee Simple Estate

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat. (Source: The Dictionary of Real Estate Appraisal, Third Edition)

Forced Sale Value

"The highest price which a property can reasonably be expected to bring, if offered for sale without the consent or concurrence of the owner by virtue of judicial process, in what may be a restricted marketplace, within a restricted time frame, to a prudent, willing and able purchaser who may have limited knowledge about the property, its uses and capability. (Source: AIC Committee for foreclosure valuation guidelines).

Gross Lease

A Lease in which the landlord receives stipulated rent and is obligated to pay all or most of the property's operating expenses and real estate taxes. (Source: The Dictionary of Real Estate Appraisal, Third Edition)

Gross Sell-Out Value

The Gross Sell-Out Value of the subject property is defined as the total of the estimated gross selling price of the individual proposed residential units. This value includes all selling costs such as real estate commissions, legal fees, carrying charges, etc., and the time required to successfully market same to achieve full sell-out. No deduction is made for expenses relating to construction improvements, disposing or holding the product, nor for calculating the present worth of the sale proceeds. The final reported Gross Sell-Out Value estimate in this report excludes GST.

Restated, the Gross Sell-Out Value is the total of the individual market value estimates for each lot, and accordingly, Gross Sell-Out Value is not synonymous with Market Value. The Gross Sell-Out Value is not to be considered as the total market value that would be paid by one investor or one group of investors who would purchase all, or the majority of, the subject lots. Under such an arrangement, it is to be expected that a bulk purchase discount would be negotiated.

Highest and Best Use

The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. (Source: CUSPAP 2022)

Hypothetical Condition

Hypothetical Conditions are a specific type of an Extraordinary Assumption that presumes, as fact, simulated but untrue information about physical, legal or economic characteristics of the subject property or external conditions, and are imposed for purposes of reasonable analysis. (Source: CUSPAP, 2022)

Income Approach

A set of procedures through which an Appraiser derives a value indication for an income producing property by converting its anticipated benefits (cash flows and reversion) into property value. This conversion can be accomplished in two ways. One year's income expectancy can be capitalized at a market derived capitalization rate or at a capitalization rate that reflects a specified income pattern, return on investment, and change in the value of the investment. Alternatively, the annual cash flows for the holding period and the reversion can be discounted at a specified yield rate. (Source: The Dictionary of Real Estate Appraisal, Third Edition).

Income Multiplier

Potential or effective gross income may be converted into an opinion of value by applying the relevant multiplier. This method of capitalization is mathematically related to direct capitalization because rates are the reciprocals of multipliers or factors." (The Appraisal of R/E, 3rd Cdn. Edn.).

(Gross) Income Multiplier

The Gross Income Multiplier (GIM) is "The relationship or ratio between the sale price or value of a property and its gross income from rent and other income sources." (source: same as above).

Internal Rate of Return (IRR)

An internal rate of return (IRR) is the yield rate that is earned for a given capital investment over the period of ownership. The internal rate of return for an investment is the yield rate that equates the present value of the future benefits of the investment to the amount of capital invested. The internal rate of return applies to all expected benefits, including the net proceeds from disposition at the investment's termination. It can be used to measure the return on any capital investment, before or after taxes."

Lease

A lease is a contract outlining the terms under which one party agrees to rent property owned by another party. It guarantees the lessee, also known as the tenant, use of an asset and guarantees the lessor, the property owner or landlord, regular payments for a specified period in exchange. Both the lessee and the lessor face consequences if they fail to uphold the terms of the contract. A lease is a form of intangible property, also known as an incorporeal right. (Source: Investopedia, 2020)

Leased Fee Estate

An ownership interest held by a landlord with the rights of use and occupancy conveyed by lease to others. The rights of the lessor (the leased fee owner) and the leased fee are specified by contract terms contained within the lease. (Source: The Dictionary of Real Estate Appraisal, Third Edition)

Leasehold Estate

The interest held by the lessee (the tenant or renter) through a lease conveying the rights of use and occupancy for a stated term under certain conditions. (Source: The Dictionary of Real Estate Appraisal, Third Edition)

Limiting Condition

A statement in an Assignment identifying conditions that impact the conclusion. (Source: CUSPAP, 2022)

Market Participants

The whole body of individuals, companies or other entities that are involved in actual transactions or who are contemplating entering into a transaction for a particular type of asset. (Source: Source: International Valuation Standards Council, International Valuation Glossary of Terms)

Market Rent

The rental income that a property would most probably command in the open market; indicated by current rents paid and asked for comparable space as of the date of the appraisal. (Source: The Dictionary of Real Estate Appraisal, Third Edition)



Market Value

The most probable price which a property should bring in a competitive and open market as of the specified date 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. (Source: Canadian Uniform Standards of Professional Appraisal Practice, 2022 Edition)

Modern Equivalent Asset

An asset which provides similar function and equivalent utility to the asset being valued, but which is of a current design and constructed or made using current materials and techniques.

