



FORM 109 (RULE 22-2 (2) AND (7))

This is the 2nd Affidavit
of JONATHAN WONG in this case
and was made on JANUARY 29, 2020
No. H 200039
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

PEOPLES TRUST COMPANY

Petitioner

AND:

CENSORIO GROUP (HASTINGS & CARLETON)
HOLDINGS LTD.
PETER CENSORIO also known as PETER ANTHONY CENSORIO
and PETER ANTHONY CENSORIO
STRADA 39 TRUST
BANCORP GROWTH MORTGAGE FUND II LTD.
BANCORP BALANCED MORTGAGE FUND II LTD.
BANCORP FINANCIAL SERVICES INC.
PK CAPITAL LTD.
ALL CANADIAN INVESTMENT CORPORATION
FBM CANADA GSD, INC.
MEDINA CONCRETE SERVICES LTD.
TUCUVAN CONSTRUCTION LTD.
OMNI DRYWALL LTD.
1223293 B.C. LTD.
RAHUL GLASS LTD.
SERIN INVESTMENTS LTD.
CLARION PROPERTY CORPORATION
G. I. H. PROPERTIES LTD.
BARRY CHARLES HOLDINGS LTD.
BECISON HOLDING CORPORATION
SANDRA CHAPPELL
CREST CAPITAL CORPORATION
DURHAM CAPITAL MANAGEMENT INC.
YORK VENTURES LTD.
HI-GROVE HOLDINGS (1995) LTD.
DIANE RAUCH
JEFFREY RAUCH
GERHARD RAUCH
HELGA RAUCH
PAVILION INVESTMENTS INC.
RODNEY GRANT KENYON
ALAN LONG
MANDATE MANAGEMENT CORPORATION

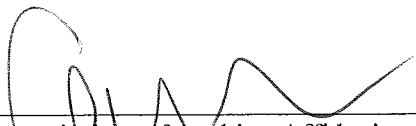
Respondents

AFFIDAVIT

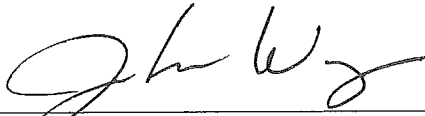
I, JONATHAN WONG, of Suite 1400 – 888 Dunsmuir Street, in the City of Vancouver, in the Province of British Columbia, AFFIRM THAT:

1. I am the Vice-President and Regional Manager, Commercial Banking, of the petitioner herein, and am authorized to swear this affidavit on behalf of the petitioner and have personal knowledge of the matters and facts hereinafter set forth, except where the same are stated to be based upon information and belief, and where so stated I verily believe the same to be true.
2. Capitalized terms are as defined in the Notice of Application to appoint a Receiver and Manager.
3. Attached as Exhibit "A" is a copy of the Narrative Appraisal conducted by Grover Elliott & Co. Ltd. dated January 12, 2020.
4. Attached as Exhibit "B" are copies of the Liens.
5. Attached as Exhibit "C" is a copy of the PK Capital Ltd. mortgage and assignment of rents registered under number CA7219414 and CA7219415, respectively.
6. Attached as Exhibit "D" is a copy of the Consent of D. Manning & Associates Inc. to act as Receiver and Manager herein.
7. I have attended the Development and construction has stopped. The Petitioner is concerned that the assets of the Development may be deteriorating.

AFFIRMED BEFORE ME at Vancouver,
British Columbia, this 29 day of January,
2020.



 A Commissioner for taking Affidavits within
 British Columbia

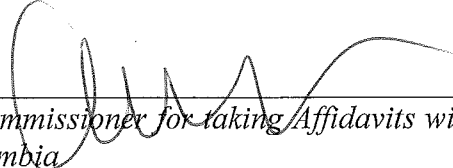


JONATHAN WONG

ALAN A. FRYDENLUND, Q.C.
 BARRISTER & SOLICITOR
 29th FLOOR - 595 BURRARD ST.
 VANCOUVER, B.C. V7X 1J5
 (604) 691-7511

Jonathan Wong
 Vice President & Regional Manager
 Commercial Banking BC

This is Exhibit "A" referred to in the Affidavit of JONATHAN WONG sworn before me at Vancouver, B.C., this 29 day of January, 2020.



A Commissioner for taking Affidavits within British Columbia



**GROVER
ELLIOTT**

REAL ESTATE APPRAISERS & ADVISORS

NARRATIVE APPRAISAL

of the

Strata-Titled Mixed-Use Development

at

**4223 Hastings Street
Burnaby, British Columbia**

FOR:

Peoples Trust Company

AS AT:

January 12, 2020

BY:

Michael D. Oord, B.A., AACI, P.App.
Grover, Elliott & Co. Ltd.





Peoples Trust Company
Suite 1310, 95 Wellington Street West
Toronto, ON M5J 2N7

January 10, 2020
File No. 2020-0017-B

Attention: Mr. Paul DeLuca

Dear Sir:

Re: **4223 Hastings Street**
Burnaby, British Columbia

Pursuant to your request, we completed an appraisal analysis of the above real property and prepared this report to summarize our analyses, opinions, and conclusions. As at January 12, 2020, we estimate the market value of the fee simple interest at:

Aggregate Project Value - Based on Presales in Place with Unsold Units @ Market:
NINETEEN MILLION DOLLARS
\$19,000,000

Aggregate Project Value – Current Market Value
TWENTY-TWO MILLION DOLLARS
\$22,000,000

The above aggregate project value estimates are pursuant to completion of the existing improvements as shown in the plans and documents provided, shown on a gross aggregate quantum with no allowances made for marketing, promotion, commissions, etc. and exclusive of the Goods and Services Tax.

As Is Market Value:
SEVENTEEN MILLION ONE HUNDRED THOUSAND DOLLARS
\$17,100,000

Our opinions considered the research, data, and analyses in the report that follows, and are subject to the assumptions and limiting conditions herein. Grover, Elliott & Co. Ltd. has prepared this report at your request for the exclusive use of Peoples Trust Company. The intent of this report is to provide Peoples Trust Company information to assist in making decisions related to foreclosing on the property; any use that a third party makes of this report, or any reliance on or decisions to be made based on it are the responsibility of such third parties. Grover Elliott & Co. Ltd. and our consultants accept no liability or responsibility for any damages that any third party might suffer or incur because of the use of, reliance on, or any decisions made based on this report.



Thank you for allowing us to be of assistance with this matter. If you have any questions or comments, please contact our office.

Respectfully submitted,
GROVER, ELLIOTT & CO. LTD.

per:

A handwritten signature in black ink, appearing to be "M. Oord", written over a horizontal line.

Michael D. Oord, B.A., AACI, P.App.
email: michael.oord@groverelliott.ca
direct: 604 638 3152

Encl.

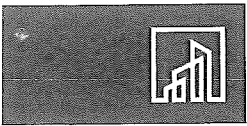


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SUMMARY

Location

4223 Hastings Street, located on the north side of Hastings Street, east of Carlton Avenue and west of Madison Avenue, in the North Burnaby neighbourhood of Burnaby, British Columbia.

The Site

Rectangular with a frontage of 94.0± feet and an average depth of 115.8± feet. The gross site area is reportedly 1,011.2 square metres, which amounts to 10,884± square feet or 0.250± acres.

The Improvements

Present improvements comprise a five-storey, mixed-use development that is reportedly 91.7% complete. The development features a buildable area of 31,298 square feet, a floor space ratio of 2.88, an efficiency of 86.5% and a saleable area of 27,069 square feet, further summarized as follows.

Use	Units	Area (SF)	Saleable Area (SF)	Average Area (SF)
Retail	1	4,200	4,200	n/a
Residential	27	22,869	847	572 to 1,700
Total	28	27,069	967	n/a

Land Use Controls

Zoning Designation: CD, Comprehensive Development (Based on the C8, Urban Village Commercial District Hastings)

OCP Designation: Medium Density Mixed-Use

Highest and Best Use

As improved, for the remaining economic life of the improvements.

Effective Date of Value Estimate

January 12, 2020, the date of property inspection.



Aggregate Project Value

\$19,000,000 – Based on Presales in Place with Unsold Units @ Market

Use	Units	Area (SF)	Average Area (SF)	Value (\$)	\$/SF
Retail	1	4,200	4,200	2,550,000	607
Residential – Presales	22	17,328	788	11,989,044	692
Residential – Unsold Units	5	5,541	1,108	4,477,000	808
Total	28	27,069	967	19,016,043	703
Rounded to				19,020,000	

\$20,850,000 – Current Market Value

Use	Units	Area (SF)	Average Area (SF)	Value (\$)	\$/SF
Retail	1	4,200	4,200	2,550,000	607
Residential	27	22,869	847	18,638,235	815
Total	28	27,069	967	21,188,235	783
Rounded to				21,190,000	

The above aggregate project value estimates are pursuant to completion of the existing improvements as shown in the plans and documents provided, shown on a gross aggregate quantum with no allowances made for marketing, promotion, commissions, etc. and exclusive of the Goods and Services Tax.

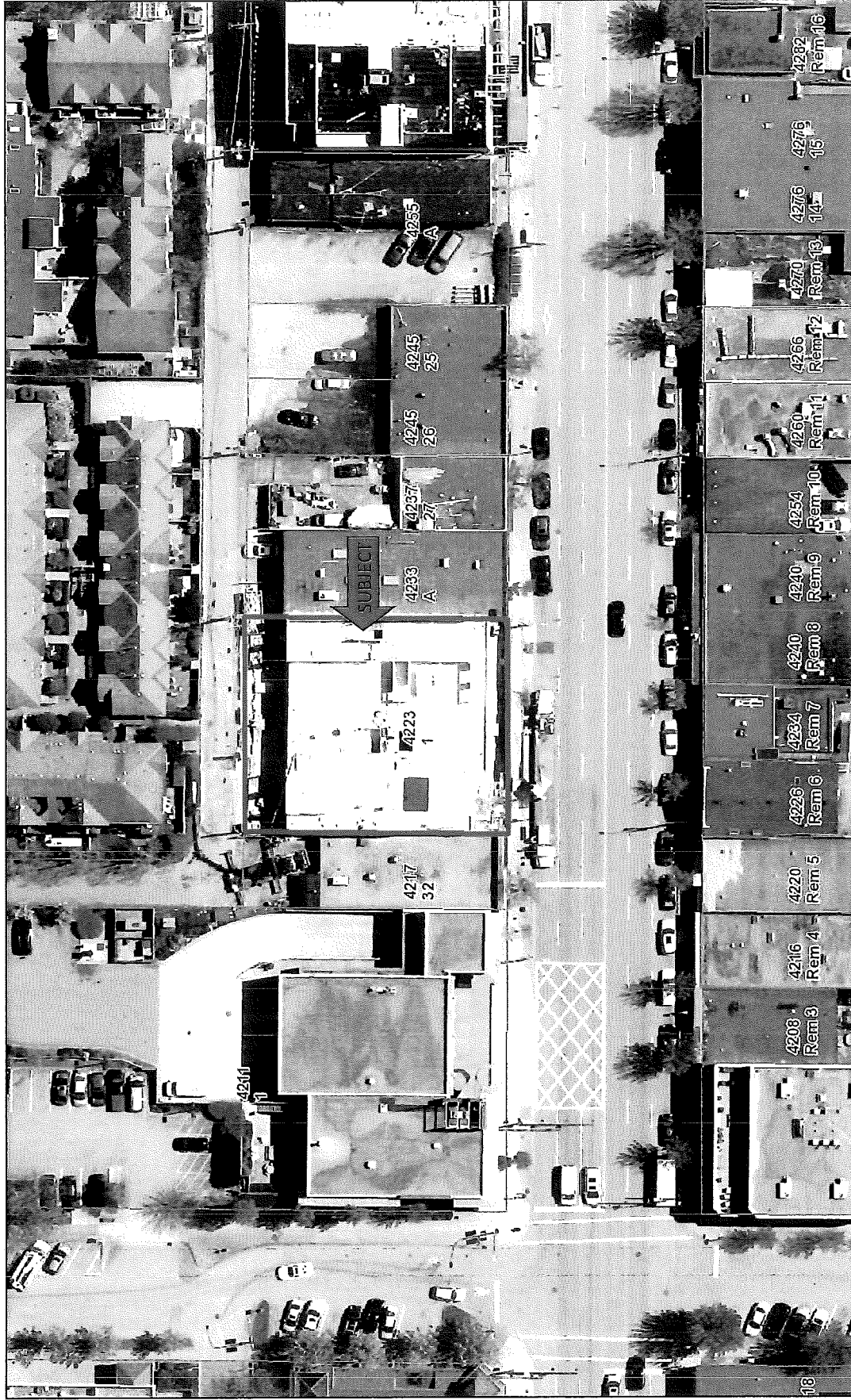
As Is Market Value

\$17,100,000 – Assumes a 5.0% Profit Allowance for Completing the Project

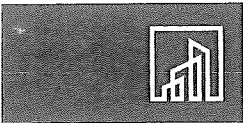
– Costs to complete reported at \$968,874 or \$31 per square foot



AERIAL PHOTOGRAPH



Source: City of Burnaby - BurnabyMap



PHOTOGRAPHS



Front elevation



View northwest



Rear and west elevation – view southeast



Rear elevation



PART ONE – THE ASSIGNMENT

Instructions, Intended Use and Intended User

Peoples Trust Company requires information for the foreclosure purposes. We have prepared this report at the request of Mr. Paul DeLuca, exclusively for Peoples Trust Company. Our analyses, opinions, and conclusions are subject to the assumptions, limiting conditions and disclosures provided herein.

We did not prepare this report in contemplation of any other use, for property assessment or tribunal purposes, or for reliance by any other party. Absent our prior written agreement, which we may withhold, we reserve the right to refuse any other assignment involving this report, and expressly deny responsibility to third parties for any use.

Purpose of the Appraisal

The purpose of this report is to provide our estimate of the current market value of the fee simple interest in the subject property as at January 12, 2020, the effective date of this valuation. An accepted Canadian definition of market value is:

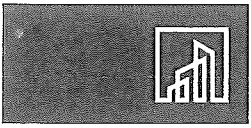
The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress.¹

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

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in Canadian dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.²

1 Canadian Uniform Standards of Professional Appraisal Practice: Appraisal Institute of Canada, 2018, (Ottawa, Ont.) ("CUSPAP") 18.8.4.i

2 Canadian Uniform Standards of Professional Appraisal Practice: Appraisal Institute of Canada, 2018, (Ottawa, Ont.) ("CUSPAP") 18.8.4.iv



The fee simple estate is absolute ownership subject only to limitations imposed by the State; also called a *freehold*. This is the most comprehensive form of ownership. It gives a "bundle of rights" that allows the owner the right to use the property, to sell it, to lease it, to enter it, or to give it away. It also includes the right to refuse to take any of these actions. A fee simple interest excludes existing financing and leases.

This appraisal considers interests created by a lease. The leasehold interest is the interest held by the lessee (the tenant or renter) through a lease transferring the rights of use and occupancy for a stated term under certain conditions.

The leased fee interest is an ownership interest held by a landlord with the rights of use and occupancy conveyed by lease to others. Contract terms contained within the lease specify the rights of the lessor (the leased fee owner) and the lessee. A subordinate lease of a leasehold interest is a 'sublease'.

All property rights are subject to land use regulation, legal restrictions (e.g. a zoning ordinance) that control the use to which land may be put; these may include controls established by restrictive covenants or contained in redevelopment or urban renewal plans approved by local governing bodies.³

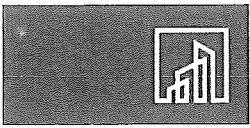
Scope and Extent of Work

Our work on this assignment entailed:

- an inspection⁴ of the property on January 12, 2020;
- a review of mapping provided by the City of Burnaby;
- a review of land use control information obtained from the City of Burnaby;
- a review of the reliance documents described herein;
- the investigation of relevant market activity, with sources including
 - the local real estate board,
 - Land Titles – through BC Online and BC Assessment,
 - commercial data services,
 - real estate agents, vendors and purchasers active in the market, and
 - our corporate real estate database; and
- a valuation and market analyses as described later herein.

³ Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago: Appraisal Institute), 2015; fee simple, leased fee, leasehold, sublease.

⁴ The term "inspection" refers to our observation and reporting of the general material finishing and conditions seen for the purposes of a standard appraisal inspection. The inspection scope of work includes the identification of marketable characteristics/amenities offered for comparison and valuation purposes only, in accordance with the Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP).



Reliance Documents

Documents relied on for our analysis include:

- a title search print and related documents obtained from the Land Title & Survey Authority of British Columbia, dated January 7, 2020 and reproduced herein;
- registered legal plan EPP56644, with excerpts reproduced herein and reproduced in full as an appendix;
- a property record obtained from <http://evaluatebc.bcassessment.ca/>;
- architectural drawings prepared by Chandler Associates, as retained in full in our files, with excerpts reproduced herein; and
- a Project Monitoring Claim Report prepared by BTY Group, dated December 1, 2019, as retained in full in our files and as summarized herein.

Technical Investigations

We did not complete technical investigations such as:

- inspection beyond the extent necessary to identify materials of construction, finishes and apparent condition – appraisers do not verify that all components and systems are in good operating condition, do not complete (and lack expertise in) inspections or engineering reviews of the structure, roof or mechanical systems, and often do not view all areas of the improvements or inaccessible areas such as crawlspaces and attics;
- a technical review of the proposed structure, roof or mechanical systems;
- a technical review of the utility servicing;
- a site survey;
- a building survey;
- a review of the property tax valuations or classifications;
- investigations into the bearing, percolation or other qualities of the soils;
- investigations into the extent and value of subsurface oil, gas or mineral rights, or whether the property is subject to surface entry by others for the exploration or removal of such materials;
- planning or engineering studies as necessary to examine the feasibility of alternate uses;
- a market analysis to ascertain demand for the property;
- an environmental review;
- an archaeological survey;
- a hydrological study;
- investigations into title beyond those described herein; or
- audit or professional review of financial, technical, and legal documents obtained or reviewed by us in the course of this assignment.



Verification of Third Party Information

The analysis set out in this report relied on written and verbal information obtained from a variety of sources we considered reliable. Unless otherwise stated herein, we did not verify client-supplied information, which we assumed to be correct. We reserve the right to review our valuation if the information received from a third party is not accurate. Any party wishing to rely on this report should confirm the source of any important information herein as well as the assumptions that underlie any significant conclusion.

Type of Analysis

This narrative report of a current date appraisal complies with the Canadian Uniform Standards of Professional Practice of the Appraisal Institute of Canada. We have competence in this type of valuation analysis and have valued this class of real property before.

Hypothetical Assumptions and Extraordinary Limiting Conditions

The value estimates provided herein are based on a saleable area of 27,069± square feet. A professional surveyor can verify this estimate.

