

**FIRST AMENDMENT TO  
REFORMATTED AND AMENDED  
DISCLOSURE STATEMENT  
FOR  
KORET LOFTS**

Koret Lofts  
55 East Cordova Street  
Vancouver, BC

**DATE of Reformatted and Amended Disclosure Statement:** March 18, 2005

**DATE of this amendment:** September 27, 2006

**Developer:** Koret Lofts Inc.

**Address for Service and  
Mailing Address:**

c/o Lew and Lee  
108 – 329 Main Street  
Vancouver, BC V6A 2S9

Attention: Derek Lew

**Developer's Real  
Estate Agent:**

Sutton Westcoast Realty  
c/o VISION PROJECT MARKETING LTD.  
#301 – 1508 West Broadway  
Vancouver, BC V6J 1W8

Attention: Liana Yap, Alan Au, Gerald Kelly, Bo Choi and Ann Lok

The Developer reserves the right to appoint additional  
or replacement agents or subagents.

**This Disclosure Statement has been filed with the Superintendent of Real Estate, but neither the Superintendent, nor any other authority of the government of the Province of British Columbia, has determined the merits of any statement contained in the Disclosure Statement, or whether the Disclosure Statement contains a misrepresentation or otherwise fails to comply with the requirements of the Real Estate Development Marketing Act. It is the responsibility of the developer to disclose plainly all material facts, without misrepresentation.**

## AMENDMENTS

The Amended and Restated Disclosure Statement of Koret Lofts Inc. dated March 18, 2005 (amending and restating the Disclosure Statement of Koret Lofts Inc. dated March 30, 2004, as amended by the First Amendment of Disclosure Statement dated May 28, 2004 and the Second Amendment of Disclosure Statement dated October 26, 2004), is hereby amended as follows:

1. Section 3.6 Parking is deleted in its entirety and replaced with the following:

“3.6 Parking

The parking stalls shall be subject to a parking stall lease (the “Parking Stall Lease”) in favour of a company related to the Developer known as Koret Parking Ltd. (“Koret Parking”), which Parking Stall Lease shall give to Koret Parking the right to partially assign or sublease to individual purchasers of Strata Lots the exclusive right to use a particular parking stall (the “Parking Stall Assignment”). The Parking Stall Lease will be registered on title to the Lands prior to registration of the Strata Plan creating the Strata Lots and the designation of the underground parking facility as common property will be subject to the rights of Koret Parking under the Parking Stall Lease. The Developer shall be entitled to sell the Strata Lots without a parking stall or with one or more parking stalls as the Developer sees fit and where the purchaser purchases a Strata Lot with one or more parking stalls such parking stalls shall be designated by the Developer and the purchasers shall have exclusive use of such parking stalls.

“The form of Parking Stall Lease and the Parking Stall Assignment are attached hereto as Schedules “I” and “J”, respectively.”

2. Section 3.10 is amended by deleting “Gateway Property Management Corporation” in the first sentence and replacing it with:

“Pacifica First Management Ltd.”

3. The listing of Schedules on the 15<sup>th</sup> page of the Disclosure Statement is amended by adding new Schedules “I and “J” attached hereto as schedules to the Disclosure Statement as follows:

“Schedule “I” – Parking Stall Lease

“Schedule “J” – Parking Stall Assignment

4. Schedule “A” – Draft Strata Plan, is deleted in its entirety and replaced with the new Schedule “A” attached hereto.
5. Schedule “B” – Schedule of Unit Entitlement, is deleted in its entirety and replaced with the new Schedule “B” attached hereto.
6. Schedule “D” – Summary of Encumbrances, is deleted in its entirety and replaced with the new Schedule “D” attached hereto.

7. Schedule "F" – Proposed Budget and Monthly Maintenance Fees", is deleted in its entirety and replaced with the new Schedule "F" attached hereto.

In all other respects, the Reformatted and Amended Disclosure Statement dated March 18, 2005, remains the same.

## DEEMED REILIANCE

Section 22 of the *Real Estate Development Marketing Act* provides that every purchaser who is entitled to receive this Disclosure Statement is deemed to have relied on any false or misleading statement of a material fact contained in this Disclosure Statement, if any, and any omission to state a material fact. The developer, its directors and any person who has signed or authorized the filing of this Disclosure Statement are liable to compensate the purchaser for any misrepresentation, subject to any defences available under section 22 of the Act.

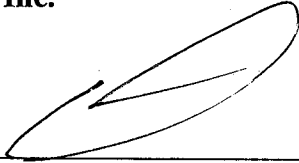
**DECLARATION**

The foregoing statements disclose, without misrepresentation, all material facts relating to the Development referred to above, as required by the *Real Estate Development Marketing Act* of British Columbia, as of

27 Sept 06.

**Koret Lofts Inc.**

Per: \_\_\_\_\_

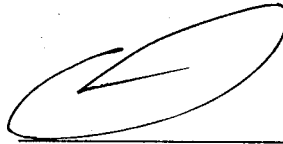


Authorized Signatory

Directors of Koret Lofts, Inc.



Marc Williams



Dan White

SCHEDULE "A"

**DRAFT STRATA PLAN**

(see attached)

STRATA PLAN OF LOT W  
BLOCK 7 DISTRICT LOT 196  
GROUP 1 N.W.D. PLAN BCP13893

STRATA PLAN BCS \_\_\_\_\_

REF. NO. \_\_\_\_\_

B.C.G.S. 92G.025

PARCEL IDENTIFIER: 026-081-113

SCALE 1:400

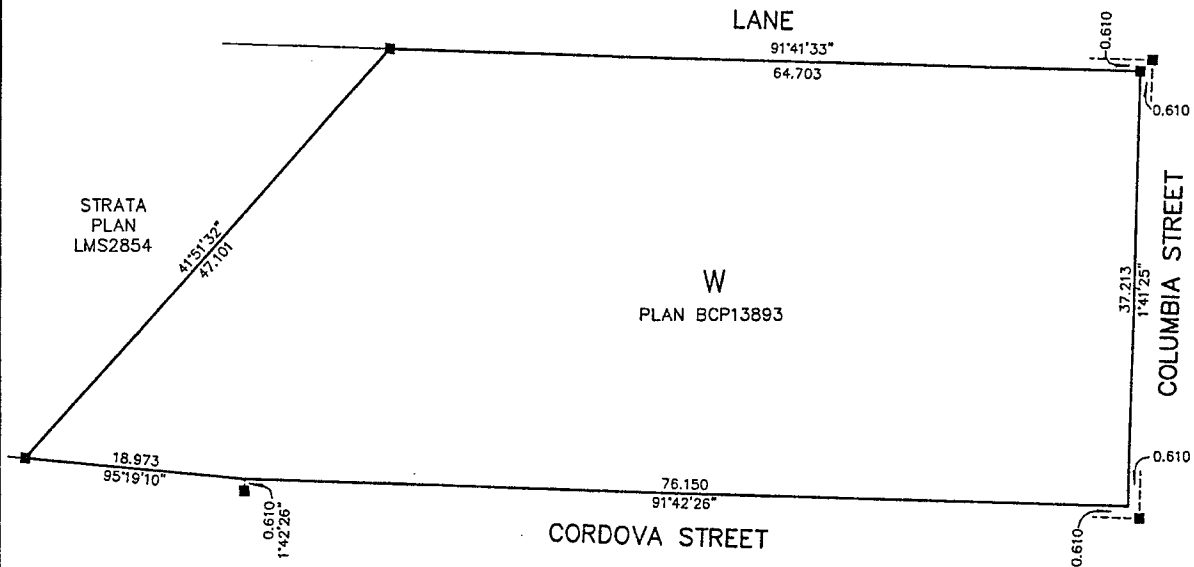


STRATA PLAN BCS \_\_\_\_\_ DEPOSITED AND REGISTERED  
IN THE LAND TITLE OFFICE AT NEW WESTMINSTER, B.C.  
THIS \_\_\_\_\_ DAY OF \_\_\_\_\_ 20 \_\_\_\_\_

NAME OF DEVELOPMENT  
" KORET LOFTS "

DEPUTY REGISTRAR  
THIS PLAN LIES WITHIN THE  
GREATER VANCOUVER REGIONAL DISTRICT

CIVIC ADDRESS:  
55 - 99 EAST CORDOVA STREET  
VANCOUVER, B.C.



LEGEND:

- INDICATES LEAD PLUG FOUND
- C.P. INDICATES COMMON PROPERTY
- PT. INDICATES PART
- S.L. INDICATES STRATA LOT

ALL DISTANCES ARE IN METRES.  
GRID BEARINGS ARE DERIVED FROM PLAN BCP13893.

THIS PLAN SHOWS HORIZONTAL GROUND-LEVEL DISTANCES EXCEPT WHERE OTHERWISE NOTED. TO COMPUTE GRID DISTANCES, MULTIPLY GROUND-LEVEL DISTANCES BY COMBINED FACTOR 0.9996027, INTEGRATED SURVEY AREA NO. 31, CITY OF VANCOUVER.

NOTES:

- STRATA LOT BOUNDARIES SHOWN ON THIS PLAN ARE TAKEN TO THE GLASS LINE OF EXTERIOR WALLS WHERE APPLICABLE AND TO THE CENTRELINE OF WALLS BETWEEN ADJACENT STRATA LOTS.
- PATIOS AND ROOF DECKS ARE LIMITED COMMON PROPERTY FOR THE USE OF THE STRATA LOT INDICATED. (EXAMPLE: PATIO-110 , ROOF DECK-111)
- UNLESS SHOWN OTHERWISE, WALL ANGLES ARE MULTIPLES OF 45°

MATSON PECK & TOPLISS  
SURVEYORS & ENGINEERS

#210 - 8171 COOK ROAD  
RICHMOND, B.C.  
V6Y 3T8  
PH: 604-270-9331  
FAX: 604-270-4137  
CADFILE: 14061-STRATA.FLX

I, WILLIAM P. WONG, A BRITISH COLUMBIA LAND SURVEYOR, CERTIFY:  
1) THAT THE BUILDINGS SHOWN ON THIS STRATA PLAN ARE WITHIN THE EXTERNAL BOUNDARIES OF THE LAND THAT IS THE SUBJECT OF THE STRATA PLAN SUBJECT TO CLAUSE 2 OF THIS ENDORSEMENT.  
2) THAT CERTAIN PARTS OF THE BUILDINGS ARE NOT WITHIN THE EXTERNAL BOUNDARIES BUT APPROPRIATE AND NECESSARY EASEMENTS OR OTHER INTERESTS ARE REGISTERED UNDER \_\_\_\_\_ AS SET OUT IN SECTION 244(1)(f) OF THE STRATA PROPERTY ACT.

THE 23<sup>RD</sup> DAY OF JUNE, 2006.

B.C.L.S. (#697)

I, WILLIAM P. WONG, A BRITISH COLUMBIA LAND SURVEYOR, OF THE CITY OF BURNABY, IN BRITISH COLUMBIA, CERTIFY THAT I WAS PRESENT AT AND PERSONALLY SUPERINTENDED THE SURVEY REPRESENTED BY THIS PLAN, AND THAT THE SURVEY AND PLAN ARE CORRECT. THE FIELD SURVEY WAS COMPLETED ON THE 23RD DAY OF JUNE, 2006.

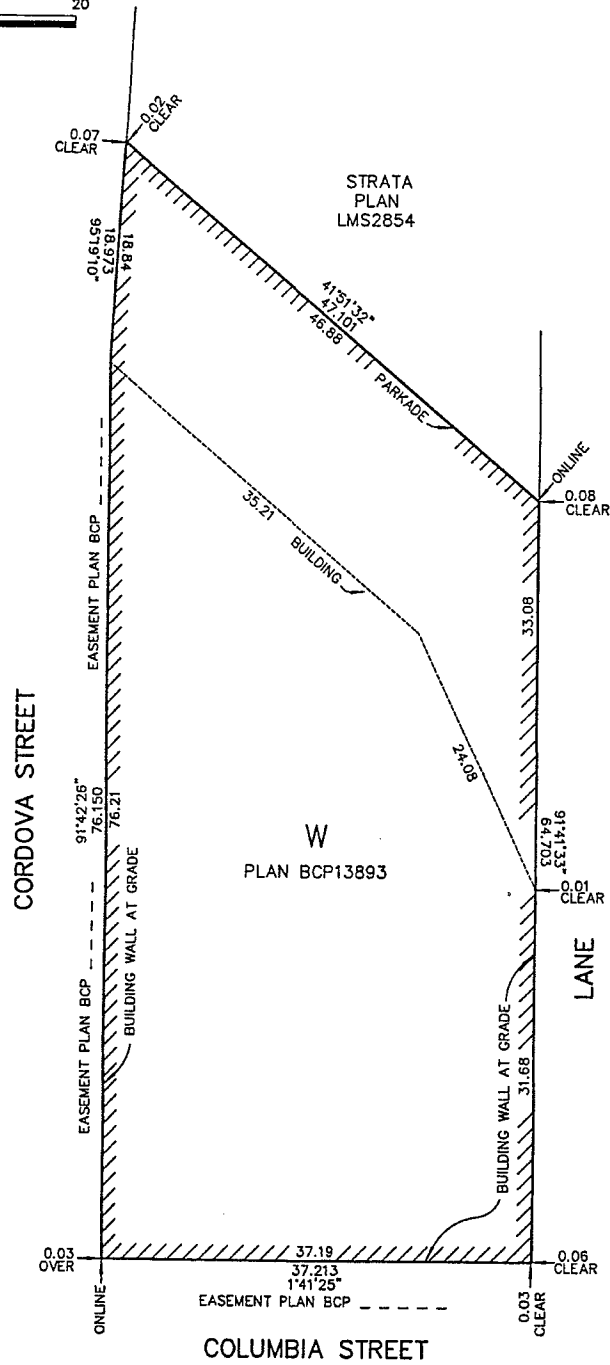
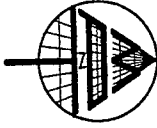
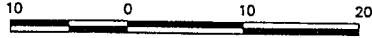
THE PLAN WAS COMPLETED AND CHECKED, AND THE CHECKLIST FILED UNDER #50443 ON THE 25TH DAY OF JUNE, 2006.

