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FORM 17

APPLICATION

1210.00
TS

NOTE: Before submitting this application, applicants must satisfy themselves as to the tax position, including taxes of the Crown provincial, a municipality, and improvement, water, and irrigation districts.

NATURE OF INTEREST:

CHARGE: Ground Lease
True Value: Market Valuation
Determination
\$1,200,000.

HEREWITH FEES OF \$1,210.

Address of person entitled to be registered as owner, if different than that shown in instrument:

Legal description, if not shown in instrument being submitted with this application:

Full name, address, telephone number of person presenting application: Barry D. Chase, Ladner Downs, Barristers and Solicitors 2100 - 700 West Georgia Street, Vancouver, British Columbia V7Y 1A8 687-5744

PACIFIC COAST TITLE
SEARCH LIMITED

Barry D. Chase
(Signature of ~~XXXXXX~~ solicitor
~~XXXXXXXXXXXXXXXXXXXX~~)

LAND TITLE ACT
FORM 1 - SECTION 24
MEMORANDUM OF REGISTRATION
REGISTERED

Application received on the
16th day of August 1985
at Vancouver, B.C.

GROUND LEASE

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GROUND LEASE

THIS INDENTURE made as of the 28th day of June,
1985.

BETWEEN:

BRITISH COLUMBIA PLACE LTD., having an
office at 21st Floor, 650 West Georgia
Street, Vancouver, British Columbia, V6B 4N9

(hereinafter called the "Landlord")

OF THE FIRST PART,

AND:

NOTE:
INC. NO.
SHOULD BE
296747

FAMA HOLDINGS LTD., having an office at
Suite 801, Kapilano 100, West Vancouver,
British Columbia, V7T 1A2, (British Columbia
Certificate of Incorporation No. 196,600),

See ATTACHED (hereinafter called the "Tenant")

CERT. FROM
REG. OF COMPANIES

OF THE SECOND PART.

WHEREAS the Landlord is the owner of the Lands (herein
defined), together with all improvements presently standing thereon;

AND WHEREAS the Landlord has agreed to lease to the Tenant
the Lands for the Term (herein defined) in order that the Tenant may
erect the Building (herein defined) on the Lands and convert this
lease under Section 96(1) of the Condominium Act and use, occupy and
enjoy the Lands and the Building erected thereon for the Term, all
upon the terms and conditions and subject to the provisos herein
contained;

NOW THIS INDENTURE WITNESSES that in consideration of the
rents, covenants and agreements hereinafter reserved and contained
and on the part of the Tenant to be paid, observed and performed,
the Landlord has demised and leased and by these presents does
demise and lease unto the Tenant and the Tenant does hereby take and
rent upon and subject to the conditions hereinafter expressed the
Lands.

TO HAVE AND TO HOLD the Lands for and during the Term;

YIELDING AND PAYING to the Landlord in each and every of
the years during the Term Rent as hereinafter provided.

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(hereinafter called the "Landlord")

OF THE FIRST PART,

AND:

NOTE:

INC. NO.

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296747

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FAMA HOLDINGS LTD., having an office at
Suite 801, Kapilano 100, West Vancouver,
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Certificate of Incorporation No. 196,600),

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OF THE SECOND PART.

WHEREAS the Landlord is the owner of the Lands (herein
defined), together with all improvements presently standing thereon;

AND WHEREAS the Landlord has agreed to lease to the Tenant
the Lands for the Term (herein defined) in order that the Tenant may
erect the Building (herein defined) on the Lands and convert this
lease under Section 96(1) of the Condominium Act and use, occupy and
enjoy the Lands and the Building erected thereon for the Term, all
upon the terms and conditions and subject to the provisos herein
contained;

NOW THIS INDENTURE WITNESSES that in consideration of the
rents, covenants and agreements hereinafter reserved and contained
and on the part of the Tenant to be paid, observed and performed,
the Landlord has demised and leased and by these presents does
demise and lease unto the Tenant and the Tenant does hereby take and
rent upon and subject to the conditions hereinafter expressed the
Lands.