The aggregate project value estimates provided herein are pursuant to the completion of the existing improvements as shown in the plans and documents provided, shown on a gross aggregate quantum with no allowances made for marketing, promotion, commissions, etc. and exclusive of the Goods and Services Tax.



PART TWO – FACTUAL DATA

IDENTIFICATION OF THE SUBJECT PROPERTY

Civic Addresses, Legal Descriptions and Parcel Identifiers

The subject is located in Burnaby, British Columbia, described as follows:

Civic Address	Legal Description	PID
4223 Hastings Street	Lot 1 District Lot 121 Group 1 New Westminster District Plan EPP56644	029-877-555

Title Information and Encumbrances

A title status print dated January 7, 2020 is included as an appendix. **CENSORIO GROUP (HASTINGS & CARLETON) HOLDINGS LTD.** is the registered owner. Charges or interests registered against the title of the property include:

Charge Description	Document	Registered Owner
Easement	CA3072254	See title search print
Covenant	CA5281006	City of Burnaby
Covenant	CA5281008	City of Burnaby
Covenant	CA5281010	City of Burnaby
Covenant	CA5281012	City of Burnaby
Covenant	CA5281014	City of Burnaby
Statutory Right of Way	CA5281016	City of Burnaby
Covenant	CA5281018	City of Burnaby
Statutory Right of Way	CA5281020	City of Burnaby
Easement	CA6058174	Appurtenant to Lot 32 Plan 1054
Mortgage	CA6245585	Peoples Trust Company
Assignment of Rents	CA6245586	Peoples Trust Company
Mortgage	CA6245684	Bancorp Growth Mortgage Fund II Ltd. Bancorp Balanced Mortgage Fund II Ltd. Bancorp Financial Services Inc.
Assignment of Rents	CA6245685	Bancorp Growth Mortgage Fund II Ltd. Bancorp Balanced Mortgage Fund II Ltd. Bancorp Financial Services Inc.
Priority Agreement	CA6246768	Bancorp Growth Mortgage Fund II Ltd. Bancorp Balanced Mortgage Fund II Ltd. Bancorp Financial Services Inc.
Priority Agreement	CA6246769	Peoples Trust Company
Statutory Right of Way	CA6438021	Shaw Cable Systems Limited
Statutory Right of Way	CA6555970	British Columbia Hydro and Power Authority
Priority Agreement	CA6555971	British Columbia Hydro and Power Authority



Charge Description	Document	Registered Owner
Mortgage	CA7219414	PK Capital Ltd
Assignment of Rents	CA7219415	PK Capital Ltd
Priority Agreement	CA7392238	Bancorp Growth Mortgage Fund II Ltd, Bancorp Balanced Mortgage Fund II Ltd. Bancorp Financial Services Inc.
Priority Agreement	CA7392239	People Trust Company
Modification	CA7557828	Bancorp Growth Mortgage Fund II Ltd, Bancorp Balanced Mortgage Fund II Ltd. Bancorp Financial Services Inc.
Modification	CA7557829	Bancorp Growth Mortgage Fund II Ltd, Bancorp Balanced Mortgage Fund II Ltd. Bancorp Financial Services Inc.
Priority Agreement	CA7558004	Bancorp Growth Mortgage Fund II Ltd, Bancorp Balanced Mortgage Fund II Ltd. Bancorp Financial Services Inc.
Priority Agreement	CA7558005	Bancorp Growth Mortgage Fund II Ltd, Bancorp Balanced Mortgage Fund II Ltd. Bancorp Financial Services Inc.
Certificate of Pending Litigation	CA7750158	All Canadian Investment Corporation
Claim of Builders Lien	CA7847746	FBM Canada GSD, Inc
Claim of Builders Lien	CA7883860	Medina Concrete Services Ltd.
Claim of Builders Lien	CA7914853	Tucuvan Construction Ltd

Subject to the limitations of this assignment and based on our interviews, client supplied information and our review of the title search print, we believe that title encumbrances do not materially affect the value of the property interest under consideration except as discussed specifically herein. However, we did not obtain a legal opinion of the state of title or any of the encumbrances, we lack qualifications in this area, we have not read the documents registered against title and we cannot guarantee that the property is free of encroachments or that the interest appraised is free of unregistered rights. Our valuation assumes that title is good and marketable and that encumbrances do not affect the value of the appraised interest.



ASSESSMENTS & TAXES

BC Assessment and the City of Burnaby show the following actual value assessments and taxes for the subject property.

Roll No.: 0700-4223-0000

Year	Class	Land Assessed Value (\$)	Building Assessed Value (\$)	Total Assessed Value (\$)	Gross Taxes (\$)
2019	1	3,231,000	7,787,000	11,018,000	31,755.86
	6	711,000	1,714,000	2,425,000	25,645.25
Total		3,942,000	9,501,000	13,443,000	57,401.11
2020	1	3,811,000	8,464,000	12,275,000	TBA
	6	759,000	1,686,000	2,445,000	TBA
Total		4,570,000	10,150,000	14,720,000	TBA

Actual value reflects the opinion of BC Assessment of the market value of the freehold interest in the property as at July 1 of the previous years based on the physical condition of the property as of October 31 of the previous year.

Assessors disregard encumbrances such as leases and financing, and can base their assessments on mass valuation techniques and on dated inspection information. Consequently, actual values can result in less precise estimates of market value than provided by a full appraisal. BC Assessment provides further information on its valuations at www.bccassessment.ca.



HISTORY & USE

Transactions

Canadian Uniform Standards of Professional Appraisal Practice of the Appraisal Institute of Canada require investigation and consideration of transactions, agreements for sale, options and listings of the subject property occurring prior to the effective date of the valuation. When a recent arm's length market transaction has occurred compelling evidence of value arises, often requiring only an adjustment for market conditions.

The Greater Vancouver Multiple Listing Service (MLS) and BC Assessment records show no recent market transactions associated with the subject.

We are unaware of any other transactions, agreements for sale, options and listings for the property in the last three years. Land Titles Office records, a primary source of data on real estate sales, do not include transfers of property accomplished by the sale of shares by a corporate owner holding title to the property. Since no public database records transactions of shares for privately held companies, we cannot investigate sales of this nature.

Actual and Historic Use

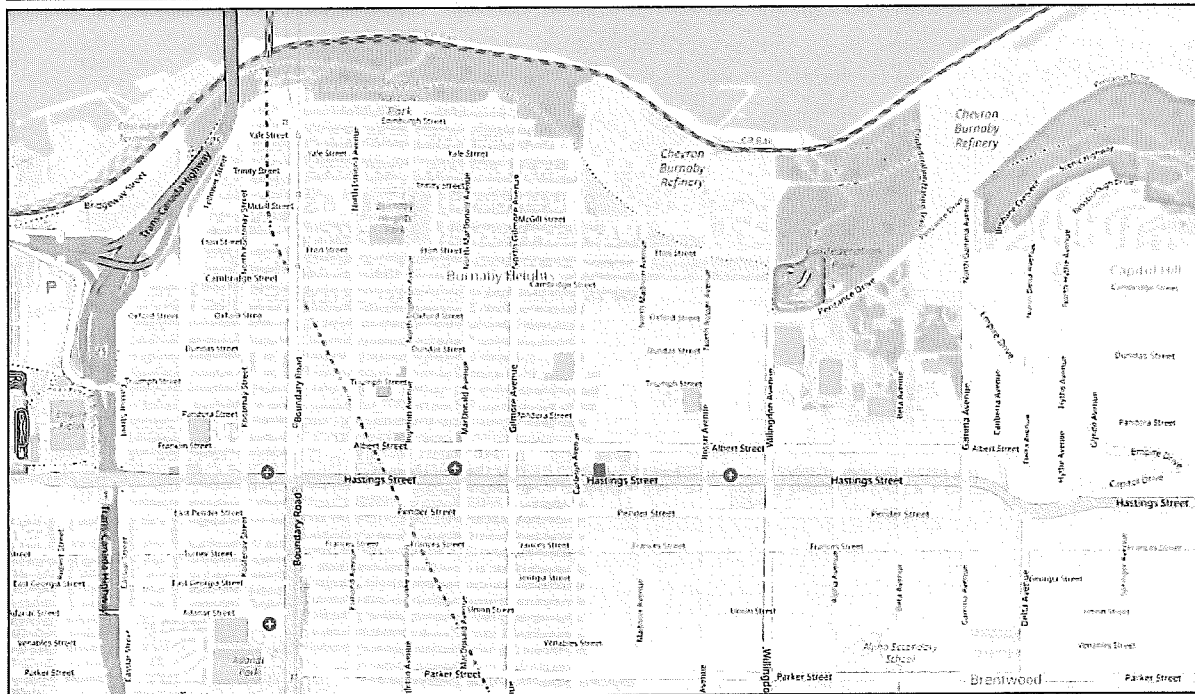
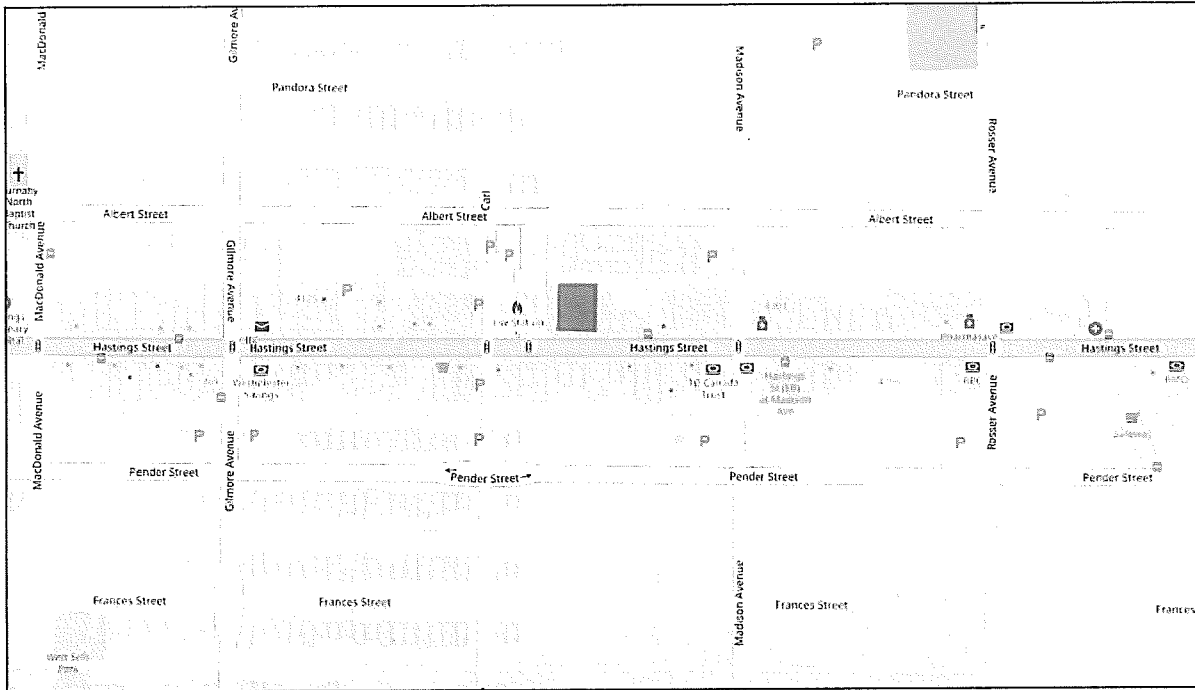
As at the date of inspection, the subject was improved with a five-storey, mixed-use development reportedly 91.7% complete. Previously the property was improved with a one-storey commercial building and a two-storey single family house. We are unaware of any prior uses.



THE SITE

Location

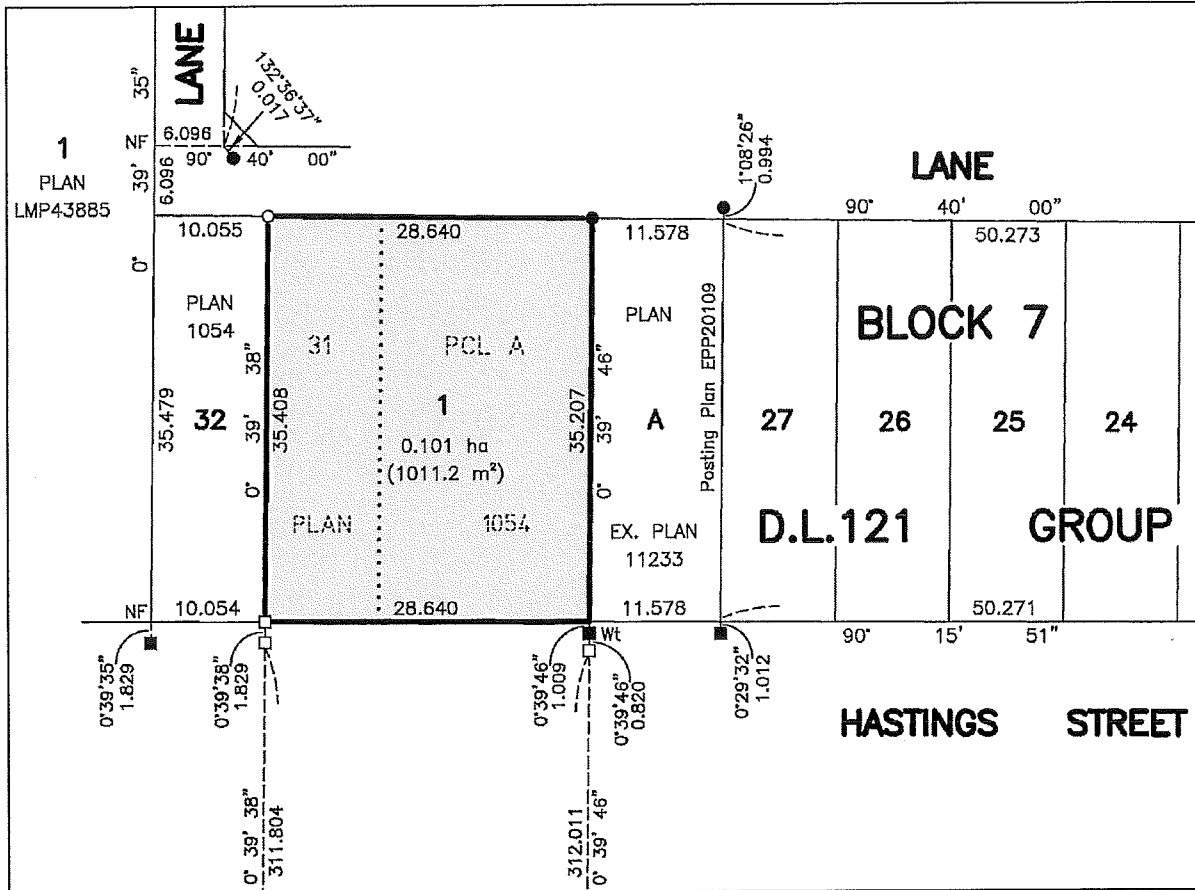
4223 Hastings Street, located on the north side of Hastings Street, east of Carlton Avenue and west of Madison Avenue, in the North Burnaby neighbourhood of Burnaby, British Columbia.





Shape and Size

According to registered legal plan EPP56644, the property has a frontage of 28.640 metres or 94.0± feet, a west boundary of 35.408 metres or 116.2± feet, a north flankage of 28.640 metres or 94.0± feet and an east property line measuring 35.207 metres or 115.5± feet. The gross site area is reportedly is 1,011.2 square metres, which amounts to 10,884± square feet or 0.250± acres.



Source: Registered legal Plan EPP56644

Topography

The site is roughly level and at grade with the adjacent road and surrounding development. Topographical features are suitable for the present or alternative uses.

View Characteristics

The height of the surrounding development, coupled with height restrictions and other limitations within the land use controls, restrict the benefit from these exposures.



Soil Conditions

No one provided us with a soil survey for the subject site and we have not commissioned one. For the objective of this report, we have assumed that the bearing, percolation and other characteristics of the land are adequate to permit development under the present land use controls, without undue and costly site preparation or engineering.

We did not observe any contaminants or hazardous materials at the property and do not have the knowledge or qualifications to detect the existence of such materials on or in the property. Our value estimate assumes that no contaminants or hazardous materials exist on, in, or near the property that would cause a loss in value. We recommend retaining an expert in these matters if doubt exists regarding the quality of the soils or groundwater.

Access

Pedestrian access is provided via Hastings Street and the rear lane while direct vehicle access is limited to the rear lane. Hastings Street is an arterial route that provides east-west connections. Boundary Road to the west and Willingdon Avenue to the east provide arterial north-south connections for the area.

Commercial Exposure

The subject has good commercial exposure due to its location along a commercial arterial route.

Street Improvements

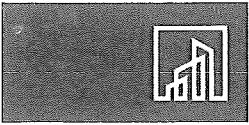
Hastings Street is asphalt-paved and six lanes in width with concrete curbs, concrete sidewalks, streetlights and on-street parking permitted on both sides of the road. The rear lane is asphalt paved with a dedicated width of 20 feet.



View east along Hastings Street



View east along rear lane



Public Utilities

Utility services typical of an urban community are available in the area, including domestic water and sanitary sewer, storm water drainage, electricity, natural gas, and telephone/internet/television.

Surrounding Developments

Commercial and mixed-use developments predominate along Hastings Street. Single family and multiple family residential uses surround the corridor.

Photographs of Surrounding Developments



Retail development and fire hall adjacent to west



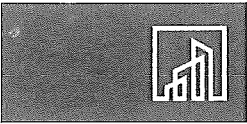
Mixed-use development abutting subject to east



Commercial and mixed-use development opposite subject to south



Strata-titled multiple family residential to north



Aerial of Surrounding Development



Source: City of Burnaby - BurnabyMap



THE IMPROVEMENTS

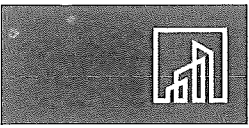
Design and Plan

Present improvements comprise a five-storey, mixed-use development that is reportedly 91.7% complete. The development features a buildable area of 31,298 square feet, a floor space ratio of 2.88, an efficiency of 86.5% and a saleable area of 27,069 square feet, further summarized as follows.