Net Operating Income (NOI)

The actual or anticipated net income that remains after all operating expenses are deducted from effective gross income, but before mortgage debt service and book depreciation are deducted; may be calculated before or after deducting replacement reserves. (Source: The Dictionary of Real Estate Appraisal, Third Edition)

Obsolescence

A loss in value due to a decrease in the usefulness of an asset caused by either physical deterioration, changes in technology, patterns of demand or environmental changes. (Source: International Valuation Standards Council, International Valuation Glossary of Terms)

Operating Expenses

The periodic expenditures necessary to maintain the real property and continue production of the effective gross income, assuming prudent and competent management. (Source: The Dictionary of Real Estate Appraisal, Third Edition)

Overall Capitalization Rate (Ro)

An income rate for a total property that reflects the relationship between a single year's net operating income and the total property price or value. It is used to convert net operating income into an indication of overall property value. An overall capitalization rate is not a rate of return on capital or a full measure of investment performance. It may be more than, less than, or equal to the expected yield on the capital invested, depending on projected income and value changes. That is, this rate reflects an unlevered investment return for a single year based on current net operating income data and excluding appreciation.

Real Estate

Land, buildings, and other affixed improvements, as a tangible entity. (Source: CUSPAP, 2022)

Real Property

The interests, benefits, and rights inherent in the ownership of Real Estate. In some jurisdictions, the terms "real estate" and "real property" have the same legal meaning. The separate definitions recognize the traditional distinction between the two concepts in appraisal theory. (Source: CUSPAP, 2022)

Reasonable Appraiser

A Member providing Professional Services within an acceptable standard of skill and expertise and based on rational assumptions.

Reasonable Exposure Time

The estimated length of time the property interest being appraised would have been offered on the market before the hypothetical consummation of a sale at the estimated value on the Effective Date of the appraisal. The overall concept of reasonable Exposure Time encompasses not only adequate, sufficient and reasonable time, but also adequate, sufficient and reasonable marketing effort. Exposure Time is a retrospective estimate of a length of time based upon an analysis of past events assuming a competitive and open market and is always presumed to have preceded the Effective Date of the appraisal. Exposure Time is different for various types of real estate and under various market conditions. It must refer to the property appraised, at the value estimated, rather than appearing as an isolated estimate. (CUSPAP, 2022).

Reversion

A lump-sum benefit that an investor receives or expects to receive at the termination of an investment (Source: The Dictionary of Real Estate Appraisal, Third Edition)

Scope of Work

The type and extent of an Inspection, research and analysis required, any limitations, or other terms to fulfill the Authorized use of an Assignment. The Scope of Work for an Assignment is determined by the authorized client's lawful terms of reference, the Member's compliance to CUSPAP, and any applicable legislation. (Source: CUSPAP, 2022)

Semi-Net Lease (or Semi-Gross)

May also be referred to as a Modified Gross Lease (sometimes "semi-gross") where "tenant and property owner share expenses", which would be identified in the lease. (Source: The Appraisal of Real Estate Second Canadian Edition)

Special Value

An amount that reflects particular attributes of an asset that are only of value to a special purchaser. (Source: International Valuation Standards Council, International Valuation Glossary of Terms)

Specialized Property

A property that is rarely if ever sold in the market, except by way of sale of the business or entity of which it is part, due to uniqueness arising from its specialized nature and design, its configuration, size, location or otherwise. (Source: International Valuation Standards Council, International Valuation Glossary of Terms) SEE also Trade Related Property

Special Purchaser

A particular buyer for whom a particular asset has special value because of advantages arising from its ownership that would not be available to other buyers in a market. (Source: International Valuation Standards Council, International Valuation Glossary of Terms)

Strata (Condominium) Interest

A strata-titled unit (legal name in B.C.; 'condominium' in Alberta and other provinces) is a form of ownership of separate units or portions of multi-unit buildings. A strata/condominium unit is a separate ownership, and title is held by an individual owner. The unit may be separately leased, sold, or mortgaged. The owner holds title to an individual unit and an undivided partial interest in the common areas of the total condominium project.