TO HAVE AND TO HOLD the Lands for and during the Term;

YIELDING AND PAYING to the Landlord in each and every of
the years during the Term Rent as hereinafter provided.

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This lease is made upon and subject to the following covenants and conditions which each of the Landlord and the Tenant respectively covenants and agrees to keep, observe and perform to the extent that the same are binding or expressed to be binding upon it.

ARTICLE I
DEFINITIONS

Section 1.01

For all purposes of this Lease, unless otherwise specifically provided herein, the following terms shall have the meanings hereinafter specified. The terms here defined are:

- (a) "Architect" means Mackin, Raffi, architects, of Vancouver, British Columbia, or such other architects (licenced to carry on business as architects in British Columbia) as the Tenant may appoint from time to time;
- (b) "Basic Rent" means the net basic rental provided for in this Lease as specified in Article II;
- (c) "Building" means all structures and buildings constructed upon the Lands or any part thereof by or for the Tenant pursuant to the provisions of this Lease, together with all replacements, alterations, additions, changes, substitutions, improvements or repairs thereto and all other improvements from time to time constructed upon or affixed or appurtenant to the Lands;
- (d) "Commencement of Construction" means that a building permit or permits have been issued to the Tenant by the City of Vancouver for the Building and the foundations and footings of the Building shall have been commenced as certified to the Landlord by the Architect;
- (e) "Condominium Act" means The Condominium Act, R.S.B.C., 1979, Chapter 61, as amended from time to time;
- (f) "Date of Substantial Completion" means the date when the Architect has certified to the Landlord that the Building has been substantially completed in accordance with the Development Permit;
- (g) "Development Agreement" means the agreement dated the 28th day of June, 1985 made between the Landlord and the Tenant relating to the development of the Lands and the construction of the Building;
- (h) "Development Permit" means the development permit issued or to be issued by the City of Vancouver to the Tenant relating to the development of the Lands;

- (i) "Lands" means those lands in the City of Vancouver in the Province of British Columbia, more particularly known and described as Lot 140, False Creek, Plan 20319 and owned by the Landlord;
- (j) "Leasehold Strata Plan" means a strata plan deposited or to be deposited in the Vancouver Land Title Office pursuant to the Condominium Act in which the land included in the strata plan is subject to this Lease;
- (k) "Lease" means this instrument and all Schedules attached hereto;
- (l) "Model Strata Lot Lease" means the form of lease substantially in accordance with the lease attached hereto as Schedule "A";
- (m) "Mortgage" means a mortgage or mortgages upon or in respect of the leasehold interest of the Tenant in the Lands and the Building or any part thereof and includes any debenture or deed of trust and mortgage to secure any bonds or debentures issued thereunder;
- (n) "Mortgagee" means a mortgagee or mortgagees under a Mortgage and includes any debenture holder or trustee for bondholders or debenture holders or any debenture holder under a deed of trust and mortgage to secure any bonds or debentures issued thereunder;
- (o) "Official Development Plan" means the City of Vancouver's Southeast Granville Slopes Official Development Plan as may be amended from time to time;
- (p) "Prime Rate" means the rate of interest published from time to time by the main branch in the City of Vancouver of The Toronto-Dominion Bank as its most favourable rate of interest to its most creditworthy and substantial customers on large loans, which rate the parties acknowledge was 10-1/2% per annum on June 25, 1985;
- (q) "Rent" includes Basic Rent and the amounts payable by the Tenant pursuant to Section 2.03;
- (r) "Strata Corporation" means the corporation created by the deposit of the Leasehold Strata Plan in the Vancouver Land Title Office pursuant to the provisions of the Condominium Act;
- (s) "Strata Lot" means a strata lot shown as such on the Leasehold Strata Plan;

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- (t) "Term" means the period of 99 years commencing on the date of this Lease, and ending on the ninety-ninth anniversary of such date;
- (u) "Trustee" means a trust company duly authorized to carry on business in the Province of British Columbia appointed by the Landlord for the purposes of Section 4.02 or as set forth in and for the purposes of Section 7.07.

Section 1.02

All the provisions of this Lease shall be deemed and construed to be conditions as well as covenants as though the words specifically expressing or importing covenants or conditions were used in each separate provision hereof.