Use	Units	Saleable Area (SF)	Average Area (SF)	Saleable Area Range (SF)
Retail	1	4,200	4,200	n/a
Residential	27	22,869	847	572 to 1,700
Total	28	27,069	967	n/a

Individual Unit Sizes

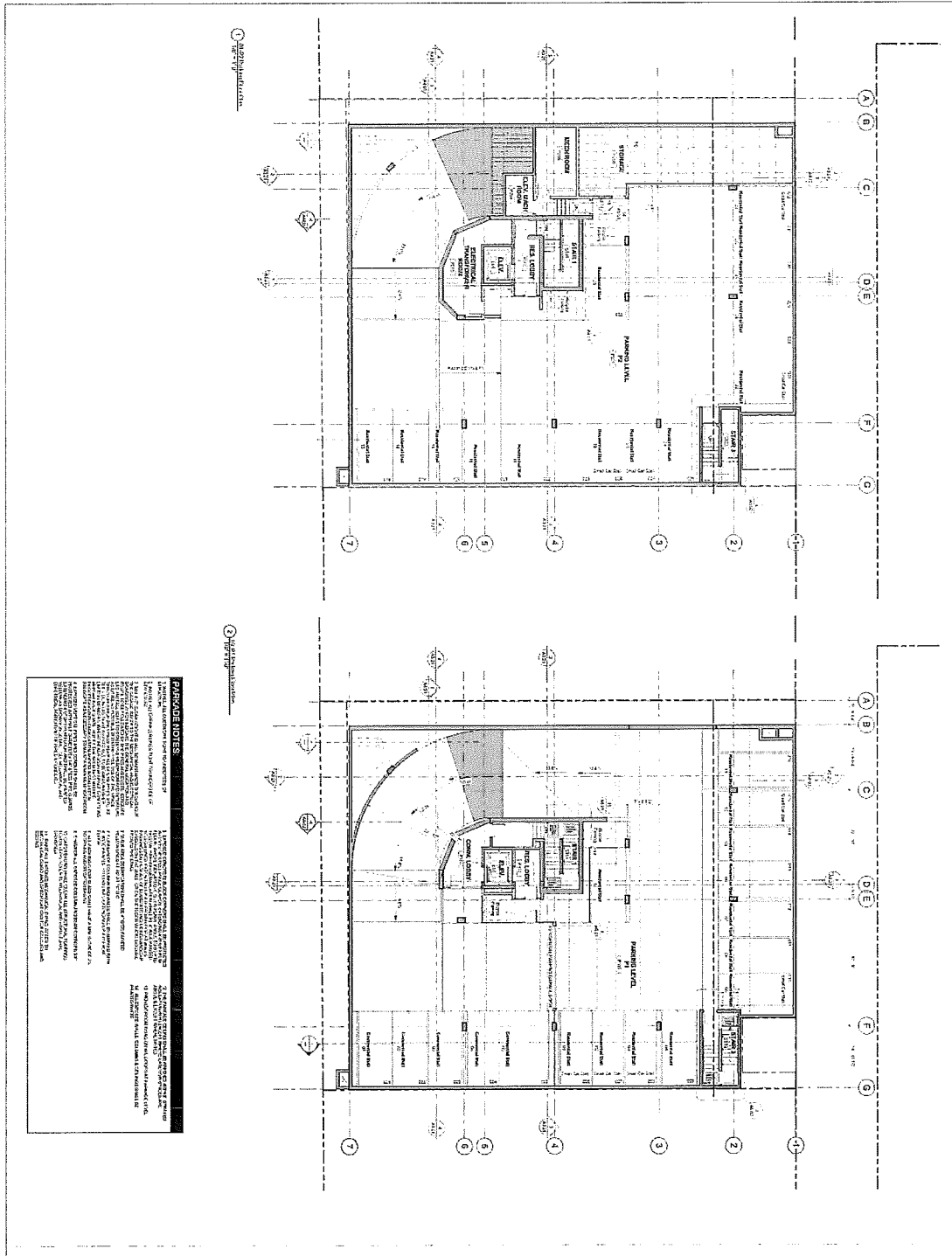
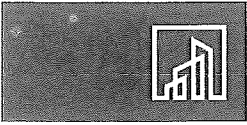
Unit	Strata Lot	Type	Saleable Area (SF)	Unit	Strata Lot	Strata Lot	Type
CRU1	29	n/a	4,200	302	20	2D	1,139
101	1	2A	1,103	303	14	2C	1,019
102	2	1A	816	304	19	1F	610
103	3	1B	636	305	15	1D	740
104	4	1C	572	306	18	1G	607
201	5	2B	1,122	307	16	1E	707
202	12	2D	1,139	308	17	1GA	636
203	6	2C	1,019	401	21	2B	1,122
204	11	1F	610	402/404	27/28	2D	1,700
205	7	1D	740	403	22	2C	1,019
206	10	1G	636	405	23	1D	740
207	8	1E	707	406	26	1G	636
208	9	1GA	636	407	24	1E	707
301	13	2B	1,122	408	25	1G	629



Materials of Construction

Detailed specifications were not available to us. The following reflects observations made during the property inspection and our expectations based on our knowledge of this type of property.

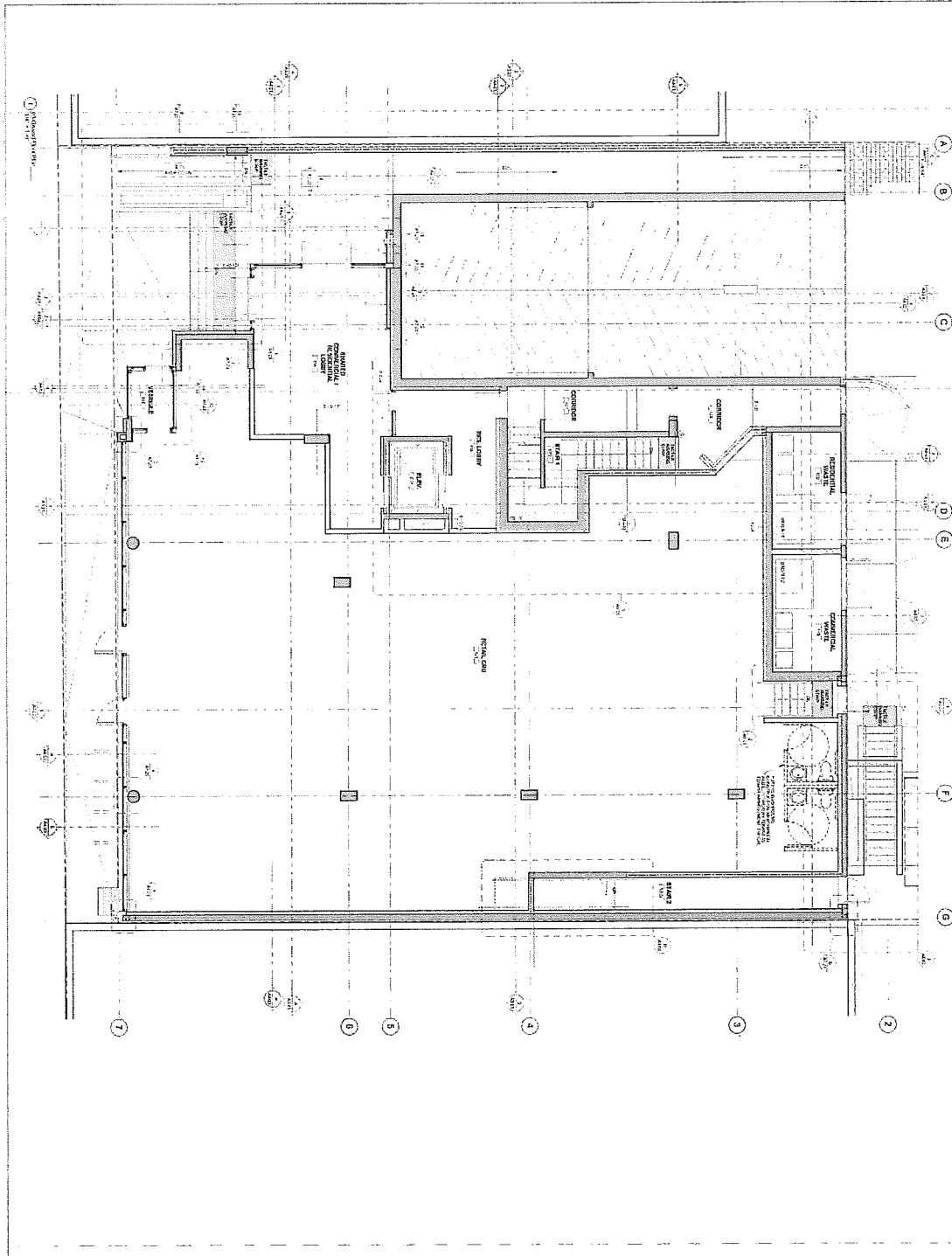
Foundations:	Presumed to be reinforced concrete perimeter footings, column pads and surface foundation, designed and supervised by a qualified engineer. Concrete floor slabs.
Structure:	Reinforced concrete ground floor with wood frame residential component above.
Exterior Finish:	Combination of concrete, concrete block, hardie panel and brick.
Interior Walls:	Painted gypsum board with vinyl or wood trim.
Ceiling Finish:	Painted gypsum board. Unfinished in basement parking garage.
Floor Finish:	Combination of ceramic tile, carpet, sheet vinyl/linoleum, and laminate/hardwood. Smooth trowelled concrete in garage area.
Roofing:	Presumed to entail either torch-on membrane or tar and gravel ballast over bituminous membrane, insulation and decking.
Plumbing:	Water and sanitary sewer service connections. Adequate copper and plastic piping with fixtures to tenant requirements and characteristic of code requirements at the time of construction or renovation.
Electrical:	Entrance cap and main switches, circuit breaker panels and individual meters. Fluorescent and incandescent lighting fixtures including halogen track lights and pot lights. All necessary outlets and receptacles for residential use, cablevision and telephone outlets, security video intercoms, pre-wire for internet, smoke and heat detectors, fire alarms, etc.
Heating:	Electric baseboard.
Security:	Enter phone, emergency hall lighting in the finished areas, smoke or heat detectors per code, fire sprinklers, deadbolt locks and motion detectors.
Doors and Windows:	Full height storefronts and thermopane windows set in anodized aluminum commercial sections. Metal fire-rated doors and jambs and hollow slab interior doors.
Yard Improvements:	n/a – essentially a full site coverage.
Age and Condition:	A new development on completion, with workmanship and materials that meet or exceed the market standard. A contemporary design that should compete well in the marketplace.



PARKING NOTES

1. ALL PARKING SPACES ARE TO BE CONFORMED TO THE REQUIREMENTS OF THE BC VEHICLE ACCESSIBILITY REGULATIONS (VAR) AND THE BC BUILDING ACT.
2. ALL PARKING SPACES ARE TO BE CONFORMED TO THE REQUIREMENTS OF THE BC VEHICLE ACCESSIBILITY REGULATIONS (VAR) AND THE BC BUILDING ACT.
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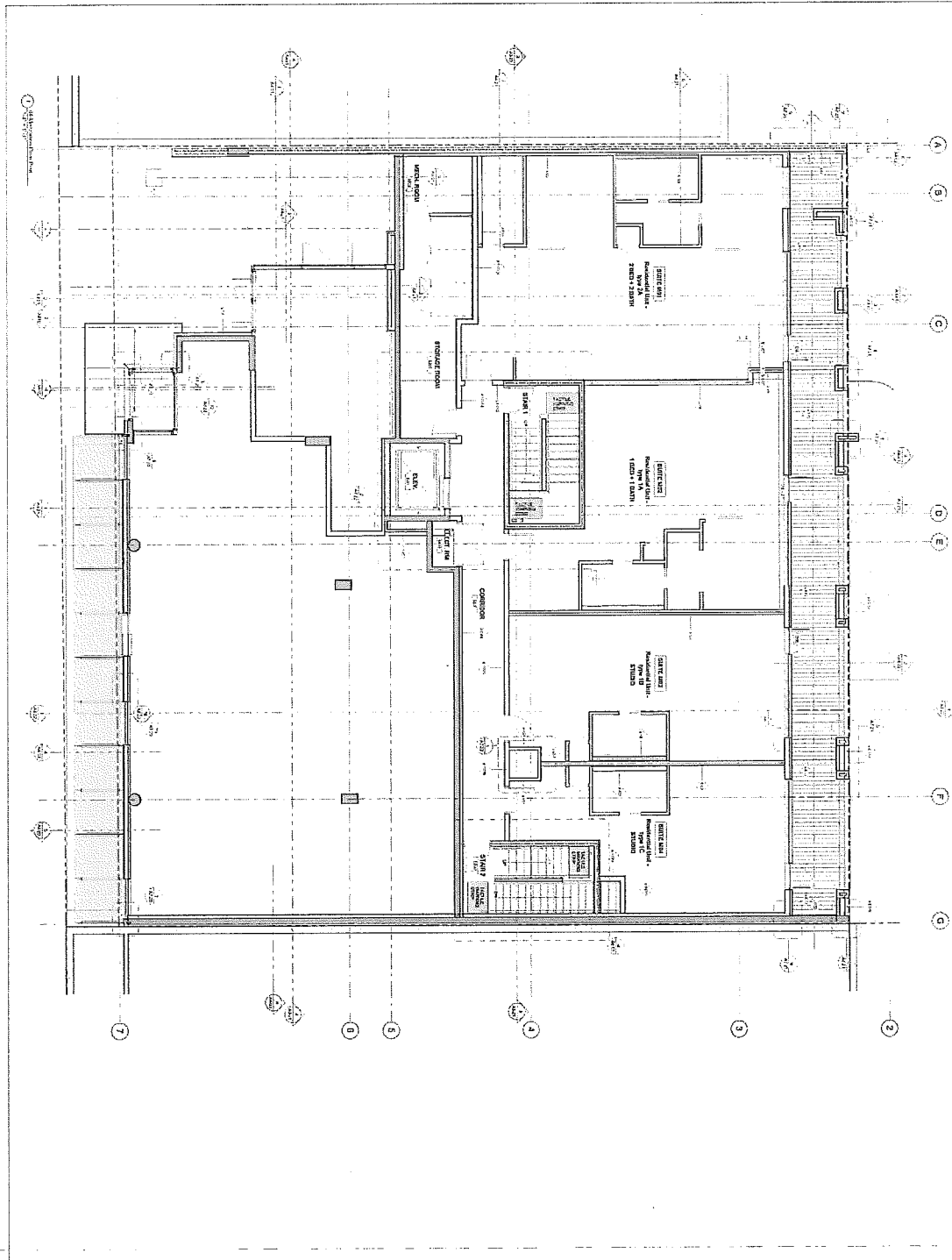
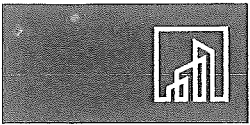
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 HASTINGS & CARLETON MIXED USE BUILDING
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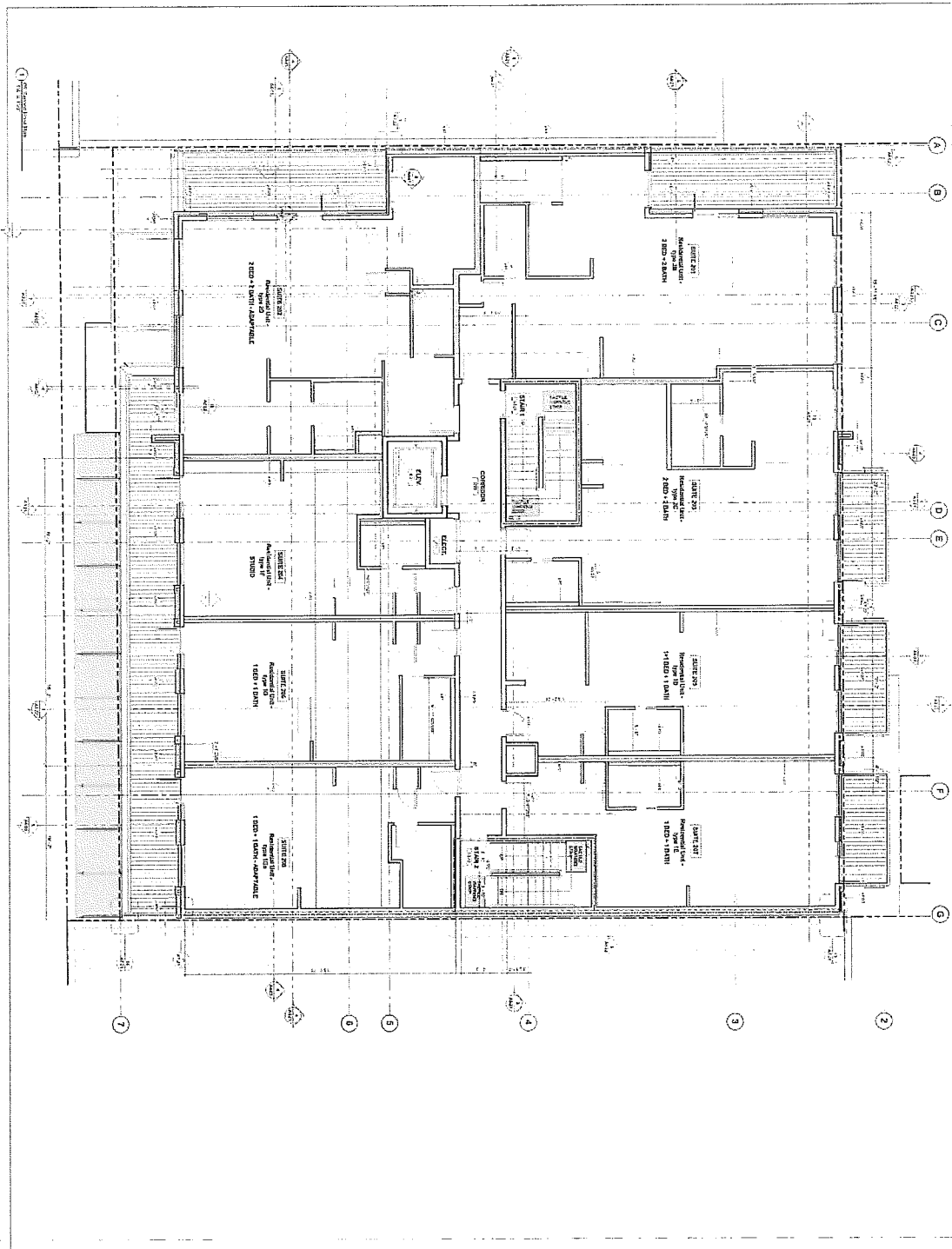
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



