

CONVEYANCING FOR LEGAL SUPPORT STAFF:  
ADVANCED ISSUES—2011 UPDATE  
PAPER 6.1

## Leasehold Assignment Properties

These materials were prepared by Randall E. Cobbett of Cobbett & Cotton Law Corporation, Burnaby, BC, for the Continuing Legal Education Society of British Columbia, June 2011.

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## **LEASEHOLD ASSIGNMENT PROPERTIES**

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## I. Introduction

Most of the time, conveyancers are dealing with normal fee simple interest properties. However, leasehold properties have been in the Greater Vancouver area for over 30 years now as an alternative method of ownership. In these cases, the property owner retains the fee simple interest in the property and “rents” the property to a developer who in turn builds a stratified building in order to sell individual units to purchasers. While buyers may think they are “buying” the property, they are in reality only buying the right to occupy the individual unit for a set period of time, such as 60 years or 99 years.

The three that are normally handled on a regular basis are properties owned or run by the City of Vancouver, UBC Properties Trust, and SFU Community Trust. There are differences between the three of them as described below, along with pertinent contact information.

## II. City of Vancouver

### A. Background

The City of Vancouver (“City”) owns large tracts of land in the False Creek and Champlain Heights areas. Rather than selling the land outright, they chose to sell off only the right to occupy the city-owned properties for periods typically of about 60 years or more. At the end of the rental term, the overall property reverts back to the City and the City is only obligated to pay to the individual owners normally the fair market value of the improvements at that time. The obvious question is what is a 60 or 99 year old building worth? The land value is ignored, and only the value of the building considered.

The earliest City leases were set up in the 1970s, and properties were leased out for terms of 60 years. A number of leases expire in 2036. At that time, the leases will terminate unless the leaseholders are able to negotiate lease extensions with the City and pay additional monies to the City in order to purchase more rental time. While some may think that the expiring leases will not become a problem until 2025 or 2030, lawyers and conveyancers must take note of the concern of many financial institutions. Many lenders will not accept a mortgage on leasehold property where the remaining term is less than a normal 25 year amortization plus a cushion of 5 extra years. As it is now 2011, some properties may become impossible to find financing for unless extensions are in place.

### B. Rent Reviews

A major concern for purchasers of leasehold units is whether or not any additional monthly fees will have to be paid (other than maintenance fees). The rent for most City leasehold units are fully prepaid, meaning that the City will receive no further rent payments during the term of the lease. However, there appear to be a total of 10 leasehold strata plans in the False Creek area of Vancouver that are not fully prepaid. In those developments, the City only received part payment for the right to occupy the land for 60 years and the remainder of the rent payment was to be paid monthly by each leaseholder. For many years, the rents were very low, averaging about \$100 or less. Leaseholders in those units were given the opportunity to fully prepay their leases during the 1990s and early 2000s for an average cost of approximately \$40,000. Many exercised that option, which then eliminated the monthly rent payments. However, many did not and they now face mandatory rent reviews as called for in the leases.

For example, 6 leasehold stratas in Vancouver have a rent review that was due in October 2006. In those six strata developments (VR419, VR442, VR466, VR514, VR551, VR552, and VR588), there were 118 leaseholders that were subject to the rent review. The other 158 leaseholders in those developments fully prepaid their leases when the opportunity was given to them. Another 3 strata developments that were having rent reviews were VR691, VR1112, and VR1157.

### 6.1.3

At a July 12, 2007 City council meeting, City council approved increases in the monthly rents for the above-noted 118 leaseholders, which pushed most up from the \$100 range to the \$1,000 range instead. These leases do have an arbitration clause that will allow the leaseholders to challenge the rent hikes and the theory behind the values set, but it seems clear that the rents will be increasing significantly. A copy of the City of Vancouver Administrative Report dated June 26, 2007 (see Appendix A) sets out the background of the situation that the 6 stratas still face, along with the intended rents that the non-prepaid units will asked to come up with. The rent tables are appended (see Appendix B). The City of Vancouver council decision is also appended (see Appendix C).

In December 2009, Vancouver City Council authorized the Director of Real Estate Services (the “Director”) to offer a new prepayment program (the “Program”) to the residential lessees in the False Creek strata developments mentioned above. The Program provides that the prepayment period remain open from June 1, 2010 through December 31, 2012, at which time the Program would expire. In addition, the Program would also allow for the City to apply an adjustment factor increase of 1.08% to the prepayment amounts indicated in the unreleased Administrative report from November 2009, for lessees who prepay after June, 2010, but before the expiry of the Program on December 31, 2012. Furthermore, Council has also authorized the Director to offer prepayment programs similar to the Program to the residential lessees in the False Creek strata developments referred to as VR691, VR1112, and VR1157 who have not prepaid their rent under their ground leases with the City.

For lawyers and conveyancers, it is imperative that clients and mortgage lenders be aware of any rent review provisions and expiry dates in the ground leases and subleases. Several financial institutions now require that the ground lease be reviewed by a lawyer prior to issuing any mortgage commitment. The City can advise you if the lease is fully prepaid or not.

## **C. Documentation and Detailing of Assignments**

The City has had to deal with a number of different scenarios over the years resulting in different ways that some of the leasehold assignments have to be documented. For example, one of the strata developments had the last 2 days of the lease excluded when the individual strata lot leases were being set up. That created a result where the ground leases for each strata lot could not be assigned, only the subleases could be. That problem is being fixed where, with each new transfer, the original leaseholder Intrawest has to sign off on the assignment and hand over its 2 days. Eventually, all of the missing 2 days will be handed over to the tenants but those transfers do show up as modifications of the lease and have to be spelled out in the assignment documentation.

As far as transferring leasehold interests are concerned, they are done by way of Form C General Instruments. The Terms of Instrument attached as Part 2 detail by way of recitals how the leasehold interest was established, and how that interest was passed on to the current registered owner. See Appendices D, E and F for samples of the Part 2 Terms of Instrument, which have been provided by the City at different times. Names have not been removed as they are on file as public records at the Land Title Office, and have been distributed as attached by the City as precedents. Please take note that the “Explanatory Notes” at the end of the samples are NOT intended to be registered along with the Form C, but were merely prepared to help explain the format required for each. On occasion, conveyancers have left the sample notes attached to a Form C Assignment document and registered the notes too.

Whenever you need to act for a Buyer, you should contact the City immediately and ask for a sample Assignment and Tripartite Agreement (if applicable) for the strata you are dealing with, as they have customized samples for many of the strata plans.

For most situations, you will have to obtain a copy of the Ground Lease from the Land Title Office as most have not been imaged and are not available through BC Online. You will also need a copy of the most recent Form C Assignment to help you with the previous history of transfers for the strata lot you are dealing with. Generally, the last transfer was properly vetted by the City and should be accurate, although you will need to check the title carefully for past transfers.

## **D. Timing and Contact Information**

Once you have prepared the draft Form C and Part 2 Terms, the procedure is to arrange for it to be signed by both the Seller and the Buyer. The City will not sign the Form C until after both Seller and Buyer have signed. A problem can arise if you fail to circulate the Form C for signatures early enough. The City currently has a 3 day turn-around time for signing the Form C, not including the time it requires to review (and possibly correct) your Form C and Part 2 Terms. It is important that you prepare the Form C early, fax it to the City for review, obtain their comments if any about changes, and then have it signed by both the Seller and Buyer. Generally, it will take about one week for the City to both review the Form C and have the Form C executed. You have to allow for that time in your file handling.

The draft Form C can be faxed to the City for review. As of June 2011, the person responsible for these assignments is Holly Fales. Pertinent contact details follow, along with the present fees charged by the City for signing documents:

|                   |  |
|-------------------|--|
| Contact person:   | Holly Fales  |
| Telephone:        | 604-873-7808   |
| Fax:              | 604-873-7064   |
| Email:            | holly.fales@vancouver.ca                                       |
| Delivery address: | #300 – 515 West 10 <sup>th</sup> Avenue, Vancouver, BC V5Z 4A8 |
| Mailing address:  | 453 West 12 <sup>th</sup> Avenue, Vancouver, BC, V5Y 1V4       |
| Consent fee:      | \$187.25 (including HST)                                       |
| Tripartite fee:   | \$112.00 (including HST)                                       |

Although the samples appended here are for paper-filing Form C documents, they can all be converted over to e-filing versions. One caution is that the City was still requiring that they have in their possession a fully signed original document before they will sign the Form C. That means you still have to courier it to them first, not merely fax it to them. After they have signed the Form C, you can request that they fax it back to you and either you pick up the original or you ask them to mail it to you. Perhaps by the time you read this, they will be content to work with faxed copies only and simply require that you send them a fully signed version after closing. As a minor point, please note that at this time only the Transferor may be a signatory on the first page of an efiled Form C Assignment due to limitations in the e-filing form itself.

## **E. Tripartite Agreements**

Many financial institutions require a tripartite agreement signed by the City. As the leaseholds are merely prepaid rentals, the City as landlord can in certain conditions “cancel” an existing lease for breaches of the lease. As financial institutions would be very loath to see this happen, they want you to take steps to protect their position by way of a tripartite agreement. See Appendix G for a sample Tripartite Agreement from the City.

Originally, the City leases merely provided that a financial institution could give notice to the City of the mortgage and then the City was obliged to notify the financial institution before any default steps would be undertaken. The lender would have the opportunity to cure such defaults. This worked fine until the filing of strata plan VR1343 after which time the concept of “tripartite” agreements was implemented from that point forward. If you check the ground lease, you should see a sample tripartite agreement in it if after VR1343. Prior to that, the ground lease should provide for a lender to send a “Notice of Mortgage” to the City. You are to follow whichever system applies to your ground lease. The City has generally refused to sign a Tripartite Agreement when the ground lease did not call for one, although recently they indicated that they would now sign them. If you follow the terms of the ground lease and send a Notice of Mortgage to the City, that should be just as effective as a Tripartite Agreement without the added cost.

If a Tripartite Agreement is called for, then once again, after both the Buyer and the Lender have signed it, you can send the Tripartite Agreement to the City for signature. The general policy that the City will not sign until the others have signed applies to Tripartite Agreements as well. The signing charge for these agreements at present is \$112 (inclusive of HST).

## **F. Expenses**

You will have to budget in most cases for an extra \$300 to \$400 or more in disbursements for extra couriers, copies of the ground lease and past assignments, and City signing fees. As well, since your Form C documents have to be customized, your firm will likely increase its legal fees as well due to the extra staff and lawyer time requirements.

## **III. UBC**

### **A. Background**

The University of British Columbia, through UBC Properties Trust (“UBC”), has similarly developed university properties by way of leasehold strata plans. Considerations similar to the City of Vancouver apply to the UBC leaseholds, with some key differences.

Presently, all of the UBC leaseholds appear to be for terms of 99 years and are fully prepaid. Since UBC only started doing these in the 1990s, we have until after 2090 before they start to expire. All of the ground leases contemplate tripartite agreements.

### **B. Documents**

For preparation of Form C assignments, UBC has filed Standard Charge Terms in the Land Title Office under ST000010 to simplify preparation of your documents. With that document referred to in place of express charge terms annexed as Part 2 Terms of Instrument, you can greatly shorten your preparation time by not having to detail in length all of the past history of assignments. If requested, UBC can fax or email you a copy of the Standard Charge Terms or a draft Assignment, which are appended as Appendices H and I. A draft tripartite agreement can be found at the following link: <http://www.ubcproperties.com/pdf/markethousinglease/TripartiteAgreement.pdf>. In addition, a memorandum from UBC Properties Trust outlining the closing document procedures can be found at the following link: <http://www.ubcproperties.com/pdf/markethousinglease/CLOSING.pdf>.

### **C. Timing and Contact Information**

After you have prepared the draft Form C, it can be faxed to UBC for signing. They do not purport to review your Form C as the City of Vancouver does. You are responsible for it, although use of the Standard Charge Terms does make your job easier. As of June 2011, the person responsible for these assignments is Carrie Johnson. Pertinent contact details follow, along with the present fees charged by UBC for signing documents:

|                  |  |
|------------------|--|
| Current contact: | Carrie Johnson, UBC Properties Trust   |
| Telephone:       | 604-731-3103   |
| Fax:             | 604-731-2130   |
| Email            | <a href="mailto:leases@ubcproperties.com">leases@ubcproperties.com</a>   |
| Mailing address: | #101 – 555 Great Northern Way, Vancouver, BC V5T 1E2   |
| Consent fee:     | \$60.00 (inclusive of HST), if required within 2 days for rush service.<br>\$0.00, if at least 2 days notice is given. |

If you are using efilng, UBC will receive and send back your signed Form C to you via email or fax.

## **D. Taxes**

As far as taxes are concerned, you must obtain information regarding property taxes from the Rural Property Taxation branch and the UBC Services Levy from the UBC Financial Services department. Their contact information is detailed in the Closing Memorandum, which can be viewed at the link below:

<http://www.ubcproperties.com/pdf/markethousinglease/CLOSING.pdf>

## **E. Co-Development Properties**

UBC has set up several projects for groups of faculty and staff where these affiliated individuals act as co-developers with UBC to fund the working capital to construct the development. Once completed, the pre-identified units strata leasehold units are transferred to each of the co-developers. There are conditions applicable on resale during the first years after completion.

If a co-development property is being sold or refinanced, assignment documents and tri-partite agreements still need to be reviewed and executed by UBC Properties Trust as noted above.

# **IV. SFU**

## **A. Background**

The Simon Fraser University, through SFU Community Trust ("SFU"), has similarly developed university properties by way of leasehold strata plans. Considerations similar to UBC apply to the SFU leaseholds, with some minor differences.

Presently, all of the SFU leaseholds appear to be for terms of 99 years and are fully prepaid. Since SFU only started doing these in the last 10 years, we have until after 2100 before most of them start to expire. All of the ground leases contemplate tripartite agreements.

## **B. Documents**

For preparation of Form C assignments, SFU has filed Standard Charge Terms in the Land Title Office under ST050089 ([http://www.sfu.ca/fs/files/Links/UniverCity\\_resale\\_files/VDO\\_DOCS-1403081-v2-StandardChargeTerms.DOC](http://www.sfu.ca/fs/files/Links/UniverCity_resale_files/VDO_DOCS-1403081-v2-StandardChargeTerms.DOC)). SFU has posted instructions and numerous forms on their website at <http://www.sfu.ca/fs/Real-Estate-Operations/>. Once there, click on 'UniverCity Lots Resale' to access the various forms available.

A copy of the Closing Instructions for Resale were updated in January 2010 and can be found at: ([http://www.sfu.ca/fs/files/Links/UniverCity\\_resale\\_files/closinginstructions\\_000.pdf](http://www.sfu.ca/fs/files/Links/UniverCity_resale_files/closinginstructions_000.pdf)). A copy of the current Closing Instructions from SFU is attached as Appendix J.

## **C. Contact Information**

The consent of SFU is required for all of the assignments, which is looked after by SFU Facilities Management. They can be contacted via the information below:

|                  |   |
|------------------|---|
| Telephone:       | 778-782-3253  |
| Fax:             | 778-782-4521  |
| Email:           | condo_resales@sfu.ca  |
| Mailing address: | 8888 University Drive, Burnaby, BC V5A 1S6  |
| Consent fee:     | They charge a \$100 administrative fee, which includes consent if they are provided with 3 or more days of notice. If less than 3 days notice, then the fee is \$200. |



### 6.1.7

Just as with UBC, SFU does not require that the Buyer and Seller have already signed the Form C before they will sign it. They will sign in counterparts.

#### **D. Tripartite Agreements**

A sample Tripartite Agreement for SFU can be found by following the link below:  
[http://www.sfu.ca/fs/files/Links/UniverCity\\_resale\\_files/VDO\\_DOCS-1437355-v1-Tripartite\\_Agreement-ResaleNovo.DOC](http://www.sfu.ca/fs/files/Links/UniverCity_resale_files/VDO_DOCS-1437355-v1-Tripartite_Agreement-ResaleNovo.DOC) and a copy is attached as Appendix K. SFU has very kindly prepared individual tripartite agreements for each of their buildings which should assist you in preparing one for your client and lender.

## V. Appendix A—City of Vancouver Administrative Report



### CITY OF VANCOUVER

#### ADMINISTRATIVE REPORT

Report Date: June 26, 2007  
Author: Michael Flanigan  
Phone No.: 604.873.7422  
RTS No.: 6444  
VanRIMS No.: 02-3000-10  
Meeting Date: July 12, 2007

TO: Standing Committee on City Services and Budgets

FROM: Director of Real Estate Services

SUBJECT: Rent Review and Lease Prepayment Schedule - False Creek Residential Leasehold Properties

#### RECOMMENDATION

- A. THAT Council approve the revised allocation of rental amounts set out in column B of Appendix B for strata subdivisions VR442 and VR466 to correct an oversight that ensures the lease calculations for these strata subdivisions are based on unit entitlement and not tax assessment ratios and that the Director of Real Estate Services give notice to the individual residential lessees in VR442 and VR466 of the revised rents.
- B. THAT the Director of Real Estate Services advise the individual residential lessees in the strata developments commonly referred to as VR419, VR442, VR466, VR514, VR551, VR552, and VR588 that the City remains prepared to consider counter proposals (“Counter Proposals”) to alter the amounts of the ground rent as proposed by the City based on the research, data, and analyses as utilized and set out in the Grover, Elliot & Co. Ltd. appraisals, provided such Counter Proposals are based on errors or omissions in the appraisal reports as determined in accordance with the Canadian Uniform Standards of Professional Practice of the Appraisal Institute of Canada.
- C. THAT the City Manager, Director of Legal Services, and Director of Real Estate Services be authorized to negotiate the terms of any Counter Proposals with either individual lessees or by strata corporation for a period of one hundred twenty (120) days commencing August 1, 2007 (the “Counter Proposal Period”).

- D. THAT failing agreement on a Counter Proposal that is acceptable to the City during the Counter Proposal Period, the Director of Real Estate Services advise the individual residential lessees in the strata developments commonly referred to as VR419, VR442, VR466, VR514, VR551, VR552, and VR588 who pay monthly rent to the City but have not accepted the revised ground rent proposed by the City that the City will now proceed to arbitration to settle the rental amounts, in accordance with the rent review provisions of the various relevant ground leases.
- E. THAT Council approve initial funding for the arbitration process in the amount of \$500,000 to cover the estimated costs pertaining to appraisals and legal counsel, source of funds to be the Property Endowment Fund (PEF).
- F. THAT the City Manager report back to Council with proposed terms of an optional prepayment programme for individual residential monthly payment ground leases in VR419, VR442, VR466, VR514, VR551, VR552, and VR588 once the market rents for these premises have been settled with the lessees; provided such prepayment amounts are calculated from an effective date of May 1, 2007, not October 1, 2006.

#### **CITY MANAGER'S COMMENTS**

The West False Creek leasehold renewal issue is a challenging matter for City Council to address. The City undertook a thorough process through the 1990's and early 2000's to afford leaseholders a "one time" prepayment option, in order to address concerns leaseholders brought to Council surrounding the rent review process that is now underway. The option to prepay ran from July 1, 1993 to June 30, 1995, was then extended from July 1, 1995 to June 30, 1997. As of July 1, 1997, the prepayment amounts were revised to account for market inflation and the prepayment program was again extended through December 2001 when it ended. Of the 276 residential leaseholders initially subject to the 2006 rent review, 158 prepaid their leases under that programme. Those who chose not to prepay continue to pay rents that have been for many years well below market: their rent today is roughly 13 percent of appraised market value.

An independent, reputable appraisal firm retained by the City completed an analysis of the current real estate market and has recommended to the Director of Real Estate Services rents that should be paid pursuant to the individual lease provisions. The average rent increases for those homeowners affected range from \$700 to \$900 per month. For example, a monthly leaseholder who currently pays \$100 - \$200 per month will pay between \$800 - \$900 per month. Many of the non-prepaid leaseholders are expressing an inability to remain in the community if the updated ground rents reflect these increases.

City Council therefore, has requested staff to consider this challenge further and report back to Council with terms of a prepayment option for Council to consider. The prepayment feature was a method to help leaseholders mitigate against the risk of an escalating real estate market and rising market rents. However, in the 7 leasehold developments that are the subject of the 2006 rent review, 118 of the 276 leaseholders chose not to prepay their lease. These leaseholders who did not prepay their leases were aware that their premises would be

subject to a future rent review to adjust rents to reflect market value. Until that time, however, the rents for these premises continue at amounts that have been well below market for the past several decades.

Staff concluded that it is most appropriate to establish the current market value for the individual ground leases before proposing a prepayment option. At this time, if the City cannot reach agreement with the individual leaseholders, it is recommended that the City go to arbitration in order to establish these fair market values. Whether by arbitration or agreement, once these values have been settled staff will report back to Council on a final prepayment plan.

### **COUNCIL POLICY**

On October 3, 2006, Vancouver City Council unanimously approved new monthly rental rates for non-prepaid residential leases in the False Creek area as recommended by the City's independent appraisal firm, Grover Elliot Appraisers Inc.

### **PURPOSE**

The purposes of this Administrative Report are:

- (1) to have Council approve the revised allocation of rental amounts for strata subdivisions VR 442 and VR 466 to correct a valuation oversight;
- (2) to establish a reasonable period of time, the Counter Proposal Period, for leaseholders who believe that errors or omissions exist with respect to the research, data, and analyses utilized and set out in the Grover, Elliot & Co. Ltd. appraisal report for their strata subdivision appraisal report to make Counter Proposals to the City as to the monthly ground rental amounts payable; and,
- (3) failing agreement on a Counter Proposal, to seek authority to proceed to arbitration to settle the revised monthly rents to be paid by those residential tenancies in strata developments VR419, VR442, VR466, VR514, VR551, VR552, and VR588 that have not prepaid their ground rent to the City and do not agree with the new rental amounts proposed by the City, all in accordance with the rent review provisions set out in the various leases; and,
- (4) to seek authority for a process to implement a new prepayment program for False Creek Leaseholders who have not prepaid the remaining term of their ground lease terms with the City. The new prepayment program was requested by Council when considering the impact of the Grover Elliot recommendations on the 118 units now up for rent review in West False Creek.

Once the revised monthly rents have been established pursuant to the terms of the lease, whether by agreement or arbitration, staff will prepare a prepayment programme for Council's further consideration.

## BACKGROUND

The southwest shore of False Creek, between the Granville and Cambie Bridges, was developed in the 1970's and early 1980's. The City retained ownership of much of this land and leased it for terms up to 60 years. Ten market residential projects with 435 units were developed, with the first leases commencing in 1976. The original purchasers of the units were given several options by the developers of the project to prepay the lease in full or to select a periodic payment scheme; there were up to twelve different periodic payment schemes provided at inception. Subsequent purchasers were locked into the payment plan chosen by the original buyer. A total of 59 leaseholders originally opted to prepay their leases. Typically, the rents for the balance of the monthly leaseholders were set for the first 30 years of the lease, and subsequently, to be reviewed to market at 10 year intervals.

In the late 1980's, lessees of non-prepaid units began to experience difficulty in financing or selling their units. In 1992, City Council approved the concept of modifying the strata lot leases to permit prepayment. In May 1993, Council approved a voluntary lease prepayment option for the 376 non-prepaid units which was effective July 1, 1993 for two years. Two appraisal firms, Burgess Austin & Associates (now Burgess, Cawley, Sullivan & Associates), together with Nilsen Realty Research (now Altus Helyar), jointly prepared the prepayment formulas and calculations using a creative methodology as agreed to by the City, and recommended the prepayment amount schedule that was approved by Council. Much public consultation was undertaken by these appraisal firms and City staff at information meetings held with the lessees at that time. The voluntary prepayment program continued until December 31, 2001 at which time Council ended the program. A total of 157 lessees chose to take advantage of the voluntary prepayment program before the program ended.