B.C.L.S. (#697)

# BUILDING

## STRATA PLAN BCS \_\_\_\_\_

SCALE 1:400



**MATSON PECK & TOPLISS**  
SURVEYORS & ENGINEERS

#210 - 8171 COOK ROAD  
RICHMOND, B.C.

V6Y 3T8  
PH: 604-270-9331  
FAX: 604-270-4137

CADFILE: 14357-STRATA.FLX

DATE WPH Wong June 23/06. ,B.C.L.S.(#697)



# SIGNATORIES

SHEET 3 OF 13 SHEETS

STRATA PLAN BCS \_\_\_\_\_

REGISTERED OWNER:  
KORET LOFTS INC., INC.NO. 681452

MORTGAGEE:  
BANCORP GROWTH MORTGAGE FUND LTD.  
INCORPORATION NO. A494682  
(Formerly ...)

\_\_\_\_\_  
AUTHORIZED SIGNATORY  
SIGN AND PRINT NAME

\_\_\_\_\_  
AUTHORIZED SIGNATORY  
SIGN AND PRINT NAME

\_\_\_\_\_  
AUTHORIZED SIGNATORY  
SIGN AND PRINT NAME

\_\_\_\_\_  
AUTHORIZED SIGNATORY  
SIGN AND PRINT NAME

\_\_\_\_\_  
WITNESS AS TO BOTH SIGNATURES  
SIGN AND PRINT NAME

\_\_\_\_\_  
WITNESS AS TO BOTH SIGNATURES  
SIGN AND PRINT NAME

\_\_\_\_\_  
OCCUPATION OF WITNESS

\_\_\_\_\_  
OCCUPATION OF WITNESS

\_\_\_\_\_  
ADDRESS OF WITNESS

\_\_\_\_\_  
ADDRESS OF WITNESS

MORTGAGEE:  
BANCORP FINANCIAL SERVICES INC.  
INCORPORATION NO. A49338

MORTGAGEE:  
PEOPLES TRUST COMPANY  
INCORPORATION NO. 33943A

\_\_\_\_\_  
AUTHORIZED SIGNATORY  
SIGN AND PRINT NAME

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AUTHORIZED SIGNATORY  
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OCCUPATION OF WITNESS

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ADDRESS OF WITNESS

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ADDRESS OF WITNESS

## STRATA PROPERTY ACT

### FORM T

#### ENDORSEMENT BY APPROVING AUTHORITY

I CERTIFY THAT THE CONVERSION OF THE BUILDING  
INCLUDED IN THIS STRATA PLAN HAS BEEN APPROVED  
UNDER SECTION 242 OF THE STRATA PROPERTY ACT.

DATED AT VANCOUVER THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 20\_\_\_\_

#### MATSON PECK & TOPLISS

SURVEYORS & ENGINEERS

#210 - 8171 COOK ROAD

RICHMOND, B.C.

V6Y 3T8

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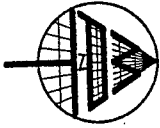
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\_\_\_\_\_  
APPROVING OFFICER FOR  
CITY OF VANCOUVER

DATE JUNE 23/06 WPH \_\_\_\_\_, B.C.L.S.(#697)

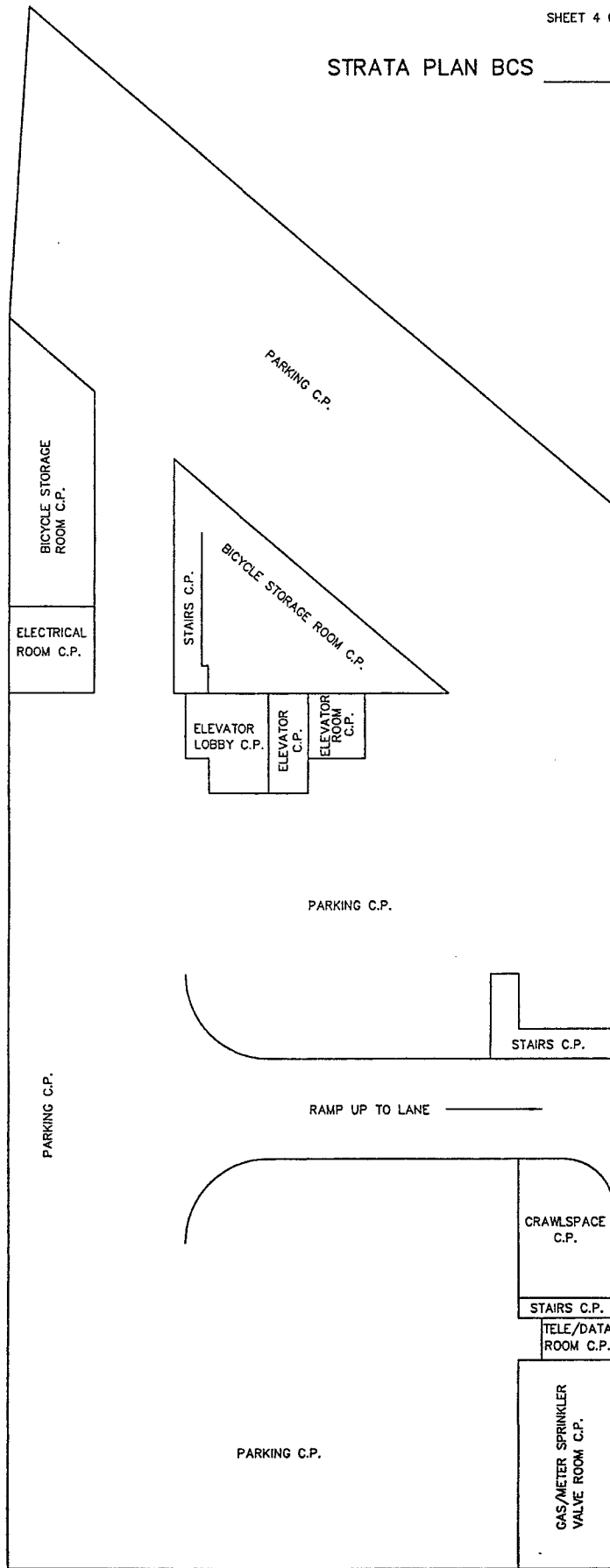
# BASEMENT

SCALE 1:250



SHEET 4 OF 13 SHEETS

STRATA PLAN BCS \_\_\_\_\_



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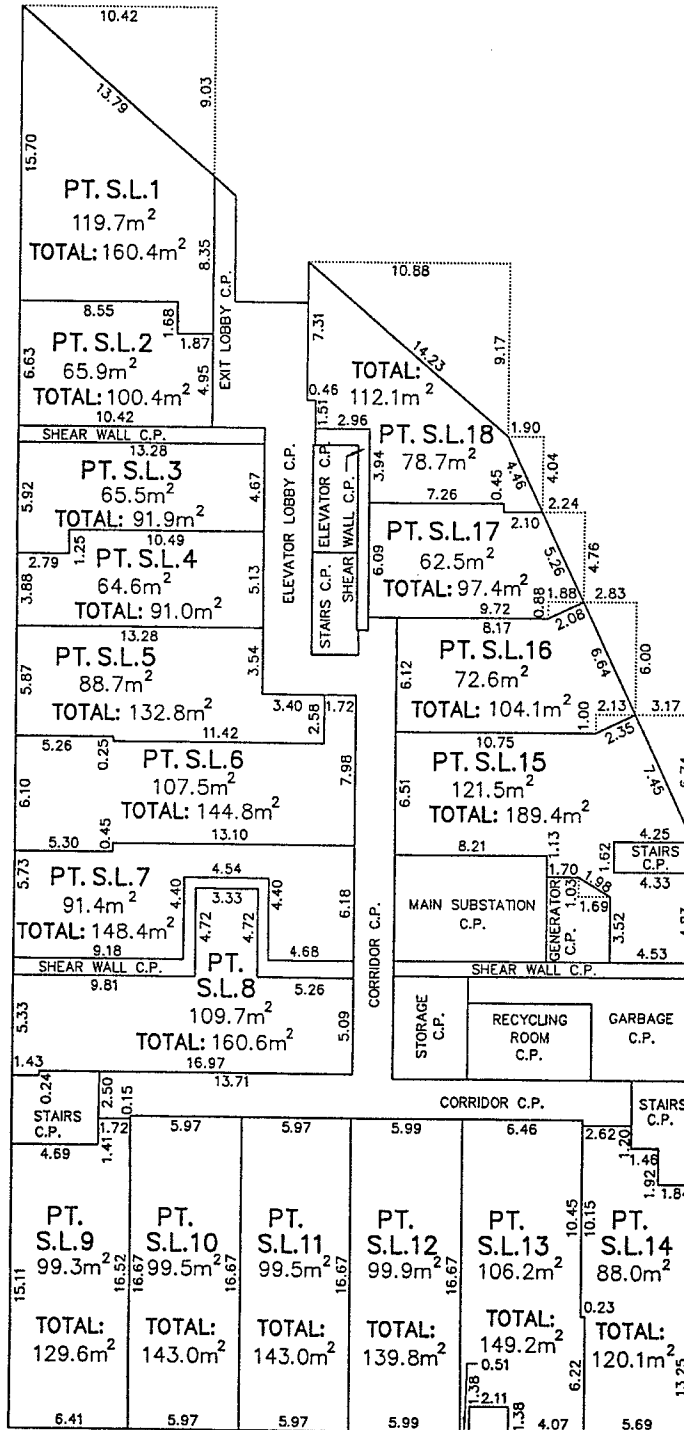
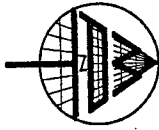
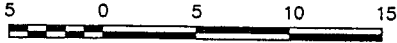
*JUNE 23/06 h/pw*