Section 1.03

The words "herein", "hereby", "hereunder" and words of similar import refer to this Lease as a whole and not to any particular article, section or subsection hereof.

ARTICLE II
PAYMENT OF RENT

Section 2.01 Basic Rent

- (a) The Tenant covenants and agrees to pay to the Landlord as Basic Rent the sum of One Million Five Hundred Eighty Thousand Dollars (\$1,580,000.00);
- (b) Such Basic Rent shall be paid as follows:
 - (i) the Landlord acknowledges receipt of a deposit of One Hundred Sixty-Eight Thousand Dollars (\$168,000.00) which, if the Tenant complies with the terms, provisos and obligations of this Lease, shall be applied towards the Basic Rent,
 - (ii) One Hundred Forty-Eight Thousand Dollars (\$148,000.00) on or before execution and delivery of this Lease by the Tenant to the Landlord, and
 - (iii) One Million Two Hundred Sixty-Four Thousand Dollars (\$1,264,000.00) on the earlier of the 31st day of May, 1986, or the Date of Substantial Completion.

Section 2.02 Net Lease

Unless otherwise expressly stipulated to the contrary herein or in the Development Agreement, all Rent required to be paid by the Tenant hereunder shall be paid without any deduction.

abatement or set-off whatsoever, it being the intention of this Lease that all expenses, costs, payments and outgoings incurred in respect of the Lands, the Building and any other improvements of the Lands or for any other matter or thing affecting the Lands, shall be borne by the Tenant, that the Rent herein provided shall be absolutely net to the Landlord and free of all abatements, set-offs or deductions of real property taxes, charges, rates, assessments, expenses, costs, payments or outgoings of every nature arising from or related to the Lands, the Building or any other improvements on the Lands and that the Tenant shall pay or cause to be paid all such taxes, charges, rates, assessments, expenses, costs, payments and outgoings.

Section 2.03 Collection of Other Amounts Due

Any sums, costs, expenses or other amounts from time to time due and payable by the Tenant to the Landlord under the provisions of this Lease, including sums payable by way of indemnity, and whether expressed to be rent or not in this Lease, may at the option of the Landlord be treated as and deemed to be Rent, in which event the Landlord shall have all the remedies for the collection of such sums, costs, expenses or other amounts, when in arrears, as are available to the Landlord for the collection of rent in arrears.

Section 2.04 Interest on Amounts in Arrears

When the Rent or any other amounts payable hereunder by the Tenant to the Landlord shall be in arrears, such amounts shall bear interest at the rate of two (2%) percent per annum above the Prime Rate until paid, and the Landlord shall have all the remedies for the collection of such interest, if unpaid after demand, as in the case of rent in arrears, but this stipulation for interest shall not prejudice or affect any other remedy of the Landlord under this Lease.

ARTICLE III PAYMENT OF TAXES

Section 3.01 Payment of Taxes

From and after the commencement date of the Term, the Tenant will in each and every year during the Term not later than the day immediately preceding the date or dates on which real property taxes and other charges imposed upon real property within the City of Vancouver become due and payable whether monthly, quarterly, twice-yearly or otherwise, pay and discharge or cause to be paid and discharged all taxes, rates, duties, charges and assessments, including school taxes, local improvement rates (unless such taxes or rates relate to obligations of the Landlord under the Development Agreement, which taxes or rates shall be paid by the Landlord) and other charges which now are or shall or may be levied.