On October 3, 2006, Council approved the recommendations set out in the Administrative Report (RTS 6109) dated September 19, 2006. Accordingly, staff sent out formal written notice to each non-prepaid leaseholder advising of the new ground rent amounts that would take effect on May 1, 2007, and advised each leaseholder of Council's decision to consider implementing a new prepaid lease option when City staff brought the matter back to Council in 2007. Staff also released copies of each of the Grover Elliot appraisal reports to each of the seven strata councils.

## PRESENT SITUATION

In October 2006, staff advised Council that five major appraisal firms were asked to quote on providing independent market rental values for the seven strata corporations land leases that are up for rent review and as Grover Elliot Appraisals was the lowest complete quote, this firm was retained under City Manager approval authority.

Grover Elliot completed the 7 appraisals to determine, in their expert opinion, the total market rental value of the lots comprising each of the 7 strata complexes being VR419, VR442, VR466, VR514, VR551, VR552, and VR588 - as shown on the location map attached as Appendix A. A total of 118 leaseholders (out of 276 (43%)) have not prepaid their leasehold interests and were therefore, subject to the market rent increase. Grover Elliot did not apportion the individual strata lots up for rent review as the leases provide a methodology for allocating the individual strata lot lease payment based on the rent payment for the entire strata corporation.

Real Estate Services staff, using the methodology as set out in the lease to allocate unit apportionment of total complex ground rent to individual units, calculated each unit up for rent review and summarized the new monthly payment for Council as set out in column A in Appendix B. The Director of Real Estate Services was questioned by several strata owners in complexes VR442 and VR466 as to the methodology used for their specific complexes and it was discovered that not all seven (7) strata project ground leases were written identically for the clauses that pertained to market rental value unit allocation. The Director of Real Estate Services investigated this concern and confirmed that five of the seven agreements were structured the same way to allocate total complex ground rent to each leaseholder based on *“the same proportion of the market rental value of the said lands as the current assessed value of the strata lot bears to the aggregate current assessed values of all the strata lots at the date which shall be six (6) months prior to September 30, 2006...”*. The leases for VR442 and VR466 are unique in that the market rental value is to be calculated as *“that part of the said lands comprised in the strata lot and in its share of the common property as at the date which shall be six (6) months prior to the thirtieth (30<sup>th</sup>) anniversary of the said date....”*. The Director of Real Estate Service has concluded that the formula for VR442 and VR466 for allocating total complex ground rent to individual units should have been based on unit entitlement, not assessed value.

As all the calculations set out in column A of Appendix B were based on a ratio of taxable value over the aggregate taxable values or all the units in each of the strata complexes, the Director of Real Estate Services has revised the calculations for strata subdivisions VR442 and VR466 to reflect each leasehold owners proper unit entitlement, and Council is requested to correct this oversight by approving the substitution amounts set out in column B of Appendix B. Once approved, staff will send out a notice of correction to each non-prepaid leaseholder in the two affected strata subdivisions. This corrected methodology will also be brought to the attention of any arbitration panel for these two strata developments to ensure this nuance is addressed properly in the arbitrators' deliberations.

## DISCUSSION

Since the Council meeting of October 3, 2006, the Director of Real Estate Services has received copies of all leaseholder correspondence to Council and has responded personally to every telephone and email inquiry regarding this matter. Many other letters from leaseholders and members of the public were also received for consideration by the City that conveyed many suggestions to Council as to how the City should address the leasehold renewal process together with thoughts and ideas around different prepayment methodologies, and this report summarizes many of the leaseholder concerns and sentiments on the matter.

In summary, it is clear that many leaseholders are frustrated and angry that they must face rental increases. Many leaseholders do not agree with or understand why the rental increases are so high. In order for Council to have a complete understanding of the sentiments being expressed, it is important to summarize leaseholder concerns as follows:

### 1. Lack of Process:

Almost all leaseholders corresponding with the City feel they have not been offered an opportunity to fairly comment on how the rental increases would impact their lives. Many leaseholders were angry that they did not have an opportunity to view or discuss the

appraisals and recommended rental increases before the information was presented by the Director of Real Estate Services to Council on October 3, 2006, and therefore were precluded from participating in the Council decision when the amounts were first approved.

Staff explained that the rent review process had just started and that City protocol is such that no information could be released or proposed to the leaseholders without approval to do so from Council first, as Council may have wished the matter to have been dealt with differently.

## **2. Failure to Negotiate Rental Increase:**

Most leaseholders feel that their lease language obligates the City to negotiate with each leaseholder on what their individual increases should be.

The language in the leases (noting a slight variation in VR442 and VR466) states that: *“The Lessee shall pay for and during such subsequent ten (10) year period of the Term commencing on 1 October 2006, such annual sum as may be agreed upon in writing by and between the Lessor and the Lessee, provided that if the Lessor and the Lessee do not agree in writing upon the Basic Rent for any of the subsequent ten (10) year periods of the Term at least six (6) months prior to 30 September, 2006, or the end of any ten (10) year period (as the case may be) of the Term next preceding the ten (10) year period of the Term in respect of which the Basic Rent has not been agreed upon, the Basic Rent for each year of the last-mentioned ten (10) year period of the Term shall be....”*

Although the City has advised each non-prepaid leaseholder in writing of what the City believes the new rental amounts should be, subject to arbitration, almost all leaseholders who have responded to the City’s notice advising of the proposed new rentals have refused to accept the increase. Some leaseholders want the monthly rates to remain unchanged, while others believe a 50% to 100% increase would be acceptable to them. Other more recent owners have “heard from their realtors that the market expected an increase of 200% to 300%, not 500% to 1000%”. Those residing in the area for the past decade were warned in FLAC (False Creek Landlease Action Committee) articles dating back to the mid 1990’s of impending 500% increases. In summary, most non-prepaid leaseholders acknowledge that a large rent increase is due, they just do not agree with the amounts proposed by the City.

## **3. Date for Implementation of Rent Increases:**

Some leaseholders are upset that the timeline stipulated in the lease was not met by the City. The timelines for rent review in the lease required the City to determine what the market values would be at least six (6) months prior to the rent review date of September 30, 2006.

Although the City did not meet the timeline proposed, the City was not in breach of the lease as other lease provisions prevailed while the appraisers completed their report. The market information upon which the rents are to be reviewed is correctly based on historical transaction data occurring prior to April 2006. Despite the timing delay, the City has in good faith extended the period for which the rent increase would take effect from October, 2006 to May, 2007. Furthermore, as an arbitration process could take many months to complete, the rental increases would only be retroactive back to May 2007, not October 2006 as technically provided for in the leases. The Council decision to delay the implementation date, therefore, has ensured that no leaseholder was unfairly impacted by not meeting the original

six month provision as all leaseholders benefited from the decision to defer the rent increase commencement date to May 2007.

Some leaseholders have expressed upset that the City refused to advise them on what the rent increases would be when they called into the City to specifically inquire about the matter. Some recent purchasers who contacted the City as part of the due diligence period under their sales contracts were particularly angry and advised that had they known what the increases would be, or if the information was available in March 2006 as set out in the lease, they would never have bought their non prepaid units for the prices they did. The City simply did not have the information being sought, no increase had yet been approved by Council, and staff were not going to speculate on information that potential purchasers would specifically rely on.

#### **4. Social Diversity in False Creek:**

Almost all correspondence the City has received references the need for social diversity in the community. Some long term residents advise that they cannot afford to stay, and want Council to affirm the mixed income and demographic principles endorsed originally by the Council of the day who launched the redevelopment of this area of False Creek. The notion to have a balanced community of mixed incomes continues to be advanced

It is important to note that all 118 leaseholders who are subject to the rent review live in market units and conducted market based transactions. These market units were never intended to further social diversity objectives of the City. Rather, the City has an extensive program prompting social diversity in False Creek through the provision of non-market housing and co-ops.

Other taxpayers in the City have expressed a desire not to subsidize the residents who have lived and have benefited from a 30 year, below market and inflation free tenure. Many people have recognized the fact that waterfront living in the heart of downtown is expensive. The reality is that the ground rents as determined 30 years ago are very low in comparison to today's market; rents are averaging about seven times the rents set 30 years ago. It is the opinion of the Director of Real Estate Services that these updated rents are not out of line with Vancouver land value increases over the last 30 years and especially the last 3 years.

The sale last year of the False Creek Olympic site for \$193,000,000 represents just how much Vancouver land values have risen. It is safe to say that no one had expected land prices to escalate in the manner the Vancouver market has. Accordingly, it is understandable that those affected by the May 1, 2007 increase feel that market timing has worked against them as the City is at the peak of a current real estate boom. However, the original leases were never intended to protect leaseholders from the risk of even dramatic rent increases.

#### **5. Market Instability:**

The public nature of the Council process to approve the new False Creek rents and prepayment option has attracted much interest from the real estate industry and media. Much like the Musqueam decision in 1998, public awareness of the unique nature of leasehold ownership has similarly created uncertainty in False Creek. Accordingly, this attention has impacted the marketability of non-prepaid leasehold property as interested purchasers are waiting out the conclusion of the rent review process.



Affected leasehold owners have expressed a wish for a quick resolution to this matter so that a climate of certainty, market confidence, and liquidity return to the False Creek marketplace. The City is committed to achieving this objective.

#### **6. Failure to Prepay:**

Many owners have pleaded with the City to recognize the financial hardships faced by many of the strata subdivisions resulting from costs to repair building envelope failure. Special assessments have run into the tens of thousands of dollars per unit and some leaseholders simply did not have the financial ability to prepay their leases on top of paying monthly mortgage debt, taxes, strata fees, ground rent, and special assessments. These leaseholders feel economically disadvantaged in that many have expressed a willingness to have taken the prepayment option at that time, but simply did not have the cash flow to carry the prepayment costs. Many other non-prepaid leaseholders have expressed disappointment that the prepayment option was not afforded to them after 2001 as the timing of their acquisitions was subsequent to this date.

#### **7. Contaminated Land:**

A recurring objection that has been raised by many False Creek Leasehold owners pertains to the City's position regarding the treatment of contaminated land. It is unknown whether or not some of the strata subdivisions have been constructed on sites that would not meet the City or Provincial contaminated sites legislation today. Leaseholders want this potential risk factored into their rental valuations. Many leaseholders were upset that the City specifically instructed the real estate appraisers not to adjust appraised market values for risk associated with potential soils contamination.

Staff would agree that the real estate market normally operates in a manner whereby a willing purchaser of a property would discount an offer he/she is prepared to make for a contaminated site by discounting the purchase price by the amount it would cost the purchaser to remediate the contamination from a property, if in fact the risk associated with remediation became the purchaser's responsibility. It is this latter proviso that has informed the City's position on the matter as the leases do not provide that it is the lessees' responsibility to remediate the lands. Therefore the leaseholders' argument to be compensated is not valid in ascertaining the value of the market rent.

#### **PROCESS MOVING FORWARD - NEXT STEPS:**

Staff believes it is in the City's best interest to establish the new amounts of the monthly ground rent as soon as possible. It is critical to determine the monthly ground rent amounts in accordance with the lease contracts as these amounts will first and foremost inform the payment structure moving forward for all non-prepaid leaseholders for the next ten years; and second, will serve as the baseline for which a prepayment option can be developed.

In order to move this process forward, staff has met with the South False Creek Leaseholders Steering Committee to review the substantive issues addressed in this report and staff continues to liaise regularly with its appointed representatives. Staff has further agreed to review concerns regarding the appraisals in advance of heading immediately into an arbitration process. It is important for leaseholders to have the opportunity to express any

concerns or faults in the appraisal methodology employed by Grover, Elliot & Co Ltd. and the South False Creek Leaseholders Steering Committee has expressed a strong desire to have an opportunity to set out its rationale for why the City's position regarding the amount of ground rent should be revisited. Subject to Council approval, staff recommends a one hundred twenty day (120) Counter Proposal Period be established during which any non-prepaid leaseholder, or the South False Creek Leaseholders Steering Committee on their behalf, could prepare an argument challenging the appraisal conclusions based on the Canadian Uniform Standards of Professional Practice of the Appraisal Institute of Canada.

It should be stressed, however, that this step is not negotiation. It is an opportunity for residents to discuss with City staff the application of the Grover and Elliot methodology to their particular property. Acceptable counter proposals must be founded in the Grover and Elliot methodology and reflect market value in a manner that is consistent with that methodology.

Assuming there remain leaseholders who do not agree with the final City position on rent (assuming adjustments following leaseholder Counter Proposals have been made), the parties would then proceed to arbitration. This would then empower three arbitrators, one chosen by the lessor, one by the lessee and the third by the two so chosen; with the third arbitrator being the chairman to ascertain the amounts of the new rent. The lease agreements provide that the arbitration panels' decisions will be final. It is important to note that the arbitration process requires the arbitrators to be bound by the methodology set out in the lease, and no consideration is expected to be given to any hardship arguments related to the socio-economic or ability to pay concerns expressed earlier in this report. It is the Director of Real Estate's opinion that the arbitrators will support the reasoned conclusions put forward by Grover Elliott, and as a consequence, the market will re-price non prepaid leasehold property and the demographic make-up of this neighbourhood could change over the next few years as units are sold off to new owners. Despite the outcome, staff will keep Council fully advised with further reporting as arbitration decisions and awards are determined.

Once the revised monthly rents have been established pursuant to the terms of the lease, whether by agreement or arbitration, staff will prepare a prepayment programme for Council's consideration.

#### **PREPAYMENT:**

As with the prepayment plan that was offered to leaseholders during the 1990's it is important to note in bringing forward a new prepayment plan for Council's consideration:

- (i) as there is no contractual right to prepay, there is no predetermined formula for establishing the amount which might be payable and therefore the methodology used in any prepayment plan will be outside the terms set out in the lease documents;
- (ii) any leaseholder decision to prepay their lease is strictly voluntary - the City cannot require prepayment; and

Although staff would not necessarily advocate that the methodology used in the past for prepayment be repeated in 2007 it will be important for Council to understand the rationale informing the last prepayment option. Staff will outline the detailed methodology used at

that time when reporting back to Council. This understanding will offset the risk that those who prepaid under the earlier program will not be compromised by a new prepayment program.

#### FINANCIAL IMPLICATIONS

There are significant financial implications to the City resulting from the rent review process. The City can expect significantly higher monthly rents to be returned to the City as the False Creek leases are normalized to 2006 market conditions. Once the matter has been settled, either by agreement or arbitration, Council will be in an informed position to offer a new prepayment option. Although the City's new scheduled prepayment amounts would total many millions of dollars, it is very hard to estimate how many leaseholders would actually prepay their leases vs. continuing on with the new monthly payments. Assuming the Grover Elliot appraisal opinions are upheld, total monthly rent accruing to the City in the PEF would increase annually from just under \$200,000 per year to just over \$1,300,000 per year.

The arbitration process will also be an expensive and timely undertaking for the City. Given the related appraisal and legal work to be completed to address the concurrent rent reviews for the commercial strata developments and non-market rental housing projects in False Creek, the total costs of arbitration, real estate appraisals, and legal consultation are expected to approach \$500,000 over the next year. Staff will report back to Council with an updated budget once actual costs are known. These expenses would be funded from the PEF.

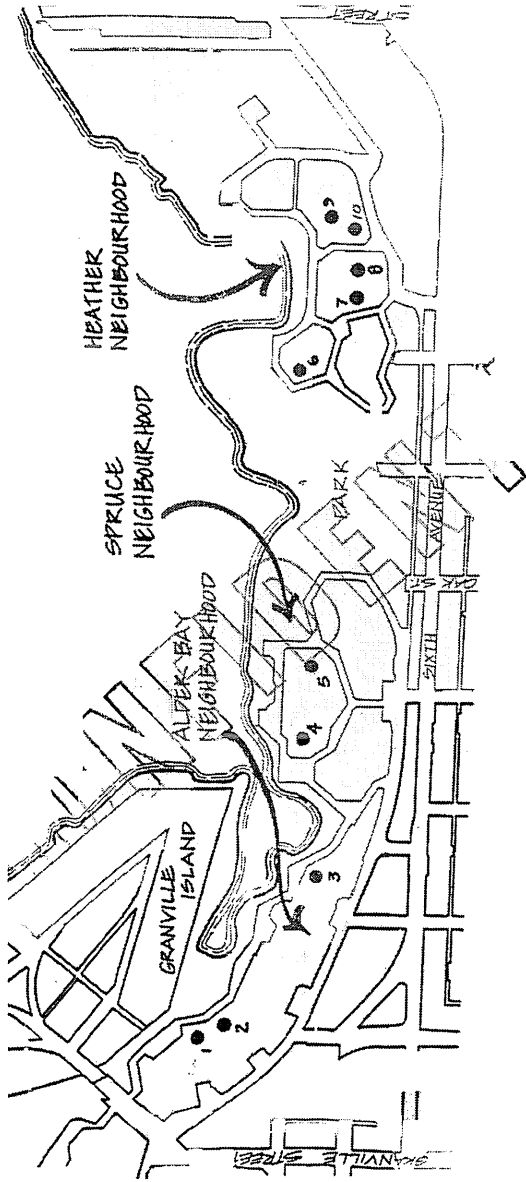
#### CONCLUSION

The City is the lessor of seven (7) strata ground leases which contain rent review provisions that came due in October, 2006, and a further 3 which come due between 2010 and 2012. Staff provided Council with an independent appraiser's opinion of the market rents to be charged for the 118 units now up for rent review in West False Creek and Council approved these new rents for the next ten (10) years. As the amounts of the rent increases were significant, Council directed staff to report back to Council with a strategy for determining a new prepayment option.

Staff has concluded that it is not possible to implement a new prepayment option at this time without settling the market value of the leaseholds (that is, without determining the current market rents) as these new rents will have a direct impact on the methodology informing the prepayment option.

Once the new schedule of rents is finalized, this information will be brought back to Council, together with a prepayment methodology, and leaseholders can freely choose whether or not they wish to prepay their leases at that time; failing which, the new rental amounts as determined by agreement or arbitration will govern.

\* \* \* \* \*



- 1. VR 1112 - FOUNTAIN TERRACE
- 2. VR 1157 - HARBOUR TERRACE
- 3. VR 691 - ALDER BAY PLACE
- 4. VR 514 - SPRUCE VILLAGE
- 5. VR 442 - MARINE MEWS
- 6. VR 419 - HEATHER POINT

- 7. VR 466
- 8. VR 508

|              |              | <u>Column A</u>   |           | <u>Column B</u>  |           |
|--------------|--------------|---|-----------|--|-----------|
|              |              | New Rents based on<br>Grover Elliott Appraisal<br>Rents based upon<br>apportionment of<br>assessed value<br>(incorrect) |           | New Rents based on<br>Grover Elliott Appraisal<br>Rents based upon<br>unit entitlement<br>(info from legal strata plan)<br>(correct) |           |
| Lot          | Unit Address | per year  | per month | per year   | per month |
| <b>VR466</b> |              |   |           |  |           |
|              |              | \$  | \$        | \$   | \$        |
| 24           | 722 Millyard | 8,692.61  | 724.38    | 8,298.40   | 691.53    |
|              |              | \$  | \$        | \$   | \$        |
| 26           | 726 Millard  | 8,999.24  | 749.94    | 8,298.40   | 691.53    |
|              |              | \$  | \$        | \$   | \$        |
| 48           | 786 Millbank | 10,143.34   | 845.28    | 8,298.40   | 691.53    |
|              |              | \$  | \$        | \$   | \$        |
| 56           | 770 Millbank | 10,190.50   | 849.21    | 8,298.40   | 691.53    |
|              |              | \$  | \$        | \$   | \$        |
| 34           | 742 Millyard | 8,043.88  | 670.32    | 8,427.20   | 702.27    |
|              |              | \$  | \$        | \$   | \$        |
| 12           | 699 Moberly  | 8,326.95  | 693.91    | 8,648.00   | 720.67    |
|              |              | \$  | \$        | \$   | \$        |
| 20           | 714 Millyard | 8,291.57  | 690.96    | 8,648.00   | 720.67    |
|              |              | \$  | \$        | \$   | \$        |
| 52           | 778 Millbank | 12,054.06   | 1,004.50  | 8,648.00   | 720.67    |
|              |              | \$  | \$        | \$   | \$        |
| 32           | 738 Millyard | 8,350.55  | 695.88    | 8,666.40   | 722.20    |
|              |              | \$  | \$        | \$   | \$        |
| 30           | 734 Millyard | 8,315.17  | 692.93    | 8,703.20   | 725.27    |
|              |              | \$  | \$        | \$   | \$        |
| 50           | 782 Millbank | 11,971.47   | 997.62    | 8,703.20   | 725.27    |
|              |              | \$  | \$        | \$   | \$        |
| 38           | 750 Millyard | 8,586.45  | 715.54    | 8,795.20   | 732.93    |
|              |              | \$  | \$        | \$   | \$        |
| 55           | 768 Millbank | 9,860.27  | 821.69    | 8,970.00   | 747.50    |
|              |              | \$  | \$        | \$   | \$        |
| 4            | 683 Moberly  | 8,610.02  | 717.50    | 9,190.80   | 765.90    |
|              |              | \$  | \$        | \$   | \$        |
| 27           | 728 Millyard | 8,409.54  | 700.79    | 9,586.40   | 798.87    |
|              |              | \$  | \$        | \$   | \$        |
| 53           | 772 Millbank | 11,051.49   | 920.96    | 9,623.20   | 801.93    |
|              |              | \$  | \$        | \$   | \$        |
| 1            | 677 Moberly  | 8,539.25  | 711.60    | 9,715.20   | 809.60    |
|              |              | \$  | \$        | \$   | \$        |
| 25           | 724 Millard  | 8,633.62  | 719.47    | 9,825.60   | 818.80    |
|              |              | \$  | \$        | \$   | \$        |
| 39           | 752 Millyard | 8,916.69  | 743.06    | 10,764.00  | 897.00    |
|              |              | \$  | \$        | \$   | \$        |
| 11           | 697 Moberly  | 8,881.31  | 740.11    | 10,782.40  | 898.53    |
|              |              | \$  | \$        | \$   | \$        |
| 19           | 712 Millyard | 9,471.05  | 789.25    | 10,782.40  | 898.53    |
|              |              | \$  | \$        | \$   | \$        |
| 51           | 776 Millbank | 13,127.35   | 1,093.95  | 10,782.40  | 898.53    |
|              |              | \$  | \$        | \$   | \$        |
| 29           | 732 Millyard | 9,730.52  | 810.88    | 10,920.40  | 910.03    |
|              |              | \$  | \$        | \$   | \$        |
| 9            | 693 Moberly  | 9,341.29  | 778.44    | 11,288.40  | 940.70    |
|              |              | \$  | \$        | \$   | \$        |
| 43           | 792 Millbank | 12,348.91   | 1,029.08  | 11,288.40  | 940.70    |
|              |              | \$  | \$        | \$   | \$        |
| 16           | 706 Millyard | 10,662.27   | 888.52    | 11,408.00  | 950.67    |
|              |              | \$  | \$        | \$   | \$        |
| 22           | 718 Millyard | 10,202.29   | 850.19    | 11,408.00  | 950.67    |
|              |              | \$  | \$        | \$   | \$        |
| 46           | 790 Millbank | 14,625.25   | 1,218.77  | 11,472.40  | 956.03    |
|              |              | \$  | \$        | \$   | \$        |
| 54           | 774 Millbank | 14,129.88   | 1,177.49  | 11,472.40  | 956.03    |
|              |              | \$  | \$        | \$   | \$        |