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# GROUND FLOOR

SCALE 1:250

STRATA PLAN BCS



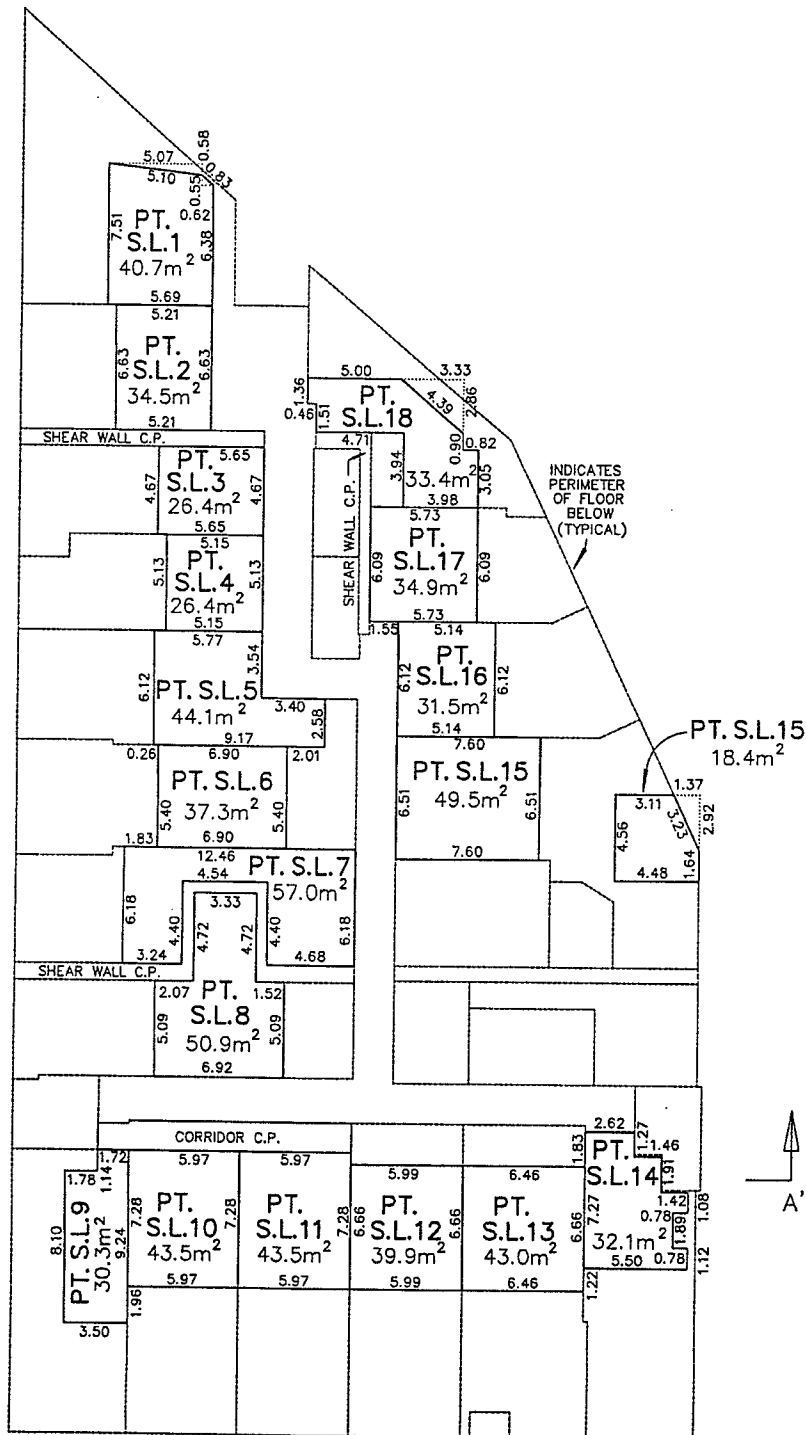
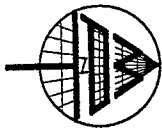
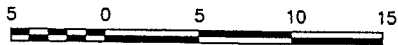
**MATSON PECK & TOPLISS**  
 SURVEYORS & ENGINEERS  
 #210 - 8171 COOK ROAD  
 RICHMOND, B.C.  
 V6Y 3T8  
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DATE June 23/06 NPH .B.C.L.S.(#697)

# MEZZANINE FLOOR

SCALE 1:250

STRATA PLAN BCS



INDICATES PERIMETER OF FLOOR BELOW (TYPICAL)

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FAX: 604-270-4137  
CADFILE: 14061-STRATA.FLX

DATE

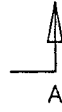
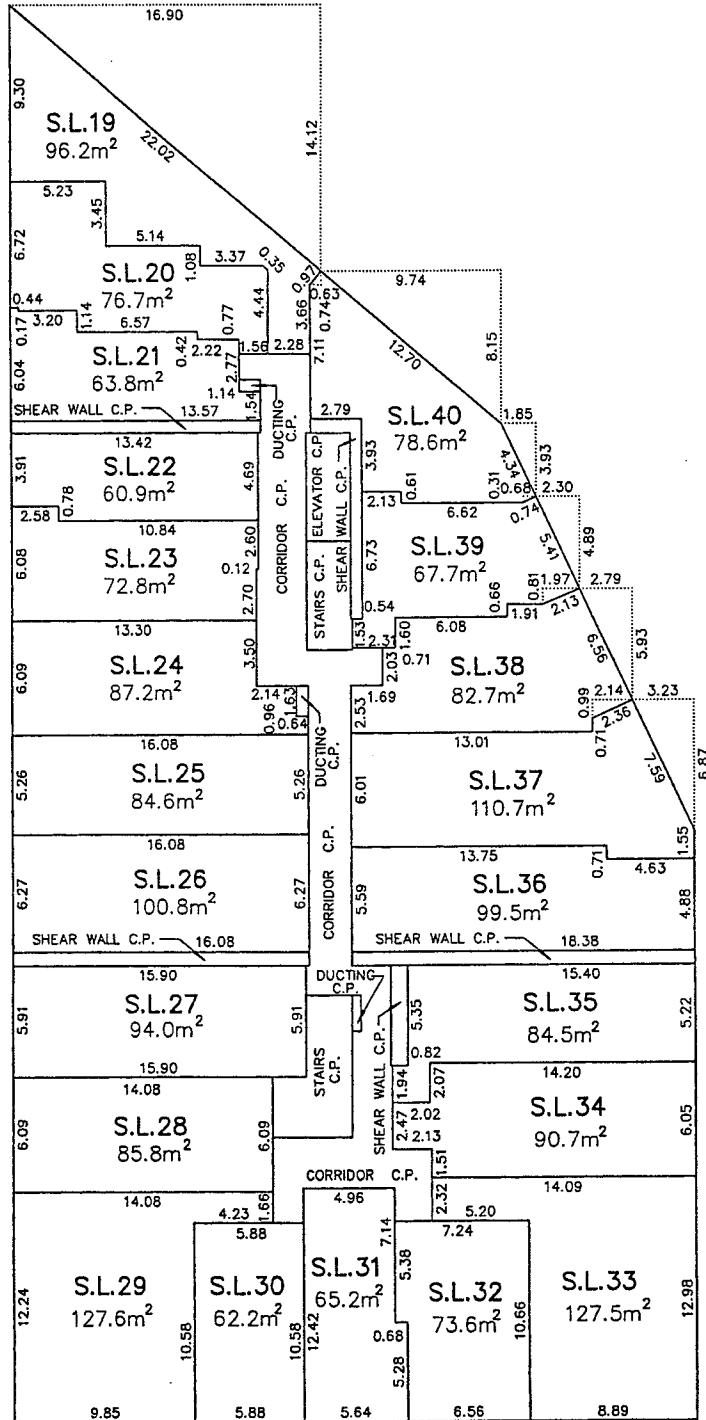
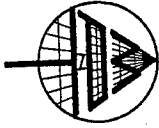
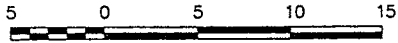
JUNE 23/00 *WPN*

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# SECOND FLOOR

STRATA PLAN BCS \_\_\_\_\_

SCALE 1:250



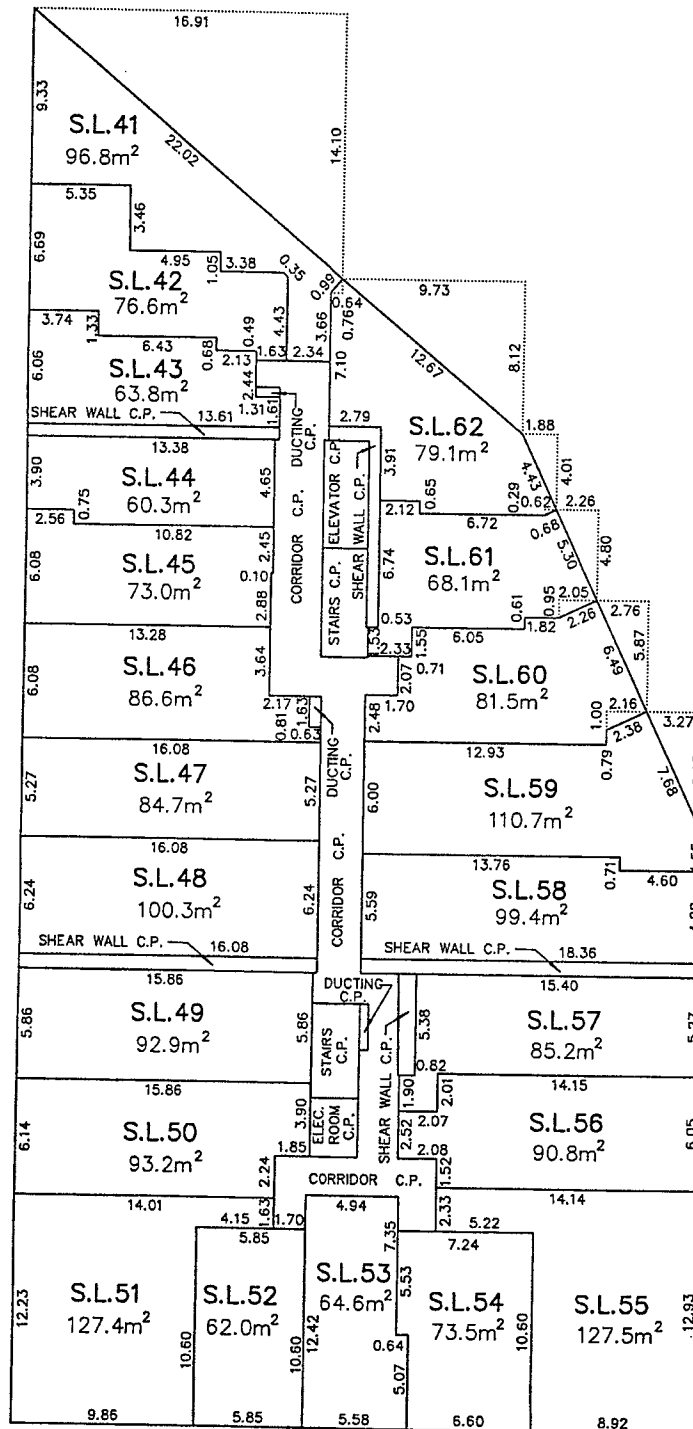
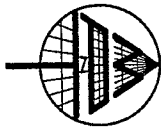
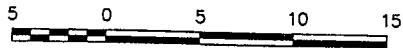
**MATSON PECK & TOPLISS**  
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V6Y 3T8  
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DATE JUNE 23/06 WPH ,B.C.L.S.(#697)

# THIRD FLOOR

SCALE 1:250

STRATA PLAN BCS



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SURVEYORS & ENGINEERS

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RICHMOND, B.C.  
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DATE

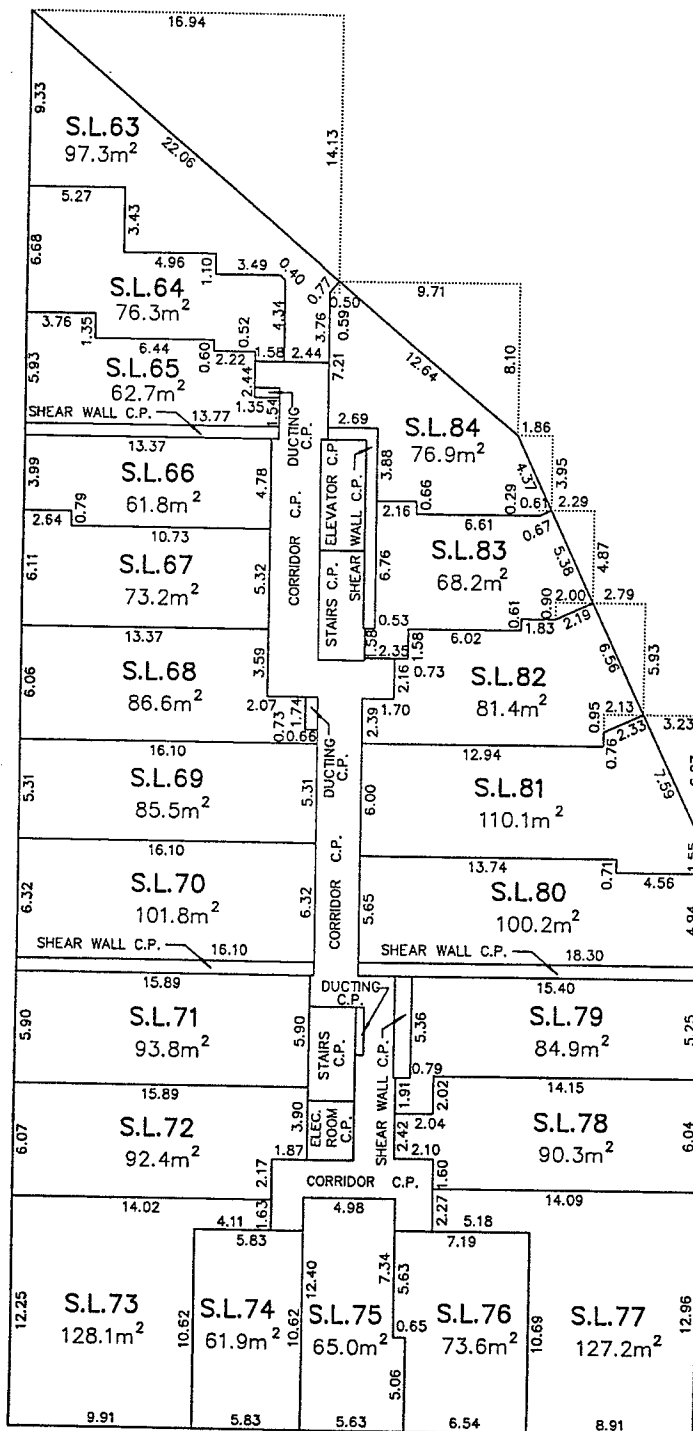
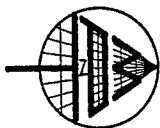
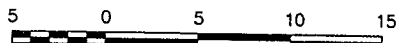
*JUNE 23/06 WPH*

.B.C.L.S.(#697)

# FOURTH FLOOR

SCALE 1:250

STRATA PLAN BCS



**MATSON PECK & TOPLISS**

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RICHMOND, B.C.