Surplus Land

Additional land that allows for future expansion of the existing improvement(s); cannot be developed separately and does not have a separate Highest and Best Use. Surplus Land is associated with an improved site that has not been developed to its maximum productivity according to its Highest and Best Use as though vacant. (Source: The Dictionary of Real Estate Appraisal, Third Edition)

Synergistic Value

An additional element of value created by the combination of two or more interests where the value of the combined interest is worth more than the sum of the original interests. (Source: Source: International Valuation Standards Council, International Valuation Glossary of Terms)

Terminal Capitalization Rate

The rate used to convert income, e.g. NOI, cash flow, into an indication of the anticipated value of the subject real property at the end of the holding period. The Terminal Capitalization rate is used to estimate the resale value of the property. (Source: The Dictionary of Real Estate Appraisal, Third Edition)

Trade Related Property

Any type of real property designed for a specific type of business where the property value reflects the trading potential for that business. (Source: Source: International Valuation Standards Council, International Valuation Glossary of Terms) SEE also "Specialized Property"

Triple-net Lease

A net lease under which the lessee assumes all expenses of operating the property, including both fixed and variable expenses. (Source: The Dictionary of Real Estate Appraisal, Third Edition)

Unit of Account

The level at which an asset to be valued is aggregated or disaggregated with other assets. (Source: Source: International Valuation Standards Council, International Valuation Glossary of Terms)

Yield Rate

A yield rate is a rate of return on capital. It usually expresses as a compound annual percentage rate. The yield rate considers all expected property benefits (both positive and negative over time), including the proceeds from disposition at termination of the investment, if any. Re-stated, it considers all changes in income over the investment holding period as well as the reversion at the end of the holding period. It does not, however, consider the effect of debt financing. Rather, it is calculated as if the property were purchased with no debt capital.



A.6 QUALIFICATIONS OF APPRAISER

Accredited Appraiser with 12 years of experience. Specialize in litigation, expropriation, and tax appraisals, providing expert witness accounts, portfolio assessment reviews and appeals, negotiation, panel/board testimony, PTT appeal, Income Tax / Ecological Gifts Program, GST disputes, mixed-use income and development property valuations, hotel and going-concern valuations, rent renewal appraisals, conservation covenant, private island and unique crown land valuations (i.e. water lots, filled foreshore, etc.), other public lands valuations (i.e. parks, schools, hospitals), and valuations for purchase/disposition, mortgage financing, insurance, and capital planning.

EDUCATION

- CPD: Valuation for Financial Reporting; Commercial Waterfront and Submerged Land, 2025.
- CPD 104: Hotel Valuation; CPD 122: Expropriation Valuation; CPD 127: Prop. Tax Consulting, 2023.
- Effective Co-signing: Guiding & Overseeing Candidates; CPD 101 Bus. Enterprise Valuation, 2020.
- B.C. Land Summit – Vancouver, 2019.
- AACI, P.App accredited appraiser with the Appraisal Institute of Canada (AIC), 2019.
- AIC Provincial Conference – Banff, 2017.
- Post Graduate Certificate in Real Property Valuation (PGCV) – UBC: Real Estate Division, 2016.
- Bachelor of Commerce (B.Comm.) – UBC: Sauder School of Business, 2013.

PROFESSIONAL AFFILIATIONS

- Guest Speaker, The Nature Conservancy of Canada: 'Appraisals and Resource Value', 2023.
- Guest Lecturer and Member, Urban Development Institute (UDI) Capital Region.
 - Guest speaker on Land Valuation and Due Diligence with respect to the appraisal process as part of the RED Management Program – Securing Land Module, 2021 and 2022.
- Member, Appraisal Institute of Canada (AIC)
 - Former Candidate Representative with the Calgary Member Liaison Committee.

VALUATION AND ADVISORY EXPERIENCE

Appraisals completed across rural and urban markets of the whole of B.C. and Southern Alberta including:

Residential Development:

- Raw, Serviced and Rural-Serviced Land, Single Family Subdivisions, Multi-Family and Strata Residential Projects, Comprehensive Developments, Feasibility and Absorption Studies;

Commercial:

- Downtown & Suburban Office, Shopping Malls, Strip Centres, Service Stations, Mixed-Use Buildings, Commercial Strata Units, Vacant Land, Economic Highest and Best Use Studies;

Industrial:

- Manufacturing, Warehousing & Distribution Facilities, Service-Commercial Buildings, Vacant Land;

Institutional:

- Replacement Cost and Market Value Appraisals for Churches, Schools & Hospitals;

Land:

- Subdivision Development Analyses (Residual Valuations): Rural and Urban Projects, Hospital Land, Covenant Appraisals, Farmland, Forestry Properties, RV Storage Valuations & Feasibility Studies.