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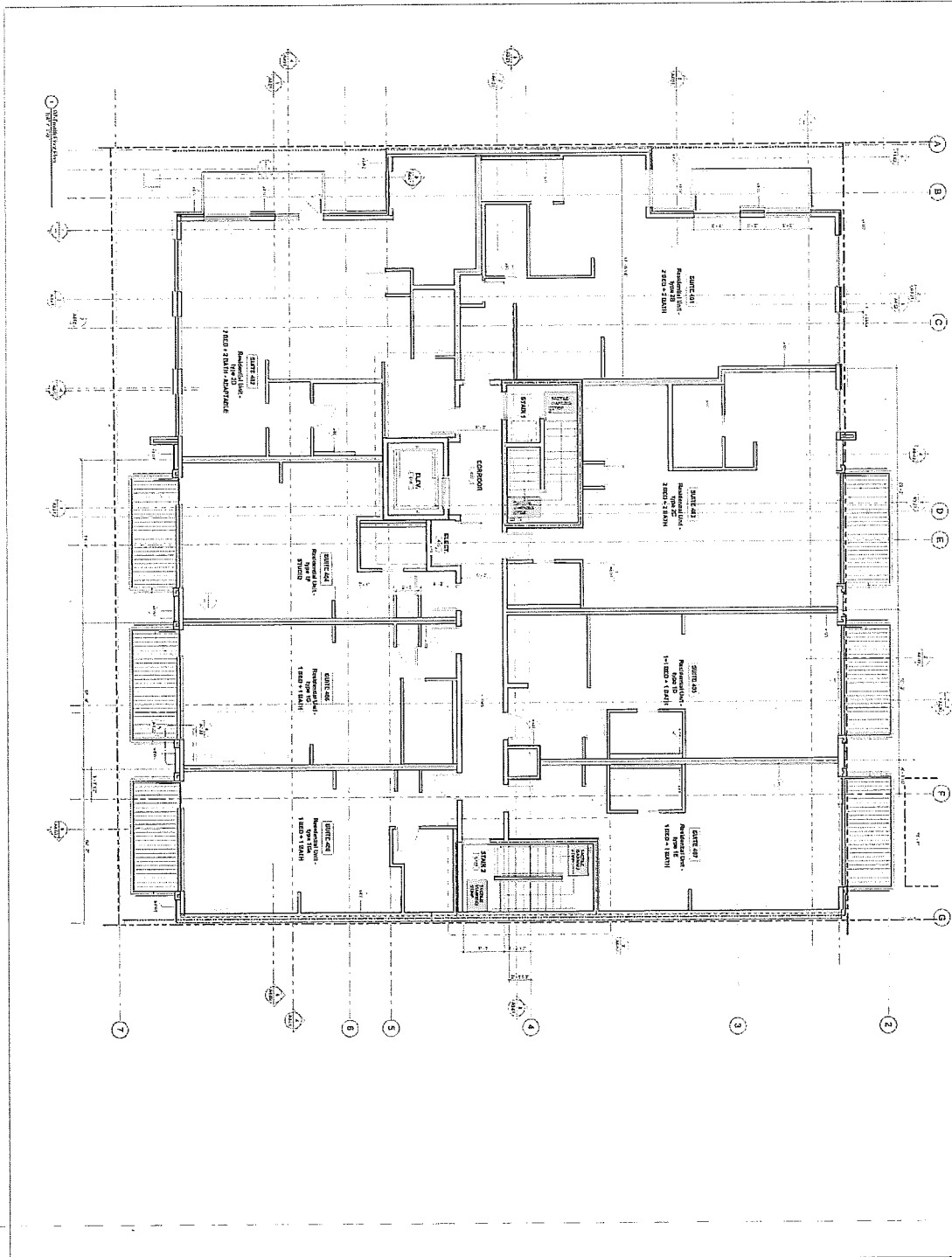
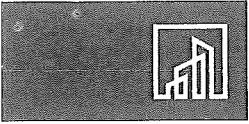
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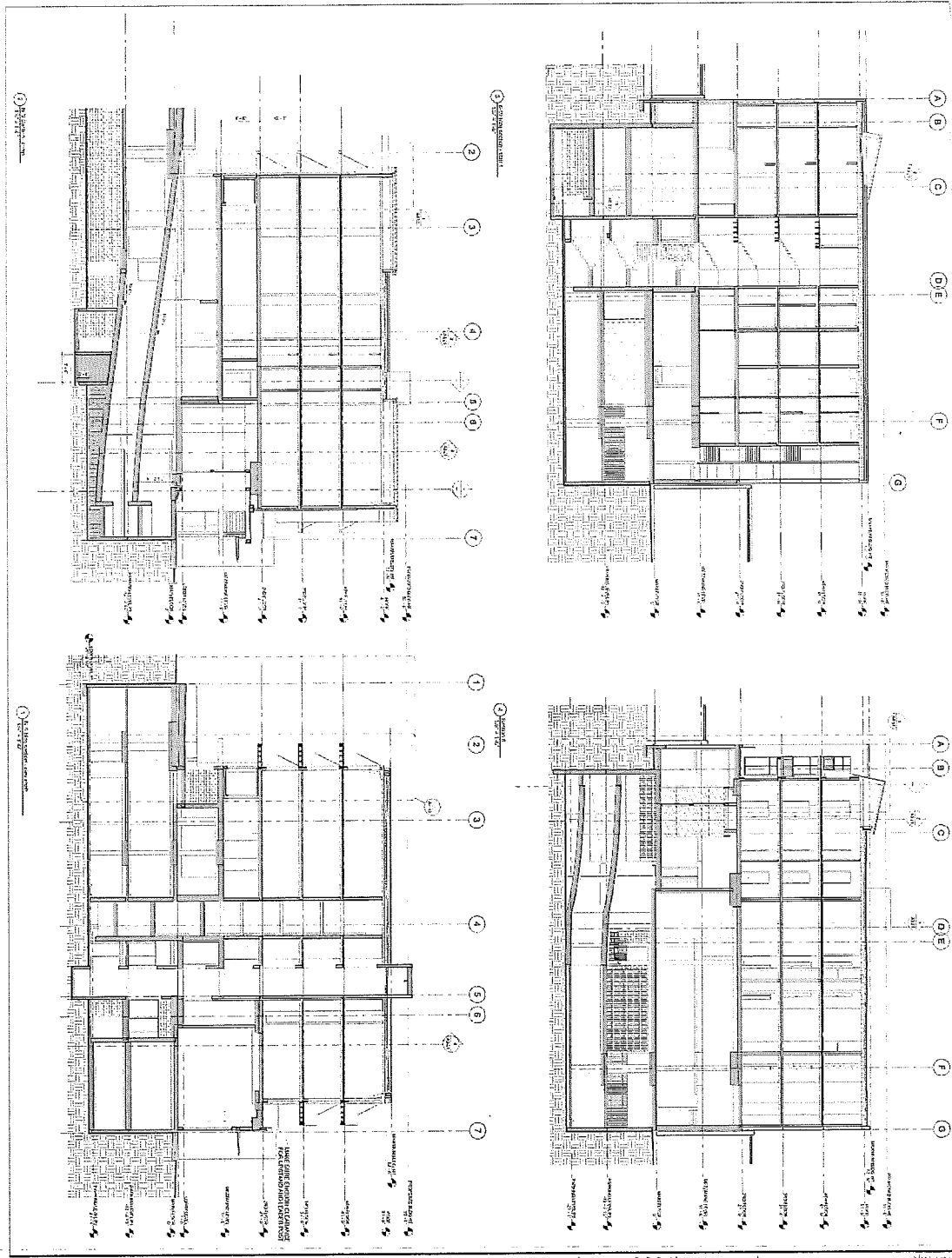
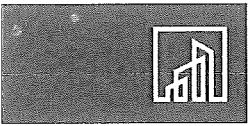




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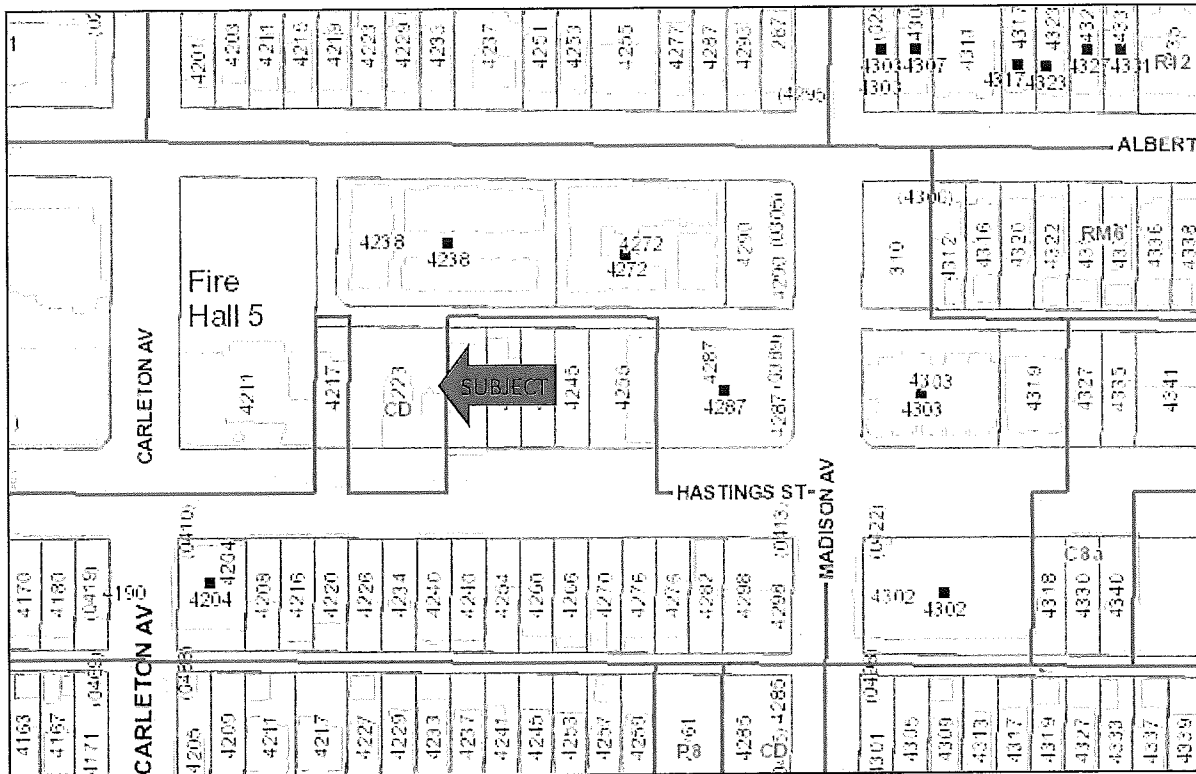


LAND USE CONTROLS

Zoning

The subject is zoned CD, Comprehensive Development (Based on the C8, Urban Village Commercial District Hastings). This CD zone is a site specific zone. The C8 zone provides for a wide range of commercial and retail establishments with medium density multiple family dwellings located above the business premises.

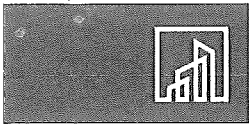
Zoning Map



Source: City of Burnaby - BurnabyMap

Complete details of this zoning designation are in the Burnaby Zoning Bylaw, 1965, as amended to date. A copy of the C-8 zoning schedule is included in the addenda. The C-8 zone permits a maximum building height of 52.5 feet of four storeys, a floor space ratio of 3.0 and has no site coverage restrictions.

Other municipal policies exist for matters such as building codes, heritage, subdivision, parking, and loading. Based on the information available to us the existing use of the property appears to conform to the land use controls.

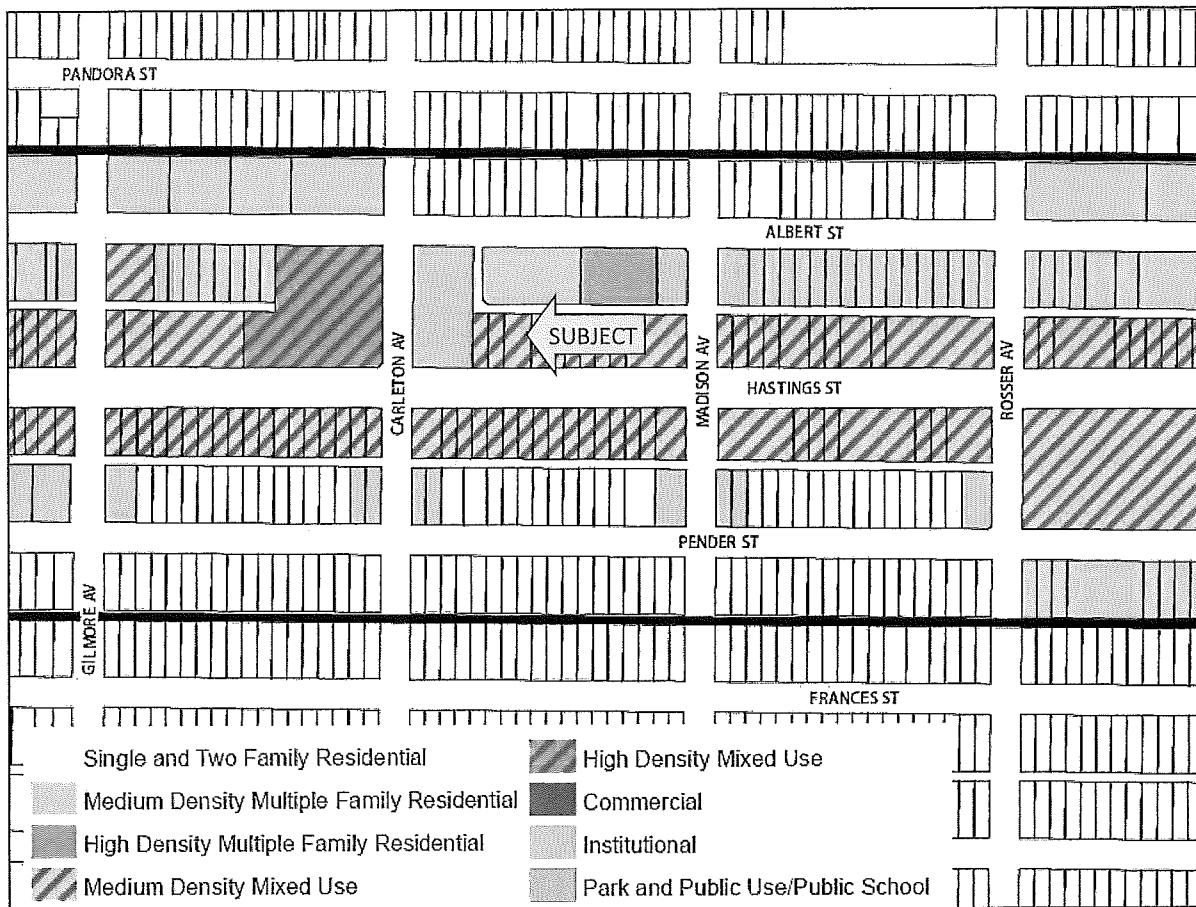


Official Community Plan

Most provincial municipalities have also adopted official community plans, area plans, and other planning devices that supplement their zoning bylaws. The process for developing an Official Community Plan (“OCP”) typically involves considerable social, economic, and demographic research and an extensive public consultation process. OCPs serve to express a municipality’s aspirations for future land uses within its borders, guide capital budgeting and direct the handling of rezoning applications. In British Columbia, municipalities generally cannot rezone properties for a use or development scale that is contrary to the OCP; rezonings of this nature first require an amendment to the OCP.

The OCP designation of the subject is Medium Density Mixed-Use. This is consistent with the present zoning schedule.

OCP Map



Source: Heights Generalized Land Use Map



Other Controls

Municipal councils can change only some aspects of the land use controls that apply to certain properties. Provincial, regional, and federal controls that also affect development include:

- environmental regulations,
- heritage policies,
- public health, building and fire codes, and
- highways and transit plans.

We obtained the information on land use controls contained in this report from the local government website at the time of the valuation. We have not verified that the bylaw information on the website reflects the current official documents, as it is not practical to obtain a consolidated official document. In the event of material variance, our conclusions herein might need updating.

The mandate for this valuation did not require research into all of the land use regulations that possibly apply. Further, existing land use controls do not always bind regulators, who can develop new policy and rescind or modify existing land use policies. Municipal planning officials and independent planning consultants can assist with specific questions on land use matters.



PART THREE – MARKET DATA, ANALYSES AND CONCLUSIONS

HIGHEST AND BEST USE

An accepted definition of highest and best use is:

the reasonably probable use of real property, that is physically possible, legally permissible, financially feasible, and maximally productive, and that results in the highest value.⁵

The highest and best use of a property is an economic concept that measures the interaction of four criteria: legal permissibility, physical possibility, financial feasibility, and maximum profitability. Estimating the highest and best use of a property is a critical valuation component that provides the valuation context within which market participants and appraisers select and analyze comparable market information.

An appraiser considers highest and best use of the property as if vacant separately from the highest and best use of the property as improved. This is because the highest and best use of the site, as if vacant and available for development determines the value of the land, even if the property's existing improvement does not represent the highest and best use of the site.

Vacant Land

An accepted definition of the highest and best use of land or a site is:

the use among all reasonable alternative uses that yields the highest present land value, after payment for labour, capital and co-ordination. The conclusion assumes that the parcel of land is vacant or can be made vacant by demolishing any improvements.⁶

The subject is zoned CD, Comprehensive Development (Based on the C8, Urban Village Commercial District Hastings) and designated as Medium Density Mixed-Use in the OCP. Changing the land use controls requires approval by municipal council of a rezoning. Given the nature of development in the area and the pattern of municipal land use policy, it is unlikely that the municipality would rezone the property to a use or density inconsistent with the subject's OCP designation.

For the purposes of our analysis, we have assumed that the non-financial title limitations do not restrict use of the site beyond the constraints of the land use controls.

Over the market cycle, market values and rents for commercial and residential properties in the neighbourhood are sufficient to retire the cost of construction, adequately compensate the developer and provide a positive return to the underlying land.

⁵ CUSPAP 2018, 18.28.3

⁶ CUSPAP 2018, 2.26



The site size, utility servicing, exposure, and topography generally suit the requirements of development. Based on the surrounding development pattern we have assumed that soil conditions could support development as contemplated under the land use controls without undue or costly site preparation.

Consequently, we conclude that highest and best use of the site, as if vacant and available, entails mixed-use development pursuant to the applicable land use controls, and as market conditions permit.

As Improved

Highest and best use of a property as improved is:

the use that should be made of an improved property in light of the existing improvements and the ideal improvement described at the conclusion of the analysis of highest and best use as though vacant.⁷

An owner would renovate or retain an existing property “as is” while the improvements continue to contribute to the total market value or until the return from new improvements would more than offset the cost of demolishing the existing development.

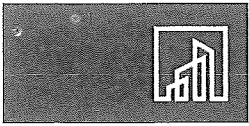
For the objective of this analysis, we have assumed that the existing improvements comply with the requirements of the zoning bylaws and other land use controls.

The usual opportunities to enhance the utility of an existing improvement involve changing the use (typically requiring a change to the zoning), substantially renovating the structure, and/or constructing an addition. The existing improvements contribute significant value. We cannot envision an alternate program of use that justifies removal of the improvements and do not believe that a change of use is profitable.

Conclusion

Based on the above, the highest and best use of the property is for mixed-use purposes, pursuant to the applicable land use controls, and essentially as improved, for the remaining economic life of the improvements.

⁷ *The Appraisal of Real Estate*, 3rd Canadian Edition, a joint publication of the Appraisal Institute of Canada and the University of British Columbia, 2010



INTRODUCTION TO VALUATION

The mandate for this valuation entails an estimate of market value for foreclosure purposes.