V6Y 3T8

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DATE *JUNE 23/06*

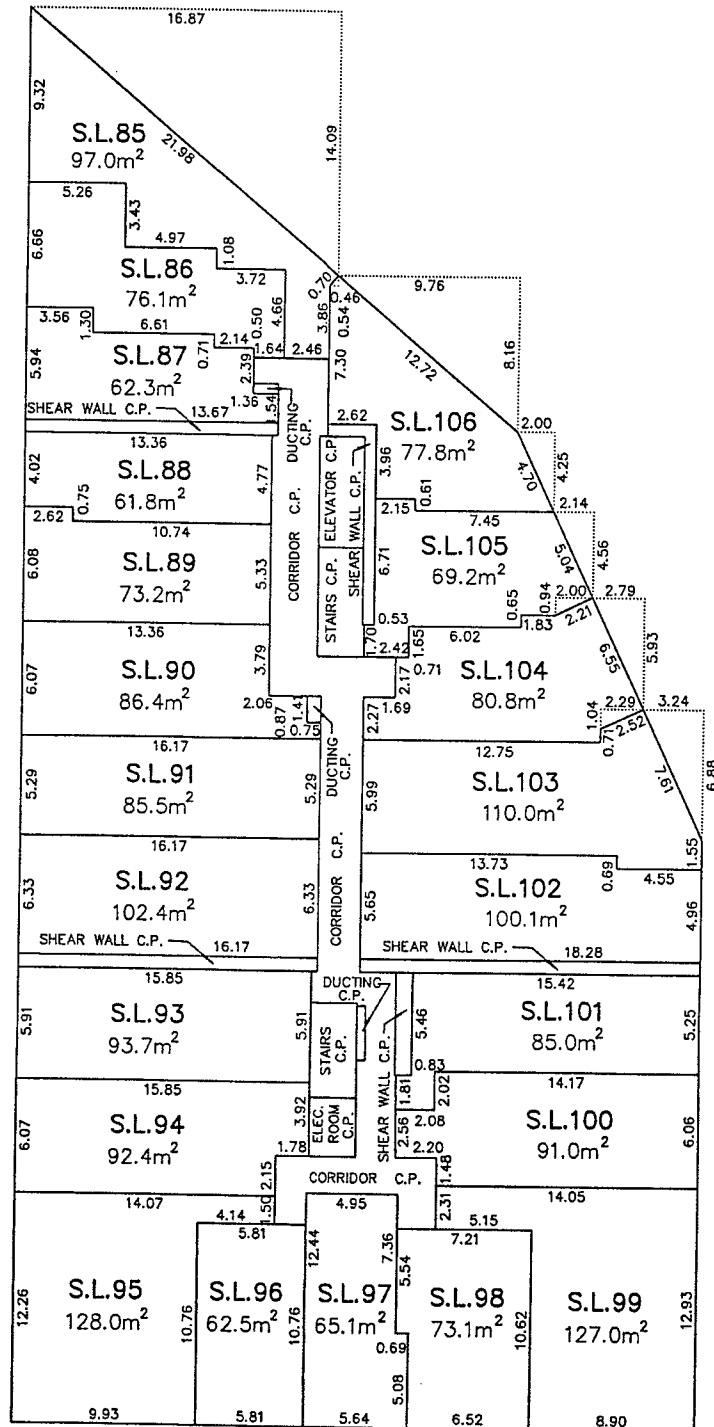
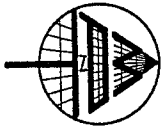
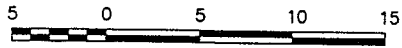
*WPH*

.B.C.L.S.(#697)

# FIFTH FLOOR

SCALE 1:250

STRATA PLAN BCS



**MATSON PECK & TOPLISS**

SURVEYORS & ENGINEERS

#210 - 8171 COOK ROAD  
RICHMOND, B.C.

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DATE

*JUNE 23/06 WPN*

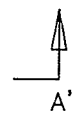
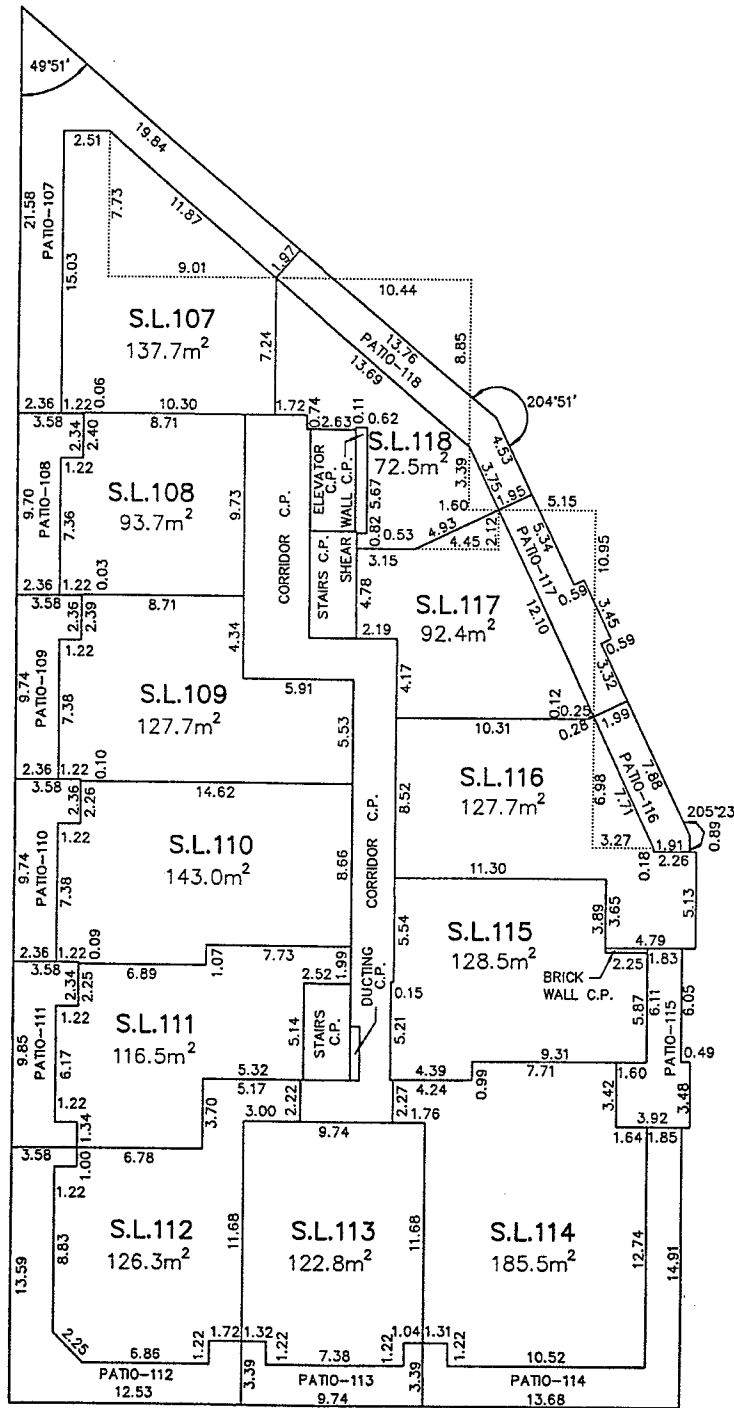
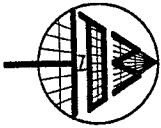
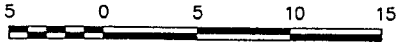
.B.C.L.S.(#697)



# SIXTH FLOOR

SCALE 1:250

STRATA PLAN BCS \_\_\_\_\_



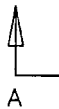
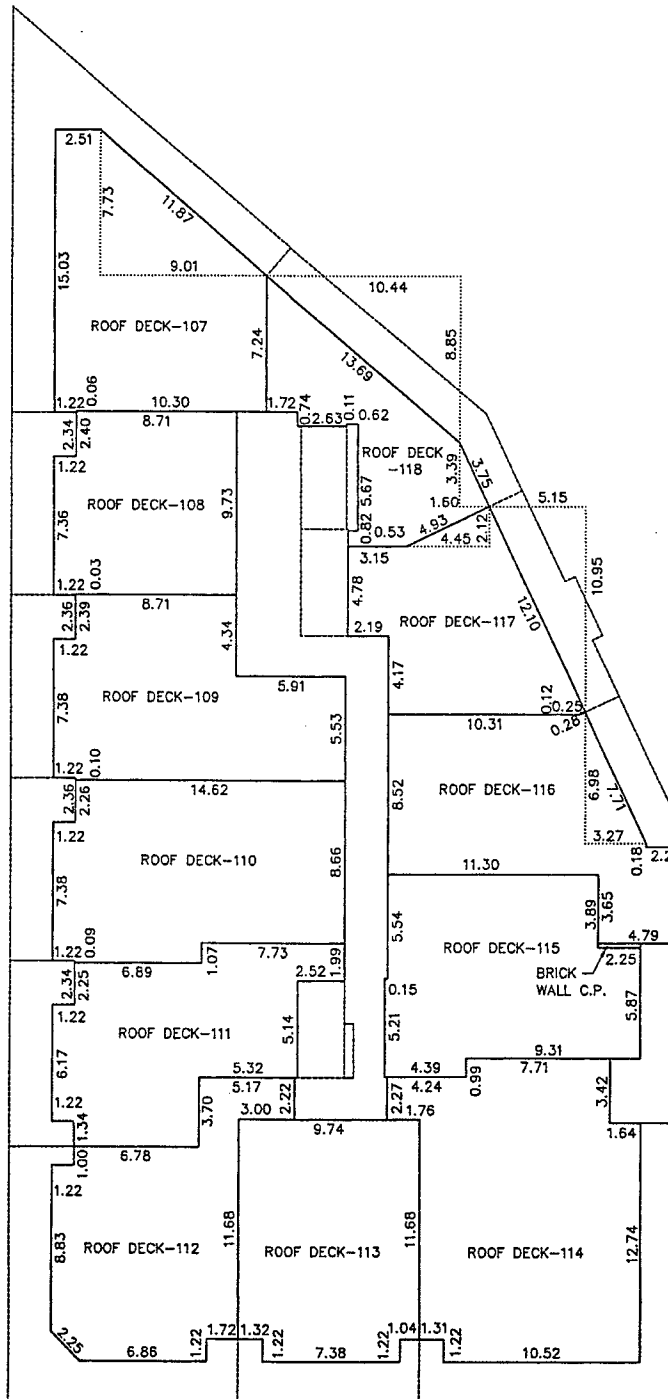
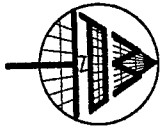
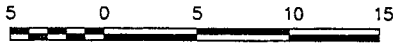
**MATSON PECK & TOPLISS**  
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DATE JUNE 23/06 *NPH* .B.C.L.S.(#697)

# ROOF DECK LEVEL

SCALE 1:250

STRATA PLAN BCS \_\_\_\_\_



**MATSON PECK & TOPLISS**  
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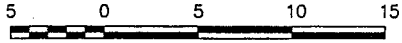
JUNE 23/06

,B.C.L.S.(#697)

# SECTION A - A'

## STRATA PLAN BCS

SCALE 1:250



	ROOF DECK-111		ROOF DECK 112	ROOF DECK-113		ROOF DECK-114			ROOF DECK LEVEL
PATIO -111	S.L. 111		S.L. 112	S.L. 113		S.L. 114		PATIO -114	SIXTH FLOOR
S.L. 94			CORRIDOR C.P.		S.L. 100				FIFTH FLOOR
S.L. 72			CORRIDOR C.P.		S.L. 78				FOURTH FLOOR
S.L. 50			CORRIDOR C.P.		S.L. 56				THIRD FLOOR
S.L. 28			CORRIDOR C.P.		S.L. 34				SECOND FLOOR
	PT.S.L.9	PT. S.L. 10	PT. S.L. 11	PT. S.L. 12	PT. S.L. 13	PT.S.L.14			MEZZANINE FLOOR
	PT. S.L. 9	PT. S.L. 10	PT. S.L. 11	PT. S.L. 12	PT. S.L. 13	PT.S.L.14		STAIRS C.P.	GROUND FLOOR
PARKING C.P.						TELE/DATA ROOM C.P.			BASEMENT

### MATSON PECK & TOPLISS

SURVEYORS & ENGINEERS

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DATE

JUNE 23/06

WPH

,B.C.L.S.(#697)

SCHEDULE "B"

**SCHEDULE OF UNIT ENTITLEMENT**

(see attached)

*Strata Property Act*  
Form V  
SCHEDULE OF UNIT ENTITLEMENT

(Section 245 (a), 246, 264)

Re: Strata Plan  
Being a Strata Plan of Lot W Block 7 District Lot 196 Group 1 NWD Plan BCP13893

P.I.D. 026-081-113

**STRATA PLAN CONSISTING ENTIRELY OF RESIDENTIAL STRATA LOTS**

The unit entitlement for each residential strata lot is one of the following (check appropriate box), as set out in the following table:

- (a) the habitable area of the strata lot, in square metres, rounded to the nearest whole number as determined by a British Columbia land surveyor as set out in section 246 (3) (a) (i) of the *Strata Property Act*.