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rated, charged or assessed against the Lands, the Building, all other structures, all machinery, equipment, facilities and other property of any nature whatsoever thereon and therein (other than such taxes as corporate income, capital or profits taxes assessed upon the Landlord), whether such taxes, rates, duties, charges and assessments are charged by any municipal, parliamentary, legislative, regional, school or other authority during the Term and will indemnify and keep indemnified the Landlord from and against payment of all losses, costs, charges and expenses occasioned by or arising from any and all such taxes, rates, duties, charges and assessments; and any such losses, costs, charges and expenses suffered by the Landlord may be collected by the Landlord as Rent with all rights of distress and otherwise as reserved to the Landlord in respect of rent in arrears. The Tenant further covenants and agrees that during the Term, if requested by the Landlord, it will deliver to the Landlord for inspection receipts for payment of all taxes, rates, duties, charges, assessments, including school taxes, local improvement rates and other charges in respect of the Lands, the Building, all other structures, all machinery, equipment, facilities and other property of any nature whatsoever thereon and therein which were due and payable during the Term within fourteen (14) days following request by the Landlord. The Landlord shall, not later than fourteen (14) days following receipt of any assessment notices delivered to the Landlord by any taxing authority, relating to the Lands, the Building, or any other structures, any machinery, equipment, facilities and other property of any nature whatsoever thereon and therein, forward a copy thereof to the Tenant. The Tenant shall have the right from time to time to appeal any assessment of the Lands or the Building or any other tax, rate, duty, charge or amount referred to in this Section 3.01 provided that such appeal shall be at the sole cost and expense of the Tenant.

Section 3.02 Payment for Utility Services

The Tenant covenants with the Landlord to pay for or cause to be paid when due all charges for gas, electricity, light, heat, power, telephone, water and other utilities and services used in or supplied to the Lands and the Building throughout the Term and will indemnify and keep indemnified the Landlord from and against payment of all losses, costs, charges and expenses occasioned by or arising from any and all such charges, and any such loss, costs, charges and expenses which relate to such charges suffered by the Landlord may be collected by the Landlord as Rent with all rights of distress and otherwise as reserved to the Landlord in respect of rent in arrears.

Section 3.03 Business Tax and License Fees

The Tenant covenants with the Landlord to pay for or cause to be paid when due every tax and permit and licence fee in respect of any and every business carried on, upon or in the Lands, and the Building, in respect of the use or occupancy thereof by the Tenant (and any and every sublessee, permittee and licensee) other than such taxes as corporate income, profits or excess profit taxes

assessed upon the income of the Tenant (or such sublessee, permittee and licensee) whether such taxes or permit and license fees are charged by any municipal, parliamentary, legislative, regional or other authority during the Term and will indemnify and keep indemnified the Landlord from and against payment of all losses, costs, charges and expenses occasioned by or arising from any and all such taxes and permit and license fees, and any such loss, costs, charges and expenses which relate to such charges suffered by the Landlord may be collected by the Landlord as Rent with all rights of distress and otherwise as reserved to the Landlord in respect of rent in arrears.

ARTICLE IV
CONSTRUCTION OF BUILDING

Section 4.01 Construction of Building by Tenant

As part of the consideration for this Lease the Tenant covenants and agrees with the Landlord to construct and complete the Building together with other facilities ancillary thereto and connected therewith on the Lands expeditiously and in a good and workmanlike manner and substantially in accordance with the drawings, elevations, specifications (including materials to be used), location on the Lands and exterior decoration and design upon which the issuance of the building permits by the City of Vancouver are based, all in compliance with the requirements of the Development Agreement and the Development Permit.

Section 4.02 Fire and Liability Insurance During Construction of Building

(a) The Tenant shall effect or shall cause its contractor or contractors to effect prior to the Commencement of Construction of the Building and shall maintain and keep in force until the insurance required under Article VII shall have been effected, insurance:

- (i) protecting both the Tenant and the Landlord (without any rights of cross claim or subrogation against the Landlord) against claims for personal injury, death or property damage or other third party or public liability claims arising from any accident or occurrence upon, in or about the Lands and from any cause, including the risks occasioned by the construction of the Building, and to an amount reasonably satisfactory to the Landlord for any personal injury, death, property or other claims in respect of any one accident or occurrence; and
- (ii) protecting both the Tenant and the Landlord from loss or damage (without any rights of cross claim or subrogation against the Landlord) to the Building and

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all fixtures, equipment, improvements and building materials on the Lands from time to time both during and after construction (but which may be by policies effected from time to time covering the risk during different phases of construction of the Building) against fire, earthquake and all other perils from time to time customarily included in the usual all risks builders' risk form of policy applicable to similar properties during construction and effected in the Province of British Columbia by prudent owners, and such other perils as the Landlord may reasonably require to be insured against to the full insurable value thereof at all times and in any event in the amount sufficient to prevent the Landlord or the Tenant being deemed a co-insurer.