Strata-titled properties like the subject typically trade on an income or direct comparison basis, where the direct comparison approach is applicable to the residential component and both the direct comparison and income approaches are pertinent to the commercial component. The third method, the cost approach, has significance given that the improvements will be newly constructed; however, the approach was not specifically considered given that the improvements are near completion and that the market does not rely on this technique to establish market value for strata-titled, mixed-use properties.



COMMERCIAL COMPONENT – INCOME APPROACH

The income analysis relies on an assessment of the quality, quantity, and durability of income that a property can produce, analysing the marketplace to learn typical income-to-value ratios for properties recently traded, and combining these analyses to obtain an estimate of value. The simplest application of this technique is direct capitalization of the property's stabilized income. For properties having multiple tenancies and in a strong marketplace, market participants might forecast incomes over a typical holding period, and estimate a future sale price. Calculated using discounted cash flow techniques, the present value of these incomes can also provide useful insight into value. Given the stable income forecast for the subject, we elected to capitalize the single year income using an overall rate determined from the market.

Base Rent

The commercial component features a saleable area of 4,200 square feet. To determine an appropriate rent for the space, the following comparable evidence is noted.



Rent Comparable 1
2805 East Hastings Street, Vancouver



A proposed six-storey mixed-use development located at the northeast corner of East Hastings Street and Kaslo Street. As at July 2017 the following space was reportedly available for lease.

CRU	Area (SF)	Net Asking Rent (\$/SF)	Additional Rent (\$/SF)	Total Rent (\$/SF)
1	2,136	40.00	15.00	55.00
2	2,100	40.00	15.00	55.00
3	1,572	40.00	15.00	55.00
4	1,458	40.00	15.00	55.00
5	3,235	40.00	15.00	55.00



Rent Comparable 2
3501 East Hastings Street, Vancouver



A six-storey, purpose built rental apartment development located at the northeast corner of East Hastings Street and Skeena Street, east of Highway 1. As at February 2017 the following space was reportedly available for lease.

CRU	Area (SF)	Net Asking Rent (\$/SF)	Additional Rent (\$/SF)	Total Rent (\$/SF)
1	1,611	30.00	12.00	42.00
2	966	25.00	12.00	37.00
3	1,318	25.00	12.00	37.00



Rent Comparable 3
4485 Skyline Drive, Burnaby



Altus (Solo District) – A 49-storey mixed-use development completed in 2016, located at the southwest corner of Lougheed Highway and Willingdon Avenue. The development features a two level retail component with a leaseable area of 30,437 square feet. In 2017 the following net rents were reported.

Address	Tenant	Start	End	Area (SF)	\$/SF
1-4465 Skyline Drive	Dr. Danial Deheshi Inc.	1-May-16	30-Apr-21	1,391	45.00
		1-May-21	30-Apr-26		50.00
2-4465 Skyline Drive	Uncle Fatih's Pizza Ltd.	1-Mar-16	28-Feb-21	761	45.00
		1-Mar-21	28-Feb-26		50.00
3-4465 Skyline Drive	G & F Financial	1-Aug-16	31-Jul-21	995	42.00
4-4465 Skyline Drive	Koko	1-Apr-16	31-Mar-21	577	45.00
4460 Lougheed Hwy	Shoppers Realty Inc.	1-Apr-16	31-Mar-21	12,030	32.00
		1-Apr-21	31-Mar-26		36.00
4455 Skyline Drive	Liquor Distribution	1-Mar-16	28-Feb-21	11,570	35.00
		1-Mar-21	28-Feb-26		40.00
4480 Lougheed Hwy	BCAA	1-Apr-16	31-Mar-19	3,113	50.00
		1-Apr-19	31-Mar-23		55.00
		1-Apr-23	31-Mar-26		60.00
Total				30,437	



Rent Comparable 4
4468 Dawson Street, Burnaby



A proposed six-level mixed use development located at the southwest corner of Dawson Street and Willingdon Avenue. As at July 2017 the following space was reportedly available for lease.

CRU	Area (SF)	Net Asking Rent (\$/SF)	Additional Rent (\$/SF)	Total Rent (\$/SF)
1	2,005	35.00	20.43	55.43
2	1,367	35.00	20.43	55.43
3	1,653	40.00	20.43	60.43
4	1,070	35.00	20.43	55.43
5	927	35.00	20.43	55.43



Rent Comparable 5

4311 – 4331 Dawson Street, Burnaby



A six-storey mixed-use retail/residential development proposed for the northeast corner of Madison Avenue and Dawson Street. In 2017 the following asking rents were quoted.

CRU	Area (SF)	Net Asking Rent (\$/SF)	Additional Rent (\$/SF)	Total Rent (\$/SF)
1	1,718	42.00	14.00	56.00
2	1,125	40.00	14.00	54.00
3	1,014	40.00	14.00	54.00
4	942	38.00	14.00	52.00
5	815	40.00	14.00	54.00
6	2,134	42.00	14.00	56.00

More recently as at October 2018 the following preleasing was reported.

Address	Unit	Tenant	Term (Years)	Area (SF)	Base Rent Average \$/SF	Base Rent Range \$/SF
4311	CRU 1	Willingdon Heights Eyecare	1 to 5	1,645	40.60	40.00 - 42.00
4315	CRU 2	5 Star Fades	1 to 5	950	40.80	40.00 - 42.00
4321	CRU 3	R3 Wellness Boutique	1 to 5	993	41.05	40.25 - 42.00
4325	CRU 4	Snow Angel	1 to 5	904	38.00	38.00
4329	CRU 5	Yi Fang Taiwan Fruit	1 to 5	860	40.80	40.00 - 42.00
4331	CRU 6	S&Y Venture	1 to 5	2,110	43.20	42.00 - 44.00
Total				7,462	41.13	38.00 - 44.00



Rent Comparable 6
4287 – 4299 Hastings Street, Burnaby



A four-storey, mixed-use retail/residential development located on the northwest corner of Madison Avenue and East Hastings Street. The ground floor features six commercial retail units totaling 6,741 square feet. Preleasing as at December 2019 was reported as follows. Additional rent was quoted at \$14 per square foot.

Address	Unit	Tenant	Term (Years)	Area (SF)	Annual Base Rent (\$)	\$/SF
4287	CRU 1	U Break I Fix - Electronic Repair	1 to 5	851	33,359	39.20
4291	CRU 2	RH Summit - Massage Addicts	1 to 5	886	34,377	38.80
4293	CRU 3	RH Summit - Massage Addicts	1 to 5	1,515	58,782	38.80
4297	CRU 4	Global Pets	1 to 5	1,198	47,920	40.00
4299	CRU 5 & 6	JJ Bean	1 to 5	2,291	97,138	42.40
Total				6,741	271,576	40.29



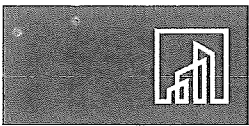
Rent Comparable 7

4473 – 4499 Hastings Street, Burnaby



Forte - A four-storey, mixed-use retail/residential development located on the northwest corner of Willingdon Street and East Hastings Street. The ground floor features six commercial retail units totaling 7,832 square feet. Preleasing as at January 2020 was reported as follows. Additional rent was quoted at \$9.09 per square foot.

Address	SL	Area (SF)	Net Asking Rent (\$/SF)	Additional Rent (\$/SF)	Total Rent (\$/SF)
4473 Hastings Street	1	750	42.00	9.09	51.09
4481 Hastings Street	2	1,408	40.00	9.09	49.09
4485 Hastings Street	3	795	40.00	9.09	49.09
4489 Hastings Street	4	1,641	40.00	9.09	49.09
4493 Hastings Street	5	1,450	40.00	9.09	49.09
4499 Hastings Street	6	1,788	45.00	9.09	54.09
Average		7,832	41.33	9.09	50.42



By comparison Cushman & Wakefield reported the following ground floor retail rents in the Burnaby area in its Retail Snapshot Q2-2019.

Area	Minimum (\$/SF)	Maximum (\$/SF)
Hastings – Boundary/Gilmore	25.00	40.00
Kingsway – Willingdon/Royal Oak	25.00	45.00
Kingsway/Metrotown	30.00	50.00

The primary factors affecting rental rates are:

- supply and demand,
- location,
- commercial exposure,
- aesthetic exposure,
- layout and design,
- age of improvements,
- parking availability, safety and proximity, and
- tenant improvements and incentives.

The evidence assembled shows net rents in the order of \$25 and \$50 per square foot. The estimated market rent for the subject, after specific consideration for the subject's size and interior location, is estimated to lie in the order of \$35 per square foot.

Vacancy and Collection Loss

A vacancy and collection loss allowance of 2.0% of potential gross income is applied to reflect anticipated vacancy during a typical investment horizon (assumed to be 10 years).

Operating Expenses

Commercial leases are typically on a net basis where tenants are 100% responsible for the operating costs associated to the space they occupy. For valuation purposes operating expenses are estimated at \$10 per square foot. An additional allowance of 1.0% of the effective gross income is applied to account for future structural maintenance and expenses born during vacant periods.



Stabilized Net Income

Based on the above, the stabilized net income for the subject is estimated as follows:

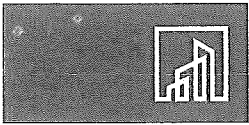
		Annual (\$)
Basic Rent	4,200 SF @ \$35.00/SF	147,000
Additional Rent	4,200 SF @ \$10.00/SF	42,000
Potential Gross Income		<u>189,000</u>
Less Vacancy & Collection Allowance	@ 2.0% of PGI	(3,780)
Effective Gross Income		185,220
Less Operating Expenses	4,200 SF @ \$14.00/SF	(42,000)
Less Non-Recoverable Allowance	@ 1.0% of EGI	(1,852)
Stabilized Net Operating Income		<u><u>141,368</u></u>

Capitalization Rate

The next step in the income approach involves selection of an appropriate overall capitalization rate. We have surveyed the marketplace for investment properties that investors would consider competitive with the subject, emphasizing:

- similar value,
- comparable investment risk, and
- recent market activity.

Pertinent details of these properties are summarized below:



Index No. 1

**Property Identification**

Address Unit 101 – 350 East Esplanade, North Vancouver
 Legal Description Strata Lot 1, District Lot 274, Group 1, New Westminster District, Strata Plan EPS4944
 PID 030-402-522

Land Data

Lot Size n/a – Part of a larger strata-titled development
 Zoning M-4, Industrial District

Building Data

Leasable Area 2,224 square feet
 Year Built 2017

Sale Data

Date Closed July 2018
 Price \$1,092,700
 Instrument No. CA 6912659
 Vendor Harbourview Projects Corp.
 Purchaser Tryton Financial Corp.

Income

Potential Gross Income	\$46,700	contractual rent
Vacancy & Collection Allowance	(934)	@ 2.0% of PGI
Effective Gross Income	\$45,766	
Non-Recoverable Allowance	(686)	@ 1.5% of EGI
Net Operating Income	<u>\$45,080</u>	stabilized

Remarks

A strata-titled office development located on the north side of East Esplanade, east of St. Andrews Avenue and west of St. Patricks Avenue.

Indicators

FSR	n/a
Price/Leasable Area	\$491
NOI/SF	\$20.27
Overall Capitalization Rate	4.1%



Index No. 2

**Property Identification**

Address 4316 Gallant Avenue, North Vancouver
 Legal Description Strata Lot 1 District Lot 626 Group 1 New Westminster District Strata Plan EPS1220
 PID 029-128-625

Land Data

Lot Size n/a – part of a larger strata-titled development
 Zoning VC-G, Village Commercial

Building Data

Leasable Area 1,101 square feet
 Year Built 2013

Sale Data

Date Under contract July 2018 (closed August 2018).
 Price \$1,150,000
 Instrument No. CA 7032104
 Vendor Saltydog Investments Inc. – Jonathan Hayward, ASO
 Purchaser Canadian Kormit Holdings Ltd.

Income

Potential Gross Income	\$44,000	contractual rent
Vacancy & Collection Allowance	(880)	@ 2.0% of PGI
Effective Gross Income	\$43,120	
Non-Recoverable Allowance	(647)	@ 1.5% of EGI
Net Operating Income	<u>\$42,473</u>	stabilized

Remarks

A strata-titled commercial retail unit situated on the ground floor of a three-storey mixed-use development located at the northeast corner of Gallant Avenue and Caledonia Avenue. The property was listed for sale on CLS in January 2018 for \$1,199,000.

Indicators

FSR	n/a – part of a larger strata-titled development
Price/Leasable Area	\$1,045
NOI/SF	\$38.58
Overall Capitalization Rate	3.7%



Index No. 3

**Property Identification**

Address 2899 Commercial Drive, Vancouver
 Legal Description Strata Lot 4 District Lot 264A Group 1 New Westminster District Strata Plan BCS4163
 PID 028-364-004

Land Data

Lot Size n/a – part of a larger strata-titled development
 Zoning C-2C1, Commercial District

Building Data

Leasable Area 1,422 square feet
 Year Built n/a

Sale Data

Date Under contract April 2019
 Price \$1,250,000
 Instrument No. TBA
 Vendor Crest Properties Ltd.
 Purchaser TBA

Income

Potential Gross Income	\$51,903	contractual rent
Vacancy & Collection Allowance	(1,038)	@ 2.0% of PGI
Effective Gross Income	\$50,865	
Non-Recoverable Allowance	(763)	@ 1.5% of EGI
Net Operating Income	<u>\$50,102</u>	stabilized

Remarks

A strata-titled commercial retail unit situated on the ground floor of a four-storey mixed-use development located at the southwest corner of Commercial Drive and East 13th Avenue. The property was listed for sale in April 2018 for \$1,388,000. The property was reportedly going to be vacant in October 2019.

Indicators

FSR	n/a – part of a larger strata-titled development
Price/Leasable Area	\$976
NOI/SF	\$35.23
Overall Capitalization Rate	4.2%



Index No. 4

**Property Identification**

Address 4717 & 4725 Hastings Street, Burnaby
 Legal Description Strata Lots 9 and 10 District Lot 122 Group 1 New Westminster District Plan EPS2787
 PID 029-636-884 and 029-636-876

Land Data

Lot Size n/a – Part of a larger mixed-use development
 Zoning CD, Comprehensive Development (Based on the RM-3 and C-2 guidelines)
 OCP Designation Medium Density Mixed Use within the Heights Urban Village Plan

Building Data

Leasable Area 3,371 square feet
 Year Built 2015

Sale Data

Date Closed June 2019
 Price \$2,200,000
 Instrument No. CA 7594701/02
 Vendor Censorio Group – Peter Censorio, ASO
 Purchaser 1204258 B.C. Ltd.

Income

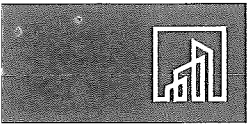
Potential Gross Income	\$94,898	contractual rent
Vacancy & Collection Allowance	<u>(1,898)</u>	@ 2.0% of PGI
Effective Gross Income	\$93,000	
Non-Recoverable Allowance	<u>(1,395)</u>	@ 1.5% of EGI
Net Operating Income	<u>\$91,605</u>	stabilized

Remarks

Two strata-titled commercial retail units situated on the ground floor of a larger four-storey mixed-use development. Located on the north side of Hastings Street, east of Beta Avenue and west of Gamma Avenue, the units were fully leased to Chex Christophe and Kumon Math & Reading.

Indicators

FSR	n/a – part of a larger strata-titled development
Price/Leasable Area	\$653
NOI/SF	\$27.17
Overall Capitalization Rate	4.2%



Index No. 5

**Property Identification**

Address 4704 – 4712 Hastings Street, Burnaby
 Legal Description Strata Lots 1 and 2, District Lot 122 New Westminster District Strata Plan EPS675
 PID 028-874-382 and 028-874-391

Land Data

Lot Size n/a – part of a larger strata-titled development
 Zoning CD, Comprehensive Development (Based on C2 and RM3 zoning guidelines)

Building Data

Leasable Area 5,879 square feet
 Year Built 2012

Sale Data

Date Closed December 2019
 Price \$3,500,000
 Instrument No. CA7922979
 Vendor n/a
 Purchaser Canadian Mr. Sweeper Inc.

Income

Potential Gross Income	\$161,697	contractual rent
Vacancy & Collection Allowance	<u>(3,234)</u>	@ 2.0% of PGI
Effective Gross Income	\$158,463	
Non-Recoverable Allowance	<u>(2,377)</u>	@ 1.5% of EGI
Net Operating Income	<u>\$156,086</u>	stabilized

Remarks

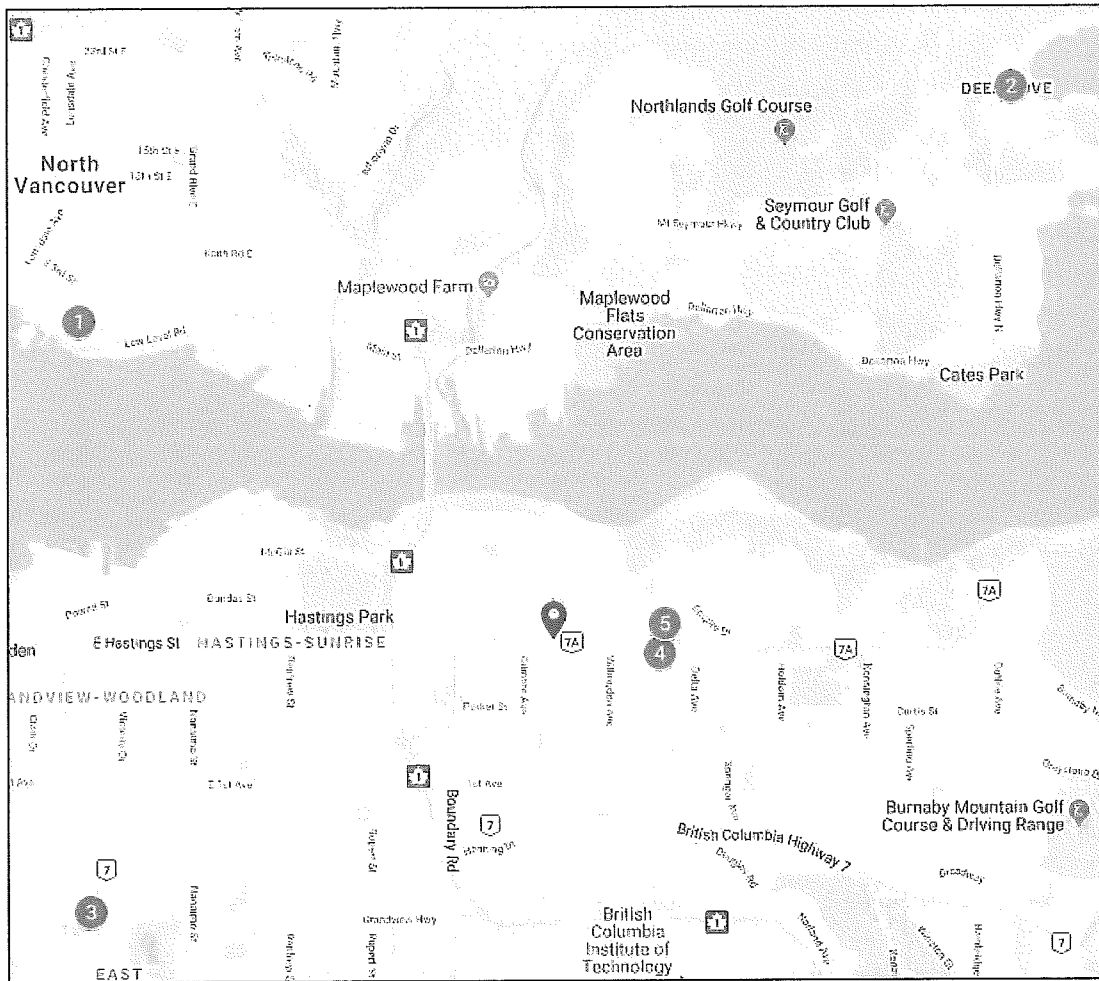
Two retail strata units situated on the ground floor of a larger four-storey mixed-use development occupying the southeast corner of Beta Avenue and Hastings Street. The property was listed circa January 2019 for \$4,400,000, later reduced in August 2019 to \$3,900,000.