| VR442 |                      |                 |                |                 |                |
|-------|----------------------|-----------------|----------------|-----------------|----------------|
| 15    | 1043<br>Scantlings   | \$<br>7,188.30  | \$<br>599.03   | \$<br>6,508.81  | \$<br>542.40   |
| 19    | 1037<br>Scantlings   | \$<br>9,412.96  | \$<br>784.41   | \$<br>8,466.97  | \$<br>705.58   |
| 37    | 1030 Ironwork<br>Psg | \$<br>9,322.96  | \$<br>776.91   | \$<br>8,466.97  | \$<br>705.58   |
| 16    | 1045<br>Scantlings   | \$<br>9,464.39  | \$<br>788.70   | \$<br>9,197.06  | \$<br>766.42   |
| 23    | 1000 Ironwork<br>Psg | \$<br>10,634.60 | \$<br>886.22   | \$<br>9,407.74  | \$<br>783.98   |
| 25    | 1006 Ironwork<br>Psg | \$<br>11,110.38 | \$<br>925.87   | \$<br>9,407.74  | \$<br>783.98   |
| 3     | 1067<br>Scantlings   | \$<br>7,651.24  | \$<br>637.60   | \$<br>9,648.29  | \$<br>804.02   |
| 5     | 1065<br>Scantlings   | \$<br>7,561.23  | \$<br>630.10   | \$<br>9,648.29  | \$<br>804.02   |
| 9     | 1057<br>Scantlings   | \$<br>7,882.70  | \$<br>656.89   | \$<br>9,648.29  | \$<br>804.02   |
| 13    | 1047<br>Scantlings   | \$<br>9,001.46  | \$<br>750.12   | \$<br>9,763.21  | \$<br>813.60   |
| 21    | 1031<br>Scantlings   | \$<br>10,608.87 | \$<br>884.07   | \$<br>10,329.37 | \$<br>860.78   |
| 1     | 1073<br>Scantlings   | \$<br>8,744.30  | \$<br>728.69   | \$<br>10,675.26 | \$<br>889.60   |
| 49    | 1075<br>Scantlings   | \$<br>8,191.32  | \$<br>682.61   | \$<br>10,723.14 | \$<br>893.59   |
| 11    | 1051<br>Scantlings   | \$<br>9,181.50  | \$<br>765.12   | \$<br>10,751.87 | \$<br>895.99   |
| 18    | 1039<br>Scantlings   | \$<br>11,997.67 | \$<br>999.81   | \$<br>11,635.18 | \$<br>969.60   |
| 20    | 1035<br>Scantlings   | \$<br>11,997.67 | \$<br>999.81   | \$<br>11,635.18 | \$<br>969.60   |
| 28    | 1010 Ironwork<br>Psg | \$<br>13,797.98 | \$<br>1,149.83 | \$<br>11,635.18 | \$<br>969.60   |
| 30    | 1012 Ironwork<br>Psg | \$<br>13,797.98 | \$<br>1,149.83 | \$<br>11,635.18 | \$<br>969.60   |
| 36    | 1026 Ironwork<br>Psg | \$<br>14,801.00 | \$<br>1,233.42 | \$<br>11,635.18 | \$<br>969.60   |
| 38    | 1028 Ironwork<br>Psg | \$<br>13,875.13 | \$<br>1,156.26 | \$<br>11,635.18 | \$<br>969.60   |
| 43    | 1089<br>Scantlings   | \$<br>9,721.59  | \$<br>810.13   | \$<br>11,711.80 | \$<br>975.98   |
| 24    | 1002 Ironwork<br>Psg | \$<br>15,161.04 | \$<br>1,263.42 | \$<br>12,710.60 | \$<br>1,059.22 |
| 26    | 1004 Ironwork<br>Psg | \$<br>15,585.40 | \$<br>1,298.78 | \$<br>12,710.60 | \$<br>1,059.22 |
| 14    | 1049<br>Scantlings   | \$<br>12,216.29 | \$<br>1,018.02 | \$<br>12,863.82 | \$<br>1,071.99 |
| 6     | 1063<br>Scantlings   | \$<br>10,467.41 | \$<br>872.28   | \$<br>12,960.72 | \$<br>1,080.06 |
| 8     | 1061<br>Scantlings   | \$<br>10,712.15 | \$<br>892.68   | \$<br>12,960.72 | \$<br>1,080.06 |
| 42    | 1036 Ironwork<br>Psg | \$<br>16,189.80 | \$<br>1,349.15 | \$<br>13,065.50 | \$<br>1,088.79 |
| 22    | 1033<br>Scantlings   | \$<br>14,723.84 | \$<br>1,226.99 | \$<br>13,459.27 | \$<br>1,121.61 |
| 2     | 1071<br>Scantlings   | \$<br>11,161.81 | \$<br>930.15   | \$<br>13,958.39 | \$<br>1,163.20 |
| 12    | 1053<br>Scantlings   | \$<br>12,846.38 | \$<br>1,070.53 | \$<br>14,035.00 | \$<br>1,169.58 |
| 33    | 1020 Ironwork<br>Psg | \$<br>16,189.80 | \$<br>1,349.15 | \$<br>14,880.01 | \$<br>1,240.00 |
| 34    | 1022 Ironwork<br>Psg | \$<br>15,919.75 | \$<br>1,326.65 | \$<br>14,880.01 | \$<br>1,240.00 |

VI. Appendix B—Rent Tables

Appendix C

| Lot          | Column A   |  | Column B   |  | Column C   |  | Column D   |              | NEW         |              | OLD         |              | Rent Increase /month |
|--------------|--|--|--|--|--|--|--|--------------|-------------|--------------|-------------|--------------|----------------------|
|              | Estimated Prepayment amount based upon Grover Elliott appraised rents (discounted at 7.5%) | Estimated Prepayment based upon 2001 offer indexed by 5-year average growth of land assessment | Estimated Prepayment based upon 2001 offer indexed by 5-year average growth of land assessment | Estimated Prepayment based upon indexing the 2001 Prepayment Amount at 10% | Estimated Prepayment based upon indexing the 2001 Prepayment Amount at 10% | Estimated Prepayment based upon Grover Elliott estimate less 25% | Estimated Prepayment based upon Grover Elliott estimate less 25% | Monthly Rent | Annual Rent | Monthly Rent | Annual Rent | Monthly Rent |                      |
|              | A  | E  | E=F x D  | G  | G=F x (1+int) <sup>5</sup> Yrs   | H  | H=75 x A   | Monthly Rent | Annual Rent | Monthly Rent | Annual Rent | Monthly Rent | Annual Rent          |
| <b>VR588</b> |  |  |  |  |  |  |  |              |             |              |             |              |                      |
| 24           | \$113,307  | \$60,326   | \$60,326   | \$58,970   | \$58,970   | \$84,980   | \$84,980   | \$555.28     | \$6,663.31  | \$56.75      | \$1,041.00  | \$66.53      | \$468.53             |
| 27           | \$116,512  | \$63,360   | \$63,360   | \$61,649   | \$61,649   | \$87,384   | \$87,384   | \$570.98     | \$6,851.79  | \$90.67      | \$1,088.04  | \$48.31      | \$480.31             |
| 25           | \$122,921  | \$63,053   | \$63,053   | \$61,953   | \$61,953   | \$92,191   | \$92,191   | \$602.39     | \$7,228.69  | \$91.08      | \$1,092.96  | \$51.31      | \$511.31             |
| 26           | \$126,583  | \$63,984   | \$63,984   | \$63,024   | \$63,024   | \$94,937   | \$94,937   | \$620.34     | \$7,444.05  | \$99.42      | \$1,193.04  | \$52.92      | \$520.92             |
| 17           | \$157,257  | \$87,274   | \$87,274   | \$85,140   | \$85,140   | \$117,942  | \$117,942  | \$770.66     | \$9,247.87  | \$125.17     | \$1,502.04  | \$64.49      | \$645.49             |
| 19           | \$157,257  | \$87,274   | \$87,274   | \$85,140   | \$85,140   | \$117,942  | \$117,942  | \$770.66     | \$9,247.87  | \$125.17     | \$1,502.04  | \$64.49      | \$645.49             |
| 21           | \$157,257  | \$87,274   | \$87,274   | \$85,140   | \$85,140   | \$117,942  | \$117,942  | \$770.66     | \$9,247.87  | \$125.17     | \$1,502.04  | \$64.49      | \$645.49             |
| 22           | \$157,257  | \$87,274   | \$87,274   | \$85,140   | \$85,140   | \$117,942  | \$117,942  | \$770.66     | \$9,247.87  | \$125.17     | \$1,502.04  | \$64.49      | \$645.49             |
| 10           | \$252,938  | \$118,319  | \$118,319  | \$120,305  | \$120,305  | \$189,703  | \$189,703  | \$1,239.55   | \$14,874.66 | \$187.75     | \$2,253.00  | \$105.80     | \$1,051.80           |
| 11           | \$253,167  | \$124,735  | \$124,735  | \$124,595  | \$124,595  | \$189,876  | \$189,876  | \$1,240.68   | \$14,888.15 | \$190.67     | \$2,288.04  | \$105.01     | \$1,050.01           |
| 30           | \$209,905  | \$103,888  | \$103,888  | \$102,372  | \$102,372  | \$157,428  | \$157,428  | \$1,028.66   | \$12,343.97 | \$192.08     | \$2,304.96  | \$86.56      | \$866.56             |
| <b>VR552</b> |  |  |  |  |  |  |  |              |             |              |             |              |                      |
| 6            | combined with SL11   |  |  |  |  |  |  |              |             |              |             |              |                      |
| 6811         | \$413,614  | \$186,772  | \$186,772  | \$140,035  | \$140,035  | \$310,211  | \$310,211  | \$2,026.97   | \$24,323.69 | \$121.50     | \$1,458.00  | \$1,905.47   | \$1,905.47           |
| 13           | \$201,103  | \$150,676  | \$150,676  | \$100,837  | \$100,837  | \$150,827  | \$150,827  | \$985.53     | \$11,826.35 | \$123.25     | \$1,479.00  | \$862.28     | \$862.28             |
| 5            | \$326,328  | \$150,517  | \$150,517  | \$114,227  | \$114,227  | \$244,746  | \$244,746  | \$1,599.21   | \$19,190.55 | \$170.33     | \$2,043.96  | \$1,428.88   | \$1,428.88           |
| <b>VR551</b> |  |  |  |  |  |  |  |              |             |              |             |              |                      |
| 23           | \$230,527  | \$140,842  | \$140,842  | \$104,596  | \$104,596  | \$172,896  | \$172,896  | \$1,129.73   | \$13,555.75 | \$76.35      | \$916.20    | \$1,053.38   | \$1,053.38           |
| 24           | \$194,786  | \$89,884   | \$89,884   | \$66,901   | \$66,901   | \$116,090  | \$116,090  | \$758.55     | \$9,102.61  | \$81.92      | \$963.04    | \$676.63     | \$676.63             |
| 8            | \$142,840  | \$87,480   | \$87,480   | \$65,259   | \$65,259   | \$107,130  | \$107,130  | \$700.01     | \$8,400.09  | \$83.17      | \$908.04    | \$616.84     | \$616.84             |
| 21           | \$148,433  | \$92,675   | \$92,675   | \$68,125   | \$68,125   | \$111,324  | \$111,324  | \$727.81     | \$8,728.96  | \$83.90      | \$1,002.00  | \$643.91     | \$643.91             |
| 17           | \$180,965  | \$98,229   | \$98,229   | \$74,224   | \$74,224   | \$135,724  | \$135,724  | \$886.84     | \$10,642.12 | \$91.25      | \$1,095.00  | \$796.59     | \$796.59             |
| 3            | \$160,378  | \$101,845  | \$101,845  | \$74,156   | \$74,156   | \$120,283  | \$120,283  | \$765.95     | \$9,431.43  | \$102.62     | \$1,231.44  | \$683.33     | \$683.33             |
| 15           | \$187,055  | \$124,222  | \$124,222  | \$89,863   | \$89,863   | \$140,299  | \$140,299  | \$916.74     | \$11,000.94 | \$110.17     | \$1,322.04  | \$806.57     | \$806.57             |
| 23           | \$193,928  | \$139,244  | \$139,244  | \$100,063  | \$100,063  | \$145,446  | \$145,446  | \$1,122.26   | \$11,404.40 | \$127.42     | \$1,529.04  | \$822.95     | \$822.95             |
| 20           | \$229,002  | \$138,956  | \$138,956  | \$103,148  | \$103,148  | \$171,752  | \$171,752  | \$1,183.29   | \$13,467.06 | \$132.75     | \$1,693.00  | \$969.51     | \$969.51             |
| 16           | \$241,457  | \$142,549  | \$142,549  | \$106,274  | \$106,274  | \$181,093  | \$181,093  | \$1,094.85   | \$14,199.49 | \$137.92     | \$1,655.04  | \$1,045.37   | \$1,045.37           |
| 34           | \$223,411  | \$155,923  | \$155,923  | \$113,140  | \$113,140  | \$167,558  | \$167,558  | \$1,058.73   | \$13,136.25 | \$138.83     | \$1,565.96  | \$956.02     | \$956.02             |
| 18           | \$216,040  | \$150,712  | \$150,712  | \$108,949  | \$108,949  | \$162,030  | \$162,030  | \$1,058.73   | \$12,704.78 | \$139.58     | \$1,674.96  | \$919.15     | \$919.15             |
| 37           | \$307,539  | \$187,919  | \$187,919  | \$128,388  | \$128,388  | \$230,654  | \$230,654  | \$1,507.14   | \$18,085.53 | \$180.33     | \$2,163.96  | \$1,326.81   | \$1,326.81           |
| <b>VR514</b> |  |  |  |  |  |  |  |              |             |              |             |              |                      |
| 34           | \$100,624  | \$77,505   | \$77,505   | \$74,480   | \$74,480   | \$75,468   | \$75,468   | \$493.12     | \$5,917.47  | \$76.08      | \$912.96    | \$417.04     | \$417.04             |
| 15           | \$143,692  | \$50,154   | \$50,154   | \$62,567   | \$62,567   | \$107,769  | \$107,769  | \$704.16     | \$8,450.19  | \$82.08      | \$984.96    | \$622.10     | \$622.10             |
| 1            | \$63,608   | \$63,608   | \$63,608   | \$64,651   | \$64,651   | \$137,093  | \$137,093  | \$695.79     | \$10,749.48 | \$102.75     | \$1,233.00  | \$793.04     | \$793.04             |
| 3            | \$179,814  | \$64,064   | \$64,064   | \$54,844   | \$54,844   | \$134,860  | \$134,860  | \$881.20     | \$10,574.41 | \$103.08     | \$1,236.96  | \$778.12     | \$778.12             |

Appendix C

| Lot          | Column A   |  | Column B  |  | Column C   |             | Column D    |              | NEW         |              | OLD         |              | Rent /month | Increase |
|--------------|--|--|---|--|--|-------------|-------------|--------------|-------------|--------------|-------------|--------------|-------------|----------|
|              | Estimated Prepayment amount based upon Grover Elliott appraised rents (discounted at 7.5%) | Estimated Prepayment based upon 2001 offer indexed by 5-year average growth of land assessment | Estimated Prepayment based upon 2001 offer indexing the amount at 10% | Estimated Prepayment based upon indexing the amount at 10% | Estimated Prepayment based upon Grover Elliott estimate less 25% | H = 75 x A  | Annual Rent | Monthly Rent | Annual Rent | Monthly Rent | Annual Rent | Monthly Rent |             |          |
| 7            | \$204,623  | \$64,142   | \$64,844  | \$64,844   | \$153,467  | \$12,033.36 | \$1,002.78  | \$103.08     | \$1,236.96  | \$103.08     | \$1,236.96  | \$103.08     | \$899.70    |          |
| 9            | \$186,959  | \$64,421   | \$64,844  | \$64,844   | \$140,219  | \$10,994.58 | \$916.22    | \$103.08     | \$1,236.96  | \$103.08     | \$1,236.96  | \$103.08     | \$813.14    |          |
| 11           | \$195,295  | \$64,531   | \$64,844  | \$64,844   | \$146,471  | \$11,484.79 | \$957.07    | \$108.17     | \$1,298.04  | \$108.17     | \$1,298.04  | \$108.17     | \$853.99    |          |
| 31           | \$158,181  | \$76,959   | \$76,374  | \$76,374   | \$118,636  | \$9,302.22  | \$775.19    | \$108.33     | \$1,299.96  | \$108.33     | \$1,299.96  | \$108.33     | \$667.02    |          |
| 35           | \$159,768  | \$79,512   | \$77,190  | \$77,190   | \$119,826  | \$9,395.57  | \$782.96    | \$109.92     | \$1,331.04  | \$109.92     | \$1,331.04  | \$109.92     | \$674.63    |          |
| 19           | \$183,982  | \$69,166   | \$69,326  | \$69,326   | \$137,986  | \$10,819.51 | \$901.63    | \$123.00     | \$1,476.00  | \$123.00     | \$1,476.00  | \$123.00     | \$812.57    |          |
| 23           | \$190,928  | \$96,275   | \$95,833  | \$95,833   | \$143,196  | \$11,228.02 | \$935.67    | \$134.25     | \$1,611.00  | \$134.25     | \$1,611.00  | \$134.25     | \$861.72    |          |
| 27           | \$203,233  | \$112,652  | \$111,839   | \$111,839  | \$152,425  | \$11,951.64 | \$995.97    | \$138.75     | \$1,665.00  | \$138.75     | \$1,665.00  | \$138.75     | \$1,175.27  |          |
| 4            | \$268,133  | \$108,011  | \$110,074   | \$110,074  | \$201,100  | \$15,768.23 | \$1,314.02  | \$141.92     | \$1,703.04  | \$141.92     | \$1,703.04  | \$141.92     | \$1,713.99  |          |
| 33           | \$174,653  | \$114,064  | \$119,675   | \$119,675  | \$130,990  | \$10,270.93 | \$855.91    | \$188.67     | \$2,264.04  | \$188.67     | \$2,264.04  | \$188.67     | \$1,357.81  |          |
| 22           | \$315,567  | \$114,437  | \$116,367   | \$116,367  | \$236,675  | \$18,557.73 | \$1,546.48  |              |             |              |             |              |             |          |
| <b>VR466</b> |  |  |   |  |  |             |             |              |             |              |             |              |             |          |
| 24           | \$141,111  | \$46,160   | \$48,555  | \$48,555   | \$105,833  | \$8,692.61  | \$724.38    | \$104.68     | \$1,256.16  | \$104.68     | \$1,256.16  | \$104.68     | \$619.70    |          |
| 26           | \$141,111  | \$48,250   | \$51,064  | \$51,064   | \$105,833  | \$8,999.24  | \$749.94    | \$104.68     | \$1,256.16  | \$104.68     | \$1,256.16  | \$104.68     | \$645.26    |          |
| 48           | \$141,111  | \$57,361   | \$61,100  | \$61,100   | \$105,833  | \$10,143.34 | \$845.28    | \$104.68     | \$1,256.16  | \$104.68     | \$1,256.16  | \$104.68     | \$740.60    |          |
| 56           | \$141,111  | \$57,542   | \$61,100  | \$61,100   | \$105,833  | \$10,190.50 | \$849.21    | \$106.31     | \$1,275.72  | \$106.31     | \$1,275.72  | \$106.31     | \$744.53    |          |
| 34           | \$143,301  | \$49,583   | \$51,857  | \$51,857   | \$107,476  | \$8,043.88  | \$670.32    | \$109.09     | \$1,309.08  | \$109.09     | \$1,309.08  | \$109.09     | \$564.01    |          |
| 12           | \$147,056  | \$48,337   | \$50,601  | \$50,601   | \$110,292  | \$8,326.95  | \$693.91    | \$109.09     | \$1,309.08  | \$109.09     | \$1,309.08  | \$109.09     | \$594.82    |          |
| 20           | \$147,056  | \$50,638   | \$53,214  | \$53,214   | \$110,292  | \$8,291.57  | \$690.96    | \$109.09     | \$1,309.08  | \$109.09     | \$1,309.08  | \$109.09     | \$591.87    |          |
| 52           | \$147,056  | \$59,542   | \$63,673  | \$63,673   | \$110,292  | \$12,054.06 | \$1,004.50  | \$109.33     | \$1,311.96  | \$109.33     | \$1,311.96  | \$109.33     | \$895.41    |          |
| 32           | \$147,369  | \$53,336   | \$55,949  | \$55,949   | \$110,527  | \$8,350.55  | \$695.88    | \$109.79     | \$1,317.48  | \$109.79     | \$1,317.48  | \$109.79     | \$583.14    |          |
| 30           | \$147,995  | \$53,672   | \$56,186  | \$56,186   | \$110,996  | \$8,315.17  | \$692.93    | \$109.79     | \$1,317.48  | \$109.79     | \$1,317.48  | \$109.79     | \$887.83    |          |
| 50           | \$149,559  | \$59,925   | \$64,081  | \$64,081   | \$112,169  | \$11,971.47 | \$997.62    | \$110.95     | \$1,331.40  | \$110.95     | \$1,331.40  | \$110.95     | \$604.59    |          |
| 38           | \$149,559  | \$53,992   | \$56,780  | \$56,780   | \$112,169  | \$8,586.45  | \$715.54    | \$113.16     | \$1,357.92  | \$113.16     | \$1,357.92  | \$113.16     | \$708.53    |          |
| 55           | \$152,531  | \$59,765   | \$63,332  | \$63,332   | \$114,399  | \$9,860.27  | \$821.69    | \$115.94     | \$1,391.28  | \$115.94     | \$1,391.28  | \$115.94     | \$601.56    |          |
| 4            | \$156,286  | \$51,622   | \$53,777  | \$53,777   | \$117,215  | \$8,610.02  | \$717.50    | \$120.93     | \$1,451.16  | \$120.93     | \$1,451.16  | \$120.93     | \$579.86    |          |
| 27           | \$163,013  | \$53,881   | \$56,091  | \$56,091   | \$122,260  | \$8,409.54  | \$700.79    | \$121.40     | \$1,456.80  | \$121.40     | \$1,456.80  | \$121.40     | \$799.56    |          |
| 53           | \$163,639  | \$64,215   | \$67,944  | \$67,944   | \$122,729  | \$11,051.49 | \$920.96    | \$122.56     | \$1,470.72  | \$122.56     | \$1,470.72  | \$122.56     | \$899.04    |          |
| 1            | \$165,203  | \$51,659   | \$53,907  | \$53,907   | \$123,902  | \$8,539.25  | \$711.60    | \$123.95     | \$1,487.40  | \$123.95     | \$1,487.40  | \$123.95     | \$595.52    |          |
| 25           | \$167,081  | \$55,392   | \$57,490  | \$57,490   | \$125,310  | \$8,633.62  | \$719.47    | \$136.02     | \$1,632.24  | \$136.02     | \$1,632.24  | \$136.02     | \$607.27    |          |
| 39           | \$183,038  | \$60,616   | \$62,982  | \$62,982   | \$137,278  | \$8,916.69  | \$743.06    | \$136.79     | \$1,632.24  | \$136.79     | \$1,632.24  | \$136.79     | \$604.09    |          |
| 11           | \$183,351  | \$59,695   | \$59,829  | \$59,829   | \$137,513  | \$8,881.31  | \$740.11    | \$136.02     | \$1,632.24  | \$136.02     | \$1,632.24  | \$136.02     | \$663.23    |          |
| 19           | \$183,351  | \$57,571   | \$59,829  | \$59,829   | \$137,513  | \$9,471.05  | \$789.25    | \$136.02     | \$1,632.24  | \$136.02     | \$1,632.24  | \$136.02     | \$957.93    |          |
| 51           | \$183,351  | \$71,605   | \$76,129  | \$76,129   | \$137,513  | \$13,127.35 | \$1,093.95  | \$137.76     | \$1,653.12  | \$137.76     | \$1,653.12  | \$137.76     | \$673.12    |          |
| 29           | \$185,697  | \$61,224   | \$63,897  | \$63,897   | \$139,273  | \$9,730.52  | \$810.88    | \$142.40     | \$1,708.80  | \$142.40     | \$1,708.80  | \$142.40     | \$886.68    |          |
| 9            | \$191,955  | \$60,408   | \$62,638  | \$62,638   | \$143,966  | \$9,341.29  | \$778.44    | \$142.40     | \$1,708.80  | \$142.40     | \$1,708.80  | \$142.40     | \$636.04    |          |
| 43           | \$191,955  | \$79,701   | \$79,701  | \$79,701   | \$143,966  | \$12,348.91 | \$1,029.08  | \$143.91     | \$1,726.92  | \$143.91     | \$1,726.92  | \$143.91     | \$744.61    |          |
| 16           | \$193,989  | \$67,198   | \$70,199  | \$70,199   | \$145,492  | \$10,662.27 | \$898.52    | \$143.91     | \$1,726.92  | \$143.91     | \$1,726.92  | \$143.91     | \$744.61    |          |
| 22           | \$193,989  | \$66,220   | \$70,199  | \$70,199   | \$145,492  | \$10,202.29 | \$850.19    |              |             |              |             |              | \$706.28    |          |