(b) The proceeds of insurance which may become payable under any policy of insurance effected pursuant to this Section 4.02 shall be payable to the Mortgagee or if there is no Mortgagee to the Trustee and shall be available to finance repair and reconstruction.

(c) All the provisions of Article VII respecting insurance which are of general application shall apply to the insurance during construction of the Building required by this Section 4.02.

ARTICLE V
USE AND OPERATION OF BUILDING

Section 5.01 Use of Building

The Tenant covenants and agrees with the Landlord that neither the Lands nor the Building nor any part of the Lands or the Building shall be used for any purposes except that of self contained residential accommodation together with other facilities ancillary thereto and connected therewith and commercial, retail and office accommodation together with other facilities ancillary thereto and connected therewith as described in the Development Agreement, subject to any applicable laws, by-laws, resolutions or regulations of the City of Vancouver and other governmental agencies and authorities having jurisdiction.

ARTICLE VI
FAILURE TO COMMENCE CONSTRUCTION OF BUILDING

Section 6.01

The Tenant covenants and agrees with the Landlord that Commencement of Construction of the Building will take place on or before May 31, 1986, in accordance with the terms of the Development Agreement, subject to any extension or extensions for unavoidable delays granted pursuant to Article XI. If Commencement of

Construction has not taken place on or before May 31, 1986, subject to extension as aforesaid, the Landlord shall have the right and option at any time thereafter to terminate this Lease by giving notice to the Tenant to that effect, and in such event this Lease shall terminate and be of no further force and effect and all Rent paid to the Landlord by the Tenant hereunder may be retained by the Landlord as liquidated damages and not as a penalty and the same shall become the absolute property of the Landlord.

In the event of a dispute between the Landlord and the Tenant as to whether or not Commencement of Construction has taken place within the time limit set forth in this Section (or as may be extended as permitted herein, as the case may be), the Landlord and the Tenant agree that the dispute shall be submitted to arbitration in accordance with the provisions of Article XXI.

ARTICLE VII
INSURANCE

Section 7.01 Insurance

At all times during the Term immediately following the Date of Substantial Completion, the Tenant shall at no expense to the Landlord, insure and keep insured the Building in one or more companies entitled to do business in the Province of British Columbia against loss or damage by fire and other perils now or hereafter from time to time embraced by or defined in the commercial building form of insurance coverage applicable to similar properties as the Lands and the Building and effected in the Province of British Columbia by prudent owners from time to time during the Term including, without restricting the generality of the foregoing, the hazards of lightning, earthquake, explosion, wind storm, cyclone, tornado, hail, riot, civil commotion, malicious damage, aircraft, smoke and vehicle damage to the extent that insurance against such risk or perils, or any of them, may be obtained in an amount equal to the full replacement value thereof.

Section 7.02 Pressure Vessel Insurance

At all times during the Term following the Date of Substantial Completion the Tenant shall, at no expense to the Landlord maintain or cause to be maintained in respect of the Building pressure vessel insurance with one or more companies entitled to do business in the Province of British Columbia protecting the Landlord and the Tenant in respect of all boilers and such other pressure vessels as the Tenant may from time to time deem it necessary to insure in amounts to be designated by the Tenant and approved by the Landlord, such approval not to be unreasonably withheld; such insurance shall also cover loss or damage caused by rupture of steam pipes.

Section 7.03 Deductible Amounts

Any of the policies of insurance referred to in Sections 7.01 or 7.02 hereof may, with the approval of the Landlord which approval shall not be unreasonably withheld, provide that the amount payable in the event of any loss shall be reduced by a deductible amount, such amount to be designated by the Tenant and approved by the Landlord, such approval not to be unreasonably withheld, and the Tenant shall be a co-insurer to the extent of the amount so deducted from the insurance monies paid in the event of any loss, and the said amount shall, for the purpose of Section 7.07 hereof, be included as part of the insurance monies payable and paid.