Certificate of British Columbia Land Surveyor

I, ..... William P. Wong .....  
a British Columbia land surveyor, certify that the following table  
reflects the habitable area of each residential strata lot.

Date: ..... June 23, 2006 ..... (month, day, year).

..... W.P. Wong .....  
Signature

OR

- (b) a whole number that is the same for all of the residential strata lots as set out in section 246 (3) (a) (ii) of the *Strata Property Act*.

OR

- (c) a number that is approved by the Superintendent of Real Estate in accordance with section 246 (3) (a) (iii) of the *Strata Property Act*.

.....  
Signature of Superintendent of Real Estate

Strata Lot No.	Sheet No.	Habitable Area in m <sup>2</sup>	Unit Entitlement	%* of Total Unit Entitlement
1	5 & 6	160.4	160	1.40%
2	5 & 6	100.4	100	0.87%
3	5 & 6	91.9	92	0.80%
4	5 & 6	91.0	91	0.80%
5	5 & 6	132.8	133	1.16%
6	5 & 6	144.8	145	1.27%
7	5 & 6	148.4	148	1.29%
8	5 & 6	160.6	161	1.41%
9	5 & 6	129.6	130	1.14%
10	5 & 6	143.0	143	1.25%
11	5 & 6	143.0	143	1.25%
12	5 & 6	139.8	140	1.22%
13	5 & 6	149.2	149	1.30%
14	5 & 6	120.1	120	1.05%
15	5 & 6	189.4	189	1.65%
16	5 & 6	104.1	104	0.91%
17	5 & 6	97.4	97	0.85%
18	5 & 6	112.1	112	0.98%
19	7	96.2	96	0.84%
20	7	76.7	77	0.67%
21	7	63.8	64	0.56%
22	7	60.9	61	0.53%
23	7	72.8	73	0.64%
24	7	87.2	87	0.76%
25	7	84.6	85	0.74%
26	7	100.8	101	0.88%
27	7	94.0	94	0.82%
28	7	85.8	86	0.75%
29	7	127.6	128	1.12%
30	7	62.2	62	0.54%
31	7	65.2	65	0.57%
32	7	73.6	74	0.65%
33	7	127.5	128	1.12%
34	7	90.7	91	0.80%
35	7	84.5	85	0.74%
36	7	99.5	100	0.87%
37	7	110.7	111	0.97%
38	7	82.7	83	0.73%
39	7	67.7	68	0.59%
40	7	78.6	79	0.69%
41	8	96.8	97	0.85%

Strata Lot No.	Sheet No.	Habitable Area in m <sup>2</sup>	Unit Entitlement	%* of Total Unit Entitlement
42	8	76.6	77	0.67%
43	8	63.8	64	0.56%
44	8	60.3	60	0.52%
45	8	73.0	73	0.64%
46	8	86.6	87	0.76%
47	8	84.7	85	0.74%
48	8	100.3	100	0.87%
49	8	92.9	93	0.81%
50	8	93.2	93	0.81%
51	8	127.4	127	1.11%
52	8	62.0	62	0.54%
53	8	64.6	65	0.57%
54	8	73.5	74	0.65%
55	8	127.5	128	1.12%
56	8	90.8	91	0.80%
57	8	85.2	85	0.74%
58	8	99.4	99	0.87%
59	8	110.7	111	0.97%
60	8	81.5	82	0.72%
61	8	68.1	68	0.59%
62	8	79.1	79	0.69%
63	9	97.3	97	0.85%
64	9	76.3	76	0.66%
65	9	62.7	63	0.55%
66	9	61.8	62	0.54%
67	9	73.2	73	0.64%
68	9	86.6	87	0.76%
69	9	85.5	86	0.75%
70	9	101.8	102	0.89%
71	9	93.8	94	0.82%
72	9	92.4	92	0.80%
73	9	128.1	128	1.12%
74	9	61.9	62	0.54%
75	9	65.0	65	0.57%
76	9	73.6	74	0.65%
77	9	127.2	127	1.11%
78	9	90.3	90	0.79%
79	9	84.9	85	0.74%
80	9	100.2	100	0.87%
81	9	110.1	110	0.96%
82	9	81.4	81	0.71%
83	9	68.2	68	0.59%

Strata Lot No.	Sheet No.	Habitable Area in m <sup>2</sup>	Unit Entitlement	%* of Total Unit Entitlement
84	9	76.9	77	0.67%
85	10	97.0	97	0.85%
86	10	76.1	76	0.66%
87	10	62.3	62	0.54%
88	10	61.8	62	0.54%
89	10	73.2	73	0.64%
90	10	86.4	86	0.75%
91	10	85.5	86	0.75%
92	10	102.4	102	0.89%
93	10	93.7	94	0.82%
94	10	92.4	92	0.80%
95	10	128.0	128	1.12%
96	10	62.5	63	0.55%
97	10	65.1	65	0.57%
98	10	73.1	73	0.64%
99	10	127.0	127	1.11%
100	10	91.0	91	0.80%
101	10	85.0	85	0.74%
102	10	100.1	100	0.87%
103	10	110.0	110	0.96%
104	10	80.8	81	0.71%
105	10	69.2	69	0.60%
106	10	77.8	78	0.68%
107	11	137.7	138	1.21%
108	11	93.7	94	0.82%
109	11	127.7	128	1.12%
110	11	143.0	143	1.25%
111	11	116.5	117	1.02%
112	11	126.3	126	1.10%
113	11	122.8	123	1.08%
114	11	185.5	186	1.63%
115	11	128.5	129	1.13%
116	11	127.7	128	1.12%
117	11	92.4	92	0.80%
118	11	72.5	73	0.64%
<b>Total Number of Strata Units: 118</b>			<b>Total Unit Entitlement: 11431</b>	

\* expression of percentage is for informational purposes only and has no legal effect



Date: ..... 6/26/06 ..... (month, day, year)

..... *J. Williams* .....  
Signature of Owner Developer

## SCHEDULE "D"

### SUMMARY OF ENCUMBRANCES

The following legal notations and encumbrances are registered against title to the Lands and will remain registered against title to the Strata Lots and /or the Common Property, except where indicated below.

#### Legal Notations:

1. Easement BA509577 Over Part of Parcel "B" (Bylaw Plan BCP23960) Shown on Plan BCP23961. **Encroachment Easement.** Easement in favour of the Lands, as dominant tenement, from the City of Vancouver, as owner of a portion of the roadway along the Cordova, Columbia and rear alley, as servient tenement. The easement is in respect to:
  - a. On the Cordova Street side, portions of the Building façade including an original roof brick cornice (parapet) and decorative metal cornice above the storefront glazing;
  - b. On the Columbia Street side, portions of the Building façade including an original roof level brick cornice (parapet) and decorative metal cornice above storefront glazing; and
  - c. On the lane side, portions of the Building roof and gutter including an original roof level brick cornice (parapet).
2. Heritage Designation By-Law, Vancouver Charter Section 593, see BJ91210 and BV47125. **Heritage Designation.** The building bearing the civic address of 55-99 E. Cordova Street is designated as a heritage property under Section 593 of the Vancouver Charter.
3. Heritage Revitalization Agreement BW311905 Pursuant to Sections 592 and 601 (Vancouver Charter). **Heritage Revitalization Agreement.** Heritage Revitalization Agreement (the "HRA") with the City of Vancouver (the "City") with respect to the Development. The Developer has been granted additional development rights (the "Additional Density") of 60,000 square feet of floor area which shall not be built out on the Lands as part of the Development but which shall be available for transfer to other development sites.

The Development must be preserved and the exterior of the Development maintained in good appearance and in good repair. The Development is the only building permitted on the Lands.

If the Development is damaged, it must be repaired if lawful and economic. In determining whether or not it is economic to repair, only land economic factors including the cost or repair, the cost of the replacement building to be constructed as required by the HRA, the market value of the replacement building after the completion of such repair and the fact that a heritage bonus density has been granted are to be considered.

Any permitted replacement of the Development shall be a building of similar massing, height and proportions as the original Development and the exterior façade of the replacement building must be a reasonable facsimile of the original Development.

**The Additional Density will be retained by the Developer. Purchasers of Strata Lots will not receive any rights to any of the Additional Density with the purchase of a Strata Lot.**

Charges, Liens and Interests:

4. Indemnity Agreement C63972 in favour of the City of Vancouver

This easement and indemnity agreement requires the owner to observe and perform the provisions of the indemnity agreement in return for the encroachment of two overhead bridges above the laneway. The agreement provides for an annual payment to the City of Vancouver, which has been subsequently amended to be a payment pursuant to the Encroachment Bylaw (see BP100790). The owner also agrees to indemnify the City for all claims arising from the City exercising its rights under this agreement or from any negligent acts or default of the owner. The agreement may be cancelled at any time by the City of Vancouver.

5. Easement and Indemnity Agreement BP100790

Modifies Indemnity Agreement C63972, in favour of the City of Vancouver. The two overhead bridges are closed and to be used as storage only. The easterly bridge is the sole responsibility of, and for the sole use of, the owner of the lands across the alley to the North of the Lands and the westerly bridge is for the sole responsibility of, and for the sole use of, the owner of the Lands. The annual fees payable to the City of Vancouver are those as set out in the Encroachment Bylaw.

6. Mortgage BW226354 and Assignment of Rents BW226355 in favour of Bancorp Investments (Fund 2) Ltd. and Bancorp Financial Services Inc. relating to the construction financing for the Development. **To be discharged from the Title of each Strata Lot upon transfer of Title to such Strata Lot to the Purchaser.**

7. Covenant BW311906 in favour of the City. **Public Open Space Agreement.** Agreement with the City designating the far westerly portion of the Lands (the "Right of Way Area"), formerly identified as Lot C Block 7 District Lot 196 Plan 21011, as public open space. The Right of Way Area shall not be used or built upon except as permitted by this covenant. The Owner will construct upon the Right of Way Area paved open areas and walkways and install gates with locking devices (together with fences) at the access points to the Right of Way Area. The City may determine at a future date that such gates are to be removed, at the expense of the property owner. It is the Owner's responsibility to maintain the Right of Way Area. The Right of Way Area will be closed to the general public for a period of 2 years from the issuance of the first Occupancy Permit by the City for the Development. Prior to the expiry of this 2 year period, the City will make a determination, in its sole discretion, whether access to the Right of Way Area will continue to be restricted; in reviewing the matter, the City will consult with the Strata Corporation and consider issues relevant

to the security of the occupants of the Development and users of the Right of Way Area.

8. Statutory Right of Way BW311908 in favour of the City. **Public Open Space Access Agreement.** Right of Way granted to the City for the purpose of carrying out to conclusion the obligations of the Owner pursuant to the Public Open Space Agreement and permitting, subject to the restrictions contained in the Public Open Space Agreement, access by the public to the Right of Way Area.
9. Priority Agreement BW311907 and BW311909 in favour of the City. **Public Open Space Agreement Priority.** Agreement granting the Public Open Space Agreement and the Public Open Space Access Agreement, respectively, priority over Mortgages BW226354 and BW226356 and Assignments of Rents BW226355 and BW226357 (Mortgage BW226356 and Assignment of Rents BW226357 are now discharged).
10. Covenant BW311910 in favour of the City. **Restoration Protection Agreement.** The owner covenants to undertake and prosecute to conclusion rehabilitation and restoration of the Development as required under Development Permit DE408005 and pursuant to the Heritage Revitalization Agreement.
11. Priority Agreement BW311911 in favour of the City. **Restoation Protection Agreement Priority.** Agreement granting the Restoration Protection Agreement priority over Mortgages BW226354 and BW226356 and Assignments of Rents BW226355 and BW226357 (Mortgage BW226356 and Assignment of Rents BW226357 are now discharged).
12. Covenant BW311912 in favour of the City. **Façade Agreement.** Agreement concerning the two East Cordova Street facades of the Development (the "Heritage Facades"). Upon the restoration of the Development and the restoration of the Heritage Facades, the Developer will receive a payment from the City.
13. Priority Agreement BW311913 in favour of the City. **Façade Agreement Priority.** Agreement granting the Façade Agreement priority over Mortgages BW226354 and BW226356 and Assignments of Rents BW226355 and BW226357 (Mortgage BW226356 and Assignment of Rents BW226357 are now discharged).
14. Modification Agreements BW438474 and BW438475. **Bancorp Mortgage Modification.** Agreement modifying Mortgage BW226354 and Assignment of Rents BW226355 (see paragraph 6 herein).
15. Mortgage BW440643 and Assignment of Rents BW440644 in favour of Peoples Trust Company relating to the construction financing for the Development. **To be discharged from the Title of each Strata Lot upon transfer of Title to such Strata Lot to the Purchaser.**
16. Priority Agreement BW440645 granting BW440643 (see paragraph 15 herein) priority over BW226354 and over BW226355 (see paragraph 6 herein).
17. Priority Agreement BW440646 granting BW440644 (see paragraph 15 herein) priority over BW226354 and over BW226355 (see paragraph 6 herein).