Appendix C

| Lot          | Column A   |  | Column B  |  | Column C                      |           | Column D  |  | Negotiated Settlement |              |              | NEW          |             |              | OLD         |             |                      | Rent Increase /month |
|--------------|--|--|-----------|--|-------------------------------|-----------|-----------|--|-----------------------|--------------|--------------|--------------|-------------|--------------|-------------|-------------|----------------------|----------------------|
|              | Estimated Prepayment amount based upon Grover Elliott appraised rents (discounted at 7.5%) | Estimated Prepayment based upon 2001 offer indexed by 5-year average growth of land assessment | E=F x D   | Estimated Prepayment based upon indexing the 2001 Prepayment Amount at 10% | G=F x (1+int) <sup>5</sup> ys | H         | H=-75 x A | Estimated Prepayment based upon Grover Elliott estimate less 25% | Annual Rent           | Monthly Rent | Monthly Rent | Monthly Rent | Annual Rent | Monthly Rent | Annual Rent | Annual Rent | Rent Increase /month |                      |
| 46           | \$195,084  | \$79,006   | \$79,006  | \$84,454   | \$84,454                      | \$83,010  | \$146,313 | \$14,625.25  | \$1,218.77            | \$144.61     | \$144.61     | \$1,735.32   | \$1,735.32  | \$1,074.16   | \$1,032.88  |             |                      |                      |
| 54           | \$195,084  | \$79,289   | \$79,289  | \$84,454   | \$84,454                      | \$146,313 | \$146,313 | \$14,129.88  | \$1,177.49            | \$144.61     | \$144.61     | \$1,735.32   | \$1,735.32  | \$1,074.16   | \$1,032.88  |             |                      |                      |
| <b>VR442</b> |  |  |           |  |                               |           |           |  |                       |              |              |              |             |              |             |             |                      |                      |
| 15           | \$110,680  | \$35,309   | \$35,309  | \$35,417   | \$35,417                      | \$83,010  | \$83,010  | \$7,188.30   | \$599.03              | \$70.27      | \$70.27      | \$843.24     | \$843.24    | \$528.76     | \$528.76    |             |                      |                      |
| 19           | \$143,978  | \$48,526   | \$48,526  | \$48,526   | \$48,526                      | \$107,983 | \$107,983 | \$9,412.96   | \$784.41              | \$91.41      | \$91.41      | \$1,096.92   | \$1,096.92  | \$693.00     | \$693.00    |             |                      |                      |
| 37           | \$143,978  | \$55,334   | \$55,334  | \$55,886   | \$55,886                      | \$107,983 | \$107,983 | \$9,322.96   | \$776.91              | \$91.41      | \$91.41      | \$1,096.92   | \$1,096.92  | \$685.50     | \$685.50    |             |                      |                      |
| 16           | \$156,392  | \$52,505   | \$52,505  | \$52,709   | \$52,709                      | \$117,294 | \$117,294 | \$9,464.39   | \$788.70              | \$99.30      | \$99.30      | \$1,191.60   | \$1,191.60  | \$689.40     | \$689.40    |             |                      |                      |
| 23           | \$159,975  | \$61,431   | \$61,431  | \$62,129   | \$62,129                      | \$119,981 | \$119,981 | \$10,634.60  | \$886.22              | \$101.57     | \$101.57     | \$1,218.84   | \$1,218.84  | \$784.65     | \$784.65    |             |                      |                      |
| 25           | \$159,975  | \$61,238   | \$61,238  | \$62,096   | \$62,096                      | \$119,981 | \$119,981 | \$11,110.38  | \$925.87              | \$101.57     | \$101.57     | \$1,218.84   | \$1,218.84  | \$824.30     | \$824.30    |             |                      |                      |
| 3            | \$164,066  | \$53,302   | \$53,302  | \$52,499   | \$52,499                      | \$123,049 | \$123,049 | \$7,651.24   | \$637.60              | \$104.17     | \$104.17     | \$1,250.04   | \$1,250.04  | \$533.43     | \$533.43    |             |                      |                      |
| 5            | \$164,066  | \$54,405   | \$54,405  | \$52,499   | \$52,499                      | \$123,049 | \$123,049 | \$7,561.23   | \$630.10              | \$104.17     | \$104.17     | \$1,250.04   | \$1,250.04  | \$526.93     | \$526.93    |             |                      |                      |
| 9            | \$164,066  | \$54,982   | \$54,982  | \$52,499   | \$52,499                      | \$123,049 | \$123,049 | \$7,882.70   | \$656.89              | \$104.17     | \$104.17     | \$1,250.04   | \$1,250.04  | \$552.72     | \$552.72    |             |                      |                      |
| 13           | \$166,020  | \$53,604   | \$53,604  | \$53,126   | \$53,126                      | \$124,515 | \$124,515 | \$9,001.46   | \$750.12              | \$105.41     | \$105.41     | \$1,264.92   | \$1,264.92  | \$644.71     | \$644.71    |             |                      |                      |
| 21           | \$175,647  | \$59,096   | \$59,096  | \$59,201   | \$59,201                      | \$131,735 | \$131,735 | \$10,608.87  | \$884.07              | \$111.52     | \$111.52     | \$1,338.24   | \$1,338.24  | \$772.55     | \$772.55    |             |                      |                      |
| 1            | \$181,529  | \$59,899   | \$59,899  | \$58,088   | \$58,088                      | \$136,147 | \$136,147 | \$8,744.30   | \$728.69              | \$115.25     | \$115.25     | \$1,383.00   | \$1,383.00  | \$613.44     | \$613.44    |             |                      |                      |
| 49           | \$182,343  | \$57,163   | \$57,163  | \$55,166   | \$55,166                      | \$136,757 | \$136,757 | \$8,191.32   | \$682.61              | \$115.77     | \$115.77     | \$1,389.24   | \$1,389.24  | \$566.84     | \$566.84    |             |                      |                      |
| 11           | \$182,831  | \$59,931   | \$59,931  | \$58,507   | \$58,507                      | \$137,124 | \$137,124 | \$9,181.50   | \$765.12              | \$116.08     | \$116.08     | \$1,392.96   | \$1,392.96  | \$649.04     | \$649.04    |             |                      |                      |
| 18           | \$197,852  | \$69,929   | \$69,929  | \$70,056   | \$70,056                      | \$148,389 | \$148,389 | \$11,997.67  | \$999.81              | \$125.62     | \$125.62     | \$1,507.44   | \$1,507.44  | \$874.19     | \$874.19    |             |                      |                      |
| 20           | \$197,852  | \$69,929   | \$69,929  | \$70,056   | \$70,056                      | \$148,389 | \$148,389 | \$11,997.67  | \$999.81              | \$125.62     | \$125.62     | \$1,507.44   | \$1,507.44  | \$874.19     | \$874.19    |             |                      |                      |
| 28           | \$197,852  | \$78,921   | \$78,921  | \$80,168   | \$80,168                      | \$148,389 | \$148,389 | \$11,997.67  | \$999.81              | \$125.62     | \$125.62     | \$1,507.44   | \$1,507.44  | \$1,024.21   | \$1,024.21  |             |                      |                      |
| 30           | \$197,852  | \$78,921   | \$78,921  | \$80,168   | \$80,168                      | \$148,389 | \$148,389 | \$13,797.98  | \$1,149.83            | \$125.62     | \$125.62     | \$1,507.44   | \$1,507.44  | \$1,024.21   | \$1,024.21  |             |                      |                      |
| 36           | \$197,852  | \$78,970   | \$78,970  | \$80,168   | \$80,168                      | \$148,389 | \$148,389 | \$13,797.98  | \$1,149.83            | \$125.62     | \$125.62     | \$1,507.44   | \$1,507.44  | \$1,107.80   | \$1,107.80  |             |                      |                      |
| 38           | \$197,852  | \$78,710   | \$78,710  | \$80,168   | \$80,168                      | \$148,389 | \$148,389 | \$14,801.00  | \$1,233.42            | \$125.62     | \$125.62     | \$1,507.44   | \$1,507.44  | \$1,107.80   | \$1,107.80  |             |                      |                      |
| 43           | \$199,155  | \$82,406   | \$82,406  | \$80,628   | \$80,628                      | \$149,366 | \$149,366 | \$13,875.13  | \$1,166.26            | \$125.62     | \$125.62     | \$1,507.44   | \$1,507.44  | \$1,030.64   | \$1,030.64  |             |                      |                      |
| 24           | \$216,139  | \$85,964   | \$85,964  | \$87,576   | \$87,576                      | \$162,104 | \$162,104 | \$9,721.59   | \$810.13              | \$126.45     | \$126.45     | \$1,517.40   | \$1,517.40  | \$683.68     | \$683.68    |             |                      |                      |
| 26           | \$216,139  | \$86,026   | \$86,026  | \$87,576   | \$87,576                      | \$162,104 | \$162,104 | \$15,161.04  | \$1,263.42            | \$137.23     | \$137.23     | \$1,646.76   | \$1,646.76  | \$1,126.19   | \$1,126.19  |             |                      |                      |
| 14           | \$218,744  | \$74,317   | \$74,317  | \$73,726   | \$73,726                      | \$164,058 | \$164,058 | \$15,585.40  | \$1,298.78            | \$137.23     | \$137.23     | \$1,646.76   | \$1,646.76  | \$1,161.55   | \$1,161.55  |             |                      |                      |
| 6            | \$220,392  | \$77,020   | \$77,020  | \$74,277   | \$74,277                      | \$165,294 | \$165,294 | \$12,216.29  | \$1,018.02            | \$138.88     | \$138.88     | \$1,666.56   | \$1,666.56  | \$879.14     | \$879.14    |             |                      |                      |
| 8            | \$220,392  | \$76,198   | \$76,198  | \$74,277   | \$74,277                      | \$165,294 | \$165,294 | \$10,467.41  | \$872.28              | \$139.93     | \$139.93     | \$1,679.16   | \$1,679.16  | \$732.35     | \$732.35    |             |                      |                      |
| 42           | \$222,174  | \$87,027   | \$87,027  | \$90,023   | \$90,023                      | \$166,630 | \$166,630 | \$10,712.15  | \$892.68              | \$139.93     | \$139.93     | \$1,679.16   | \$1,679.16  | \$752.75     | \$752.75    |             |                      |                      |
| 22           | \$228,870  | \$80,576   | \$80,576  | \$81,036   | \$81,036                      | \$171,652 | \$171,652 | \$16,189.80  | \$1,349.15            | \$141.06     | \$141.06     | \$1,692.72   | \$1,692.72  | \$1,208.09   | \$1,208.09  |             |                      |                      |
| 2            | \$237,357  | \$82,249   | \$82,249  | \$79,999   | \$79,999                      | \$178,018 | \$178,018 | \$14,723.84  | \$1,226.99            | \$145.31     | \$145.31     | \$1,743.72   | \$1,743.72  | \$1,081.68   | \$1,081.68  |             |                      |                      |
| 12           | \$238,660  | \$81,839   | \$81,839  | \$80,439   | \$80,439                      | \$178,995 | \$178,995 | \$11,161.81  | \$930.15              | \$150.70     | \$150.70     | \$1,808.40   | \$1,808.40  | \$779.45     | \$779.45    |             |                      |                      |
| 33           | \$253,029  | \$100,713  | \$100,713 | \$102,525  | \$102,525                     | \$189,772 | \$189,772 | \$12,846.38  | \$1,070.53            | \$151.53     | \$151.53     | \$1,818.36   | \$1,818.36  | \$919.00     | \$919.00    |             |                      |                      |
| 34           | \$253,029  | \$101,856  | \$101,856 | \$102,525  | \$102,525                     | \$189,772 | \$189,772 | \$16,189.80  | \$1,349.15            | \$160.65     | \$160.65     | \$1,927.80   | \$1,927.80  | \$1,186.50   | \$1,186.50  |             |                      |                      |
|              |  |  |           |  |                               |           |           | \$15,919.75  | \$1,326.65            | \$160.65     | \$160.65     | \$1,927.80   | \$1,927.80  | \$1,166.00   | \$1,166.00  |             |                      |                      |

Appendix C

6.1.24

| Lot          | Column A   |                    | Column B   |                     | Column C   |                  | Column D              |                 | NEW              |                 |                  | OLD              |                 | Rent Increase /month |
|--------------|--|--------------------|--|---------------------|--|------------------|-----------------------|-----------------|------------------|-----------------|------------------|------------------|-----------------|----------------------|
|              | Estimated Prepayment amount based upon Grover Elliott appraised rents (discounted at 7.5%) | A                  | Estimated Prepayment based upon 2001 offer indexed by 5-year average growth of land assessment | E                   | Estimated Prepayment based upon indexing the 2001 Prepayment Amount at 10% | G                | Negotiated Settlement | H               | Annual Rent      | Monthly Rent    | Monthly Rent     | Annual Rent      | Monthly Rent    |                      |
|              |  |                    | E=F x D  |                     | G=F x (1+int) <sup>5</sup> yrs   |                  | H=75 x A              |                 |                  |                 |                  |                  |                 |                      |
| VR419        |  |                    |  |                     |  |                  |                       |                 |                  |                 |                  |                  |                 |                      |
| 41           | \$149,336  | \$43,788           | \$59,542   | \$112,002           | \$8,782.09   | \$731.84         | \$1,237.56            | \$628.71        | \$1,237.56       | \$103.13        | \$1,237.56       | \$1,237.56       | \$103.13        | \$628.71             |
| 47           | \$147,918  | \$43,052           | \$59,251   | \$110,938           | \$8,698.64   | \$724.99         | \$1,303.92            | \$616.23        | \$1,303.92       | \$108.66        | \$1,303.92       | \$1,303.92       | \$108.66        | \$616.23             |
| 5            | \$186,529  | \$50,779           | \$69,258   | \$139,897           | \$10,969.28  | \$914.11         | \$1,490.76            | \$789.88        | \$1,490.76       | \$124.23        | \$1,490.76       | \$1,490.76       | \$124.23        | \$789.88             |
| 29           | \$172,049  | \$55,471           | \$75,230   | \$129,037           | \$10,117.79  | \$843.15         | \$1,504.56            | \$717.77        | \$1,504.56       | \$125.38        | \$1,504.56       | \$1,504.56       | \$125.38        | \$717.77             |
| 7            | \$193,910  | \$51,017           | \$69,725   | \$145,432           | \$11,403.40  | \$950.28         | \$1,534.44            | \$822.41        | \$1,534.44       | \$127.87        | \$1,534.44       | \$1,534.44       | \$127.87        | \$822.41             |
| 24           | \$172,333  | \$51,845           | \$83,875   | \$129,250           | \$10,134.47  | \$844.54         | \$1,755.36            | \$698.26        | \$1,755.36       | \$146.28        | \$1,755.36       | \$1,755.36       | \$146.28        | \$698.26             |
| 25           | \$181,701  | \$71,615           | \$96,883   | \$136,276           | \$10,685.44  | \$890.45         | \$1,893.96            | \$732.62        | \$1,893.96       | \$157.83        | \$1,893.96       | \$1,893.96       | \$157.83        | \$732.62             |
| 38           | \$236,213  | \$64,493           | \$88,581   | \$177,159           | \$13,891.07  | \$1,157.59       | \$1,949.40            | \$995.14        | \$1,949.40       | \$162.45        | \$1,949.40       | \$1,949.40       | \$162.45        | \$995.14             |
| 10           | \$256,088  | \$68,099           | \$93,680   | \$192,066           | \$15,069.83  | \$1,254.99       | \$2,039.76            | \$1,085.01      | \$2,039.76       | \$169.98        | \$2,039.76       | \$2,039.76       | \$169.98        | \$1,085.01           |
| 16           | \$248,988  | \$68,433           | \$93,680   | \$186,741           | \$14,642.39  | \$1,220.20       | \$2,039.76            | \$1,050.22      | \$2,039.76       | \$169.98        | \$2,039.76       | \$2,039.76       | \$169.98        | \$1,050.22           |
| 12           | \$342,111  | \$54,821           | \$75,481   | \$256,583           | \$20,118.72  | \$1,676.56       | \$2,072.76            | \$1,503.83      | \$2,072.76       | \$172.73        | \$2,072.76       | \$2,072.76       | \$172.73        | \$1,503.83           |
| 18           | \$269,714  | \$69,921           | \$69,537   | \$202,286           | \$15,861.23  | \$1,321.77       | \$2,087.76            | \$1,147.79      | \$2,087.76       | \$173.98        | \$2,087.76       | \$2,087.76       | \$173.98        | \$1,147.79           |
| 22           | \$204,698  | \$69,349           | \$94,542   | \$153,524           | \$12,037.81  | \$1,003.15       | \$2,461.08            | \$798.06        | \$2,461.08       | \$205.09        | \$2,461.08       | \$2,461.08       | \$205.09        | \$798.06             |
| 46           | \$259,777  | \$70,851           | \$97,694   | \$194,833           | \$15,276.86  | \$1,273.07       | \$2,593.80            | \$1,056.92      | \$2,593.80       | \$216.15        | \$2,593.80       | \$2,593.80       | \$216.15        | \$1,056.92           |
| 27           | \$178,012  | \$79,365           | \$107,601  | \$133,509           | \$10,468.40  | \$872.37         | \$2,598.00            | \$655.87        | \$2,598.00       | \$216.50        | \$2,598.00       | \$2,598.00       | \$216.50        | \$655.87             |
| <b>SUB</b>   |  |                    |  |                     |  |                  |                       |                 |                  |                 |                  |                  |                 |                      |
| <b>TOTAL</b> | <b>\$22,386,559</b>  | <b>\$9,136,994</b> | <b>\$8,958,674</b>   | <b>\$16,789,919</b> | <b>\$1,327,760</b>   | <b>\$110,647</b> | <b>\$178,996</b>      | <b>\$95,730</b> | <b>\$178,996</b> | <b>\$14,916</b> | <b>\$178,996</b> | <b>\$178,996</b> | <b>\$14,916</b> | <b>\$95,730</b>      |
| VR1112       |  |                    |  |                     |  |                  |                       |                 |                  |                 |                  |                  |                 |                      |
| 1            | not appraised  | \$168,459          | \$81,030   | not appraised       | not appraised  | not appraised    | not appraised         | not appraised   | not appraised    | not appraised   | not appraised    | not appraised    | not appraised   | not appraised        |
| 2            | not appraised  | PP                 | PP   | not appraised       | not appraised  | not appraised    | not appraised         | not appraised   | not appraised    | not appraised   | not appraised    | not appraised    | not appraised   | not appraised        |
| 3            | not appraised  | \$174,988          | \$81,023   | not appraised       | not appraised  | not appraised    | not appraised         | not appraised   | not appraised    | not appraised   | not appraised    | not appraised    | not appraised   | not appraised        |
| 4            | not appraised  | \$174,988          | \$81,023   | not appraised       | not appraised  | not appraised    | not appraised         | not appraised   | not appraised    | not appraised   | not appraised    | not appraised    | not appraised   | not appraised        |
| 5            | not appraised  | \$163,313          | \$68,063   | not appraised       | not appraised  | not appraised    | not appraised         | not appraised   | not appraised    | not appraised   | not appraised    | not appraised    | not appraised   | not appraised        |
| 6            | not appraised  | PP                 | PP   | not appraised       | not appraised  | not appraised    | not appraised         | not appraised   | not appraised    | not appraised   | not appraised    | not appraised    | not appraised   | not appraised        |
| 7            | not appraised  | PP                 | PP   | not appraised       | not appraised  | not appraised    | not appraised         | not appraised   | not appraised    | not appraised   | not appraised    | not appraised    | not appraised   | not appraised        |
| 8            | not appraised  | PP                 | PP   | not appraised       | not appraised  | not appraised    | not appraised         | not appraised   | not appraised    | not appraised   | not appraised    | not appraised    | not appraised   | not appraised        |
| 9            | not appraised  | PP                 | PP   | not appraised       | not appraised  | not appraised    | not appraised         | not appraised   | not appraised    | not appraised   | not appraised    | not appraised    | not appraised   | not appraised        |
| 10           | not appraised  | PP                 | PP   | not appraised       | not appraised  | not appraised    | not appraised         | not appraised   | not appraised    | not appraised   | not appraised    | not appraised    | not appraised   | not appraised        |
| 11           | not appraised  | PP                 | PP   | not appraised       | not appraised  | not appraised    | not appraised         | not appraised   | not appraised    | not appraised   | not appraised    | not appraised    | not appraised   | not appraised        |
| 12           | not appraised  | PP                 | PP   | not appraised       | not appraised  | not appraised    | not appraised         | not appraised   | not appraised    | not appraised   | not appraised    | not appraised    | not appraised   | not appraised        |
| 13           | not appraised  | PP                 | PP   | not appraised       | not appraised  | not appraised    | not appraised         | not appraised   | not appraised    | not appraised   | not appraised    | not appraised    | not appraised   | not appraised        |
| 14           | not appraised  | \$208,303          | \$94,218   | not appraised       | not appraised  | not appraised    | not appraised         | not appraised   | not appraised    | not appraised   | not appraised    | not appraised    | not appraised   | not appraised        |
| 15           | not appraised  | PP                 | PP   | not appraised       | not appraised  | not appraised    | not appraised         | not appraised   | not appraised    | not appraised   | not appraised    | not appraised    | not appraised   | not appraised        |
| 16           | not appraised  | PP                 | PP   | not appraised       | not appraised  | not appraised    | not appraised         | not appraised   | not appraised    | not appraised   | not appraised    | not appraised    | not appraised   | not appraised        |
| 17           | not appraised  | PP                 | PP   | not appraised       | not appraised  | not appraised    | not appraised         | not appraised   | not appraised    | not appraised   | not appraised    | not appraised    | not appraised   | not appraised        |