Section 7.04 Co-insurance Clauses

If any of the policies of insurance referred to in Sections 7.01 or 7.02 hereof shall contain any co-insurance clauses, the Tenant shall maintain at all times a sufficient amount of insurance to meet the requirements of such co-insurance clause so as to prevent the Landlord or the Tenant from becoming a co-insurer under the terms of such policy or policies and to permit full recovery in the event of loss.

Section 7.05 Identity of Insured

Any and all policies of insurance referred to in Sections 7.01 or 7.02 hereof shall be written in the name of the Landlord and the Tenant as the insureds with loss payable to the Landlord, the Tenant and the Mortgagee, if any, as their respective interests may appear, and shall contain a waiver of subrogation clause to the effect that any release from liability entered into by the Tenant prior to any loss shall not affect the right of the Tenant or the Landlord to recover. Each policy of insurance referred to in Sections 7.01 and 7.02 hereof shall contain a provision or shall bear an endorsement that the insurer will not cancel such policy without first giving the Landlord at least thirty (30) days' notice in writing of its intention to cancel.

Section 7.06 Release of Landlord from liability for insured loss or damage

The Tenant hereby releases the Landlord, its successors and assigns, from any and all liability for loss or damage caused by any of the perils against which the Tenant shall have insured or pursuant to the terms of this Lease is obligated to insure the Building or any part or parts thereof, and the Tenant hereby covenants to indemnify and save harmless the Landlord from and against all manner of actions, causes of action, suits, damages, loss, costs, claims and demands of any nature whatsoever relating to such loss or damage.

Section 7.07 Payment of Loss under the Insurance Policies referred to in Sections 7.01 and 7.02

(a) The insurance monies payable under any or all of the policies of insurance referred to in Sections 7.01, 7.02 or 7.12 hereof shall, notwithstanding the terms of the policy or policies, be paid to the order of the Mortgagee or to the order of the Trustee if there is no Mortgagee.

(b) Subject to Article IX hereof, the Landlord and the Tenant agree that the Mortgagee or Trustee (as the case may be) shall use such insurance monies for the restoration, reconstruction or replacement of the loss or damage in respect of which such insurance monies are payable hereunder against certificates of the architect engaged by the Tenant or such other person as the Landlord and the Tenant may agree upon who is in charge of such restoration, reconstruction or replacement. Should the Tenant fail to effect the restoration, reconstruction or replacement of the loss or damage in respect of which the insurance monies are payable, without unreasonable delay, the Landlord shall be entitled to effect such restoration, reconstruction or replacement and the Mortgagee or Trustee to whom such insurance monies are payable shall pay or cause to be paid to the Landlord such insurance monies in the same manner the Mortgagee or Trustee (as the case may be) would have done had the Lessee effected such restoration, reconstruction or replacement.

Section 7.08 Workers' Compensation Coverage

At all times during the Term, the Tenant shall at its own expense procure and carry or cause to be procured and carried and paid for full workers' compensation coverage in respect of all workmen, employees, servants and others engaged in or upon any work, non-payment of which would create a lien on the Lands or Building.

Section 7.09 Comprehensive General Liability

At all times during the Term, the Tenant shall, at no expense to the Landlord, maintain in one or more companies duly authorized to carry on business within the Province of British Columbia, comprehensive general liability insurance against claims for personal injury, death or property damage or loss arising out of the use and occupation of the Lands and Building indemnifying and protecting the Landlord and the Tenant in such amounts as the Landlord shall reasonably request.

Section 7.10 Payment of Insurance Premiums

The Tenant shall pay all the premiums under the policies of insurance referred to in this Article VII as they become due and payable and in default of payment the Landlord may pay the same and the Tenant shall reimburse the Landlord for the amount so paid by the Landlord within thirty (30) days after receipt of an invoice therefor from the Landlord and in default whereof the amount so paid

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may be recovered by the Landlord as Rent with all rights of distress and otherwise as reserved to the Landlord in respect of and as rent in arrears.