18. Covenant BA509578 in favour of the City. **Encroachment Easement Dominant Tenement Owner's Covenants** (see BA509577). Covenants in favour of the City concerning the maintenance and use of the Building, as the dominant tenement in easement BA509577, together with a release and indemnity in favour of the City.
19. Statutory Right of Way BA509580 in favour of the City. **Encroachment Easement Access**. Agreement granting the City access to carry out any obligations of the owner as set out in Encroachment Easement BA509577.
20. Equitable Charge BA509582 in favour of the City. **Encroachment Easement Equitable Charge**. Equitable charge granted to the City of Vancouver securing the payment of all monies that the dominant tenement owner may be required to pay to the City.
21. Priority Agreements BA509579, BA509581 and BA509583 in favour of the City. **Encroachment Easement Priorities**. Agreement granting Encroachment Easement Dominant Tenement Owner's Covenants, the Encroachment Easement Access and the Encroachment Easement Equitable Charge, respectively, priority over Mortgages BW226354 and BW440643 and Assignments of Rents BW226355 and BW440644.
22. Easement and Indemnity Agreement BA514413 in favour of the City. **Fire Escape Encroachment Easement and Indemnity Agreement**. Easement and indemnity agreement requiring the owner to observe and perform the provisions of the Encroachment Bylaw in return for the encroachment of the demountable, decorative fire escape encroaching onto Cordova Street. The owner agrees to indemnify the City for all claims arising from the City exercising its rights under this agreement or from any negligent acts or default of the owner. The agreement may be cancelled at any time by the City.
23. Statutory Right of Way BA514415 in favour of the City. **Fire Escape Encroachment Easement and Indemnity Agreement Statutory Right of Way**. Right of way granted to the City to enter upon the Lands to carry out any obligations of the owner under the Fire Escape Encroachment Easement and Indemnity Agreement that the owner fails to fulfill, observe or perform to the satisfaction of the City Engineer.
24. Equitable Charge BA514417 in favour of the City. **Fire Escape Encroachment Easement and Indemnity Agreement Equitable Charge**. Equitable charge granted to the City as security for the payment of all sums that at any time may be payable to the City pursuant to the Fire Escape Encroachment Easement and Indemnity Agreement.
25. Priority Agreements BA514414, BA514416 and BA514418. **Fire Escape Encroachment Easement and Indemnity Agreement Priorities**. Agreement granting Fire Escape Encroachment Easement and Indemnity Agreement, Fire Escape Encroachment Easement and Indemnity Agreement Statutory Right of Way, and Fire Escape Encroachment Easement and Indemnity Agreement Equitable Charge,

respectively, priority over Mortgages BW226354 and BW440643 and Assignments of Rents BW226355 and BW440644.

26. Easement and Indemnity Agreement BA514419 in favour of the City. **Water Tower Platform Easement and Indemnity Agreement.** Easement and indemnity agreement requiring the owner to observe and perform the provisions of the Encroachment Bylaw in return for the encroachment of the water tower platform encroaching onto the lane north of Cordova Street. The owner agrees to indemnify the City for all claims arising from the City exercising its rights under this agreement or from any negligent acts or default of the owner. The agreement may be cancelled at any time by the City.
27. Statutory Right of Way BA514421 in favour of the City. **Water Tower Platform Easement and Indemnity Agreement Statutory Right of Way.** Right of way granted to the City to enter upon the Lands to carry out any obligations of the owner under the Water Tower Platform Easement and Indemnity Agreement that the owner fails to fulfill, observe or perform to the satisfaction of the City Engineer.
28. Equitable Charge BA514423 in favour of the City. **Water Tower Platform Easement and Indemnity Agreement Equitable Charge.** Equitable charge granted to the City as security for the payment of all sums that at any time may be payable to the City pursuant to the Water Tower Platform Easement and Indemnity Agreement.
29. Priority Agreements BA514420, BA514422 and BA514424. **Fire Escape Encroachment Easement and Indemnity Agreement Priorities.** Agreement granting Water Tower Platform Easement and Indemnity Agreement, Water Tower Platform Easement and Indemnity Agreement Statutory Right of Way, and Water Tower Platform Easement and Indemnity Agreement Equitable Charge, respectively, priority over Mortgages BW226354 and BW440643 and Assignments of Rents BW226355 and BW440644.
30. Lease BA412205 in favour of Koret Parking Ltd. **Parkade Lease.** Lease of that portion of the underground parking located on the Lands to Koret Parking Ltd., a company related to the Developer, as tenant, for the term set out in the Parkade Lease. The tenant has the right to partially assign or sublease the Parkade Lease pertaining to particular parking stalls. The area leased pursuant to the Parkade Lease has been designated as common property of the strata corporation, which common property is subject to the terms of this lease. Notwithstanding that the leased area has been leased to Koret Parking Ltd., the lease provides that the Developer, and, upon the subdivision of the Lands by way of strata plan, the strata corporation, will be solely responsible for the control, management and administration of the Parking Area (as defined in the Parkade Lease).

SCHEDULE "F"

**PROPOSED BUDGET AND MONTHLY MAINTENANCE FEES**

(see attached)

**KORET LOFTS  
PROPOSED ANNUAL BUDGET**

<b>Revenue</b>	
Assessments	371,122
<b>Total Revenue</b>	<u>371,122</u>
<b>Operating Expenses</b>	
Insurance	39,349
Management Fees	27,275
Office Services	3,750
Telephone	2,000
Security/Concierge	125,000
Electricity	14,000
Gas	37,000
Sewer	6,500
Water	12,000
Waste Removal	18,000
Recycling	2,000
Elevator	6,500
Pest control	2,000
Emergency Generator	1,500
Fire Service	4,000
Fire Monitoring	1,510
Janitorial Contract	10,000
Cleaning and Supplies	6,000
Repairs and Maintenance	12,000
Landscaping	5,000
Miscellaneous	2,000
<b>Total Operating Expenses</b>	337,384
<b>Gross Profit/(loss)</b>	33,738
Contingency Reserve (10%)	33,738
<b>Cash Flow</b>	<u><u>0</u></u>



**Koret Lofts**  
 55 East Cordova Street, Vancouver, BC V6A 1V3  
 2006 - 2007 Proposed Strata Fees

Strata Lot No.	Sheet No.	Habitable Area in m <sup>2</sup>	Unit Entitlement	%* of Total Unit Entitlement	Annual	Monthly
1	3, 4	160.4	160	1.40%	\$5,194.60	\$432.88
2	3, 4	100.4	100	0.87%	\$3,246.63	\$270.55
3	3, 4	91.9	92	0.80%	\$2,986.90	\$248.91
4	3, 4	91.0	91	0.80%	\$2,954.43	\$246.20
5	3, 4	132.8	133	1.16%	\$4,318.01	\$359.83
6	3, 4	144.8	145	1.27%	\$4,707.61	\$392.30
7	3, 4	148.4	148	1.29%	\$4,805.01	\$400.42
8	3, 4	160.6	161	1.41%	\$5,227.07	\$435.59
9	3, 4	129.6	130	1.14%	\$4,220.62	\$351.72
10	3, 4	143.0	143	1.25%	\$4,642.68	\$386.89
11	3, 4	143.0	143	1.25%	\$4,642.68	\$386.89
12	3, 4	139.8	140	1.22%	\$4,545.28	\$378.77
13	3, 4	149.2	149	1.30%	\$4,837.48	\$403.12
14	3, 4	120.1	120	1.05%	\$3,895.95	\$324.66
15	3, 4	189.4	189	1.65%	\$6,136.13	\$511.34
16	3, 4	104.1	104	0.91%	\$3,376.49	\$281.37
17	3, 4	97.4	97	0.85%	\$3,149.23	\$262.44
18	3, 4	112.1	112	0.98%	\$3,636.22	\$303.02
19	5	96.2	96	0.84%	\$3,116.76	\$259.73
20	5	76.7	77	0.67%	\$2,499.90	\$208.33
21	5	63.8	64	0.56%	\$2,077.84	\$173.15
22	5	60.9	61	0.53%	\$1,980.44	\$165.04
23	5	72.8	73	0.64%	\$2,370.04	\$197.50
24	5	87.2	87	0.76%	\$2,824.57	\$235.38
25	5	84.6	85	0.74%	\$2,759.63	\$229.97
26	5	100.8	101	0.88%	\$3,279.09	\$273.26
27	5	94.0	94	0.82%	\$3,051.83	\$254.32
28	5	85.8	86	0.75%	\$2,792.10	\$232.68
29	5	127.6	128	1.12%	\$4,155.68	\$346.31
30	5	62.2	62	0.54%	\$2,012.91	\$167.74
31	5	65.2	65	0.57%	\$2,110.31	\$175.86
32	5	73.6	74	0.65%	\$2,402.50	\$200.21
33	5	127.5	128	1.12%	\$4,155.68	\$346.31
34	5	90.7	91	0.80%	\$2,954.43	\$246.20
35	5	84.5	85	0.74%	\$2,759.63	\$229.97
36	5	99.5	100	0.87%	\$3,246.63	\$270.55
37	5	110.7	111	0.97%	\$3,603.76	\$300.31
38	5	82.7	83	0.73%	\$2,694.70	\$224.56
39	5	67.7	68	0.59%	\$2,207.71	\$183.98
40	5	78.6	79	0.69%	\$2,564.84	\$213.74

**Koret Lofts**  
 55 East Cordova Street, Vancouver, BC V6A 1V3  
 2006 - 2007 Proposed Strata Fees

Strata Lot No.	Sheet No.	Habitable Area in m <sup>2</sup>	Unit Entitlement	%* of Total Unit Entitlement	Annual	Monthly
41	6	96.8	97	0.85%	\$3,149.23	\$262.44
42	6	76.6	77	0.67%	\$2,499.90	\$208.33
43	6	63.8	64	0.56%	\$2,077.84	\$173.15
44	6	60.3	60	0.52%	\$1,947.98	\$162.33
45	6	73.0	73	0.64%	\$2,370.04	\$197.50
46	6	86.6	87	0.76%	\$2,824.57	\$235.38
47	6	84.7	85	0.74%	\$2,759.63	\$229.97
48	6	100.3	100	0.87%	\$3,246.63	\$270.55
49	6	92.9	93	0.81%	\$3,019.36	\$251.61
50	6	93.2	93	0.81%	\$3,019.36	\$251.61
51	6	127.4	127	1.11%	\$4,123.22	\$343.60
52	6	62.0	62	0.54%	\$2,012.91	\$167.74
53	6	64.6	65	0.57%	\$2,110.31	\$175.86
54	6	73.5	74	0.65%	\$2,402.50	\$200.21
55	6	127.5	128	1.12%	\$4,155.68	\$346.31
56	6	90.8	91	0.80%	\$2,954.43	\$246.20
57	6	85.2	85	0.74%	\$2,759.63	\$229.97
58	6	99.4	99	0.87%	\$3,214.16	\$267.85
59	6	110.7	111	0.97%	\$3,603.76	\$300.31
60	6	81.5	82	0.72%	\$2,662.23	\$221.85
61	6	68.1	68	0.59%	\$2,207.71	\$183.98
62	6	79.1	79	0.69%	\$2,564.84	\$213.74
63	7	97.3	97	0.85%	\$3,149.23	\$262.44
64	7	76.3	76	0.66%	\$2,467.44	\$205.62
65	7	62.7	63	0.55%	\$2,045.38	\$170.45
66	7	61.8	62	0.54%	\$2,012.91	\$167.74
67	7	73.2	73	0.64%	\$2,370.04	\$197.50
68	7	86.6	87	0.76%	\$2,824.57	\$235.38
69	7	85.5	86	0.75%	\$2,792.10	\$232.68
70	7	101.8	102	0.89%	\$3,311.56	\$275.96
71	7	93.8	94	0.82%	\$3,051.83	\$254.32
72	7	92.4	92	0.80%	\$2,986.90	\$248.91
73	7	128.1	128	1.12%	\$4,155.68	\$346.31
74	7	61.9	62	0.54%	\$2,012.91	\$167.74
75	7	65.0	65	0.57%	\$2,110.31	\$175.86
76	7	73.6	74	0.65%	\$2,402.50	\$200.21
77	7	127.2	127	1.11%	\$4,123.22	\$343.60
78	7	90.3	90	0.79%	\$2,921.96	\$243.50
79	7	84.9	85	0.74%	\$2,759.63	\$229.97
80	7	100.2	100	0.87%	\$3,246.63	\$270.55