Appendix C

| Lot | Column A   | Column B   | Column C   | Column D      | Negotiated Settlement  |                 |              |                  | Rent Increase /month |             |
|-----|--|--|--|---------------|--|-----------------|--------------|------------------|----------------------|-------------|
|     | Estimated Prepayment amount based upon Grover Elliott appraised rents (discounted at 7.5%) | Estimated Prepayment based upon 2001 offer indexed by 5-year average growth of land assessment | Estimated Prepayment based upon indexing the 2001 Prepayment Amount at 10% | H=75 x A      | Estimated Prepayment based upon Grover Elliott estimate less 25% | NEW Annual Rent | Monthly Rent | OLD Monthly Rent |                      | Annual Rent |
| A   | E  | G  | H  |               |  |                 |              |                  |                      |             |
| 18  | not appraised  | \$106,515  | \$53,913   | not appraised |  |                 |              |                  |                      |             |
| 19  | not appraised  | \$117,406  | \$58,582   | not appraised |  |                 |              |                  |                      |             |
| 20  | not appraised  | PP   | PP   | not appraised |  |                 |              |                  |                      |             |
| 21  | not appraised  | prepaid initially  | PP   | not appraised |  |                 |              |                  |                      |             |
| 22  | not appraised  | PP   | PP   | not appraised |  |                 |              |                  |                      |             |
| 23  | not appraised  | \$243,807  | \$101,515  | not appraised |  |                 |              |                  |                      |             |
| 24  | not appraised  | \$225,958  | \$94,426   | not appraised |  |                 |              |                  |                      |             |
| 25  | not appraised  | PP   | PP   | not appraised |  |                 |              |                  |                      |             |
| 26  | not appraised  | PP   | PP   | not appraised |  |                 |              |                  |                      |             |
| 27  | not appraised  | \$164,639  | \$80,775   | not appraised |  |                 |              |                  |                      |             |
| 28  | not appraised  | PP   | PP   | not appraised |  |                 |              |                  |                      |             |
| 29  | not appraised  | prepaid initially  | PP   | not appraised |  |                 |              |                  |                      |             |
| 30  | not appraised  | PP   | PP   | not appraised |  |                 |              |                  |                      |             |
| 31  | not appraised  | \$136,551  | \$69,800   | not appraised |  |                 |              |                  |                      |             |
| 32  | not appraised  | PP   | PP   | not appraised |  |                 |              |                  |                      |             |
| 33  | not appraised  | \$177,113  | \$83,838   | not appraised |  |                 |              |                  |                      |             |
| 34  | not appraised  | PP   | PP   | not appraised |  |                 |              |                  |                      |             |
| 35  | not appraised  | PP   | PP   | not appraised |  |                 |              |                  |                      |             |
| 36  | not appraised  | PP   | PP   | not appraised |  |                 |              |                  |                      |             |
| 37  | not appraised  | \$187,663  | \$86,558   | not appraised |  |                 |              |                  |                      |             |
| 38  | not appraised  | PP   | PP   | not appraised |  |                 |              |                  |                      |             |
| 39  | not appraised  | \$165,964  | \$80,732   | not appraised |  |                 |              |                  |                      |             |
| 40  | not appraised  | PP   | PP   | not appraised |  |                 |              |                  |                      |             |
| 41  | not appraised  | \$247,630  | \$131,794  | not appraised |  |                 |              |                  |                      |             |
| 42  | not appraised  | PP   | PP   | not appraised |  |                 |              |                  |                      |             |
| 43  | not appraised  | \$168,435  | \$82,284   | not appraised |  |                 |              |                  |                      |             |
| 44  | not appraised  | \$174,336  | \$85,483   | not appraised |  |                 |              |                  |                      |             |
| 45  | not appraised  | PP   | PP   | not appraised |  |                 |              |                  |                      |             |
| 46  | not appraised  | PP   | PP   | not appraised |  |                 |              |                  |                      |             |
| 47  | not appraised  | PP   | PP   | not appraised |  |                 |              |                  |                      |             |
| 48  | not appraised  | PP   | PP   | not appraised |  |                 |              |                  |                      |             |
| 49  | not appraised  | \$210,415  | \$131,228  | not appraised |  |                 |              |                  |                      |             |
| 50  | not appraised  | PP   | PP   | not appraised |  |                 |              |                  |                      |             |
| 51  | not appraised  | \$197,815  | \$100,939  | not appraised |  |                 |              |                  |                      |             |
| 52  | not appraised  | \$154,513  | \$85,090   | not appraised |  |                 |              |                  |                      |             |
| 53  | not appraised  | \$243,330  | \$141,276  | not appraised |  |                 |              |                  |                      |             |
| 54  | not appraised  | PP   | PP   | not appraised |  |                 |              |                  |                      |             |
| 55  | not appraised  | PP   | PP   | not appraised |  |                 |              |                  |                      |             |

VR1157

Appendix C

| Lot | Column A   | Column B   | Column C   | Column D      | Negotiated Settlement |              |                  |             | Rent Increase /month |
|-----|--|--|--|---------------|-----------------------|--------------|------------------|-------------|----------------------|
|     | Estimated Prepayment amount based upon Grover Elliott appraised rents (discounted at 7.5%) | Estimated Prepayment based upon 2001 offer indexed by 5-year average growth of land assessment | Estimated Prepayment based upon indexing the 2001 Prepayment Amount at 10% | H=75 x A      | NEW Annual Rent       | Monthly Rent | OLD Monthly Rent | Annual Rent |                      |
|     | A  | E  | G  | H             | Annual Rent           | Monthly Rent | Monthly Rent     | Annual Rent |                      |
| 1   | not appraised  | PP   |  | not appraised | not appraised         |              |                  |             |                      |
| 2   | not appraised  | \$99,365   | \$49,924   | not appraised | not appraised         |              |                  |             |                      |
| 3   | not appraised  | PP   | PP   | not appraised | not appraised         |              |                  |             |                      |
| 4   | not appraised  | PP   | PP   | not appraised | not appraised         |              |                  |             |                      |
| 5   | not appraised  | PP   | PP   | not appraised | not appraised         |              |                  |             |                      |
| 6   | not appraised  | PP   | PP   | not appraised | not appraised         |              |                  |             |                      |
| 7   | not appraised  | PP   | PP   | not appraised | not appraised         |              |                  |             |                      |
| 8   | not appraised  | PP   | PP   | not appraised | not appraised         |              |                  |             |                      |
| 9   | not appraised  | PP   | PP   | not appraised | not appraised         |              |                  |             |                      |
| 10  | not appraised  | PP   | PP   | not appraised | not appraised         |              |                  |             |                      |
| 11  | not appraised  | PP   | PP   | not appraised | not appraised         |              |                  |             |                      |
| 12  | not appraised  | \$232,635  | \$90,590   | not appraised | not appraised         |              |                  |             |                      |
| 13  | not appraised  | \$172,336  | \$79,398   | not appraised | not appraised         |              |                  |             |                      |
| 14  | not appraised  | PP   | PP   | not appraised | not appraised         |              |                  |             |                      |
| 15  | not appraised  | PP   | PP   | not appraised | not appraised         |              |                  |             |                      |
| 16  | not appraised  | \$195,853  | \$87,634   | not appraised | not appraised         |              |                  |             |                      |
| 17  | not appraised  | PP   | PP   | not appraised | not appraised         |              |                  |             |                      |
| 18  | not appraised  | \$224,940  | \$118,131  | not appraised | not appraised         |              |                  |             |                      |
| 19  | not appraised  | PP   | PP   | not appraised | not appraised         |              |                  |             |                      |
| 20  | not appraised  | PP   | PP   | not appraised | not appraised         |              |                  |             |                      |
| 21  | not appraised  | \$123,762  | \$60,291   | not appraised | not appraised         |              |                  |             |                      |
| 22  | not appraised  | \$172,336  | \$79,398   | not appraised | not appraised         |              |                  |             |                      |
| 23  | not appraised  | \$167,977  | \$79,189   | not appraised | not appraised         |              |                  |             |                      |
| 24  | not appraised  | PP   | PP   | not appraised | not appraised         |              |                  |             |                      |
| 25  | not appraised  | PP   | PP   | not appraised | not appraised         |              |                  |             |                      |
| 26  | not appraised  | \$190,926  | \$87,634   | not appraised | not appraised         |              |                  |             |                      |
| 27  | not appraised  | PP   | PP   | not appraised | not appraised         |              |                  |             |                      |
| 28  | not appraised  | \$148,230  | \$85,872   | not appraised | not appraised         |              |                  |             |                      |
| 29  | not appraised  | \$190,926  | \$87,634   | not appraised | not appraised         |              |                  |             |                      |
| 30  | not appraised  | PP   | PP   | not appraised | not appraised         |              |                  |             |                      |
| 31  | not appraised  | PP   | PP   | not appraised | not appraised         |              |                  |             |                      |
| 32  | not appraised  | \$167,977  | \$79,189   | not appraised | not appraised         |              |                  |             |                      |
| 33  | not appraised  | \$123,579  | \$81,524   | not appraised | not appraised         |              |                  |             |                      |
| 34  | not appraised  | \$125,759  | \$61,989   | not appraised | not appraised         |              |                  |             |                      |
| 35  | not appraised  | PP   | PP   | not appraised | not appraised         |              |                  |             |                      |
| 36  | not appraised  | PP   | PP   | not appraised | not appraised         |              |                  |             |                      |
| 37  | not appraised  | PP   | PP   | not appraised | not appraised         |              |                  |             |                      |
| 38  | not appraised  | PP   | PP   | not appraised | not appraised         |              |                  |             |                      |
| 39  | not appraised  | PP   | PP   | not appraised | not appraised         |              |                  |             |                      |
| 40  | not appraised  | PP   | PP   | not appraised | not appraised         |              |                  |             |                      |

Appendix C

| Lot          | Column A   | Column B   | Column C   | Column D   | Negotiated Settlement |               |               |               | Rent Increase /month |
|--------------|--|--|--|--|-----------------------|---------------|---------------|---------------|----------------------|
|              | Estimated Prepayment amount based upon Grover Elliott appraised rents (discounted at 7.5%) | Estimated Prepayment based upon 2001 offer indexed by 5-year average growth of land assessment | Estimated Prepayment based upon indexing the 2001 Prepayment Amount at 10% | Estimated Prepayment based upon Grover Elliott estimate less 25% | NEW Annual Rent       | Monthly Rent  | Monthly Rent  | Annual Rent   |                      |
|              | A  | E  | G  | H  | Annual Rent           | Monthly Rent  | Monthly Rent  | Annual Rent   |                      |
| 41           | not appraised  | E=F x D  | G=F x (1+int)^5yrs   | H=.75 x A  | not appraised         | not appraised | not appraised | not appraised |                      |
| 42           | not appraised  | PP   | PP   | not appraised  | not appraised         | not appraised | not appraised | not appraised |                      |
| 43           | not appraised  | PP   | PP   | not appraised  | not appraised         | not appraised | not appraised | not appraised |                      |
| 44           | not appraised  | PP   | PP   | not appraised  | not appraised         | not appraised | not appraised | not appraised |                      |
| 45           | not appraised  | PP   | PP   | not appraised  | not appraised         | not appraised | not appraised | not appraised |                      |
| 46           | not appraised  | PP   | PP   | not appraised  | not appraised         | not appraised | not appraised | not appraised |                      |
| 47           | not appraised  | PP   | PP   | not appraised  | not appraised         | not appraised | not appraised | not appraised |                      |
| 48           | not appraised  | PP   | PP   | not appraised  | not appraised         | not appraised | not appraised | not appraised |                      |
| 49           | not appraised  | \$152,434  | \$83,643   | not appraised  | not appraised         | not appraised | not appraised | not appraised |                      |
| 50           | not appraised  |  |  | not appraised  | not appraised         | not appraised | not appraised | not appraised |                      |
| 51           | not appraised  | PP   | PP   | not appraised  | not appraised         | not appraised | not appraised | not appraised |                      |
| 52           | not appraised  | PP   | PP   | not appraised  | not appraised         | not appraised | not appraised | not appraised |                      |
| 53           | not appraised  | PP   | PP   | not appraised  | not appraised         | not appraised | not appraised | not appraised |                      |
| 54           | not appraised  | PP   | PP   | not appraised  | not appraised         | not appraised | not appraised | not appraised |                      |
| 55           | not appraised  | PP   | PP   | not appraised  | not appraised         | not appraised | not appraised | not appraised |                      |
| 56           | not appraised  | PP   | PP   | not appraised  | not appraised         | not appraised | not appraised | not appraised |                      |
| 57           | not appraised  | PP   | PP   | not appraised  | not appraised         | not appraised | not appraised | not appraised |                      |
| 58           | not appraised  | PP   | PP   | not appraised  | not appraised         | not appraised | not appraised | not appraised |                      |
| <b>VR691</b> |  |  |  |  |                       |               |               |               |                      |
| 1            | not appraised  | PP   | PP   | not appraised  | not appraised         | not appraised | not appraised | not appraised |                      |
| 2            | not appraised  | \$90,664   | \$88,514   | not appraised  | not appraised         | not appraised | not appraised | not appraised |                      |
| 3            | not appraised  | PP   | PP   | not appraised  | not appraised         | not appraised | not appraised | not appraised |                      |
| 4            | not appraised  | PP   | PP   | not appraised  | not appraised         | not appraised | not appraised | not appraised |                      |
| 5            | not appraised  | \$91,758   | \$89,525   | not appraised  | not appraised         | not appraised | not appraised | not appraised |                      |
| 6            | not appraised  | PP   | PP   | not appraised  | not appraised         | not appraised | not appraised | not appraised |                      |
| 7            | not appraised  | \$95,571   | \$90,754   | not appraised  | not appraised         | not appraised | not appraised | not appraised |                      |
| 8            | not appraised  | PP   | PP   | not appraised  | not appraised         | not appraised | not appraised | not appraised |                      |
| 9            | not appraised  | \$90,341   | \$85,497   | not appraised  | not appraised         | not appraised | not appraised | not appraised |                      |
| 10           | not appraised  | \$96,735   | \$91,992   | not appraised  | not appraised         | not appraised | not appraised | not appraised |                      |
| 11           | not appraised  | \$89,565   | \$85,497   | not appraised  | not appraised         | not appraised | not appraised | not appraised |                      |
| 12           | not appraised  | PP   | PP   | not appraised  | not appraised         | not appraised | not appraised | not appraised |                      |
| 13           | not appraised  | \$94,244   | \$92,076   | not appraised  | not appraised         | not appraised | not appraised | not appraised |                      |
| 14           | not appraised  | \$56,779   | \$56,909   | not appraised  | not appraised         | not appraised | not appraised | not appraised |                      |
| 15           | not appraised  | \$59,465   | \$59,478   | not appraised  | not appraised         | not appraised | not appraised | not appraised |                      |
| 16           | not appraised  | \$65,208   | \$65,322   | not appraised  | not appraised         | not appraised | not appraised | not appraised |                      |
| 17           | not appraised  | PP   | PP   | not appraised  | not appraised         | not appraised | not appraised | not appraised |                      |
| 18           | not appraised  | \$65,208   | \$65,322   | not appraised  | not appraised         | not appraised | not appraised | not appraised |                      |
| 19           | not appraised  | \$58,478   | \$58,800   | not appraised  | not appraised         | not appraised | not appraised | not appraised |                      |
| 20           | not appraised  | PP   | PP   | not appraised  | not appraised         | not appraised | not appraised | not appraised |                      |

Appendix C

| Lot          | Column A   | Column B   | Column C   | Column D              | Annual Rent   | Monthly Rent | Annual Rent | Monthly Rent | Annual Rent | Monthly Rent | Annual Rent | Monthly Rent | Annual Rent | Monthly Rent |
|--------------|--|--|--|-----------------------|---------------|--------------|-------------|--------------|-------------|--------------|-------------|--------------|-------------|--------------|
|              | Estimated Prepayment amount based upon Grover Elliott appraised rents (discounted at 7.5%) | Estimated Prepayment based upon 2001 offer indexed by 5-year average growth of land assessment | Estimated Prepayment based upon indexing the 2001 Prepayment Amount at 10% | Negotiated Settlement |               |              |             |              |             |              |             |              |             |              |
| 21           | not appraised  | E=F x D  | G=F x (1+int)^5yrs   | H=75 x A              | not appraised |              |             |              |             |              |             |              |             |              |
| 22           | not appraised  | PP   | PP   | not appraised         | not appraised |              |             |              |             |              |             |              |             |              |
| 23           | not appraised  | PP   | PP   | not appraised         | not appraised |              |             |              |             |              |             |              |             |              |
| 24           | not appraised  | PP   | PP   | not appraised         | not appraised |              |             |              |             |              |             |              |             |              |
| 25           | not appraised  | \$59,465   | \$59,478   | not appraised         | not appraised |              |             |              |             |              |             |              |             |              |
| 26           | not appraised  | \$66,931   | \$67,049   | not appraised         | not appraised |              |             |              |             |              |             |              |             |              |
| 27           | not appraised  | PP   | PP   | not appraised         | not appraised |              |             |              |             |              |             |              |             |              |
| 28           | not appraised  | PP   | PP   | not appraised         | not appraised |              |             |              |             |              |             |              |             |              |
| 29           | not appraised  | PP   | PP   | not appraised         | not appraised |              |             |              |             |              |             |              |             |              |
| 30           | not appraised  | \$53,309   | \$54,147   | not appraised         | not appraised |              |             |              |             |              |             |              |             |              |
| 31           | not appraised  | PP   | PP   | not appraised         | not appraised |              |             |              |             |              |             |              |             |              |
| 32           | not appraised  | \$52,842   | \$53,437   | not appraised         | not appraised |              |             |              |             |              |             |              |             |              |
| 33           | not appraised  | PP   | PP   | not appraised         | not appraised |              |             |              |             |              |             |              |             |              |
| 34           | not appraised  | \$78,819   | \$82,270   | not appraised         | not appraised |              |             |              |             |              |             |              |             |              |
| 35           | not appraised  | PP   | PP   | not appraised         | not appraised |              |             |              |             |              |             |              |             |              |
| 36           | not appraised  | PP   | PP   | not appraised         | not appraised |              |             |              |             |              |             |              |             |              |
| 37           | not appraised  | PP   | PP   | not appraised         | not appraised |              |             |              |             |              |             |              |             |              |
| 38           | not appraised  | \$67,778   | \$70,708   | not appraised         | not appraised |              |             |              |             |              |             |              |             |              |
| 39           | not appraised  | PP   | PP   | not appraised         | not appraised |              |             |              |             |              |             |              |             |              |
| 40           | not appraised  | PP   | PP   | not appraised         | not appraised |              |             |              |             |              |             |              |             |              |
| 41           | not appraised  | \$76,973   | \$80,401   | not appraised         | not appraised |              |             |              |             |              |             |              |             |              |
| 42           | not appraised  | PP   | PP   | not appraised         | not appraised |              |             |              |             |              |             |              |             |              |
| 43           | not appraised  | \$65,381   | \$68,558   | not appraised         | not appraised |              |             |              |             |              |             |              |             |              |
| 44           | not appraised  | PP   | PP   | not appraised         | not appraised |              |             |              |             |              |             |              |             |              |
| 45           | not appraised  | PP   | PP   | not appraised         | not appraised |              |             |              |             |              |             |              |             |              |
| 46           | not appraised  | PP   | PP   | not appraised         | not appraised |              |             |              |             |              |             |              |             |              |
| 47           | not appraised  | PP   | PP   | not appraised         | not appraised |              |             |              |             |              |             |              |             |              |
| <b>SUB</b>   |  |  |  |                       |               |              |             |              |             |              |             |              |             |              |
| <b>TOTAL</b> | not appraised  | \$7,776,685  | \$4,551,354  | not appraised         | na            | na           | na          | na           | na          | na           | na          | na           | na          | na           |
| <b>GRAND</b> |  |  |  |                       |               |              |             |              |             |              |             |              |             |              |
| <b>TOTAL</b> | \$22,386,559   | \$16,913,679   | \$13,510,029   | \$16,789,919          | \$1,327,760   | \$110,647    | \$14,916    | \$178,996    | \$95,730    |              |             |              |             |              |

excl. VR 1112,1157,691

excl. VR 1112,1157,691

## VII. Appendix C—The City of Vancouver Council Decision

COUNCIL MEETING FOLLOWING  
STANDING COMMITTEE ON CITY SERVICES AND BUDGETS  
MEETING

JULY 12, 2007

DECISIONS

*(Leasehold Rent Review portion only)*

At its meeting immediately following the Standing Committee on City Services and Budgets meeting on Thursday, July 12, 2007, Vancouver City Council approved the following:

4. **Rent Review and Lease Prepayment Schedule - False Creek Residential Leasehold Properties**
  - A. THAT Council approve the revised allocation of rental amounts set out in column B of Appendix B of the Administrative Report dated June 26, 2007, entitled "Rent Review and Lease Prepayment Schedule - False Creek Residential Leasehold Properties" for strata subdivisions VR442 and VR466 to correct an oversight that ensures the lease calculations for these strata subdivisions are based on unit entitlement and not tax assessment ratios and that the Director of Real Estate Services give notice to the individual residential lessees in VR442 and VR466 of the revised rents.
  - B. THAT the Director of Real Estate Services advise the individual residential lessees in the strata developments commonly referred to as VR419, VR442, VR466, VR514, VR551, VR552, and VR588 that the City remains prepared to consider counter proposals ("Counter Proposals") to alter the amounts of the ground rent as proposed by the City based on the research, data, and analyses as utilized and set out in the Grover, Elliot & Co. Ltd. appraisals, provided such Counter Proposals are based on errors or omissions in the appraisal reports as determined in accordance with the Canadian Uniform Standards of Professional Practice of the Appraisal Institute of Canada.
  - C. THAT the City Manager, Director of Legal Services, and Director of Real Estate Services be authorized to negotiate the terms of any Counter Proposals with either individual lessees or by strata corporation for a period of one hundred twenty (120) days commencing August 1, 2007 (the "Counter Proposal Period").
  - D. THAT failing agreement on a Counter Proposal that is acceptable to the City during the Counter Proposal Period, the Director of Real Estate Services advise the individual residential lessees in the strata developments commonly referred to as VR419, VR442, VR466, VR514, VR551, VR552, and VR588 who pay monthly rent to the City but have not accepted the revised ground rent proposed by the

City that the City will now proceed to arbitration to settle the rental amounts, in accordance with the rent review provisions of the various relevant ground leases.

- E. THAT Council approve initial funding for the arbitration process in the amount of \$500,000 to cover the estimated costs pertaining to appraisals and legal counsel, source of funds to be the Property Endowment Fund (PEF).
- F. THAT the City Manager report back to Council with proposed terms of an optional prepayment programme for individual residential monthly payment ground leases in VR419, VR442, VR466, VR514, VR551, VR552, and VR588 once the market rents for these premises have been settled with the lessees; provided such prepayment amounts are calculated from an effective date of May 1, 2007, not October 1, 2006.