Indicators

FSR	n/a – part of a larger strata-titled development
Price/Leasable Area	\$663
NOI/SF	\$26.55
Overall Capitalization Rate	4.5%

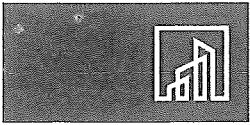


Location Map of Comparable Sales



Summary

Index	Address	Date	Price (\$)	NOI/SF	OAR
1	350 East Esplanade - Unit 101	Jul-18	1,092,700	20.27	4.1%
2	4316 Gallant Avenue	Aug-18	1,150,000	38.58	3.7%
3	2899 Commercial Drive	Apr-19	1,200,000	35.23	4.2%
4	4704 - 4712 Hastings Street	Dec-19	3,500,000	26.55	4.5%
5	4717 & 4725 Hastings Street	Jun-19	2,200,000	27.17	4.2%
	Minimum		1,092,700	20.27	3.7%
	Median		1,200,000	27.17	4.2%
	Average		1,828,540	29.56	4.1%
	Maximum		3,500,000	38.58	4.5%



The five comparable sales are dated between July 2018 and June 2019. Prices range between \$1,092,700 and \$3,500,000 while overall rates range from 3.7% to 4.5% with a central tendency in the order of 4.1% and 4.2%.

The factors affecting overall rates include location, age and design of the improvements and the size of the space. Generally, smaller investments sell at lower overall rates given their affordability and appeal to a broader market. In addition, overall rates are low where rents are below market.

Index 4 at 4.5% and Index 5 at 4.2% are noted for their relative locations along Hastings Street. The subject has a superior relative location and a superior configuration with double height ceilings on the front portion of the space.

The remaining three comparable sales show overall rates ranging between 3.7% and 4.2%, a good general range for the subject.

Conclusion

Based on the above, the applicable overall rate is estimated to lie in the order of 4.2%. The resulting estimated market value of the subject is as follows.

Value =	$\frac{\text{Stabilized Net Income}}{\text{Overall Capitalization Rate}}$
=	$\frac{\$141,368}{0.042}$
=	\$3,365,905
Rounded to	\$3,370,000

Please note that the foregoing analysis assumes stabilized occupancy.



COMMERCIAL COMPONENT – DIRECT COMPARISON APPROACH

The direct comparison approach involves analysing sales, listings and offers to purchase on similar properties. Market participants and appraisers apply the results of this analysis to the physical characteristics of the subject property. Although the subject property will trade primarily based on its income generation potential rather than its physical characteristics, the correlation between these factors is sufficient to warrant a direct comparison analysis.

The following table summarizes pertinent characteristics of the comparable properties described previously.

Summary

Index	Address	Date	Price (\$)	Saleable Area (SF)	\$/SF
1	350 East Esplanade - Unit 101	Jul-18	1,092,700	2,224	491
2	4316 Gallant Avenue	Aug-18	1,150,000	1,101	1,045
3	2899 Commercial Drive	Apr-19	1,200,000	1,422	844
4	4704 - 4712 Hastings Street	Dec-19	3,500,000	5,879	595
5	4717 & 4725 Hastings Street	Jun-19	2,200,000	3,371	653
	Minimum		1,092,700	1,101	491
	Median		1,200,000	2,224	653
	Average		1,828,540	2,799	726
	Maximum		3,500,000	5,879	1,045

The comparable evidence consists of five sales dated between July 2018 and June 2019. Prices range from \$1,092,700 to \$3,500,000 while saleable areas range from 1,101 to 5,879 and rates per square foot range from \$491 and \$1,045 with a median of \$653 and an average of \$726 per square foot.

- Index 1 at \$491 per square foot is clear lower limit given its inferior commercial exposure, industrial configuration and low level of interior finishing.
- Index 2 at \$1,045 per square foot is clear upper limit because of its relative location and size.
- Index 3 at \$844 per square foot is a clear lower limit with a superior Vancouver location.
- Index 4 at \$595 per square foot and Index 5 at \$653 per square foot represent clear lower limits with inferior configurations and inferior relative locations along Hastings Street.



In addition to the above the following Hastings Street sales are noted.

Index	Address	Name	EValue Contract Date	Closing Date	Price (\$)	Saleable Area (SF)	\$/SF
6	4828 - 4860 Hastings Street & 488 Gamma Avenue	Montage	Nov-17	Aug-18	6,000,000	9,338	643
7	4287 - 4299 Hastings Street & 389 Madison Avenue	Modena	Jan-17	Feb-19	4,900,000	6,403	765
8	101 - 3961 Hastings Street	Verdi	Jul-17	Jan-19	1,603,200	2,653	604
9	102 - 3961 Hastings Street	Verdi	Mar-17	Jan-19	1,290,625	2,051	629
10	103 - 3961 Hastings Street	Verdi	Sep-17	Jan-19	1,830,000	2,905	630
11	104 - 3961 Hastings Street	Verdi	n/a	Jan-19	787,200	983	801
12	103 - 3961 Hastings Street	Verdi	Nov-19	Jan-19	2,250,000	2,905	775

Indices 6 through 10 relate to dated commercial sales in three strata-titled mixed-use projects in the immediate area. Index 7 is on the same block as the subject. It sold in January 2017 and closed in February 2019 for \$765 per square foot. Index 6 and Indices 8 through 12 have inferior locations. According to BC Assessment records the units were under contract between January 2017 and November 2017. Index 12 at \$775 per square foot is noted for its date of sale; it sold previously in September 2017 for \$630 per square foot.

Conclusion

Based on the above, the applicable rate per square foot is estimated to lie in the order of \$800. The resulting estimated market value of the subject is as follows.

Area (SF)	4,200
\$/SF	<u>820</u>
Market Value Estimate	3,360,000
Rounded to	3,360,000



DIRECT COMPARISON – STRATA ANALYSIS

The direct comparison approach involves analysing sales, listings and offers to purchase on similar properties. Market participants and appraisers apply the results of this analysis to the physical characteristics of the subject property. The technique is generally the best method for estimating the market value of a strata-titled development.

GST

In drawing comparisons with the subject, one must consider the impact of the Federal Goods and Services Tax ("GST") on current prices. GST came into effect on January 1st, 1991; sales before that date were not subject to GST. In addition, the resale of previously owned units is not subject to GST. In general, GST represents a tax of 5% on the purchase price of new units, less rebates paid for units under \$450,000.

A GST rebate is available for new homes priced below \$450,000. The rebate for a home priced at or below \$350,000 is 36% of the GST paid, a rebate of \$6,300. For homes priced between \$350,000 and \$450,000 the following calculation applies. There is no rebate for new homes priced above \$450,000 (i.e. full GST is payable).

$$\text{GST Rebate} = \frac{(\$450,000 - \text{Purchase Price})}{\$100,000} \times 6,300$$

The amount of GST and representative rebates at various price levels are set out in the following table:

Purchase Price (\$)	GST Paid (\$)	GST Rebate (\$)	Net GST Rate
200,000	10,000	3,600	3.2%
250,000	12,500	4,500	3.2%
300,000	15,000	5,400	3.2%
350,000	17,500	6,300	3.2%
400,000	20,000	3,150	4.2%
450,000	22,500	0	5.0%
500,000	25,000	0	5.0%

The government pays rebates directly to the purchaser; where the builder has agreed to pay the GST, the purchaser must assign the rebate to the developer.

Not all buyers pay the same amount of GST on a given new housing unit. A company buying an apartment for employee housing or an investment does not receive a rebate. An individual purchasing a new housing unit without occupying it also does not receive a rebate.



A sale does not have to happen for GST to be due and payable. A developer might construct a residential condominium project intended for resale, but find that it cannot sell the units in a soft market. Usually, the developer eventually decides to rent out the individual units, to cover carrying costs. When this happens, the government considers the rental as a deemed disposition and requires that the developer pay the GST. When the developer eventually sells the unit, no additional GST is payable.

Market Evidence

The subject development comprises 27 strata-titled apartments ranging between 572 and 1,700 square feet and averaging 847 square foot. Presales to date are reported as follows.

Presales

Unit	Strata Lot	Type	Area (SF)	Contract Date	Price (\$)	\$/SF
101	1	2A	1,103	6-Jun-17	784,900	712
102	2	1A	816	28-Sep-17	629,900	772
103	3	1B	636	14-Nov-16	404,900	637
104	4	1C	572	3-Sep-16	347,900	608
203	6	2C	1,019	14-Nov-17	799,900	785
204	11	1F	610	25-Jan-17	399,900	656
205	7	1D	740	21-Jun-17	594,900	804
206	10	1G	636	30-Mar-17	404,900	637
207	8	1E	707	21-Jun-17	529,900	750
208	9	1GA	636	5-Aug-16	400,044	629
304	19	1F	610	4-Apr-17	404,900	664
305	15	1D	740	n/a	594,900	804
306	18	1G	607	19-Feb-17	414,900	684
307	16	1E	707	n/a	494,900	700
308	17	1GA	636	6-May-17	424,900	668
401	21	2B	1,122	6-May-17	671,900	599
402/404	27/28	2D	1,700	15-Jul-16	1,100,000	647
403	22	2C	1,019	6-May-17	699,900	687
405	23	1D	740	n/a	590,900	799
406	26	1G	636	23-Feb-17	424,900	668
407	24	1E	707	23-Feb-17	449,900	636
408	25	1G	629	12-Jul-16	419,900	668
Total			17,328		11,989,044	692



Unsold Units

Unit	Strata Lot	Type	Area (SF)	Contract Date	Reported Asking Price (\$)	\$/SF
201	5	2B	1,122	n/a	899,999	802
202	12	2D	1,139	n/a	915,000	803
301	13	2B	1,122	n/a	920,000	820
302	20	2D	1,139	n/a	922,000	809
303	14	2C	1,019	n/a	820,000	805
Total			5,541	n/a	4,477,000	808

To determine the reasonableness of the presales in place and to confirm the reported asking prices for the five remaining unsold units, the following comparable evidence is noted.

MLS Market Evidence

Unit	Address	Street	Development Name	Year Built	Date	Area (SF)	Price (\$)	\$/SF
312	4352	Hastings Street	Storia	2021	13-Jul-19	745	589,900	792
303	4352	Hastings Street	Storia	2021	20-Jul-19	1,197	909,900	760
308	4352	Hastings Street	Storia	2021	20-Jul-19	839	664,900	792
202	4352	Hastings Street	Storia	2021	24-Jul-19	1,058	809,900	766
214	1728	Gilmore Avenue	Escala	2019	2-Aug-19	635	465,000	732
401	4352	Hastings Street	Storia	2021	7-Aug-19	1,167	979,900	840
307	1728	Gilmore Avenue	Escala	2019	9-Aug-19	822	625,000	760
313	1728	Gilmore Avenue	Escala	2019	11-Aug-19	823	605,000	735
214	1768	Gilmore Avenue	Escala	2019	12-Aug-19	822	608,000	740
407	4352	Hastings Street	Storia	2021	13-Aug-19	839	699,900	834
408	1728	Gilmore Avenue	Escala	2019	14-Aug-19	811	668,000	824
104	1768	Gilmore Avenue	Escala	2019	23-Aug-19	860	672,500	782
403	3971	Hastings Street	Verdi	2019	23-Aug-19	1,061	820,000	773
114	8840	University Crescent	The Peak @ SFU	2019	25-Aug-19	1,222	688,000	563
207	1728	Gilmore Avenue	Escala	2019	25-Aug-19	823	632,000	768
107	1768	Gilmore Avenue	Escala	2019	26-Aug-19	810	675,000	833
201	1768	Gilmore Avenue	Escala	2019	28-Aug-19	823	619,048	752
121	1768	Gilmore Avenue	Escala	2019	29-Aug-19	811	659,900	814
111	1728	Gilmore Avenue	Escala	2019	4-Sep-19	811	675,000	832
301	4352	Hastings Street	Storia	2021	8-Sep-19	1,167	944,900	810
307	4289	Hastings Street	Modena	2019	11-Sep-19	1,047	835,000	798
218	1768	Gilmore Avenue	Escala	2019	14-Sep-19	811	665,000	820
505	1788	Gilmore Avenue	Escala	2019	18-Sep-19	949	710,000	748
213	1788	Gilmore Avenue	Escala	2019	19-Sep-19	1,059	825,000	779
403	4289	Hastings Street	Modena	2019	29-Sep-19	1,012	809,524	800



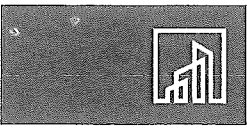
Unit	Address	Street	Development Name	Year Built	Date	Area (SF)	Price (\$)	\$/SF
405	1788	Gilmore Avenue	Escala	2019	1-Oct-19	949	715,000	753
305	1728	Gilmore Avenue	Escala	2019	3-Oct-19	823	635,000	772
307	1788	Gilmore Avenue	Escala	2019	9-Oct-19	889	680,952	766
307	8850	University Crescent	The Peak @ SFU	2019	13-Oct-19	730	538,000	737
221	1768	Gilmore Avenue	Escala	2019	21-Oct-19	811	672,500	829
408	1788	Gilmore Avenue	Escala	2019	13-Nov-19	942	731,000	776
409	3971	Hastings Street	Verdi	2019	4-Dec-19	776	581,000	749
311	1728	Gilmore Avenue	Escala	2019	6-Dec-19	823	675,000	820
202	1728	Gilmore Avenue	Escala	2019	8-Dec-19	789	655,000	830
6	4033	Dominion Street	Parkview	2019	List	901	708,900	787
12	4033	Dominion Street	Parkview	2019	List	910	749,900	824
13	4033	Dominion Street	Parkview	2019	List	898	729,900	813
201	4352	Hastings Street	Storia	2021	List	1,163	914,900	787
301	8761	University Crescent	Crescent Court	2022	List	687	453,200	660
303	8725	University Crescent	Crescent Court	2022	List	752	492,600	655
401	4465	Juneau Street	Juneau	2020	List	1,105	999,999	905
402	4352	Hastings Street	Storia	2021	List	1,129	969,900	859
407	4289	Hastings Street	Modena	2019	List	1,078	875,000	812
415	9228	Slopes Mews	Fraser	2021	List	730	519,900	712
420	8850	University Crescent	The Peak	2019	List	897	630,000	702
502	8725	University Crescent	Crescent Court	2022	List	940	600,700	639
505	8761	University Crescent	Crescent Court	2022	List	809	548,600	678
		Minimum				635	453,200	563
		Median				839	675,000	779
		Average				905	700,707	773
		Maximum				1,222	999,999	905

The dataset features 13 active listings and 34 sales dated between July 2019 and December 2019. Prices range from \$453,200 to \$999,999 with a central tendency in the order of \$675,000 and \$700,000 while unit sizes range from 635 and 1,222 with a median of 839 and an average of 905. Rates per square foot range from \$563 and \$905 with a central tendency in the order of \$773 and \$779 per square foot.

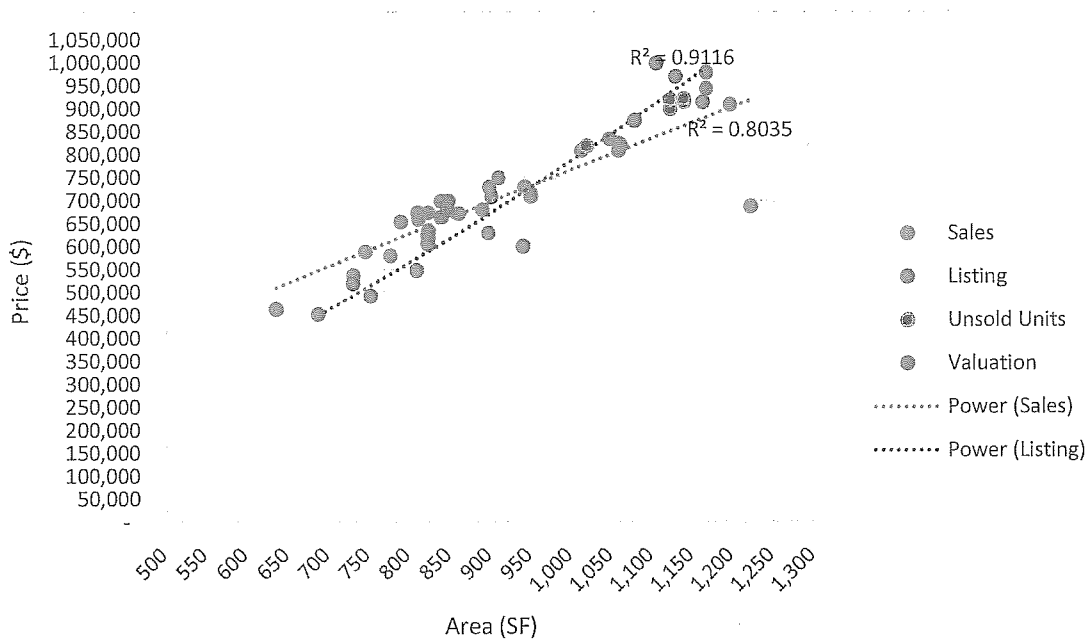
Active projects in the immediate area are as follows.