**Koret Lofts**  
 55 East Cordova Street, Vancouver, BC V6A 1V3  
 2006 - 2007 Proposed Strata Fees

Strata Lot No.	Sheet No.	Habitable Area in m <sup>2</sup>	Unit Entitlement	%* of Total Unit Entitlement	Annual	Monthly
81	7	110.1	110	0.96%	\$3,571.29	\$297.61
82	7	81.4	81	0.71%	\$2,629.77	\$219.15
83	7	68.2	68	0.59%	\$2,207.71	\$183.98
84	7	76.9	77	0.67%	\$2,499.90	\$208.33
85	8	97.0	97	0.85%	\$3,149.23	\$262.44
86	8	76.1	76	0.66%	\$2,467.44	\$205.62
87	8	62.3	62	0.54%	\$2,012.91	\$167.74
88	8	61.8	62	0.54%	\$2,012.91	\$167.74
89	8	73.2	73	0.64%	\$2,370.04	\$197.50
90	8	86.4	86	0.75%	\$2,792.10	\$232.68
91	8	85.5	86	0.75%	\$2,792.10	\$232.68
92	8	102.4	102	0.89%	\$3,311.56	\$275.96
93	8	93.7	94	0.82%	\$3,051.83	\$254.32
94	8	92.4	92	0.80%	\$2,986.90	\$248.91
95	8	128.0	128	1.12%	\$4,155.68	\$346.31
96	8	62.5	63	0.55%	\$2,045.38	\$170.45
97	8	65.1	65	0.57%	\$2,110.31	\$175.86
98	8	73.1	73	0.64%	\$2,370.04	\$197.50
99	8	127.0	127	1.11%	\$4,123.22	\$343.60
100	8	91.0	91	0.80%	\$2,954.43	\$246.20
101	8	85.0	85	0.74%	\$2,759.63	\$229.97
102	8	100.1	100	0.87%	\$3,246.63	\$270.55
103	8	110.0	110	0.96%	\$3,571.29	\$297.61
104	8	80.8	81	0.71%	\$2,629.77	\$219.15
105	8	69.2	69	0.60%	\$2,240.17	\$186.68
106	8	77.8	78	0.68%	\$2,532.37	\$211.03
107	9	137.7	138	1.21%	\$4,480.35	\$373.36
108	9	93.7	94	0.82%	\$3,051.83	\$254.32
109	9	127.7	128	1.12%	\$4,155.68	\$346.31
110	9	143.0	143	1.25%	\$4,642.68	\$386.89
111	9	116.5	117	1.02%	\$3,798.55	\$316.55
112	9	126.3	126	1.10%	\$4,090.75	\$340.90
113	9	122.8	123	1.08%	\$3,993.35	\$332.78
114	9	185.5	186	1.63%	\$6,038.73	\$503.23
115	9	128.5	129	1.13%	\$4,188.15	\$349.01
116	9	127.7	128	1.12%	\$4,155.68	\$346.31
117	9	92.4	92	0.80%	\$2,986.90	\$248.91
118	9	72.5	73	0.64%	\$2,370.04	\$197.50
<b>Total no. of strata lots:</b>			<b>Total Unit Entitlement:</b>		<b>Annual Total Strata Fee:</b>	<b>Monthly Total Strata Fees:</b>
118			11431		\$371,122.02	\$30,926.84

SCHEDULE "T"

**PARKING STALL LEASE**

(see attached)

GENERAL INSTRUMENT – PART 2  
PARKING AREA LEASE

THIS AGREEMENT made as of the 1st day of August, 2006.

BETWEEN:

KORET LOFTS LTD., having its registered and records  
office at 108 – 329 Main Street, Vancouver, British Columbia, V6A 2S9  
(Incorporation Number BC0681452)

(the “Owner”)

AND:

KORET PARKING COMPANY LTD., having its registered and  
records office at 108 – 329 Main Street, Vancouver, British Columbia,  
V6A 2S9 (Incorporation Number BC0758484)

(the “Tenant”)

WHEREAS:

- A. The Owner is the registered owner of certain lands and premises located in Vancouver, British Columbia, and legally described as:

Lot W  
Block 7  
District Lot 196  
Group 1  
New Westminster District Plan BCP13893

PID: 026-081-113

(the “Lands”)

- B. The Owner has agreed to lease to the Tenant the underground parking (the “Parking Area”) which is located on the Lands and shown outlined in heavy black line on Explanatory Plan BCP 25352 attached hereto as Schedule A, all on the terms and conditions set out in this Lease and with the right of the Tenant to grant a partial assignment or sublease of this Lease pertaining to particular parking stalls (collectively, the “Leased Stalls” and each a “Leased Stall”);

- C. After entering into this Lease, the Owner proposes to subdivide the Lands by means of a strata plan (the "Strata Plan") pursuant to the Strata Property Act (British Columbia) (the "Act") to create a strata development (the "Strata Development") on the Lands;
- D. The Strata Plan will designate the Parking Area as Common Property of the strata corporation (the "Strata Corporation") formed upon the deposit for registration of the Strata Plan in the appropriate Land Title Office; and
- E. Each of the parties to this Lease agree that title to the Common Property of the Strata Corporation will be encumbered by this Lease as it pertains to the Lease Stalls and, if applicable, will enter into a document securing or evidencing this Lease.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the premises and the sum of \$10.00 of lawful money of Canada now paid by the Tenant to the Owner, the receipt and sufficiency of which is hereby acknowledged by the Owner, and in consideration of the mutual premises and agreements set forth in this Lease, the parties agree with each other as follows:

1. GRANT AND TERM

1.1. Grant

The Owner hereby leases to the Tenant for the Term (as defined in section 1.2) all of the Leased Stalls on the terms and conditions contained herein.

1.2. Term

The Term (the "Term") of this Lease will commence of the 1<sup>st</sup> day of August, 2006 (the "Commencement Date"), and terminate on the earlier of:

- (a) the 99<sup>th</sup> anniversary of the Commencement Date;
- (b) the date the Strata Corporation is dissolved; and
- (c) the date the registrar of the appropriate Land Title Office makes an order under section 275 of the Strata Property Act of cancellation of the Strata Plan.

1.3. Rent

The parties to this Lease acknowledge that the sum of \$10.00 now paid by the Tenant to the Owner will be the only payment required to be paid to the Owner by either the Tenant or any assignee of a partial assignment or sublease of rights under this Lease for the use and enjoyment of the Leased Stalls, and that no further payment to the Owner is required for any partial assignment or sublease or rights under this Lease.

1.4. Licence

Owner agrees that the Tenant may at all times, in common with Owner and all other persons now or hereafter having the express or implied permission of Owner or having a similar right, enter upon and pass over any part of the Lands designated as drive aisles, roadways or walkways for the purpose of obtaining access to or egress from the Parking Area or a particular Leased Stall,

provided that the operation of vehicles be restricted to roadways and access by foot be restricted to pedestrian walkways and stairs.

## 2. SUBDIVISION BY STRATA PLAN

### 2.1 Strata Plan

This Lease and the covenants and obligations of the Owner under this Lease run with and bind the Lands, and upon the subdivision of the Lands by means of the Strata Plan such covenants and obligations will:

- (a) continue to run with and bind each subdivided parcel or part thereof which contains a Leased the Parking Facility; and
- (b) be automatically assumed by the Strata Corporation as the representative of the owners of strata lots within the Strata Plan;
- (c) at which time the Owner will be automatically and absolutely released from any obligations or liabilities hereunder.

### 2.2 Common Property

This Lease is intended to burden only that portion of the Lands which will become Common Property of the Strata Corporation upon deposit for registration of the Strata Plan and not at any time to burden the title to any individual strata lot created upon deposit for registration of the Strata Plan.

## 3. MAINTENANCE AND ENCUMBRANCES

### 3.1 Maintenance

The Owner confirms that until the deposit for registration of the Strata Plan, subject to the terms of this Lease, the Owner will be solely responsible for the control, management and administration of the Parking Area, including all of the Leased Stalls, but thereafter, pursuant to section 2 above the Strata Corporation, subject to the terms of this Lease, will assume full responsibility for the control, management and administration of the Parking Area, including the Leased Stalls, as Common Property in accordance with the provision of the Strata Property Act (British Columbia) and may pass bylaws or make rules and regulations with respect to the Parking Area and the Leased Stalls, as long as such bylaws, rules and regulations:

- (a) do not materially interfere with the rights of the Tenant or any subsequent assignee under this Lease;
- (b) are of general application to all areas in the Parking Area and all users of the Parking Area; and
- (c) are fairly and unilaterally enforced with respect to all areas in and all users of the Parking Area; and
- (d) do not interfere with the Tenant' or any subsequent assignee's or subtenant's right of continuous uninterrupted access to the Leased Stalls or any part thereof during the Term.

### 3.2 Alterations

The Tenant, its successors and permitted assign, are not entitled or required to maintain, or to perform any repairs or alterations of any sort whatsoever to, the Leased Stalls, or any other part of the Parking Area. Any such maintenance or repairs are the sole responsibility of the Owner prior to the registration of the Strata Plan, and thereafter the sole responsibility of the Strata Corporation.

### 3.3 Subordination

The Tenant agrees to subordinate its interest pursuant to this Lease to any financial encumbrance registered by the Owner against title to all or any portion of the Lands provided the holder of the encumbrance agrees to recognize and not foreclose the Tenant's interest hereunder as long as the Tenant is not in default hereunder.

### 3.4 No Right to Encumber

The Tenant, its successors and assigns, are not entitled to mortgage, charge, pledge or otherwise grant their interest in any Leased Stalls as security to any person.

## 4. ASSIGNMENT

### 4.1 Partial Assignments

The Tenant may partially assign this Lease and its rights under this Lease pertaining to particular Leased Stalls to purchasers of strata lots within the Strata Development, to the Strata Corporation. Any such assignment will be for such consideration as the Tenant may in its sole discretion determine, which consideration may be retained by the Tenant for its own benefit. Any partial assignment by the Tenant, or by any subsequent assignee, of this Lease and its rights under this Lease pertaining to a particular Leased Stall:

- (a) will be absolute, and subject to the bylaws, rules and regulations of the Strata Corporation to the extent permitted by section 3.1, the assignee and its guests, lessees, successors and permitted assigns will be entitled to the use and enjoyment of the Leased Stalls so assigned for the balance of the Term or the sublease term, as the case may be;
- (b) will be an assignment of rights to which an assignee or subtenant will only be entitled for so long as such assignee owns a strata lot within the Strata Development unless the assignment is to the Strata Corporation;
- (c) may only be assigned or sublet to an owner or purchaser of a strata lot within the Strata Development or to the Strata Corporation; and
- (d) will not be effective until written notice of such assignment or sublease (together with a copy of such assignment or sublease if available) is delivered by the assignee to the Strata Corporation, subject to section 4.2 of this Lease.

### 4.2 Automatic Assignment



If a holder of an interest in a Leased Stall sells all of his or her interest in a strata lot within the Strata Development to which such Lease Stall is at such time appurtenant as shown on the register maintained under section 4.7 without concurrently executing an assignment of such Leased Stall to another owner or purchaser of a strata lot within the Strata Development, then the interest of such holder in such Leased Stall will be deemed to have been automatically assigned to and assumed by the transferee of such strata lot without execution of a partial assignment of this Lease with respect to such Leased Stall or delivery of notice of such partial assignment to the Strata Corporation.

#### 4.3 Exchanges and Transfers

- (a) A holder of an interest (the "First Owner") in a Leased Stall (the "First Resident Stall") may exchange his or her interest in the First Resident Stall with the holder of an interest (the "Second Owner") in a different Leased Stall (the "Second Resident Stall") for such consideration as the First Owner and the Second Owner may agree. Such an exchange will be accomplished by the First Owner partially assigning this Lease to the Second Owner in respect of the First Resident Stall, and the Second Owner partially assigning this Lease to the First Owner in respect of the Second Resident Stall. The First Owner and the Second Owner will each execute a partial assignment of this Lease substantially in the form attached hereto as Schedule B. The exchange will be on the terms set out in sections 4.1(a) to (c) and will not be effective until written notice of each assignment (together with a copy of each assignment) is delivered to the Strata Corporation. For greater certainty, section 4.2 will not apply to exchanges under this section 4.3(a).
- (b) A holder of an interest (the "First Owner") in a Leased Stall may transfer his or her interest in such Leased Stall to an owner of a strata lot within the Strata Development or, to the Strata Corporation (the "Second Owner") for such consideration as the First Owner may in his or her discretion determine provided that following the transfer, the First Owner is left with an interest in at least one Leased Stall. Such a transfer will be accomplished by the First Owner partially assigning this Lease to the Second Owner and, in connection therewith, the First Owner will execute a partial assignment substantially in the form attached hereto as Schedule B. The transfer will be on the terms set out in sections 4.1(a) to (c) and will not be effective until written notice of the assignment (together with a copy of the assignment) is delivered to the Strata Corporation. For greater certainty, section 4.2 will not apply to transfers under this section 4.3(b).

#### 4.4 Consents

The consent of the Strata Corporation will not be required for any partial assignment or sublease of this Lease. The Strata Corporation may not interfere with or attempt to interrupt or terminate the rights of an assignee under any such assignment or a subtenant except as expressly agreed by such assignee or subtenant.