**5. 2007 Survey of Low-Income Housing in the Downtown Core**

This item was referred to the July 12th Planning and Environment Committee meeting.

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**VIII. Appendix D—Assignment of Lease VR 0442**

**Assignment of Lease - VR 0442**

THIS INDENTURE MADE THE \_\_\_\_\_ DAY OF \_\_\_\_\_, 19\_\_

BETWEEN:

ROBERT JOHN KARPA, Interior Designer, and  
ANGELA MAGDALENA KARPA, Housewife  
685 Moberley Road,  
Vancouver, British Columbia, V5Z 4B1

(hereinafter called the "Vendor")

OF THE FIRST PART

AND:

YOUR CLIENT'S NAME(S), Occupation  
685 Moberley Road  
Vancouver, British Columbia V5Z 4B1

(hereinafter called the "Purchaser")

OF THE SECOND PART

AND:

CITY OF VANCOUVER, a Municipal Corporation  
453 West 12th Avenue  
Vancouver, British Columbia V5Y IV4;

(hereinafter called the "City")

OF THE THIRD PART

WHEREAS:

- A. By a ground lease dated the 17<sup>th</sup> day of May, 1976, and registered in the Vancouver Land Registry Office on the 21<sup>st</sup> day of May, 1976, under Registration Number D30247, the City, as Lessor, demised and leased to the University Non-Profit Housing Society (hereinafter referred to as 'the Society'), as Lessee, those lands in the City of Vancouver, in the Province of British Columbia, more particularly known and described as:

## A. (cont'd)

Lot 27  
False Creek  
Plan 16003

(hereinafter called the said "Lands")

for a term of sixty (60) years and one hundred and thirty-seven (137) days, commencing on the 17<sup>th</sup> of May, 1976, and terminating on the 30<sup>th</sup> day of September, 2036, and on the terms and conditions therein contained.

- B. The ground lease was modified and amended by an Agreement dated the 2<sup>nd</sup> day of May, 1976, between the City, as Lessor, the Society, as Lessee, and the Bank of Montreal (hereinafter referred to as 'the Bank'), and registered in the Vancouver Land Registry Office on the 17<sup>th</sup> day of June, 1977, under Registration Number E41827.
- C. The ground lease and the modification to the ground lease was further modified and amended by an agreement dated the 2<sup>nd</sup> day of August, 1977, between the City, as Lessor, the Society, as Lessee, and the Bank, and registered in the Vancouver Land Registry Office on the 11<sup>th</sup> day of August, 1977, under Registration Number E57147 (the ground lease and the two modifications of the ground lease are hereinafter collectively referred to as the "Ground Lease");
- D. The Society subdivided the said Lands into strata lots by the deposit of a leasehold strata plan in the Vancouver Land Registry Office in accordance with the provisions of the Strata Titles Act, Chapter 89, S.B.C. 1974, and the Land Registry Act, Chapter 208, R.S.B.C. 1960;
- E. The Society has deposited the said leasehold strata plan in the Vancouver Land Registry Office and the Vancouver Land Registrar has issued in the name of the City, the registered owner in fee simple of the said Lands included in the leasehold strata plan, new certificates of title to each of the strata lots shown upon the leasehold strata plan;
- F. The deposit of the said leasehold strata plan converted the Ground Lease into individual leases in the name of the Society in respect of the interest of the City in each strata lot, including its share in the common property, at a rent and subject to the applicable terms and conditions contained in the Ground Lease and in the model strata lot lease attached thereto and to the provisions of the said Strata

## F. (cont'd)

Titles Act and the regulations thereto (the model strata lease being hereinafter referred as the "Lease");

- G. By an assignment of lease made as of the 29<sup>th</sup> day of August, 1977, and registered in the Vancouver Land Registry Office on the 5<sup>th</sup> day of October, 1977, under Registration Number E71377, the Society assigned its interest in:

PID: 004-025-482  
Strata Lot 6  
False Creek  
Leasehold Strata Plan VR 442,  
together with an interest in the common property in proportion to the unit entitlement of the Strata Lot as shown on Form I

(hereinafter call the "Strata Lot")

to Don Braden Regan & Kaye Beverlie Regan, as Joint Tenants, for all the residue then unexpired of the said term subject to the rent thereafter reserved and to the performance and observance of the covenants on the part of the lessee and the conditions contained in the Lease so far as the same relate to the Strata Lot.

- H. By an Assignment of Lease made as of the 16<sup>th</sup> day of November, 1977, and registered in the Vancouver Land Title Office on the 20<sup>th</sup> day of December, 1977, under Registration Number E91448, Don Braden Regan & Kaye Beverlie Regan, as Joint Tenants, assigned all their interest in the Strata Lot to Karolye Regan;
- I. By an Assignment of Lease made as of the 7<sup>th</sup> day of May, 1979, and registered in the Vancouver Land Title Office on the 10<sup>th</sup> day of May, 1979, under Registration Number G29734, Karolye Regan assigned all of her interest in the Strata Lot to Deanna Ersmine Hadley;
- J. By an Assignment of Lease registered in the Vancouver Land Title Office on the 29<sup>th</sup> day of September, 1993, under Registration Number BG352975, Deanna Ersmine Hadley assigned all of her interest in the Strata Lot to the Vendor;

- K. The Vendor at the request of the Purchaser, has agreed to assign to the Purchaser for the sum of One hundred two thousand dollars (\$102,000.00), the Vendor's interest in the Strata Lot, for all the residue now unexpired of the said term of Lease subject to the rent hereinafter reserved and to the performance and observance of the covenants on the part of the lessee and the conditions contained in the Lease so far as the same relate to the Strata Lot.
- L. The City hereby consents to this assignment.

NOW THIS INDENTURE WITNESSETH as follows:

1. In consideration of the sum of One hundred two thousand dollars (\$102,000.00), paid by the Purchaser to the Vendor (the receipt of which is hereby by the Vendor acknowledged), the Vendor, as beneficial owner, hereby assigns to the Purchaser, the Vendor's interest in the Strata Lot. TO HOLD unto the Purchaser for all the residue now unexpired of the term of the Lease subject henceforth to the performance and observance of the covenants on the part of Vendor, as lessee, and the conditions contained in the Lease so far as the same relate to the Strata Lot
2. The Purchaser covenants with the Vendor and the City and each of them that the Purchaser shall, during all the residue now unexpired of the term of the Lease and every renewal thereof, observe and perform the covenants on the part of the lessee and the conditions contained in the Lease as fully and effectually as if the Lease contained a separate demise of the Strata Lot at the rent referred to in paragraph 1.
3. The Purchaser covenants with the Vendor and the City and each of them to indemnify the Vendor and the City and each of them against all actions, suits, costs, expenses, charges, damages, losses, claims and demands for or on account of nonpayment of the rent referred to in paragraph 1 and the non-performance or non-observance of the said covenants and conditions contained in the Lease so far as the same relate to the Strata Lot.
4. The Vendor covenants with the Purchaser that the Lease as far as it relates to the Strata Lot is a valid and subsisting lease, that the covenants, provisos and conditions thereof on the part of the lessee have been duly observed and performed up to the date hereof, that the Vendor is entitled to grant this assignment assignment, that subject to the payment of the rent referred to in paragraph 1 and the observance and performance of the covenants and

## 4. (cont'd)

conditions of the Lease, the Purchaser may enjoy the Strata Lot for all the residue now unexpired of the term of the Lease and any renewal thereof, without interruption by the Vendor or any person claiming through the Vendor and that the Vendor and the City shall at all times hereafter at the request and cost of the Purchaser execute such further assurance in respect of this assignment as the assignee may reasonably require.

5. The Purchaser acknowledges to the Vendor and the City that the Purchaser has had the opportunity to read the contents of the Ground Lease including the model strata lot lease attached thereto.
6. It is hereby agreed by the parties hereto that this Indenture shall enure to the benefit of and be binding upon the parties hereto, and the respective successors and assigns of the Purchaser and the City, and the heirs, executors, administrators, successors and assigns of the Vendor.

IN WITNESS WHEREOF the parties to this agreement have executed this Indenture on the attached Forms C and D on the dates indicated thereon.

END OF DOCUMENT

**Notes to Accompany VR 0442:**

1. The purpose of these notes is to draw your attention to some of the many questions asked or areas where errors commonly occur. They do NOT comprise part of the document that you will be preparing.
2. Please note that the City is the last party to execute Form C – no exception!
3. If it is desired that the final page of this agreement provides for execution by all parties rather than using the “END OF DOCUMENT” format above, we will provide for execution in this manner as long as the City is the last party to execute the agreement and that execution is provided by “Authorized Signature”. The City no longer executes these agreements under “Seal”.

Also note that if this method is preferred, the signatory page(s) must be referenced to the agreement with the following (or similar) notation.

“This is the final execution page of an assignment of leasehold interest dated for reference the 29th day of September, 1993, between Deanna Ersmine Hadley, as Vendor, Robert John Karpa and Angela Magdalena Karpa, as Purchaser, and the City of Vancouver.”

4. While preparing your document, please pay attention to the “Remarks” under the most current owner stated on the LTO Search. Using this precedent as an example, in the “Remarks” under the Karpa’s name, you will find the following registration numbers noted:

D30247 - the ground lease  
 E41827 - 1<sup>st</sup> modification of the ground lease  
 E57147 - 2<sup>nd</sup> modification of the ground lease  
 E71377 - sale to the 1<sup>st</sup> purchaser (from the developer)  
 E91448 - sale to the 2<sup>nd</sup> purchaser  
 G29734 - sale to the 3<sup>rd</sup> purchaser  
 BG352975 - sale to the 4<sup>th</sup> purchaser

Take a minute to check these registration numbers to those you have referenced in your preamble because we will. This will ensure that you have referenced all the documents.

In this example, if you do a surface search, you will not find the names stated for E71377 or E91448, only the registration numbers, as they were assignments before 1980 BUT the presence of these numbers indicate there were other assignments. In this case, phone our office as we should have the information.

5. **Please note:** In this particular VR442, the leasehold rent of some of the strata lots were prepaid for the balance of the term of the lease at the first purchase. This was an option extended to the first purchaser only.

In July 1993, the City extended an option to those parties of record which strata lots had not been prepaid to prepay the basic leasehold rent for the balance of the term of the lease for a fixed and non-negotiable sum. This option ended on December 31, 2001.

If this option was exercised, it would show on an LTO search as a Modification of Lease. If the party of record exercised this option to prepay, it should be referenced chronologically in the preamble in the following manner:

By a modification of lease registered in the Vancouver/New Westminster Land Title Office on the xx<sup>th</sup> day of July, 19xx, under registration number AB123456, John Douglas Smith and Diane Elizabeth Smith, as Joint Tenants, exercised their option to prepay the leasehold rent applicable to the above Strata Lot (as defined) for the balance of the term of the lease. (Obviously, use the name, date and reg. no. applicable to your strata lot)

- 
6. If you are preparing a tripartite agreement, keep in mind several things:
    1. If there is no obligation stated in the Model Strata Lot Lease for the City to enter into a tripartite agreement, we will NOT execute such an agreement.
    2. If the VR is VR1343 or under, the terms of the tripartite agreement are already contained within the Model Strata Lot Lease.
    3. If the VR is higher than VR1343, there are precedents in each of the Model Strata Lot Leases appended to the Ground Lease (usually as Schedule "C")
  7. If submitting a tripartite agreement for execution, once again, the City is the LAST PARTY TO EXECUTE. If the Financial Institution has not executed the agreement, we will return the document to you until it does.
  8. We will NOT execute the assignment of lease and the tripartite agreement at the same time. The reason for this is that the registration date and registration number of the assignment must be referenced in the tripartite agreement.
  9. When preparing the tripartite agreement (precedent is available), save yourself some keying. Using this Terms of Instrument – Part 2 as an example, if you were preparing a tripartite agreement for this property, paragraphs A through J would be identical. Use the scan/copy function.
  10. One final suggestion...run "Spell Check" before you submit any documents to the City for execution as I will correct spelling errors if I notice them
  11. If you have any question, please call – 873-7438.

End of Notes

**IX. Appendix E—Assignment of Lease VR 880**

**Assignment of Lease – VR 880**

This ASSIGNMENT OF LEASE made as of the \_\_\_\_\_ day of April,

BETWEEN:

\_\_\_\_\_, Special  
Education Assistant  
Manor Street  
Vancouver, B.C. V5R 3Y4  
(hereinafter called the "Vendor")

OF THE FIRST PART

AND:

\_\_\_\_\_, Salesperson  
Copeland Avenue  
Vancouver, B.C. V5S 4B6  
(hereinafter called the "Purchaser")

OF THE SECOND PART

AND:

CITY OF VANCOUVER  
453 West 12th Avenue  
Vancouver, B.C. V5Y 1V4  
(hereinafter called the "City")

OF THE THIRD PART

WHEREAS:

- A. By a ground lease (hereinafter called the "Ground Lease") dated the 19th day of December, 1979, and registered in the Vancouver Land Title Office on the 28th day of December, 1979, under Registration No. G99674, the City, as Lessor, as Lessor, demised and leased unto Intrawest Properties Ltd., as Lessee, that certain parcel or tract of land and premises situate, lying and being in the City of Vancouver, in the Province of British Columbia, and more particularly known and described as:

Lot C  
Block "A"  
District Lot 335  
Plan 17975

(hereinafter referred to as the "said Lands")



## A. (cont'd):

for a term of ninety-nine years beginning on the 19th day of December, 1979, upon the terms, covenants, conditions and provisos contained in the Ground Lease;

- B. By a sublease dated the 20th day of December, 1979, and registered in the Vancouver Land Title Office on the 28th day of December, 1979, under Registration No. G99682, between the City of Vancouver, as Lessor, Intrawest Properties Ltd. (hereinafter referred to as "Intrawest"), as Lessee, and Champlain Heights (Parcel C) Holdings Limited (hereinafter referred to as "Champlain"), as Sublessee, Intrawest did demise and sublease its interest in the said Lands unto Champlain for an initial term of five years, renewable for an additional term of 93 years, three hundred sixty-four days, upon the terms, covenants, conditions and provisos contained in the sublease.
- C. By an extension of the sublease dated the 27th day of December, 1979, and registered in the Vancouver Land Title Office on the 28th day of December, 1979, under Registration No. G99683, between Intrawest, as Lessee, and Champlain as Sublessee, Intrawest did ratify and confirm the sublease and did demise and lease the said Lands unto Champlain on the terms and conditions of the sublease for the balance of the initial term and the renewal term, reserving unto Intrawest, the last two days of the term of the Ground Lease (the sublease and extension of the sublease are hereinafter collectively referred to as "the Sublease").
- D. The said Lands have been subdivided into strata lots by the deposit of a leasehold strata plan in the Vancouver Land Titles Office in accordance with the provisions of the Strata Titles Act, Chapter 89, S.B.C. 1974, and the Land Registry Act, Chapter 208, R.S.B.C. 1960, in respect of the leasehold strata plan.
- E. The said leasehold strata plan has been deposited in the Vancouver Land Title Office and the Vancouver Land Registrar has issued in the name of the City, the registered owner in fee simple of the said Lands included in the leasehold strata plan; new certificates of titles to each of the strata lots shown upon the leasehold strata plan.
- F. The deposit of the said leasehold strata plan converted the said Ground Lease into individual leases in the name of Champlain, in respect of the interest of the City in each strata lot including its share in the common property at the rent premium or other consideration, and subject to the applicable terms and conditions of the said Ground Lease and as contained in the model strata lot lease attached thereto and to the provisions of the said Strata Titles Act and the regulations thereto (each individual lease created as aforesaid being hereinafter referred to as the "Lease").

Assignment of Lease – VR 880 (cont'd):

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G. On the 5<sup>th</sup> day of January 1990, Intrawest Properties Ltd. changed its name to the Intrawest Corporation.

H. By an assignment of lease registered in the Vancouver Land Title Office on the day of May, , under Registration Number , Intrawest and Champlain did assign their respective interests in:

P.I.D. #006-149-847  
Strata Lot 4  
District Lot 335  
Leasehold Strata Plan VR. 880  
together with an interest in the common property in proportion to the unit entitlement of the Strata Lot as shown on Form 1

(hereinafter called the "Strata Lot")

to and for all the residue of the then unexpired term of years subject to the rent thereafter reserved in the Lease and to the performance and observance of the covenants on the part of the lessee and the conditions contained in the Lease so far as the same relate to the Strata Lot.

I. By a subsequent assignment of lease registered in the Vancouver Land Title Office on the day of October, , under Registration Number and did assign their respective interests in the Strata Lot to for all the residue of the then unexpired term of years subject to the rent thereafter reserved in the Lease and to the performance and observance of the covenants on the part of the lessee and the conditions contained in the Lease so far as the same relate to the Strata Lot.

J. The Vendor, at the request of the Purchaser, has agreed to assign to the Purchaser for the sum of Dollars (\$ ), the Vendor's interest in the Strata Lot for all the residue now unexpired of the said term of years subject to the rent hereinafter reserved and to the performance and observance of the covenants on the part of the lessee and the conditions contained in the Lease so far as the same relate to the Strata Lot.

K. The City hereby agrees to this assignment.

NOW THIS INDENTURE WITNESSETH as follows:

1. In consideration of the sum of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_), paid by the Purchaser to the Vendor (the receipt whereof is hereby acknowledged by the Vendor), the Vendor as beneficial owner hereby assigns to the Purchaser, the Vendor's interest in the Strata Lot. TO HOLD unto the Purchaser for all the residue now unexpired of the term of the Lease subject henceforth to the payment to the City of the rent and to the performance and observance of the covenants on the part of the lessee and the conditions contained in the Lease so far as the same relate to the Strata Lot.
2. The Purchaser covenants with the Vendor and the City and each of them that the Purchaser shall during all the residue now unexpired of the term of the Lease and every renewal thereof, observe and perform the covenants on the part of the Vendor, as lessee, and the conditions contained in the Lease as fully and effectually as if the Lease contained a separate demise of the Strata Lot.
3. The Purchaser covenants with the Vendor and the City and each of them to indemnify the Vendor and the City and each of them against all actions, suits, costs, expenses, charges, damages, losses, claims and demands for or on account of the non-payment of the rent and the non-performance or the non-observance of the said covenants and conditions contained in the Lease so far as the same relate to the Strata Lot.
4. The Vendor covenants with the Purchaser that the Lease so far as it relates to the Strata Lot is a valid and subsisting lease, that the covenants, provisos and conditions thereof on the part of the Vendor, as lessee, have been duly observed and performed up to the date hereof, that the Vendor is entitled to grant this assignment, that subject to the payment of the rent and the observance and performance of the covenants and conditions of the Lease, the Purchaser may enjoy the Strata Lot for all the residue now unexpired of the term of the Lease and any renewal thereof, without interruption by the Vendor or any person claiming through the Vendor and that the Vendor and the City at all times hereafter at the request and cost of the Purchaser execute such further assurances in respect of this assignment as the Purchaser may reasonably require.
5. The Purchaser acknowledges to the Vendor and the City that the Purchaser has had the opportunity to read the contents of the Lease.
6. It is hereby agreed by the parties hereto that this assignment shall enure to the benefit of and be binding upon the parties hereto, their heirs, executors, administrators, successors, and assigns respectively.

IN WITNESS WHEREOF the parties hereto have executed this Assignment on the attached Forms C and D as at the day and year above written.

End of Document

**X. Appendix F—Assignment of Lease VR 1054**

**Assignment of Lease – VR 1054**

This Indenture made this \_\_\_ day of \_\_\_\_\_, 19\_\_

BETWEEN:

Pedro Sobrino, Chef, and  
Anna Sobrino, Registered Nurse  
3455 Dartmoor Place  
Vancouver, B.C. V5S 4G1

[hereinafter called the "Vendor"]

OF THE FIRST PART

AND:

David Anthony Galbraith, Probation Officer, and  
Dolores Doris Galbraith, Homemaker  
3475 Dartmoor Place  
Vancouver, B.C. V5S 4G1.

[hereinafter called the "Purchaser"]

OF THE SECOND PART

CITY OF VANCOUVER  
453 West 12th Avenue  
Vancouver, B.C. V5Y 1V4

[hereinafter called the "City"]

OF THE THIRD PART

WHEREAS:

- A. By a Ground Lease dated the 24<sup>th</sup> day of November, 1980, and registered in the Vancouver Land Title Office on 23<sup>rd</sup> day of January, 1981, under Registration No. J6531, the City, as Lessor, demised and leased to Intrawest Properties Ltd. as Lessee, those lands in the City of Vancouver, in the Province of British Columbia, more particularly known and described as:

Lot A of Lots 99 and 100  
District Lot 331  
Plan 18371

[hereinafter called the said "Lands"]

.....cont'd Page 2

## A. [cont'd]

for a term ending on the 23rd day of November, 2079, on the terms and conditions therein contained.

- B. Intrawest Properties Ltd. granted a sublease of the Ground Lease to Enclave [Parcel A] Holdings Ltd. [hereinafter referred to as "Enclave"], which sublease was registered in the Vancouver Land Title Office on the 23<sup>rd</sup> day of January, 1981, under Registration Number J6532 reserving unto Intrawest Properties Ltd. the last two days of the term of the Ground Lease.
- C. A modification to the sublease was registered in the Vancouver Land Title Office on the 6<sup>th</sup> day of October 1981, under number J75602. [the sublease and the modification to the sublease are hereinafter referred to as the "Sublease"]
- D. The said Lands have been subdivided into strata lots by the deposit of a leasehold strata plan in the Vancouver Land Title Office in accordance with the provisions of the Condominium Act, R.S.B.C. 1979, Chapter 61, and the Land Title Act, R.S.B.C. 1979, Chapter 219, in respect of the leasehold strata plan.
- E. The said leasehold strata plan has been deposited in the Vancouver Land Title Office and the Vancouver Land Registrar has issued in the name of the City, the registered owner in fee simple of the said Lands included in the leasehold strata plan, new certificates of titles to each of the strata lot.
- F. The deposit of the said leasehold strata plan converted the said Ground Lease into individual leases in the name Intrawest Properties Ltd. in respect of the interest of the City in each strata lot including its share in the common property, at the rent premium or other consideration, and subject to the applicable terms and conditions of the said Ground Lease and as contained in the model strata lot lease attached thereto and to the provisions of the Condominium Act and the regulations thereto [the model strata lot lease being hereinafter referred to as the "Lease"]
- G. On the 5<sup>th</sup> day of January 1990, Intrawest Properties Ltd. changed its name to the Intrawest Corporation.
- H. By an assignment of lease registered in the Vancouver Land Title Office on the 9<sup>th</sup> day of July 1992, under registration number BF260878 Enclave [Parcel A] Holdings Ltd. assigned its interest in:

## H. [cont'd]

P.I.D. 006-247-xxx

District Lot 331

Leasehold Strata Plan VR. 1054

together with an interest in the common property in proportion to the unit entitlement shown on Form 1 of the Leasehold Strata Plan

[hereinafter called the "Strata Lot"]

to Dorrine Loewen Payett for all the residue then unexpired of the said term of years subject to the rent thereafter reserved and to the performance and observance of the covenants on the part of the lessee and the conditions contained in the Lease so far as the same relate to the Strata Lot;

- I. By an assignment of lease registered in the Vancouver Land Title Office on the 29<sup>th</sup> day of April, 1992, under registration number BG220046, Dorrine Loewen Payette assigned her interest in the Strata Lot to Pedro Sobrino and Anna Sobrino, as Joint Tenants, for all the residue then unexpired of the said term of years subject to the rent thereafter reserved and to the performance and observance of the covenants on the part of the lessee and the conditions contained in the Lease so far as the same relate to the Strata Lot;
- J. By an assignment of lease registered in the Vancouver/New Westminster Land Title Office on the 3<sup>rd</sup> day of July, 1998, under registration number BM189573, the Intrawest Corporation assigned to the Vendor its interest in the Strata Lot, Lease, and Sublease, including, but not limited to the last two days of the term of the Ground Lease, for all the residue now unexpired of the said term of years, subject to the rent hereinafter reserved and to the performance and observance of the covenants on the part of the lessee and the conditions contained in the Lease so far as the same relate to the Strata Lot;
- K. The Vendor, at the request of the Purchaser, has agreed to assign to the Purchaser for One Hundred Seventy-four Thousand Five Hundred [\$174,500.00] dollars and other good and valuable consideration, the Vendor's interest in the Strata Lot for all the residue now unexpired of the said term of years subject to the rent hereinafter reserved and to the performance and observance of the covenants on the part of the lessee and the conditions contained in the Lease so far as the same relate to the Strata Lot;
- L. The City hereby consents to this assignment.