Address	Street	Development Name	Sales Start	Average Area (SF)	Average Sale Price (\$)	\$/SF
4477	Hastings Street	Forte	Mar-18	921	744,168	808
4354/56	Hastings Street	Storia	Jun-19	1,035	832,140	804

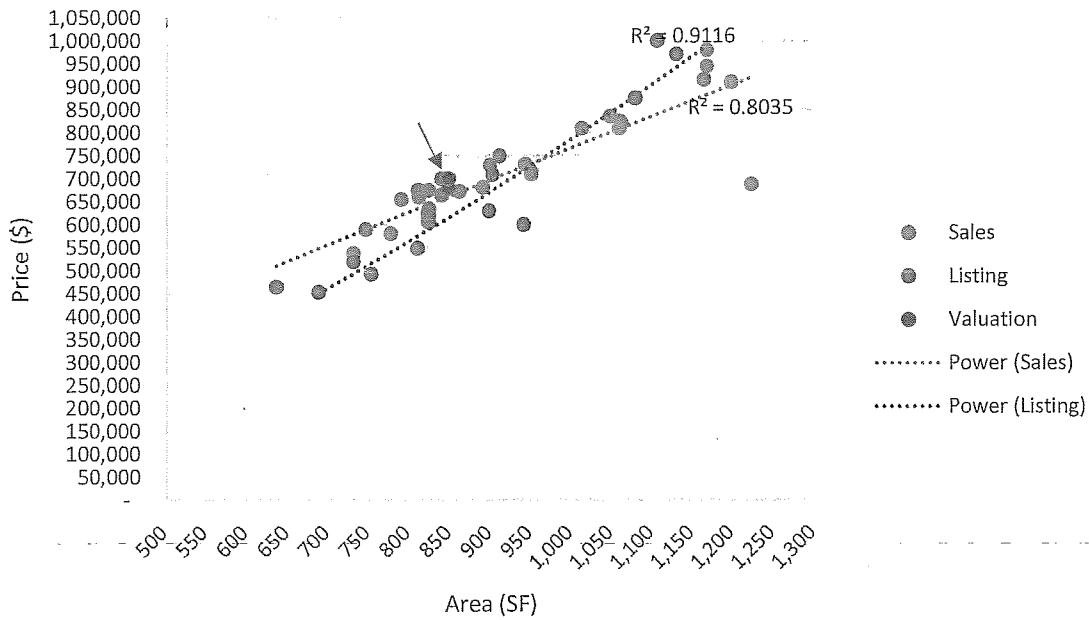
Source: Urban Analytics



The dataset is plotted as follows.



Based on the above, given the average unit size of 847 square feet, on average, the market value of the subject units is estimated to lie in the order of \$680,000 and \$700,000 or \$803 and \$826 per square foot. This value conclusion compares as follows.

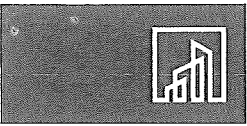




Conclusion

Based on the evidence assembled, the current market value of the subject units is estimated to lie in the order of \$815 per square foot, on average. The resulting estimated market value of the subject's residential component is as follows.

Area (SF)	22,869
\$/SF	<u>815</u>
Market Value Estimate	18,638,235
Rounded to	18,640,000



AGGREGATE PROJECT VALUE – SUMMARY & CONCLUSION

The presales and current asking prices of the five unsold units in the development total \$19,016,043. By comparison, our analysis of the property used two distinct approaches in its valuation.

Approach	Commercial Component	Residential Component
Income Approach	\$3,370,000	n/a
Direct Comparison Approach	\$3,360,000	\$18,640,000

Each of these analyses contains hypothetical components. The income approach presumes the property is at stable occupancy and that the owner has paid the cost of space marketing and tenant inducements. The direct comparison approach considers market evidence to establish value and presumes that the property sells on the date of valuation, and ignores marketing and holding costs.

Based on the above the following aggregate project values are concluded.

Aggregate Project Value – Based on Presales in Place with Unsold Units @ Market

Use	Units	Area (SF)	Average Area (SF)	Value (\$)	\$/SF
Retail	1	4,200	4,200	2,550,000	607
Residential – Presales	22	17,328	788	11,989,044	692
Residential – Unsold Units	5	5,541	1,108	4,477,000	808
Total	28	27,069	967	19,016,043	703
Rounded to				19,000,000	

Aggregate Project Value – Current Market Value

Use	Units	Area (SF)	Average Area (SF)	Value (\$)	\$/SF
Retail	1	4,200	4,200	3,370,000	802
Residential	27	22,869	847	18,638,235	815
Total	28	27,069	967	22,008,235	813
Rounded to				22,000,000	

The results of these analyses correlate well. The difference is \$3,000,000 or 15.8%, which is reflective of the change in-market conditions since the first project presales in 2016.



Based on our analysis of the subject we conclude that the market value of 4223 Hastings Street as at January 12, 2020 is:

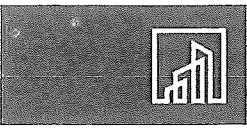
Aggregate Project Value - Based on Presales in Place with Unsold Units @ Market:

NINETEEN MILLION DOLLARS
\$19,000,000

Aggregate Project Value – Current Market Value

TWENTY-TWO MILLION DOLLARS
\$22,000,000

The above aggregate project value estimates are pursuant to completion of the existing improvements as shown in the plans and documents provided, shown on a gross aggregate quantum with no allowances made for marketing, promotion, commissions, etc. and exclusive of the Goods and Services Tax.



AS IS MARKET VALUE

The project costs to complete are quoted at \$968,874 or \$31 per buildable square foot. Contractual gross proceeds for the project are summarized as follows.

Use	Units	Total Area (SF)	Average Area (SF)	Value (\$)	\$/SF
Retail	1	4,200	4,200	2,550,000	607
Presold Residential	22	17,328	788	11,989,044	692
Unsold Residential	5	5,541	1,108	4,477,000	808
Total	28	27,069	967	19,016,044	703

Now that the gross proceeds and costs are established for the project, it is possible to estimate the as is market value of the project via the development or residual approach. Assuming a profit allowance of 5.0% to provide an incentive for a group to finish the project, the applicable calculation is as follows.

Description	Amount (\$)	\$/SF
Project Proceeds	19,016,043	608
Costs to Complete	(968,874)	(31)
Allowance for Profit @ 5% of Project Proceeds	(950,802)	(30)
As Is Project Value	17,096,367	546
Rounded to	17,100,000	546

Based on our analysis of the subject we conclude that the market value of 4223 Hastings Street as at January 12, 2020 is:

As Is Market Value:
SEVENTEEN MILLION ONE HUNDRED THOUSAND DOLLARS
\$17,100,000



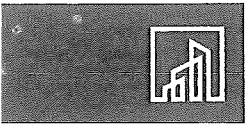
Exposure Time

Exposure time is the time a property remains on the market. In an appraisal, the term means the estimated length of time the property interest being appraised would have been offered on the market before the hypothetical consummation of a sale at the estimated value on the effective date of the appraisal.⁸ An opinion of exposure time is a retrospective estimate that has its basis in an analysis of past events assuming a competitive and open market.

The exposure period occurs immediately before the effective date of the valuation. The concept of reasonable exposure time encompasses not only adequate, sufficient, and reasonable time, but also adequate, sufficient, and reasonable marketing effort. Exposure time is different for various types of real estate and value ranges and under various market conditions.

In our view, the subject property ought to trade within a time typical for its market. This exposure time was typically up to six months for properties such as the subject. This time estimate assumes reasonable pricing and professional marketing. It does not include the time for normal due diligence, nor the closing time after an agreement in principle.

⁸ Canadian Uniform Standards of Professional Appraisal Practice: Appraisal Institute of Canada, 2018, Ottawa, Ont.) 2.17



CERTIFICATION – AGGREGATE PROJECT VALUE

Re: 4223 Hastings Street, Burnaby, British Columbia

We certify, except as otherwise noted in the preceding analysis, to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial and unbiased professional analyses, opinions and conclusions.
- We have no present or prospective interest or bias in the subject property, and no personal interest or bias with respect to the parties involved.
- Our engagement in and compensation for this assignment were not contingent upon developing or reporting predetermined results, the amount of the value estimate, or a conclusion favouring the client.
- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Canadian Uniform Standards of Professional appraisal Practise and IVS.
- We have the knowledge and experience to complete this assignment competently.
- As of the date of this report, the undersigned is a member in good standing of the Appraisal Institute of Canada and has fulfilled the requirements of that organization's Continuing Professional Development Program.
- No one provided significant professional assistance to the persons signing this report.
- The undersigned personally inspected the subject property on January 12, 2020.
- Based upon the data, analyses and conclusions contained herein, the market value of the fee simple interest in the property described, as at January 12, 2020, is estimated as follows:

Aggregate Project Value - Based on Presales in Place with Unsold Units @ Market:

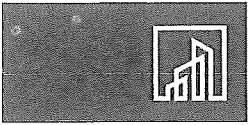
NINETEEN MILLION DOLLARS
\$19,000,000

Aggregate Project Value – Current Market Value

TWENTY-TWO MILLION DOLLARS
\$22,000,000

The above aggregate project value estimates are pursuant to completion of the existing improvements as shown in the plans and documents provided, shown on a gross aggregate quantum with no allowances made for marketing, promotion, commissions, etc. and exclusive of the Goods and Services Tax.

Michael D. Oord, B.A., AACI, P.App.
GROVER, ELLIOTT & CO. LTD.
January 10, 2020



CERTIFICATION – AS IS

Re: 4223 Hastings Street, Burnaby, British Columbia

We certify, except as otherwise noted in the preceding analysis, to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial and unbiased professional analyses, opinions and conclusions.
- We have no present or prospective interest or bias in the subject property, and no personal interest or bias with respect to the parties involved.
- Our engagement in and compensation for this assignment were not contingent upon developing or reporting predetermined results, the amount of the value estimate, or a conclusion favouring the client.
- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Canadian Uniform Standards of Professional appraisal Practise and IVS.
- We have the knowledge and experience to complete this assignment competently.
- As of the date of this report, the undersigned is a member in good standing of the Appraisal Institute of Canada and has fulfilled the requirements of that organization's Continuing Professional Development Program.
- No one provided significant professional assistance to the persons signing this report.
- The undersigned personally inspected the subject property on January 12, 2020.
- Based upon the data, analyses and conclusions contained herein, the market value of the fee simple interest in the property described, as at January 12, 2020, is estimated as follows:

As Is Market Value:

SEVENTEEN MILLION ONE HUNDRED THOUSAND DOLLARS

\$17,100,000

The above estimate is pursuant to completion of the existing improvements as shown in the plans and documents provided, shown on a gross aggregate quantum with no allowances made for marketing, promotion, commissions, etc. and exclusive of the Goods and Services Tax.

Michael D. Oord, B.A., AACI, P.App.

GROVER, ELLIOTT & CO. LTD.

January 10, 2020



ADDENDA

APPENDIX 1 – ASSUMPTIONS & LIMITING CONDITIONS

The only party who may rely on the opinions expressed in this report is the specified intended user and those who obtain our written consent, even where the report is for financing purposes. Where the intended user is a lender, its borrower may also rely on this report, for the purposes of that loan. This report assumes that only the intended user specified herein will rely upon it, and only for the intended use stated herein. No one else may rely on this report without our written consent, which we may not provide retroactively. We expressly deny any legal liability for unauthorized reliance and for any other use. Diligence by all intended users is assumed.

When preparing an appraisal for lending purposes, appraisers do not investigate if the prospective loan and applicant satisfy prudent loan underwriting criteria. Correspondingly, we assume no responsibility for loans made where the borrower lacks the ability or motivation to repay the loan, or where the lender has not followed prudent lending practices. When we authorize a lender to rely on this report, we grant such authorization subject to the lender completing a thorough due diligence investigation, which reasonably concludes that the borrower has the intention and capacity to repay the loan.

Where the intended use of this report is for securitization, financing or mortgage lending, and in accordance with the Office of the Superintendent of Financial Institutions Canada (OSFI) and Canada/Ontario/British Columbia Securities Commission policies, it is the intended user's responsibility to grant mortgage loans and issue mortgage backed securities on the basis of the borrower's demonstrated willingness and capacity to service its debt obligations. Where the client is the mortgagee and the loan is insured, liability is extended to the mortgage insurer.

The basis of the opinions and estimates herein is information gathered from various sources considered reliable and believed to be correct.

We assume no responsibility for factors relating to the legal description, state of title or for unapparent conditions of the property not brought to our attention that might affect value.

We have included images, plans, and sketches for visual reference only. We cannot assume responsibility for the accuracy of such illustrations where the basis was third party sources. Images obtained from third party sources such as Google Earth might not be current.

The client or identified third parties provided figures in this report relating to land and floor areas unless stated otherwise. Incorrect land and floor areas could render our analysis and conclusions invalid.



The economic conditions and outlook current at the date of valuation form the basis of our opinions and conclusion of value. Because market conditions, including economic, social, and political factors change rapidly, and, on occasion, without warning, it could be misleading to rely on the market value estimate expressed herein as of any other date except with the further advice from this firm, for which advice we will accept no responsibility unless made formally and confirmed in writing.

We undertook no investigation with the local zoning office, the fire department, the building inspector, the health department or any other government regulatory agency except as expressly described in this report. The subject property must comply with such government regulations. Any noncompliance may affect market value. Confirming compliance could require further investigations.

Underlying our analysis and conclusions is the assumption that no hidden or unapparent conditions of the property affect potential use or development. To confirm this assumption, we recommend due diligence investigations into applicable physical and regulatory matters, and on request will assist the intended user identify the particular requirements for this property with the intended user.

The opinions of value and other conclusions contained herein assume satisfactory completion of any work remaining to be completed in a good and workmanlike manner. Further inspection may be required to confirm completion of such work.

No one provided us with, and we had no authorisation to commission, studies of hazardous materials or contaminated land. We therefore offer no opinion with respect to the status of the lands or soils. We assume no responsibility for any such conditions or for any specialized expertise or engineering knowledge required to discover, remove, or eliminate them. We recommend retaining an expert in this field if doubt exists about the quality of the soils or groundwater.

I am not qualified to comment on environmental issues that may affect the market value of the property appraised, including, but not limited to pollution or contamination of land, buildings, water, groundwater, or air. Unless expressly stated, the property is assumed to be free and clear of pollutants and contaminants, including but not limited to moulds or mildews or the conditions that might give rise to either, and in compliance with all regulatory environmental requirements, government or otherwise, and free of any environmental condition, past, present or future, that might affect the market value of the property appraised. If the party relying on this report requires information about environmental issues then we caution that party to retain an expert qualified in such issues. We expressly deny any legal liability relating to the effect of environmental issues on the market value of the property appraised.

Except as this report specifically notes otherwise, our conclusions presume that the appraised property is free and clear of all liens or encumbrances and is capable of attracting normal mortgage financing. Our valuation does not consider the cost to retire the mortgage obligation.



Our report assumes that adequate financing and fire, peril and liability insurance are available to cover any reasonable use of the property, at costs and terms that have been typical over the years.

The liability of Grover, Elliott & Co. Ltd. for a claim related to professional service provided pursuant to this service in either contract negligent misrepresentation or tort, including the owner's, officers, employees or subcontractors of the firm is limited to the extent that such liability is covered by the Appraisal Institute of Canada's errors and omissions insurance in effect from time to time, which is available to indemnify the company and its appraisers at the time the claim is made and not more than two years after the services are rendered.

No one should rely on this report in any context other than that in which we present it. Use in excerpted or partial form could mislead.

This appraisal report and its content, and all attachments and their content are the property of the author who has signed the report. Grover, Elliott & Co. Ltd. reserves all copyrights related to this report, the analysis, opinions and conclusions of which the client or the appraiser may consider confidential. Possession of this report, or a copy of it, does not carry the right to reproduction or publication, in full or in part, nor of distribution beyond that necessary for the stated intended user to achieve the stated intended use. Only the identified intended user and those who obtain prior written consent can use this report, and only for its stated purpose. Reliance by any other user requires our prior written consent, which we have no obligation to provide. No one can use this report for any other purpose without our prior written consent. Exceptions exist for due process of law and for confidential review by the professional associations to which the authors belong.

The client and the intended users of the appraisal or the data, directly or indirectly, are specifically forbidden to rely on the report except with prior written consent of the author. The appraisal report and all attachments are not to be modified or altered in any respect, merged with other data or published in any form, in whole or in part. Prohibited uses include screen scraping, database scraping, exploitation of, copying of, reproduction of, decompilation of and any other activity intended to collect, store, reorganize, resell or give away the data herein, or manipulate the appraisal and its content.

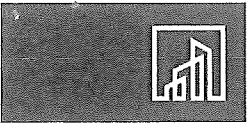
The appraiser acknowledges that the information collected herein is personal and confidential and shall not use or disclose the contents of this report except as provided for in the provisions of the Canadian Uniform Standards of Professional Appraisal Practice and in accordance with the appraiser's privacy policy. The client agrees that in accepting this report, it shall maintain the confidentiality and privacy of any personal information contained herein and shall comply in all material respects with the contents of the appraiser's privacy policy and in accordance with the Personal Information Protection and Electronic Documents Act (PIPEDA).



Attendance at any legal proceedings with respect to this report requires our prior agreement. Our requirements for attendance at such hearings include reasonable notice, no scheduling conflicts and a reasonable budget and retainer for preparation and attendance. Absent these, or if our report does not specifically contemplate tribunal use, we reserve the right to refuse the assignment. However, neither this nor any other limiting condition is an attempt to limit the use that a judicial body might make of this report should it properly become evidence in duly constituted proceedings.

This report is valid only if it bears the original signature of the author.

We cannot monitor changes to our reports once they leave our office, nor can we prevent changes, additions, or deletions in copies of our reports. We recommend that people intending to rely on our report do so only after reading an original copy in its entirety. With the prior consent of our client, we will provide an original of this report. Due to the possibility of digital modification, only originally signed reports and those reports sent directly by the appraiser, can be relied upon without fault.