Section 7.11 Copies of Insurance Policies

If requested by the Landlord the Tenant shall forthwith from time to time deliver or cause to be delivered to the Landlord certified copies of all policies of insurance referred to in this Article VII and obtained and maintained by the Tenant hereunder, accompanied by evidence satisfactory to the Landlord that the premiums thereon have been paid.

Section 7.12 Insurance may be maintained by Landlord

The Landlord and the Tenant agree that should the Tenant at any time during the Term fail to insure or keep insured the Building against loss or damage by fire and other perils as required under Section 7.01 or fail to maintain pressure vessel insurance as required under Section 7.02, or fail to maintain insurance against claims for personal injury, death or property damage or loss as required under Section 7.09, then in any of such events, the Landlord, although not obliged to do so, may obtain and maintain such insurance in such reasonable amount or amounts with such deductible amounts and for such period or periods of time as the Landlord deems advisable.

The terms of Section 7.07(b) are applicable to any insurance monies payable pursuant to policies of insurance obtained or maintained under this Section 7.12.

The terms of Section 7.10 are applicable to the payment of all the premiums under the policies of insurance obtained and maintained by the Landlord under this Section 7.12.

Section 7.13 Fees and Expenses of Trustee

It is agreed between the parties hereto that all fees and expenses properly incurred by or chargeable by the Trustee in carrying out the duties contemplated hereunder shall be to the account of the Tenant.

ARTICLE VIII
REPAIRS AND MAINTENANCE

Section 8.01 Landlord Not Obligated to Repair

Except as otherwise provided in the Development Agreement, the Landlord shall not be obliged to furnish any services or facilities or to make repairs or alterations in or to the Lands or the Building, the Tenant hereby assuming the full and sole responsibility for the condition, operation, repair, replacement, maintenance and management of the Lands and the Building.

Section 8.02 Repair to Building

The Tenant at the Tenant's cost and expense shall during the Term, put and keep in good order and condition or shall cause to be put and kept in good order and condition (reasonable wear and tear excepted so long as the reasonable wear and tear does not unreasonably affect the exterior appearance of the Building or the foundation or structure of the Building) the Lands and the Building, and the appurtenances and equipment thereof, both inside and outside, including, but not limited to fixtures, walls, foundations, roofs, vaults, elevators, if any, and similar devices, heating and air conditioning equipment, sidewalks, yards and other like areas, water and sewer mains and connections, water, steam, gas and electric pipes and conduits, and all other fixtures on the Lands and the Building and machinery and equipment used or required in the operation thereof, whether or not enumerated herein (but excluding fixtures or improvements in the nature of usual tenants' fixtures as described at Section 24.07), and shall, in the same manner and to the same extent as a prudent owner, make any and all necessary repairs, replacements, alterations, additions, changes, substitutions and improvements, ordinary or extra-ordinary, foreseen or unforeseen, structural or otherwise, and keep the Building and aforesaid fixtures, appurtenances and equipment fully usable for all the purposes for which the Building were erected and constructed and the aforesaid fixtures, appurtenances and equipment were supplied and installed. Such repairs shall be in all respects to a standard at least substantially equal in quality of material and workmanship to the original work and material in the Building.

The Tenant shall not commit or suffer waste or injury to the Lands or the Building or any part thereof (reasonable wear and tear excepted so long as the reasonable wear and tear does not unreasonably affect the exterior appearance of the Building or the foundation or structure of the Building) and shall not use or occupy or permit to be used or occupied the Lands or the Building or any part thereof for any illegal or unlawful purpose or in any manner which will result in the cancellation of any insurance, or in the refusal of any insurers generally to issue any insurance as requested. The Tenant shall not injure or disfigure the Lands or the Building or permit the same to be injured or disfigured in any way; and at the expiration or other termination of this Lease, the Tenant shall, except as otherwise expressly provided herein, surrender and deliver up the Lands with the Building, and the aforesaid fixtures, appurtenances and equipment thereof, or any replacements thereof or substitution therefor (but excluding fixtures or improvements in the nature of usual tenants' fixtures as described at Section 24.07), in good order and condition (reasonable wear and tear excepted so long as the reasonable wear and tear does not unreasonably affect the exterior appearance of the Building or the foundation or structure of the Building). The Tenant accepts the Lands "as is" knowing the condition thereof, and agreeing that the Landlord has made no representation, warranty or agreement with respect thereto.