---

NOW THIS INDENTURE WITNESSETH as follows:

1. In consideration of the sum of One Hundred Seventy-four Thousand Five Hundred [\$174,500.00] dollars and other good and valuable consideration paid by the Purchaser to the Vendor [the receipt whereof is hereby acknowledged by the Vendor], the Vendor as beneficial owner hereby assigns to the Purchaser all the Vendor's interest in the Strata Lot, the Lease and the Sublease as it relates to the Strata Lot, including, but not limited to the assignment of the last two days of the term of the Ground Lease. TO HOLD unto the Purchaser for all the residue now unexpired of the term of the Lease subject henceforth to the payment to the City of the rent and to the performance and observance of the covenants on the part of the lessee and the conditions contained in the Lease so far as the same relate to the Strata Lot.
2. The Purchaser covenants and agrees with the Vendor and the City that during all the residue now unexpired of the term of the Lease and every renewal thereof, observe and perform the covenants on the part of the Vendor, as lessee, and the conditions contained in the Lease as fully and effectually as if the Lease contained separate demise of the Strata Lot.
3. The Purchaser covenants with the Vendor and the City and each of them to indemnify the Vendor and the City and each of them against all action, suits, costs, expenses, charges, damages, losses, claims and demands for or on account of non-payment of the rent and the non-performance or non-observance of the said covenants and conditions so far as the same relate to the Strata Lot.
4. The Vendor covenants with the Purchaser that the Lease so far as it relates to the Strata Lot is a valid and subsisting lease, that the covenants, provisos and conditions thereof on the part of the Vendor, as lessee, have been duly observed and performed up to the date hereof, that the Vendor is entitled to grant this assignment, that subject to the payment of the rent and the observance and performance of the covenants and conditions of the Lease, the Purchaser may enjoy the Strata Lot for all the residue now unexpired of the term of the Lease and any renewal thereof, without interruption by the Vendor or any person claiming through the Vendor and that the Vendor and the City shall at all times hereafter at the request and cost of the Purchaser, execute such further assurance in respect of this assignment as the Purchaser may reasonably require.
5. The Purchaser acknowledges to the Vendor and the City that the Purchaser has had the opportunity to read the contents of the Lease.

- 
6. It is hereby agreed by the parties hereto that its assignment shall enure to the benefit of and be binding upon the parties hereto, their heirs, executors, administrator, successors and assigns respectively.

END OF DOCUMENT

Notes to accompany Assignment of Lease – VR 1054:

1. Note that the order of Paragraphs H, I and J may vary depending upon the date by which the Intrawest Corporation assigned its remaining interest in the Strata Lot to registered owner of the leasehold interest. In this precedent, the assignment of the remaining “two days” was to the current registered owner. In your strata lot, it could have been to a registered owner previous to the current owner. A current title search of the strata lot will determine the order of the events.
2. Further to the above, if there is no indication that the Intrawest Corporation has assigned its remaining interest in the subject strata lot, the assignment of the remaining “two days” will have to be completed and registered before the registration of the current sale of the subject strata lot. If you are unsure if the assignment of the remaining “two days” has occurred, please contact this office for confirmation.
3. Sequence of Events:
  1. Paragraph A - the City enters into a Ground Lease with Intrawest Properties Ltd.
  2. Paragraph B - Intrawest Properties Ltd. enters into a sublease for a period of 5 years with Enclave [Parcel A] Holdings Ltd. This sublease contains an option to renew for the balance of the term of the sublease, excepting the last two days of the term of the Ground Lease.
  3. Paragraph C – Enclave {Parcel A} Holdings Ltd. exercises the option, hence the modification.
  4. Paragraph G – Intrawest Properties Ltd. changes its name to the Intrawest Corporation
  5. Paragraph H – Enclave assigns its interest in the Sublease. Enclave does not have the entire remaining term of the Ground Lease as Interwest held the last two days for itself.
  6. Paragraph I – The First Purchaser assigns their interest to the Second Purchaser BUT, their interest is only in the Sublease. They cannot assign their interest in the Ground Lease (see paragraph 2)
  7. Paragraph J – Intrawest Corporation now assigns to the then current lessee, its remaining interest in the last two days of the term of the Ground Lease. (the lessees now have the entire remaining term)



**XI. Appendix G—Sample Tripartite Agreement**

*SAMPLE  
Tripartite  
VR 1784*

THIS AGREEMENT made as of the \_\_\_\_\_ day of January.

BETWEEN:

\_\_\_\_\_, Lawyer, and  
\_\_\_\_\_, Graphic Designer, both of  
Portside Court, Vancouver, British Columbia V5P 4V3

(hereinafter called the "Lessee", a member of The Owners,  
Leasehold Strata Plan VR. 1784)

AND:

OF THE FIRST PART

\_\_\_\_\_, a Canadian chartered bank  
having its Head Office in the City of Montreal, in the Province of  
Quebec and having a branch office at  
Vancouver, British Columbia V6H 1H6

(hereinafter called the "Mortgagee")

AND:

OF THE SECOND PART

**CITY OF VANCOUVER**, of 453 West 12th Avenue, in the City  
of Vancouver, in the Province of British Columbia, V5Y 1V4

(hereinafter called the "City")

OF THE THIRD PART

**WHEREAS:**

- A. By a Ground Lease (hereinafter called the "Ground Lease") made as of the 30th day of September, 1985 and registered in the Vancouver Land Title Office on the 12th day of December, 1985 under Number N105652 and modified and amended by Modification of Lease made as of the 16th day of April, 1986 and registered in the Vancouver Land Title Office on the 17th day of April, 1986 under Number P33919 and assigned by way of Assignment of Lease registered in the Vancouver Land Title Office on the 28th day of May, 1986 under Number P47052, the City did demise and lease unto Buron Homes Ltd. the lands therein described to hold for and during the term of Ninety-Nine (99) years commencing as more particularly set forth in the Ground Lease, subject to the rents, covenants and conditions therein reserved and contained and the said lands being more particularly known and described as:

City of Vancouver  
Lot 5

Blocks 38 to 41  
 District Lot 329  
 Plan 20114.

(hereinafter called the "Lands");

- B. The Lands have been subdivided into Strata Lots by the deposit of a Leasehold Strata Plan in the Vancouver Land Title Office in accordance with the provisions of the *Condominium Act*, Chapter 61, R.S.B.C. 1979, and the *Land Title Act*, Chapter 219, R.S.B.C. 1979, pertaining to the Leasehold Strata Plan and the Registrar of the Vancouver Land Title Office has issued, in the name of the City, new Certificates of Title to each of the Strata Lots shown upon the Leasehold Strata Plan;
- C. The deposit of the said Leasehold Strata Plan converted the Ground Lease into individual leases in the name of Buron Homes Ltd. in respect of the interest of the City in each Strata Lot, including its share in the common property (hereinafter referred to as the "Strata Lot"), at the rent, premium or other consideration, and subject to the applicable terms and conditions contained in the Ground Lease and in the Model Strata Lot Lease attached to the Ground Lease (the Model Strata Lot Lease being hereinafter referred to as the "Lease") and the provisions of the said *Condominium Act* and regulations thereto;
- D. By an assignment of lease registered in the Vancouver Land Title Office on the 17th day of December, 1986, Buron Homes Ltd. assigned to \_\_\_\_\_ and \_\_\_\_\_ the individual lease with respect to the hereinafter described leased premises and all the lessee's interest in and to all and singular that certain parcel or tract of land situate in the City of Vancouver, in the Province of British Columbia more particularly known and described as:
- Parcel Identifier 005-587-263  
 Strata Lot 8  
 District Lot 329  
 Leasehold Strata Plan VR. 1784
- (hereinafter called the "Leased Premises"), being one of the strata lots created as aforesaid, for all the residue now unexpired of the said term subject to the payment of rent in accordance with the terms and conditions set forth in the Lease, and the performance and observance of the covenants and conditions contained in the Lease;
- E. \_\_\_\_\_, at the request of the Lessee has agreed to assign to the Lessee all their interest in the Leased Premises for all the residue now unexpired of the said term subject to the payment of rent in accordance with the terms and conditions set forth in the Lease, and the performance and observance of the covenants and conditions contained in the Lease;
- F. By an Indenture of Mortgage (hereinafter called the "Mortgage") made the \_\_\_\_\_ day of January, \_\_\_\_\_ between the Lessee as Mortgagor, and the Mortgagee, and registered in the Vancouver Land Title Office under No. BL \_\_\_\_\_, the Lessee did demise and sublease by way of Mortgage unto the Mortgagee all the Lessee's right, title and

interest in the Leased Premises under the Lease to secure the sum of \_\_\_\_\_,  
 DOLLARS (\$) to the  
 Mortgagee; and

- G. The Mortgagee is a MORTGAGEE, as defined in Section 1.01 of the Lease, and desires to have every opportunity to protect its interest and security.

**NOW THEREFORE THIS AGREEMENT WITNESSES** that in consideration of the premises and of the sum of ONE DOLLAR (\$1.00) now paid by the Mortgagee to the City (the receipt of which is hereby acknowledged):

1. The City covenants and agrees with the Mortgagee that the City:
  - (a) will not accept a surrender of the Ground Lease, in whole or in part, without the prior written consent of the Mortgagee; and
  - (b) will not agree to any modification or amendment to the Ground Lease:
    - (i) which may adversely affect the Mortgagee's security without the prior written consent of the Mortgagee, such consent not to be unreasonably withheld (provided that if, within 45 days of receipt of a request from the City for its consent, the Mortgagee has neither provided its consent nor advised the City in writing that it will not provide its consent, the Mortgagee will be deemed to have consented to the modification or amendment), or
    - (ii) which does not materially adversely affect the Mortgagee's security without giving the Mortgagee seven (7) days' prior written notice.
2. The Lessee acknowledges and represents to the Mortgagee that it has entered into possession of the Leased Premises pursuant to the terms of the Lease.
3. The City covenants and agrees to grant and provide to the Mortgagee all rights, assurances and notice afforded under the terms of the Lease to a Mortgagee, as defined (under Section 1.01(n) of the Lease) and, without limiting the generality of the foregoing, all remedies afforded to a Mortgagee under the Lease.
4. The City and the Lessee mutually covenant and agree, at any time and from time to time, upon not less than thirty (30) days' prior request by the Mortgagee, to execute, acknowledge and deliver to the Mortgagee a statement in writing certifying:
  - (a) that the Lease is unmodified and in full force and effect or if there have been modifications that the same are in full force and effect as modified and identifying the modifications;
  - (b) the date to which the rent or other charges payable under the Lease have been paid, provided that the request specifies with particulars the charges in respect of which such information is required; and

- (c) that so far as the maker of the statement knows, the other party to the Lease is not in default under the provisions of the Lease, or, if in default, the particulars thereof.
5. If the Mortgagee acquires title to the Lessee's interest in the Strata Lot pursuant to foreclosure proceedings the Mortgagee covenants and agrees to attorn as tenant under the Lease pursuant to the terms thereof and hereby acknowledges that it has had the opportunity to read the Lease and upon attorning as tenant under the Lease shall adopt the covenants and agreements of the Lease on the part of the Lessee to be performed and observed as though such provisions were incorporated in and formed a part of this Agreement PROVIDED THAT the provisions of this Section 5 shall not limit or affect the City's rights to re-enter, or to seek an Order for Sale at the Lessee's interest in the Strata Lot or this Lease if the Mortgagee fails to comply with the requirements of Section 19.03 of the Lease. If the Mortgagee complies with the requirements of this Section 5 and Section 19.03 of the Lease, the Mortgagee shall be given and afforded the right, privileges and benefits of the Lessee under the Lease.
  6. If the Lessee and the City cannot agree as to any matters and they decide pursuant to the Lease that the resolution of that matter is to be determined by arbitration pursuant to the arbitration provisions of the Lease and the Mortgagee shall be given adequate notice of such arbitration proceedings and shall be given a reasonable opportunity by the Lessee and the City to participate in the arbitration proceedings if the Mortgagee considers such proceedings may affect its Mortgage security.
  7. If the Mortgagee shall have fully cured any default in the payment of any Basic Rent or Additional Rent (both as defined in the Lease) or taxes or any other amount required to be paid by the Lessee under the Lease and shall continue to pay currently such monetary obligations as and when the same fall due then if the Mortgagee is prohibited, by any process or injunction issued by any Court or by reason of any action by any Court having jurisdiction over any proceedings involving any Lessee, from commencing or prosecuting foreclosure or other appropriate proceedings of the nature thereof or from obtaining possession of the Leased Premises, then the time specified in Section 19.03 of the Lease for commencing or prosecuting such foreclosure or other proceedings or for curing defaults other than payment of Basic Rent or Additional Rent (both as defined in the Lease) or taxes or any other amount required to be paid by the Lessee under the Lease shall be extended for the period of such prohibition or injunction.
  8. If the Mortgagee has cured all defaults and contingencies of which the Mortgagee has received notice from the City under Section 19.03 of the Lease, then it shall be entitled to permit the Lessee to continue as tenant of the Leased Premises unless the Mortgagee has acquired title to the Leased Premises in which event the provisions of Section 5 shall apply.
  9. If the Mortgagee is the Government of Canada, or a Crown Corporation of the Government of Canada which does not insure risk, and if the City has given to the Mortgagee notice of a default or contingency or notice of the bankruptcy or insolvency of the Lessee entitling the City to re-enter or terminate or forfeit the Lease, and the

Mortgagee commences to cure the default or contingency, then upon the Mortgagee curing the default or contingency and if the Mortgagee attorns as tenant to the City, then during the period that the Mortgagee is the tenant of the City under the Lease, the Mortgagee shall not be under any obligation to take out and keep in force any of the insurance required to be taken out and kept in force under Sections 4.03, 8.01 and 8.02 of the Lease; provided however, that the provisions of this Section shall not relieve the Mortgagee as tenant from any of the other covenants, conditions and agreements under the Lease.

- 10. This Agreement shall be deemed to terminate at such time as the Mortgage has been paid in full, in accordance with the terms and conditions therein contained, and released from the Leased Premises.
- 11. This Agreement shall enure to the benefit of and shall be binding upon the parties hereto, and the respective successors and assigns of the Mortgagee and the City, and the heirs, executors, administrators and assigns of the Lessee.

**IN WITNESS WHEREOF** this Agreement has been executed under seal as of the day, month and year first above written.

**SIGNED, SEALED AND** )  
**DELIVERED** by )  
and )  
in the presence of: )  
\_\_\_\_\_)  
Name \_\_\_\_\_) )  
\_\_\_\_\_) )  
Address *Barrister and Solicitor* \_\_\_\_\_) )  
\_\_\_\_\_) )  
\_\_\_\_\_) )  
\_\_\_\_\_) )  
Occupation \_\_\_\_\_) )  
(as to both signatures)

\_\_\_\_\_ )  
\_\_\_\_\_ )  
\_\_\_\_\_ )

**TRI-PARTITE AGREEMENT**

*(Note - Not a strata leasehold)*

THIS AGREEMENT made this 31st day of July, 2008

BETWEEN:

\_\_\_\_\_  
Whithorn Court,  
Vancouver, B.C.  
V5S 4K7

(hereinafter called the "Purchaser")

OF THE FIRST PART

AND:

FIRST NATIONAL FINANCIAL GP CORPORATION  
100 University Avenue, Suite 700, North Tower  
Toronto, Ontario  
M5J 1V6

(hereinafter called the "Mortgagee")

OF THE SECOND PART

AND:

CITY OF VANCOUVER  
453 West 12th Avenue  
Vancouver, British Columbia  
V5Y 1V4

(hereinafter called the "City")

OF THE THIRD PART

WHEREAS:

- A. By a ground lease (hereinafter called the "Ground Lease") made as of the 11<sup>th</sup> day of May, 1983 between the City, as Lessor, and Polygon Properties Ltd. ("Polygon"), as Lessee, and registered in the Vancouver Land Title Office under number L48319, the City, did demise and lease unto the Polygon the lands herein described to hold for and during the term of ninety-nine (99) years commencing on April 11, 1983 to April 10, 2082, subject to the rents, covenants and conditions therein reserved and contained, and the said lands being more particularly known and described as

Parcel Identifier: 006-998-330  
Lot 156 District Lot 339 Plan 19653

(hereinafter called the "Leased Premises")

- B. By an Assignment of Lease dated the 19<sup>th</sup> day of August, 1983 and registered in the Vancouver Land Title Office under No. L84729, Polygon assigned to Kathleen Margaret George (now Kathleen Margaret Wills) its leasehold interest in the Leased Premises and its title in the buildings thereon for all the residue then unexpired of the term of years of the Lease subject to the rent therein reserved and to the performance and observance of the covenants, conditions and provisos on the part of Polygon to be performed and observed as contained in the Lease.
- C. By an Assignment of Lease dated the 20<sup>th</sup> day of October, 1989 and registered in the Vancouver Land Title Office under No. GC137628, Kathleen Margaret Wills assigned to Veronica Mi-Kuen Chan her leasehold interest in the Leased Premises and her title in the buildings thereon for all the residue then unexpired of the term of years of the Lease subject to the rent therein reserved and to the performance and observance of the covenants, conditions and provisos on the part of the Lessee to be performed and observed as contained in the Lease.
- D. By an Assignment of Lease dated the 12<sup>th</sup> day of January, 1990 and registered in the Vancouver Land Title Office under No. GD6524, Veronica Mi-Kuen Chan assigned to Kwok Fan and Sheung Yuet Lui her leasehold interest in the Leased Premises and her title in the buildings thereon for all the residue then unexpired of the term of years of the Lease subject to the rent therein reserved and to the performance and observance of the covenants, conditions and provisos on the part of the Lessee to be performed and observed as contained in the Lease.
- E. By an Assignment of Lease dated the 17<sup>th</sup> day of August, 1993 and registered in the Vancouver Land Title Office under No. BG293047, Kwok Fan and Sheung Yuet Lui assigned to Andrzej Rezmer and Elzbieta Rezmer their leasehold interest in the Leased Premises and their title in the buildings thereon for all the residue then unexpired of the term of years of the Lease subject to the rent therein reserved and to the performance and observance of the covenants, conditions and provisos on the part of the Lessee to be performed and observed as contained in the Lease.
- F. By an Assignment of Lease dated the 3<sup>rd</sup> day of June, 1997 and registered in the Land Title Office under No. BL196302, Andrzej Rezmer and Elzbieta Rezmer assigned to Elzbieta Rezmer and Stefania Bach their leasehold interest in the Leased Premises and their title in the buildings thereon for all the residue then unexpired of the term of years of the Lease subject to the rent therein reserved and to the performance and observance of the covenants, conditions and provisos on the part of the Lessee to be performed and observed as contained in the Lease.
- G. By an Assignment of Lease dated the 12<sup>th</sup> day of August, 1998 and registered in the Land Title Office under No. BM226543, Elzbieta Rezmer and Stefania Bach assigned to Elzbieta Rezmer and Andrzej Rezmer their leasehold interest in the Leased Premises and their title in the buildings thereon for all the residue then unexpired of the term of years of the Lease subject to the rent therein reserved and to the performance and observance of the covenants, conditions and provisos on the part of the Lessee to be performed and observed as contained in the Lease.

- H. By an Assignment of Lease dated the 12<sup>th</sup> day of September, 2003 and registered in the Land Title Office under number BV369311, Andrzej Rezmer and Elzbieta Rezmer assigned to Stephanie Grace Ensworth and Robert Lee \*\*\*\* their leasehold interest in the Leased Premises and their title in the buildings thereon for all the residue then unexpired of the term of years of the Lease subject to the rent therein reserved and to the performance and observance of the covenants, conditions and provisos on the part of the Lessee to be performed and observed as contained in the Lease.
- I. By an Assignment of Lease dated the 29<sup>th</sup> day of May, 2008 and registered in the Land Title Office under number BB242118, Stephanie Grace Ensworth and Robert Lee \*\*\*\* assigned to Robert Lee \*\*\*\* their leasehold interest in the Leased Premises and their title in the buildings thereon for all the residue then unexpired of the term of years of the Lease subject to the rent therein reserved and to the performance and observance of the covenants, conditions and provisos on the part of the Lessee to be performed and observed as contained in the Lease.
- J. By an Indenture of Mortgage (hereinafter called the "Mortgage") made the 15<sup>th</sup> day of July, 2008, between the Purchaser as Mortgagor and the Mortgagee, and registered in the New Westminster Land Title Office under number CA \_\_\_\_\_ the Purchaser did demise and sublease by way of Mortgage unto the Mortgagee all right, title and interest in the Leased Premises under the Ground Lease to secure the sum of \_\_\_\_\_ DOLLARS (\$ \_\_\_\_\_) to the Mortgagee; and
- K. The Mortgagee is MORTGAGEE, as defined under Section 1.01(g) of the Ground Lease and desires to have every opportunity to protect its interest and security;

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the premises and of the sum of ONE DOLLAR (\$1.00) now paid by the Mortgagee to the City (the receipt of which is hereby acknowledged):

1. The City covenants and agrees with the Mortgagee that the City will give the Mortgagee not less than seven (7) days' prior written notice before:
  - (a) accepting a surrender of all or part of the Ground Lease; or
  - (b) agreeing to any modifications or amendments to the Ground Lease.
2. The Purchaser acknowledges and represents to the Mortgagee that he has entered into possession of the Leased Premises pursuant to the terms of the Ground Lease.
3. The City covenants and agrees to grant and provide to the Mortgagee all rights, assurances and notice afforded under the terms of the Ground Lease to a MORTGAGEE, as defined in the Ground Lease, and without limiting the generality of the foregoing, all remedies afforded a MORTGAGEE under the Ground Lease.
4. The City and the Purchaser mutually covenant and agree, at any time and from time to time, upon not less than thirty (30) days' prior request by the Mortgagee, to execute, acknowledge and deliver to the Mortgagee a statement in writing



certifying:

- (a) that the Ground Lease is unmodified and in full force and effect or if there have been modifications that same are in full force and effect as modified and identifying the modifications; and
  - (b) the dates to which the rent and other charges payable under the Ground Lease have been paid, provided that the request specifies the charges in respect of which such information is required;
  - (c) that so far as the maker of this statement knows, the other party to the Ground Lease is not in default under the provisions of the Grounds Lease, or if in default, the particulars thereof.
5. The Mortgagee hereby acknowledges that it has had the opportunity to read the Ground Lease and adopts the covenants and agreements of the Ground Lease on the part of the Mortgagee to be performed and observed including without limiting the generality of the foregoing, the provisions of section 11.03 thereof as though such provisions were incorporated in and form a part of this agreement.
  6. This agreement shall be deemed to terminate at such time as the mortgage has been paid in full, in accordance with the terms and conditions therein contained, and released from the Leased Premises.
  7. This agreement shall enure to the benefit of and shall be binding upon the parties hereto, and the respective successors and assigns of the Mortgagee and the City, and the heirs, executors, administrators, successors, and assigns of the Purchaser.