Residential:

- Encroachment, SRW and easement registration impact studies, economic reviews of planned renovations; appraisals of rural acreages (i.e. kennels, equestrian and executive estates), Inner-city and suburban homes of up to \$10.0 million in value; condos, vacant lots, insurance valuations, etc.

SPECIAL PROJECTS

- Directly contracted (non-tender) by a National Public Safety Agency to appraise a series of long-term leasehold interests plus a SRW across critical acquisition lands on Vancouver Island. 2022-23.
- Co-authored the School Property Appraisal Guide for a branch of the government of B.C., 2022.
- Fourth/final appraiser contracted to complete valuations, relevant analyses, and an appraisal review to settle conflicting opinions on appropriate compensation for a Langford Expropriation, 2022-23.
- Third/final appraiser completing a valuation and multiple appraisal reviews to settle a dispute over market rent for a major industrial waterfront parcel. Acted on behalf of a core CRD municipality, 2023.
- Appraisal review for a national conservation group to satisfy internal requirements, 2023.
- Successful appeal of downtown and suburban Victoria office and shopping centre property assessments with up to \$300,000 in property tax savings per appeal. Included extensive case law and taxation-equity research as well as legislation review. 2018-2022
- Private-island, parkland, conservation lands; unique leased & covenanted land appraisals, 2018-23.
- Subdivision Development (Residual) Valuations of: (1) Clayoquot Island (Tofino), one of B.C.'s oldest west coast settlements; (2) James Island (770-acre Jack Nicklaus-designed Golf Course) for a major international resort developer; and (3) Community Defining Mount Washington Parcels. 2019-2023.
- Valuation of major multi-family and unique mixed-use renovation and development projects, each representing over \$100 million in gross value.
- Appraisal of the Cowichan District Hospital, including a review of an in-depth building condition assessment report plus an engineer's building renovation cost estimates, 2018.
- Portfolio valuations and annual assessment reviews for regional and national companies, 2018-2023.

CLIENTS

Past work completed for:

- Local, Regional and National Nature Conservancies (confidential)
- A wide range of branches of the Provincial and Federal Government (confidential) via direct contracting in addition to government tenders.
- A wide range of Municipal Governments across Western Canada (confidential).
- Regional Public Health Authorities (confidential)
- Local, Regional and National Corporations (confidential)
- Vancouver Island and B.C. Lower Mainland Law Firms and Accounting Firms (confidential)

EXPERT WITNESS

- Rent Arbitration Disputes, acting as both an independent expert retained by one party and as the sole arbitrator retained by both parties.
- Testified before the Property Assessment Appeal Panel (PARP) and Property Assessment Appeal Board (PAAB) with respect to complex tax classification issues, assessment equity and property valuations.
- Appraisal Review of Canada Revenue Agency (CRA) appraisals for GST purposes.
- Defended development analysis and other complex valuations which comply with the Income Tax Act before Environment Canada's Appraisal Review Panel for the Ecological Gifts Program.
- Prepared dozens of appraisals to a court-appropriate standard with follow-up discussions to help assist with preliminary mediation and dispute resolution. Scheduled to testify in court on numerous occasions with a settlement in advance each time.
- Providing an informational basis for vendors / purchasers, estates and marital separations to settle disputes over purchase price.
- Liaised and negotiated with Revenue Services of British Columbia on behalf of clients with valid Property Transfer Tax (PTT) disputes.

RELEVANT EMPLOYMENT HISTORY**2018 – Present**

- D.R. Coell & Associates Inc., Victoria, B.C. – Accredited Appraiser / Senior Associate and Tax Advisor

2018 – 2018

- Campbell & Pound Commercial Ltd., Richmond, B.C. – Candidate Appraiser

2016 – 2018

- Acumen Real Estate Valuations Inc., Calgary, Alberta – Candidate Appraiser

2014 – 2016

- Avison Young Valuation & Advisory Services, Calgary, Alberta – Candidate Appraiser

2013 – 2014

- Fast Appraisals, Vancouver, B.C. – Candidate Appraiser

2007 – 2008, 2012 – 2013

- Fast Appraisals, Vancouver, B.C. – Research Assistant, Data Administrator