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Section 8.03 Repairs to Building by Landlord

The Tenant covenants and agrees with the Landlord that if the Tenant does not put and keep in good order and condition or cause to be put and kept in good order and condition (reasonable wear and tear excepted so long as the reasonable wear and tear does not unreasonably affect the exterior appearance of the Building or the foundation or structure of the Building) the Lands and the Building and the appurtenances and equipment thereof, both inside and outside, all as more particularly required by the provisions of Section 8.02, the Landlord through its agents, servants, contractors and subcontractors although not obliged to do so, may enter upon those parts of the Lands and the Building required for the purpose of making the necessary repairs required to put the Lands and Building in good order and condition (reasonable wear and tear excepted so long as the reasonable wear and tear does not unreasonably affect the exterior appearance of the Building or the foundation or structure of the Building); provided that the Landlord will make such repairs only after giving the Tenant sixty (60) days' written notice of its intention so to do, except in the case of an emergency. Any amount paid by the Landlord in making such repairs to the Lands and Building or any part or parts thereof, together with all costs and expenses of the Landlord, shall be reimbursed to the Landlord by the Tenant on demand together with interest at the rate of two (2%) percent per annum above the Prime Rate from the date incurred until paid and may be recovered by the Landlord as Rent.

ARTICLE IX
DAMAGE OR DESTRUCTION

Section 9.01 Rent not to abate

The partial destruction or damage or complete destruction by fire or other casualty of the Building shall not terminate this Lease or entitle the Tenant to surrender possession of the Lands or the Building or to demand any abatement or reduction of the Rent or other charges payable under this Lease, any law or statute now or in the future to the contrary notwithstanding.

Section 9.02 Tenant's obligations when Building
damaged or partially destroyed

The Tenant covenants and agrees with the Landlord that in the event of damage to or partial destruction of the Building the Tenant shall either (a) replace any part of the Building destroyed with a new structure in accordance with any agreement which may be made by the Tenant with the Landlord, or (b) repair or replace such damage or destruction, in the absence of any such agreement.

Section 9.03 Tenant's obligations when Building
completely or substantially destroyed

The Tenant covenants and agrees with the Landlord that in the event of complete or substantially complete destruction of the Building the Tenant shall either (a) reconstruct or replace the Building with a new structure or structures in accordance with any agreement which may be made by the Tenant with the Landlord, or (b) in the absence of any such agreement, replace the Building with a new structure or structures comparable to the structure or structures being replaced.

Section 9.04 Replacement, repair or reconstruction under
Section 9.02, 9.03 to be carried out in
compliance with Sections 8.02 and 10.01

Any replacement, repair or reconstruction of the Building or any part thereof pursuant to the provisions of Section 9.02 or 9.03 hereof shall be made or done in compliance with the provisions of Sections 8.02 and 10.01 hereof.

ARTICLE X
REPLACEMENTS, CHANGES, ALTERATIONS AND SUBSTITUTIONS

Section 10.01

The Tenant covenants and agrees with the Landlord that, subject to Article XI, all changes, alterations, replacements, substitutions and additions to the Building undertaken by or for the Tenant once begun shall be prosecuted with due diligence to completion and shall be carried out in all respects in accordance with the requirements of all municipal, provincial, federal and other governmental authorities.

ARTICLE XI
UNAVOIDABLE DELAYS

Section 11.01

If, by reason of strike, lock-out or other labour dispute or industrial disturbance, material or labour shortage not within the control of the Tenant, fire or explosion, flood, wind, water, earthquake, act of God, breakage or accident to machinery, inability to obtain labour, materials or equipment, governmental restriction or judicial action, including the refusal or failure of the City or other governmental body to issue all necessary permits or approvals, or other similar circumstances beyond the reasonable control of the Tenant and not avoidable by the exercise of reasonable effort or foresight by the Tenant, the Tenant is, in good faith and without default or neglect on its part, prevented or delayed in the Commencement of Construction or in the substantial completion of the