IN WITNESS WHEREOF this agreement has been executed on the day, month and year first above written.

SIGNED, SEALED AND DELIVERED  
in the presence of:

---

)  
)  
)  
)  
)  
)  
)  
)

---

\*\*\*\*\*

SIGNED ON BEHALF of  
FIRST NATIONAL FINANCIAL GP  
CORPORATION in the presence of:

---

)  
)  
)  
)  
)  
)  
)  
)

FIRST NATIONAL FINANCIAL GP  
CORPORATION  
by its authorized signatory(ies):

---

Name:

SIGNED ON BEHALF of the  
CITY OF VANCOUVER  
in the presence of:

---

)  
)  
)  
)  
)  
)  
)

CITY OF VANCOUVER  
by its authorized signatory

---

Name:

## XII. Appendix H—Standard Charge Terms

### STANDARD CHARGE TERMS

Filed by: RBS.LAWYERS Filing No.ST000010  
300 - 1111 Melville Street  
Vancouver, BC V6E 4H7

These Standard Terms are deemed to be included in and form part of every Assignment of Lease which incorporates them in a General Instrument - Part 1.

### ASSIGNMENT OF LEASE

#### DEFINITIONS

In this Assignment of Lease:

- (a) "Assignment Form" means the Form C under the Land Title (Transfer Form) Regulations (British Columbia), as amended from time to time, which refers to these filed standard charge terms and is executed by the Purchaser and all schedules and addenda attached to such Form C;
- (b) "Ground Lease" means that certain ground lease registered in the Vancouver Land Title Office under the number set out in Item 3 of the Assignment Form;
- (c) "Lands" means the lands described in the Ground Lease;
- (d) "Lease" means the model strata lot lease attached to the Ground Lease;
- (e) "Original Lessee" means the lessee named in the Ground Lease;
- (f) "Purchaser" means the person or persons described in Item 6 of the Assignment Form as the transferee;
- (g) "Strata Lot" means all of the estate, right, title and interest of the Vendor in and to the land described or referred to in Item 2 of the Assignment Form;
- (h) "University" means The University of British Columbia a British Columbia University created pursuant to the *University Act*, and having an office at Room 107, Old Administration Building, 6328 Memorial Road, Vancouver, British Columbia, V6T 2B3;
- (i) "Vendor" means the person or persons described in Item 5 of the Assignment Form as the transferor.

#### WHEREAS:

- A. By the Ground Lease the University, as lessor, did demise and lease the Lands to the Original Lessee, as lessee, on the terms and conditions contained in the Ground Lease;
- B. The Lands have been subdivided into strata lots by the deposit of a leasehold strata plan in the Vancouver Land Title Office in accordance with the provisions of the *Strata Property Act*, S.B.C. 1998, Chapter 43 and the *Land Title Act*, R.S.B.C. 1996, Chapter 250 and the Registrar has issued in the name of the University, as registered owner in fee simple, new certificates of title to each of the strata lots shown upon the leasehold strata plan;
- C. The deposit of the leasehold strata plan converted the Ground Lease into individual leases in the name of the Original Lessee, in respect of the interest of the Original Lessee in each strata lot including its share in the common property, at a rent, premium or other consideration, and subject to the applicable terms and conditions contained in the Ground Lease and in the Lease and to the provisions of the said *Strata Property Act* and the regulations thereto;

- D. The Vendor, at the request of the Purchaser, has agreed to assign to the Purchaser the Vendor's interest in the Strata Lot for all the residue now unexpired of the said term of the Lease subject to the rent reserved in the Lease and to the performance and observance of the covenants on the part of the lessee and the conditions contained in the Lease so far as the same relate to the Strata Lot.
- E. The University hereby consents to this assignment.

NOW THIS ASSIGNMENT WITNESSETH as follows:

1. For valuable consideration paid by the Purchaser to the Vendor (the receipt and sufficiency of which is hereby acknowledged by the Vendor), the Vendor as beneficial owner hereby assigns to the Purchaser the Vendor's interest in the Strata Lot, to hold unto the Purchaser for all the residue now unexpired of the term of the Lease subject to the payment to the University of the rent reserved in the Lease, to the performance and observance of the covenants on the part of the lessee to be performed and observed, and the conditions contained in the Lease, all in so far as the same relate to the Strata Lot.
2. The Purchaser covenants with the Vendor and the University and each of them that the Purchaser shall during all the residue now unexpired of the term of the Lease and every renewal thereof perform and observe the covenants on the part of the lessee to be performed and observed and the conditions contained in the Lease as fully and effectually as if the Lease contained a separate demise of the Strata Lot at the rent referred to in the Lease.
3. The Purchaser covenants with the Vendor and the University and each of them to indemnify both the Vendor and the University and each of them against all actions, suits, costs, expenses, charges, damages, losses, claims and demands for or on account of non-payment of the rent referred to in the Lease and the non-performance or non-observance of the said covenants and conditions, so far as the same relate to the Strata Lot.
4. The Vendor covenants with the Purchaser that the Lease is a valid and subsisting lease, that the covenants, provisos and conditions thereof on the part of the lessee have been duly performed and observed up to the date hereof, that the Vendor is entitled to grant this assignment, that subject to the payment of the rent referred to in the Lease and the observance and performance of the covenants and conditions of the Lease, the Purchaser may enjoy the Strata Lot for all the residue now unexpired of the term of the Lease and any renewal thereof, without interruption by the Vendor or any person claiming through the Vendor and that the Vendor and the University shall at all times hereafter at the request and cost of the Purchaser, execute such further assurance in respect of this Assignment as the Purchaser may reasonably require.
5. The Purchaser acknowledges to the Vendor and the University that the Purchaser has had the opportunity to read the contents of the Ground Lease including the Lease attached thereto.
6. The University hereby releases and forever discharges the Vendor from and against all obligations coming due or arising under the Lease from and after the closing of this assignment of the Vendor's interest in the Strata Lot to the Purchaser, it being understood and agreed that the Vendor shall remain liable to the University for all obligations coming due or arising under the Lease up to the date of such closing.
7. It is hereby agreed by the parties hereto that this assignment shall enure to the benefit of and be binding upon the parties hereto, their heirs, executors, administrators, successors and assigns, respectively.

**END OF SET**

### XIII. Appendix I—Land Title Act Form C

LAND TITLE ACT  
**FORM C**  
 (Section 233)  
 Province of British Columbia

**GENERAL INSTRUMENT - PART 1**

(This area for Land Title Office use)

Page 1 of 3 Page<@>

1. **APPLICATION:** (name, address, phone number and signature of applicant, applicant's solicitor or agent)

<@>,  
 <@>, Barristers and Solicitors,  
 <@> - <@> <@>Street, Vancouver, BC <@> <@> Telephone:  
 (604) <@>-<@>  
 Our File: <@>-<@>

\_\_\_\_\_  
 Authorized Agent

2. **PARCEL IDENTIFIER(S) AND LEGAL DESCRIPTION(S) OF LAND:\***

(PID) (LEGAL DESCRIPTION)  
 <@> Strata Lot <@>, District Lot 6494, Leasehold Strata Plan <@>

3. **NATURE OF INTEREST:\*** **DOCUMENT REFERENCE** **PERSON ENTITLED TO INTEREST**  
**DESCRIPTION** (page and paragraph)

Assignment of Lease <@> Entire Instrument Transferee

4. **TERMS:** Part 2 of this Instrument consists of (select one only)

(a) Filed Standard Charge Terms  X  D.F. Number ST000010  
 (b) Express Charge Terms \_\_\_\_\_ Annexed as Part 2  
 (c) Release \_\_\_\_\_ There is no Part 2 of this instrument

A selection of (a) includes any additional or modified terms referred to in Item 7 or in a schedule annexed to this instrument. If (c) is selected, the charge described in Item 3 is released or discharged as a charge on the land described in Item 2.

5. **TRANSFEROR(S):\***

<@>

6. **TRANSFeree(S):** (including postal address(es) and postal code(s))\*

<@>

7. **ADDITIONAL OR MODIFIED TERMS:\*** SEE SCHEDULE

8. **EXECUTIONS:\*\*** This instrument creates, assigns, modifies, enlarges, discharges or governs the priority of the interest(s) described in Item 3 and the Transferor(s) and every other signatory agree to be bound by this instrument, and acknowledge(s) receipt of a true copy of the filed standard charge terms, if any.

Officer Signatures(s)  
 \_\_\_\_\_

| Execution Date |     |     |
|----------------|-----|-----|
| Y              | M   | D   |
| <@>            | <@> | <@> |
| <@>            | <@> | <@> |

Transferor(s) Signature(s)

\_\_\_\_\_ <@>

\_\_\_\_\_ <@>

(As to both signatures)

**OFFICER CERTIFICATION:**

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the Evidence Act, R.S.B.C. 1996, c. 124, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the Land Title Act as they pertain to the execution of this instrument.

\*If space insufficient, enter "SEE SCHEDULE" and attach schedule in Form E.

\*\*If space insufficient, continue executions on additional page(s) in Form D.

LAND TITLE ACT  
**FORM D**

**EXECUTIONS CONTINUED**

|   | Execution Date |     |     | Party Signature(s) |
|---|----------------|-----|-----|--------------------|
|   | Y              | M   | D   |                    |
| Officer Signatures(s)                             | <@>            | <@> | <@> |                    |
| _____   |                |     |     | _____              |
| Print name and Address                            |                |     |     | <@>                |
|   |                |     |     |                    |
|   |                |     |     |                    |
| Solicitor/Notary Public<br>(As to all signatures) |                |     |     | _____              |
|   |                |     |     | <@>                |

**OFFICER CERTIFICATION:**

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the Evidence Act, R.S.B.C. 1996, c. 124, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the Land Title Act as they pertain to the execution of this instrument.

7. ADDITIONAL OR MODIFIED TERMS:

- (a) In consideration of the sum of \$<@> paid by the Purchaser to the Vendor (the receipt and sufficiency of which is hereby acknowledged by the Vendor), the Vendor as beneficial owner hereby assigns to the Purchaser the Vendor's interest in the Strata Lot, to hold unto the Purchaser for all the residue now unexpired of the term of the Lease, subject to the payment to the University of the rent reserved in the Lease, to the performance and observance of the covenants on the part of the Lessee to be performed and observed, and the conditions contained in the Lease, all in so far as the same relate to the Strata Lot.
- (b) The University hereby consents to this assignment.

**THE UNIVERSITY OF BRITISH COLUMBIA**

---

Authorized Signatory  
Name:

---

**END OF DOCUMENT**

## **XIV. Appendix J—SFU Closing Instructions**



SIMON FRASER UNIVERSITY  
THINKING OF THE WORLD

### **CLOSING INSTRUCTIONS FOR RESALE**

**TO:** All Lawyers/Notaries Public acting for Purchasers of  
Strata Lots in UniverCity

**RE:** Closing Documents for Execution by Simon Fraser University (“SFU”)

#### **1. Resale Only**

These closing instructions apply only to purchasers (the “Purchasers” and each a “Purchaser”) purchasing their strata lots (each a “Strata Lot”) from individual vendors. **For those purchasers purchasing new strata lots from developers, please contact the applicable developer directly regarding the closing procedure.**

A ground lease (the “Ground Lease”) has been registered on title to the Strata Lot. The developer who was the original party to the Ground Lease paid the Basic Rent which was payable for the entire term of the Ground Lease at the time the Ground Lease was registered.

These instructions are meant to assist the lawyers and notaries acting for Purchasers and are not intended as legal advice to any person.

#### **2. Cover Letter**

Your cover letter should be sent by courier to the following address:

Simon Fraser University  
Facilities Management  
8888 University Drive  
Burnaby, B.C. V5A 1S6

Attention: Director, Business & Property Management  
Facilities Management

Please use the sample cover letter to us attached as Schedule A hereto.

#### **3. Closing Documents**

SFU will execute a Form C Assignment of Lease (the “Assignment”) for each transaction. A set of Standard Charge Terms has been filed under ST50089, a copy of which is attached as Schedule B hereto. Please prepare the Assignment in the form attached as Schedule C hereto. For those Purchasers who require financing, SFU will



also execute a Tripartite Agreement in the form attached as Schedules C.1 (Harmony), C.2 (Novo), C.3 (One University Crescent), C.4 (Serenity), C.5 (Novo 2), C.6 (Aurora) or C.7 (Verdant) hereto.

It is your responsibility to ensure that the Assignment is prepared in registrable form. SFU will not review this form for registrability.

**4. Time**

(a) *Regular Timing*

We require at least **three (3)** business days to arrange the execution of the Assignment and, if applicable, the Tripartite Agreement. A fee of \$100.00 (GST inclusive) is required. . The cheque in the correct amount payable to Simon Fraser University must accompany the cover letter.

(b) *Urgent Timing*

If closing documents are required to be returned to you less than **three (3)** business days after receipt by SFU, a fee of \$200.00 (GST inclusive) **per day** is required. The cheque in the correct amount payable to Simon Fraser University must accompany the cover letter.

(c) *Delivery*

Closing documents may be faxed, emailed or sent by courier to SFU. It is your responsibility to ensure that SFU is in receipt of the closing documents. SFU's office hours are from 8:30 a.m. to 4:00 p.m. on weekdays. Any documents received after 4:30 p.m. shall be deemed to be received by SFU on the following business day. SFU is closed for all statutory holidays including Saturdays and Sundays.

**5. Execution in Counterpart**

SFU will execute the closing documents in counterparts.

**6. Number of Copies**

SFU will execute a maximum of three (3) copies of the Assignment and if applicable, the Tripartite Agreement.

**7. Corporate Seal**

SFU is not required to and will not affix its corporate seal to any closing documents.

**8. Return of Documents**

SFU will contact you by telephone, email or fax when the closing documents are executed to arrange for pick-up by you.

**9. Reporting**

Please return to SFU copies of the Assignment and if applicable, the Tripartite Agreement, fully executed and with registration particulars thereon in the case of the Assignment within fourteen (14) days of closing.

**10. Caution**

Not following these procedures or not completing closing documents accurately may result in delay in the return of your closing documents and/or the payment of late fees, for which we are not responsible. Please make every effort to provide us with closing documents for execution as soon as possible. If you have any questions, please contact SFU as follows:

Phone No.: (778) 782 3400  
Fax No.: (778) 782 4521  
E-Mail: [condo\\_resales@sfu.ca](mailto:condo_resales@sfu.ca)

## XV. Appendix K—Sample SFU Tripartite Agreement

### TRIPARTITE AGREEMENT

#### NOVO

THIS AGREEMENT made the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

BETWEEN:

●

(the “Lessee”)

AND:

●

(the “Mortgagee”)

AND:

SIMON FRASER UNIVERSITY, a British Columbia University created pursuant to the *University Act*, and having an office at 8888 University Drive, Burnaby, British Columbia, V5A 1S6

(the “University”)

WHEREAS:

- A. By a ground lease dated for reference the 30<sup>th</sup> day of January, 2003 (the “Ground Lease”), and registered in the Lower Mainland Land Title Office on February 27, 2003 under registration number BV69761, on the terms and conditions therein contained, the University, as lessor, did demise and lease to Intergulf Development (Mountain) Corp. (the “Developer”), as lessee, those lands in the Province of British Columbia, more particularly known and described as:

Lot 4  
District Lots 102 Group 1  
New Westminster District  
Plan BCP3161

(the “Lands”);

- B. The Lands have been subdivided into strata lots by the deposit of a leasehold strata plan in the Lower Mainland Land Title Office in accordance with the provisions of the *Strata Property Act*, S.B.C. 1998, chapter 43, as amended, and the *Land Title Act*, S.B.C. 1996, chapter 250 and the Registrar of the Lower Mainland Land Title Office has issued in the name of the University, as registered owner in fee simple, new certificates of title to each of the strata lots shown upon the leasehold strata plan;
- C. The deposit of the leasehold strata plan converted the Ground Lease into individual leases in the name of the Developer, in respect of the interest of the Developer in each strata lot including its share in the common property, at a rent, premium or other consideration, and subject to the applicable terms and conditions contained in the Ground Lease and in the model strata lot lease attached thereto and to the provisions of the said *Strata Property Act* and the regulations thereto (the model strata lot lease being hereinafter referred to as the "Lease");
- D. \_\_\_\_\_ (the "Vendor") is the registered holder of the leasehold interest in Strata Lot \_\_\_\_\_, Leasehold Strata Plan BCS1046 (the "Leased Premises");
- E. The Vendor has assigned its interest in the Leased Premises to the Lessee;
- F. By a mortgage (the "Mortgage") made the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, between the Lessee as mortgagor, and the Mortgagee, and registered in the Lower Mainland Land Title Office under No. \_\_\_\_\_, the Lessee did demise and assign by way of mortgage unto the Mortgagee all the Lessee's right, title and interest in the Leased Premises under the Lease to secure a loan in the sum of \_\_\_\_\_ dollars (\$ \_\_\_\_\_); and
- G. The Mortgagee is a "Mortgagee", as defined under section 1.01 of the Lease and desires to have every opportunity to protect its interest and security.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the premises and of the sum of One Dollar (\$1.00) now paid by each of the Mortgagee, the University and the Lessee to the others (the receipt and sufficiency of which is hereby acknowledged by each of the parties):

1. The University covenants and agrees with the Mortgagee that the University:
  - (a) will not accept a surrender of the Lease, in whole or in part, without the prior written consent of the Mortgagee, not to be unreasonably withheld; and
  - (b) will not agree to any modification or amendment to the Lease:
    - (i) which may adversely affect the Mortgagee's security without the prior written consent of the Mortgagee, such consent not to be unreasonably withheld (provided that if the Mortgagee has neither provided its consent nor advised the University in writing, within forty-five (45) days of receipt of a request from the University for its consent, that it will not provide its

consent, the Mortgagee will be deemed to have consented to the modification or amendment); or

- (ii) which does not materially adversely affect the Mortgagee's security without giving the Mortgagee seven (7) days prior written notice.
2. The Lessee acknowledges and represents to the Mortgagee that it has entered into possession of the Leased Premises pursuant to the terms of the Lease.
  3. The University covenants and agrees to grant and provide to the Mortgagee all rights, assurance and notice afforded under the terms of the Lease to a "Mortgagee", as defined in the Lease, and, without limiting the generality of the foregoing, all remedies afforded a "Mortgagee" under the Lease.
  4. The University and the Lessee mutually covenant and agree, at any time and from time to time, upon not less than thirty (30) days prior request by the Mortgagee, to execute, acknowledge and deliver to the Mortgagee a statement in writing certifying that:
    - (a) the Lease is unmodified and in full force and effect or if there have been modifications that same is in full force and effect as modified and identifying the modifications;
    - (b) the dates to which the rent and other charges payable under the Lease have been paid, provided that the request specifies with particulars the charges in respect of which such information is required; and
    - (c) to the best of the knowledge of the maker of the statement, without having conducted any searches or made any particular enquiries, the other party to the Lease is not in default under the provisions of the Lease, or, if in default, the particulars thereof.
  5. If the Mortgagee acquires title to the Lessee's interest in the Leased Premises, the Mortgagee covenants and agrees to attorn as tenant under the Lease pursuant to the terms thereof for so long as it remains tenant and has not assigned the balance of the Term and hereby acknowledges that it has had the opportunity to read the Lease and upon attorning as tenant under the Lease shall adopt the covenants and agreements of the Lease on the part of the Lessee to be performed and observed as though such provisions were incorporated in and formed a part of this agreement provided that the provisions of this section 5 shall not limit or affect the University's rights to re-enter, seek an order for sale, terminate or forfeit the Lease if the Mortgagee fails to comply with the requirements of section 17.03 of the Lease. If the Mortgagee complies with the requirements of this section 5 and section 17.03 of the Lease, the Mortgagee shall be given and afforded the right, privileges and benefits of the Lessee under the Lease.
  6. If the Lessee and the University cannot agree as to any matters regarding the Lease and they decide that the resolution of that matter is to be determined by arbitration pursuant to the arbitration provisions of the Lease, the Mortgagee shall be given adequate notice of such arbitration proceedings and if in the reasonable opinion of the Mortgagee, such

proceedings affect its mortgage security, the Mortgagee shall be given a reasonable opportunity by the Lessee and the University to participate in the arbitration proceedings if the Mortgagee considers such proceedings may affect its mortgage security.

7. If the Mortgagee shall have fully cured any default in the payment of any Rent (as defined in the Lease) or any other amount required to be paid by the Lessee under the Lease and shall continue to pay currently such monetary obligations as and when the same fall due then if the Mortgagee is prohibited, by any process or injunction issued by any court by reason of any action by any court having jurisdiction over any proceeding involving the Lessee, from commencing or prosecuting foreclosure or other appropriate proceedings of the nature thereof or from obtaining possession of the Leased Premises, then the time specified in section 17.03 of the Lease for commencing or prosecuting such foreclosure or other proceedings or for curing defaults other than payment of Rent (as defined in the Lease) or any other amount required to be paid by the Lessee under the Lease shall be extended for the period of such prohibition or injunction.
8. If the Mortgagee has cured all defaults and contingencies of which the Mortgagee has received notice from the University under section 17.03 of the Lease, then it shall be entitled to permit the Lessee to continue as tenant of the Leased Premises unless the Mortgagee has acquired the right, title and interest of the Lessee in the Leased Premises under the Lease, in which case the provisions of section 5 hereof shall apply. For the purposes of this clause the events contemplated by Article 18 of the Ground Lease shall not constitute a default or contingency.
9. This Agreement shall be deemed to terminate and be of no further force and effect at such time as the Mortgage has been paid in full, has been terminated or released in accordance with the terms and conditions therein contained, or has been released or discharged from the Leased Premises.
10. The Mortgagee covenants and agrees that subject to the provisions of section 17.03 of the Ground Lease, all of the rights of the Mortgagee, whether statutory or at common law, shall be subject to the rights of the University under the Ground Lease.

11. This Agreement shall enure to the benefit of and shall be binding upon the parties hereto, and their respective successors and assigns.

IN WITNESS WHEREOF this Agreement has been executed on the day, month and year first above written.

SIGNED, SEALED AND DELIVERED by )  
 \_\_\_\_\_ and \_\_\_\_\_ )  
 in the presence of: )  
 \_\_\_\_\_ )  
 Signature )  
 \_\_\_\_\_ )  
 Print Name )  
 \_\_\_\_\_ )  
 Address )  
 \_\_\_\_\_ )  
 Occupation )  
 (witness as to all signatures) )

\_\_\_\_\_  
 Print Name  
 \_\_\_\_\_  
 Print Name

**[The Mortgagee]** )  
 )  
 By: \_\_\_\_\_ )  
 Name: )  
 Title: )  
 )  
 By: \_\_\_\_\_ )  
 Name )  
 Title: )  
 )

**SIMON FRASER UNIVERSITY** )  
 )  
 By: \_\_\_\_\_ )  
 Authorized Signatory )