#### 4.5 Form of Partial Assignments

Subject to section 4.2, all partial assignments of this Lease will be substantially in the form attached hereto as Schedule B. No such partial assignment will be registrable by an assignee in any Land Title Office.

#### 4.6 Release of Assignors

Upon the partial assignment (including an automatic assignment pursuant to section 4.2) of this Lease pertaining to a Leased Stall, the Tenant and any subsequent assignor of an interest in such Leased Stall will be automatically and absolutely released from any obligations or liabilities under this Lease pertaining to such Leased Stall.

#### 4.7 Register of Partial Assignments

The Tenant, and after the registration of the Strata Plan the Strata Corporation, will maintain a register of all Leased Stalls and will record on such register each partial assignment of this Lease, indication:

- (a) the number of the Leased Stall assigned or sublet;
- (b) the date of assignment or sublease;
- (c) the name and address of the assignee or subtenant; and
- (d) the number of the strata lot within the Strata Development owned by the assignee or subtenant to which such Leased Stall is at the time appurtenant, unless the assignee or subtenant is the Strata Corporation in which event the Leased Stall need not be appurtenant to a strata lot.

Upon request by any owner or prospective purchaser of a strata lot within the Strata Development, the Strata Corporation will provide a certificate, within seven days of receipt of such request, certifying the name and address of the owner to whom a particular Leased Stall is assigned and the number of the strata lot within the Strata Development to which such Leased Stall is at the time appurtenant. The Strata Corporation may require a fee of not more than \$10, or a greater amount reasonably prescribed by the bylaws of the Strata Corporation, from the person requesting such certificate. Upon the Strata Corporation becoming aware of a partial assignment pertaining to a particular Leased Stall under sections 4.1 or 4.2 the Strata Corporation will amend the register accordingly.

#### 4.8 Access Devices

The Tenant and, after the registration of the Strata Plan, the Strata Corporation shall provide each holder of an interest in a Leased Stall with a reasonable number of keys and such other devices as are required to access the Leased Stalls, subject to payment of a reasonable fee as determined by the Strata Corporation from time to time, provided that such fee shall be the same for each holder of an interest in a Leased Stall.

### 5. MISCELLANEOUS

#### 5.1 Form of Agreement

Each of the parties hereto agree to amend the form of this Lease to meet the requirements of the Registrar of the Land Title Office or of any governmental or public authority or as otherwise necessary to conform unto the parties the rights granted in this Lease, or to register this Lease in the appropriate offices of public record, including the Land Title Office.

5.2 Definitions

Any term defined in the recitals to this Lease will have the same meaning throughout this Lease, unless otherwise defined.

5.3 Enurement

This Lease will enure to the benefit of and be binding upon each of the parties hereto and their respective successors and permitted assigns.

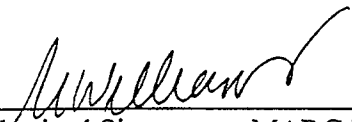
5.4 Severability

If any provision of this Agreement or part hereof is found to be invalid or unenforceable, then the remaining parts of this Agreement will remain unaltered and continue in full force and effect.

IN WITNESS WHEREOF the parties hereto have executed this Lease by their respective duly authorized signatories effective as of the year and date first above written.


KORET LOFTS LTD.

Per:

  
\_\_\_\_\_  
Authorized Signatory – MARC WILLIAMS

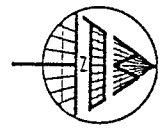
KORET PARKING COMPANY LTD.

Per:

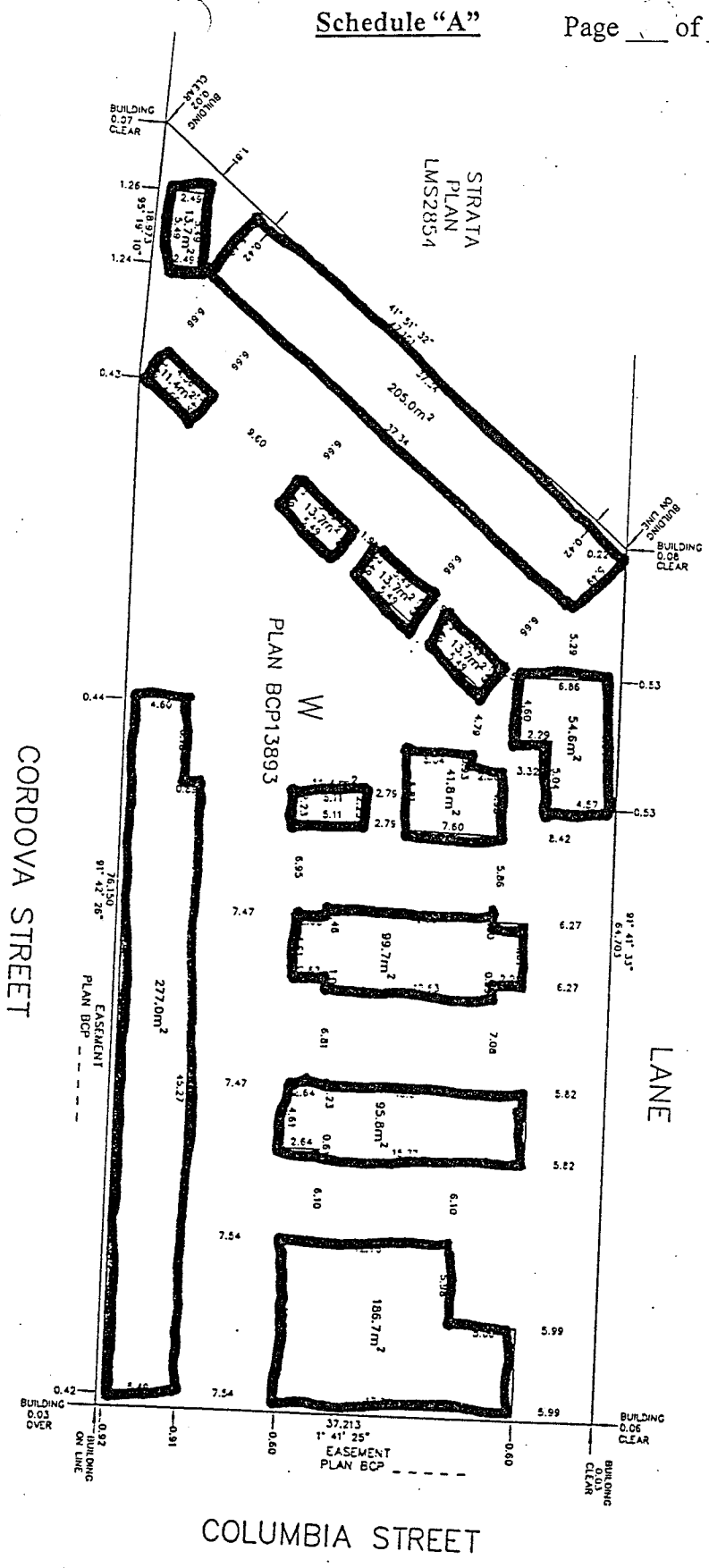
  
\_\_\_\_\_  
Authorized Signatory – MARC WILLIAMS

EXPLANATORY PLAN TO ACCOMPANY LEASE OF PARTS OF THE PARKING LEVEL OF A MULTI-STORY BUILDING ON LOT W BLOCK 7 DISTRICT LOT 196 GROUP ONE NEW WESTMINSTER DISTRICT PLAN BCP13893

PLAN BCP  
REF. No.  
DEPOSITED IN THE LAND TITLE OFFICE AT NEW WESTMINSTER, B.C. THIS DAY OF 2006.



Schedule "A"



CORDOVA STREET

COLUMBIA STREET

LANE

MATSON PECK & TOPUSS  
SURVEYORS & ENGINEERS  
210 - 8171 COOK ROAD  
VICTORIA, B.C.  
V8V 3T8  
TEL: 604-270-8311  
FAX: 604-270-4137

LEGEND  
SCALE 1:250  
ALL DIMENSIONS ARE IN METRES  
AND BEARINGS AND DISTANCES ARE DERIVED FROM PLAN BCP13893  
m² = SQUARE METRES  
LEASE DIMENSIONS DELINEATES PARKING AREAS  
TOTAL LEASE AREA = 1038.2 m²

CERTIFIED CORRECT IN ACCORDANCE WITH LAND TITLE OFFICE RECORDS THIS 8th DAY OF JULY, 2006.  
THE PLAN WAS COMPLETED AND CHECKED, AND THE CHECKLIST FILED UNDER #31098 ON THE 8th DAY OF JULY, 2006.

WILLIAM P. WONG  
B.C.L.S.(/697)

ARTICLE 14061-PARKING LEASE  
V-06-14061-PARKING LEASE

SCHEDULE B

**PARKING STALL/STORAGE LOCKER ASSIGNMENT**

BETWEEN:

◆

(the "Assignor")

AND:

◆

(the "Assignee")

RE: Parking Stall No. \_\_\_\_\_ (the "Parking Stall") shown on the plan attached to the lease (the "Lease") dated August 1, 2006 between Koret Lofts Ltd. as lessor and KORET PARKING COMPANY LTD. as lessee, which has been partially assigned with respect to the Parking Stall to the Assignor, being the Owner of Strata Lot \_\_\_\_\_.

IN CONSIDERATION of the covenants and agreements set forth in this Agreement, the parties agree with each other as follows:

**1. ASSIGNMENT**

The Assignor hereby assigns to the Assignee all of the Assignor's right, title and interest in the Lease pertaining exclusively to the Parking Stall for the balance of the Term (as defined in the Lease). Subject to section 4.2 of the Lease, this Assignment will not be effective until the Assignee has given a copy of this Assignment to the Strata Corporation, as defined in the Lease (the "Strata Corporation"). The Assignor has no obligation to execute this Assignment in registrable form or to provide the Assignee with a registrable plan of the Parking Stall.

**2. ASSIGNMENT CONTINGENT UPON STRATA LOT OWNERSHIP**

The Assignee, its successors, permitted assigns, heirs, executors or administrators will only be entitled to the rights with respect to the Parking Stall for as long as the Assignee owns the Strata Lot, provided, however, that this section shall not apply in respect of any assignment made to the Strata Corporation.

**3. COMPLIANCE**

The Assignee agrees to use the Parking Stall in accordance with the bylaws, rules and regulations of the Strata Corporation.

4. SALE OR DISPOSITION

The Assignee may only assign its right under this Agreement in accordance with the Lease.

5. ACKNOWLEDGMENT

The Assignee acknowledges having received a copy of the Lease and agrees to be fully bound by its terms.

6. ENUREMENT

This Assignment will enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

THE PARTIES HERETO have executed this Agreement effective as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Assignor

\_\_\_\_\_  
Assignee

END OF DOCUMENT

SCHEDULE "J"

**PARKING STALL ASSIGNMENT**

(see attached)

SCHEDULE B

PARKING STALL/STORAGE LOCKER ASSIGNMENT

BETWEEN:

◆

(the "Assignor")

AND:

◆

(the "Assignee")

RE: Parking Stall No. \_\_\_\_\_ (the "Parking Stall") shown on the plan attached to the lease (the "Lease") dated August 1, 2006 between Koret Lofts Ltd. as lessor and KORET PARKING COMPANY LTD. as lessee, which has been partially assigned with respect to the Parking Stall to the Assignor, being the Owner of Strata Lot \_\_\_\_\_.

IN CONSIDERATION of the covenants and agreements set forth in this Agreement, the parties agree with each other as follows:

**1. ASSIGNMENT**

The Assignor hereby assigns to the Assignee all of the Assignor's right, title and interest in the Lease pertaining exclusively to the Parking Stall for the balance of the Term (as defined in the Lease). Subject to section 4.2 of the Lease, this Assignment will not be effective until the Assignee has given a copy of this Assignment to the Strata Corporation, as defined in the Lease (the "Strata Corporation"). The Assignor has no obligation to execute this Assignment in registrable form or to provide the Assignee with a registrable plan of the Parking Stall.

**2. ASSIGNMENT CONTINGENT UPON STRATA LOT OWNERSHIP**

The Assignee, its successors, permitted assigns, heirs, executors or administrators will only be entitled to the rights with respect to the Parking Stall for as long as the Assignee owns the Strata Lot, provided, however, that this section shall not apply in respect of any assignment made to the Strata Corporation.

**3. COMPLIANCE**



The Assignee agrees to use the Parking Stall in accordance with the bylaws, rules and regulations of the Strata Corporation.

4. SALE OR DISPOSITION

The Assignee may only assign its right under this Agreement in accordance with the Lease.

5. ACKNOWLEDGMENT

The Assignee acknowledges having received a copy of the Lease and agrees to be fully bound by its items.

6. ENUREMENT

This Assignment will enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

THE PARTIES HERETO have executed this Agreement effective as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Assignor

\_\_\_\_\_  
Assignee

END OF DOCUMENT