**APPENDIX 2 – TITLE SEARCH PRINT****TITLE SEARCH PRINT**

File Reference:

2020-01-07, 08:37:41

Requestor: Grover Elliott

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

Title Issued Under	SECTION 98 LAND TITLE ACT
Land Title District Land Title Office	NEW WESTMINSTER NEW WESTMINSTER
Title Number From Title Number	CA5281004 CA5118667 CA5118668
Application Received	2016-06-22
Application Entered	2016-06-28
Registered Owner in Fee Simple Registered Owner/Mailing Address:	CENSORIO GROUP (HASTINGS & CARLETON) HOLDINGS LTD., INC.NO. BC0905871 2ND FLOOR, 4723 HASTINGS STREET BURNABY, BC V5C 2K8
Taxation Authority	Burnaby, City of
Description of Land Parcel Identifier: Legal Description:	029-877-555 LOT 1 DISTRICT LOT 121 GROUP 1 NEW WESTMINSTER DISTRICT PLAN EPP56644
Legal Notations	HERETO IS ANNEXED EASEMENT CA3072253 OVER PARCEL A (EXP PLAN 11233) OF LOTS 29 AND 30 BLOCK 7 DISTRICT LOT 121 GROUP 1 NWD PLAN 1054 NOTICE OF INTEREST, BUILDERS LIEN ACT (S.3(2)), SEE CA5335526 FILED 2016-07-12 HERETO IS ANNEXED EASEMENT CA6058173 OVER LOT 32 PLAN 1054

**TITLE SEARCH PRINT**

File Reference:

2020-01-07, 08:37:41

Requestor: Grover Elliott

Charges, Liens and Interests

Nature: EASEMENT
 Registration Number: CA3072254
 Registration Date and Time: 2013-04-11 10:40
 Remarks: PART FORMERLY PARCEL "A" (EXPLANATORY PLAN 14860)
 LOTS 29 AND 30 BLOCK 7 DISTRICT LOT 121 GROUP 1
 NEW WESTMINSTER DISTRICT PLAN 1054
 APPURTENANT TO PARCEL A (EXP PLAN 11233) OF LOTS
 29 AND 30 BLOCK 7 DISTRICT LOT 121 GROUP 1 NWD
 PLAN 1054

Nature: COVENANT
 Registration Number: CA5281006
 Registration Date and Time: 2016-06-22 15:25
 Registered Owner: CITY OF BURNABY

Nature: COVENANT
 Registration Number: CA5281008
 Registration Date and Time: 2016-06-22 15:25
 Registered Owner: CITY OF BURNABY

Nature: COVENANT
 Registration Number: CA5281010
 Registration Date and Time: 2016-06-22 15:25
 Registered Owner: CITY OF BURNABY

Nature: COVENANT
 Registration Number: CA5281012
 Registration Date and Time: 2016-06-22 15:25
 Registered Owner: CITY OF BURNABY

Nature: COVENANT
 Registration Number: CA5281014
 Registration Date and Time: 2016-06-22 15:25
 Registered Owner: CITY OF BURNABY

Nature: STATUTORY RIGHT OF WAY
 Registration Number: CA5281016
 Registration Date and Time: 2016-06-22 15:25
 Registered Owner: CITY OF BURNABY
 Remarks: PART IN PLAN EPP61155

Nature: COVENANT
 Registration Number: CA5281018
 Registration Date and Time: 2016-06-22 15:25
 Registered Owner: CITY OF BURNABY

**TITLE SEARCH PRINT**

2020-01-07, 08:37:41

File Reference:

Requestor: Grover Elliott

Nature: STATUTORY RIGHT OF WAY
 Registration Number: CA5281020
 Registration Date and Time: 2016-06-22 15:25
 Registered Owner: CITY OF BURNABY
 Remarks: PART IN PLAN EPP56645

Nature: EASEMENT
 Registration Number: CA6058174
 Registration Date and Time: 2017-06-09 13:33
 Remarks: APPURTENANT TO LOT 32 PLAN 1054

Nature: MORTGAGE
 Registration Number: CA6245585
 Registration Date and Time: 2017-08-24 12:05
 Registered Owner: PEOPLES TRUST COMPANY
 INCORPORATION NO. A0033943

Nature: ASSIGNMENT OF RENTS
 Registration Number: CA6245586
 Registration Date and Time: 2017-08-24 12:05
 Registered Owner: PEOPLES TRUST COMPANY
 INCORPORATION NO. A0033943

Nature: MORTGAGE
 Registration Number: CA6245684
 Registration Date and Time: 2017-08-24 12:24
 Registered Owner: BANCORP GROWTH MORTGAGE FUND II LTD.
 INCORPORATION NO. BC0856914
 BANCORP BALANCED MORTGAGE FUND II LTD.
 INCORPORATION NO. BC0856913
 BANCORP FINANCIAL SERVICES INC.
 INCORPORATION NO. BC0712503
 Remarks: MODIFIED BY CA7557828

Nature: ASSIGNMENT OF RENTS
 Registration Number: CA6245685
 Registration Date and Time: 2017-08-24 12:24
 Registered Owner: BANCORP GROWTH MORTGAGE FUND II LTD.
 INCORPORATION NO. BC0856914
 BANCORP BALANCED MORTGAGE FUND II LTD.
 INCORPORATION NO. BC0856913
 BANCORP FINANCIAL SERVICES INC.
 INCORPORATION NO. BC0712503
 Remarks: MODIFIED BY CA7557829

**TITLE SEARCH PRINT**

2020-01-07, 08:37:41

File Reference:

Requestor: Grover Elliott

Nature: PRIORITY AGREEMENT
 Registration Number: CA6246768
 Registration Date and Time: 2017-08-24 15:16
 Remarks: GRANTING CA6245585 PRIORITY OVER CA6245684 AND CA6245685

Nature: PRIORITY AGREEMENT
 Registration Number: CA6246769
 Registration Date and Time: 2017-08-24 15:16
 Remarks: GRANTING CA6245586 PRIORITY OVER CA6245684 AND CA6245685

Nature: STATUTORY RIGHT OF WAY
 Registration Number: CA6438021
 Registration Date and Time: 2017-11-10 13:21
 Registered Owner: SHAW CABLESYSTEMS LIMITED
 INCORPORATION NO. A0075382

Nature: STATUTORY RIGHT OF WAY
 Registration Number: CA6555970
 Registration Date and Time: 2018-01-09 15:03
 Registered Owner: BRITISH COLUMBIA HYDRO AND POWER AUTHORITY

Nature: PRIORITY AGREEMENT
 Registration Number: CA6555971
 Registration Date and Time: 2018-01-09 15:03
 Remarks: GRANTING CA6555970 PRIORITY OVER CA6245585, CA6245586, CA6245684 AND CA6245685

Nature: MORTGAGE
 Registration Number: CA7219414
 Registration Date and Time: 2018-11-29 15:58
 Registered Owner: PK CAPITAL LTD.
 INCORPORATION NO. BC1073031

Nature: ASSIGNMENT OF RENTS
 Registration Number: CA7219415
 Registration Date and Time: 2018-11-29 15:58
 Registered Owner: PK CAPITAL LTD.
 INCORPORATION NO. BC1073031

Nature: PRIORITY AGREEMENT
 Registration Number: CA7392238
 Registration Date and Time: 2019-03-13 15:43
 Remarks: GRANTING CA6245585 PRIORITY OVER CA7219414 AND CA7219415

**TITLE SEARCH PRINT**

2020-01-07, 08:37:41

File Reference:

Requestor: Grover Elliott

Nature: PRIORITY AGREEMENT
 Registration Number: CA6246768
 Registration Date and Time: 2017-08-24 15:16
 Remarks: GRANTING CA6245585 PRIORITY OVER CA6245684 AND CA6245685

Nature: PRIORITY AGREEMENT
 Registration Number: CA6246769
 Registration Date and Time: 2017-08-24 15:16
 Remarks: GRANTING CA6245586 PRIORITY OVER CA6245684 AND CA6245685

Nature: STATUTORY RIGHT OF WAY
 Registration Number: CA6438021
 Registration Date and Time: 2017-11-10 13:21
 Registered Owner: SHAW CABLESYSTEMS LIMITED
 INCORPORATION NO. A0075382

Nature: STATUTORY RIGHT OF WAY
 Registration Number: CA6555970
 Registration Date and Time: 2018-01-09 15:03
 Registered Owner: BRITISH COLUMBIA HYDRO AND POWER AUTHORITY

Nature: PRIORITY AGREEMENT
 Registration Number: CA6555971
 Registration Date and Time: 2018-01-09 15:03
 Remarks: GRANTING CA6555970 PRIORITY OVER CA6245585, CA6245586, CA6245684 AND CA6245685

Nature: MORTGAGE
 Registration Number: CA7219414
 Registration Date and Time: 2018-11-29 15:58
 Registered Owner: PK CAPITAL LTD.
 INCORPORATION NO. BC1073031

Nature: ASSIGNMENT OF RENTS
 Registration Number: CA7219415
 Registration Date and Time: 2018-11-29 15:58
 Registered Owner: PK CAPITAL LTD.
 INCORPORATION NO. BC1073031

Nature: PRIORITY AGREEMENT
 Registration Number: CA7392238
 Registration Date and Time: 2019-03-13 15:43
 Remarks: GRANTING CA6245585 PRIORITY OVER CA7219414 AND CA7219415

**TITLE SEARCH PRINT**

2020-01-07, 08:37:41

File Reference:

Requestor: Grover Elliott

Nature: PRIORITY AGREEMENT
 Registration Number: CA7392239
 Registration Date and Time: 2019-03-13 15:43
 Remarks: GRANTING CA6245586 PRIORITY OVER CA7219414 AND CA7219415

Nature: MODIFICATION
 Registration Number: CA7557828
 Registration Date and Time: 2019-06-13 12:25
 Remarks: MODIFICATION OF CA6245684

Nature: MODIFICATION
 Registration Number: CA7557829
 Registration Date and Time: 2019-06-13 12:25
 Remarks: MODIFICATION OF CA6245685

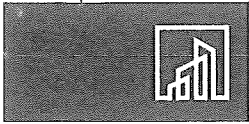
Nature: PRIORITY AGREEMENT
 Registration Number: CA7558004
 Registration Date and Time: 2019-06-13 13:09
 Remarks: GRANTING CA6245684 AND CA7557828 PRIORITY OVER CA7219414 AND CA7219415

Nature: PRIORITY AGREEMENT
 Registration Number: CA7558005
 Registration Date and Time: 2019-06-13 13:09
 Remarks: GRANTING CA6245685 AND CA7557829 PRIORITY OVER CA7219414 AND CA7219415

Nature: CERTIFICATE OF PENDING LITIGATION
 Registration Number: CA7750158
 Registration Date and Time: 2019-09-16 14:27
 Registered Owner: ALL CANADIAN INVESTMENT CORPORATION

Nature: CLAIM OF BUILDERS LIEN
 Registration Number: CA7847746
 Registration Date and Time: 2019-11-01 12:15
 Registered Owner: FBM CANADA GSD, INC.
 INCORPORATION NO. A0093560

Nature: CLAIM OF BUILDERS LIEN
 Registration Number: CA7883860
 Registration Date and Time: 2019-11-22 09:35
 Registered Owner: MEDINA CONCRETE SERVICES LTD.
 INCORPORATION NO. BC0839535



TITLE SEARCH PRINT

2020-01-07, 08:37:41
Requestor: Grover Elliott

File Reference:

Nature:	CLAIM OF BUILDERS LIEN
Registration Number:	CA7914853
Registration Date and Time:	2019-12-06 14:18
Registered Owner:	TUCUVAN CONSTRUCTION LTD. INCORPORATION NO. BC1190571

Duplicate Indefeasible Title NONE OUTSTANDING

Transfers NONE

Pending Applications

Parcel Identifier:	029-877-555
Application Number/Type:	CA7929493 CLAIM OF BUILDERS LIEN

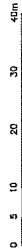
APPENDIX 3 – REGISTERED LEGAL PLAN EPP56644

PLAN EPP56644

REFERENCE PLAN OF LOT 31 AND PARCEL A (EXPLANATORY PLAN 14860)
 OF LOTS 29 AND 30, BOTH OF BLOCK 7, DISTRICT LOT 121,
 GROUP 1, NEW WESTMINSTER DISTRICT, PLAN 1054

PURSUANT TO SECTION 100(1)(b), LAND TITLE ACT
 BCS2592625

All distances are in metres and decimals thereof unless otherwise indicated.
 The indicated area of this plan is 856sqm in whole by 427mm in decimal (sheet size C) when plotted at a scale of 1:500.



0 5 10 20 30 40m

ALBERT STREET

STRATA PLAN BCS259

PLAN 1054

PLAN 1054

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UTM ZONE 10 COORDINATES
 DATUM: NAD83(CSRS)/LDA08C1.0/IRD
 NORTHING: 5450381.744
 EASTING: 481197209
 POINT COMBINED FACTOR: 0.9998500
 ESTIMATED HORIZONTAL POSITIONAL ACCURACY: ±0.01m

UTM ZONE 10 COORDINATES
 DATUM: NAD83(CSRS)/LDA08C1.0/IRD
 NORTHING: 5450381.744
 EASTING: 481197209
 POINT COMBINED FACTOR: 0.9998500
 ESTIMATED HORIZONTAL POSITIONAL ACCURACY: ±0.01m

Intercepted Survey Area No. 25, City of Burnaby
 NDRS (CSRS), 4.D.08C1.0/IRD
 grid bearings are derived from observations between
 geodetic control monuments 7813778 and 7813780.
 The bearings are derived from conventional survey
 observations taken from conventional survey
 monuments to control monuments 7813778 and 7813780.
 This plan shows horizontal ground-level distances unless
 otherwise indicated. The bearings are derived from
 observations taken from geodetic control
 monuments 7813778 and 7813780.

LEGEND:
 ● control monument found
 ○ standard iron post found
 □ standard iron post placed
 □ lead plug placed
 #F missing found
 WT witness

Note: This plan shows one or more
 new posts which are not set on
 the site control(s).

The field survey represented by this plan was
 completed on the 13th day of October, 2015.
 Steven E. Wong, B.C.L.S. 9/2

This plan lies within the Greater Vancouver Regional District.

FILE: SU-2806

Ken K. Wong and Associates
 Chartered and B.C. Land Surveyors
 2824 E. Hastings Street
 Burnaby, B.C. V6B 1R4
 Telephone: 604-435-8851
 Fax: 604-435-8852
 B.N.A. FILE: 150715/RW/JCOO
 R-430
 WT-4889



APPENDIX 4 – C-8 ZONE

308. URBAN VILLAGE COMMERCIAL DISTRICT (HASTINGS) (C8)

This District provides for a wide range of commercial and retail establishments with medium density multiple family dwellings located above the business premises.

308.1 Location:

- (1) C8 and C8r lots are intended as the core commercial district designated in the Hastings Street Area Plan adopted by Council June 3, 1991.
- (2) C8a and C8a/r lots are intended as the non-core commercial district designated in the Hastings Street Area Plan adopted by Council June 3, 1991.

(B/L No. 13940-18-12-03)

308.2 Uses Permitted:

- (1) Banks subject to the restriction that the first storey frontage of a bank on Hastings Street shall not exceed 10.0 m (33 ft.) in width. (B/L No. 12942-11-06-20)
- (2) Business and professional offices, subject to the restriction that in a C8 district the first storey frontage of an office on Hastings Street shall not exceed 10.0 m (33 ft.) in width. (B/L No. 12942-11-06-20)
- (3) Cafes and restaurants, which may have an area available for open outdoor seating, excluding drive-in restaurants.
- (4) Clubs and lodges, on second storey or above and subject to the restriction that the first storey entrance to the club or lodge shall not exceed 3.0 m (9.84 ft.) in width.
- (5) Commercial schools, on second storey or above and subject to the restriction that the first storey entrance of the commercial school shall not exceed 3.0 m (9.84 ft.) in width.
- (6) Fitness and health facilities and steam baths, subject to the restriction in C8 districts that such uses must be on second storey or above and the first storey entrance to the fitness and health facilities or steam bath shall not exceed 3.0 m (9.84 ft.) in width. (B/L No. 11204-01-02-12)
- (7) Personal service establishments including barber shops, beauty parlours, dry cleaning establishments, electrical appliance repair shops, florist shops, laundromats, optical or watch repair shops, outdoor garden shops (for not more than six months in any year), photographic studios, shoe repair shops, tailor shops, dressmaking shops and similar establishments. (B/L No. 11941-05-08-29)



- (8) Public assembly and entertainment uses, on second storey or above, and subject to the restriction that the first storey entrance to a public assembly or entertainment use shall not exceed 3.0 m (9.84 ft.) in width.
 - (8a) Residential sales centre. (B/L No. 13188-13-04-15)
 - (9) Retail stores that sell new or used goods.
 - (10) Studios on second storey or above and subject to the restriction that the first storey entrance to a studio shall not exceed 3.0 m (9.84 ft.) in width.
 - (11) Dwelling units, on second storey or above, subject to the following conditions:
 - (a) that the first storey frontage of the building to a minimum depth of 10.0 m (32.80 ft.) shall be used for commercial purposes;
 - (b) each dwelling unit shall have a balcony; (B/L No. 13940-18-12-03)
 - (c) that a completely separate public entrance to the residential accommodation shall be provided from the first storey front elevation, except that on a corner lot access may be from the first storey side street elevation and that where a public pedestrian walkway exists, access may be from the first storey walkway elevation;
 - (d) that a storey containing dwelling units shall have no other uses on that storey except parking.
 - (11.1) Home occupations other than the operation of a home-based child care facility. (B/L No. 13639-16-12-12)
 - (12) Accessory buildings and uses.
 - (13) Liquor licence establishments holding a liquor primary licence that were being lawfully used for that purpose on January 13, 2003, on sites without residential use, subject to the restriction that the first storey frontage of the liquor licence establishment on Hastings Street shall not exceed 7.5 m (24.60 ft.) in width. (B/L No. 11517-03-05-12)
 - (14) On C8a lots only, establishments having not more than 140 m² (1,506.99 sq.ft.) in gross floor area that provide photocopying and duplicating services.
 - (15) On C8a lots only, retail sale of new furniture.
 - (16) Mobile retail carts not exceeding three in number as a use accessory to a principal retail use other than a gasoline service station. (B/L No. 10209-95-06-19)
 - (17) Self-improvement schools, on second storey or above and subject to the restriction that the first storey entrance of the self-improvement school shall not exceed 3.0 m (9.84 ft.) in width. (B/L No. 10803-98-11-02)
 - (18) On C8a lots only, animal hospitals. (B/L No. 11448-02-11-25)
 - (19) Category A supportive housing facilities, subject to the following conditions:
 - (a) the use shall be included as part of a comprehensive development plan subject to the CD (Comprehensive Development) District; and
 - (b) each living unit shall have a minimum floor area of 27 m² (290.6 sq.ft.).
- (B/L No. 12422-08-03-10)



- (20) Category B supportive housing facilities, subject to the following conditions:
- (a) the use shall be included as part of a comprehensive development plan subject to the CD (Comprehensive Development) District;
 - (b) each living unit shall have a minimum floor area
 - (i) of 33 m² (355.22 sq.ft.) for studio unit
 - (ii) of 41 m² (441.4 sq.ft.) for a junior one-bedroom unit
 - (iii) of 46 m² (495.16 sq.ft.) for a one bedroom unit;
 - (c) the number of studio units shall not be more than 25 percent of the total number of living units in the facility; and
 - (d) the number of studio units and junior one-bedroom units together shall not be more than 50 percent of the total number of living units in the facility.
- (B/L No. 12422-08-03-10)
- (21) Child care facilities subject to the restriction that the first storey frontage of a child care facility on Hastings Street shall not exceed 10.0 m (33 feet) in width. (B/L No. 13929-18-09-24)
- (22) Temporary shelters. (B/L No. 14003-19-07-29)

308.2A Uses Permitted in a C8f Zoning District:

- (1) Uses permitted in the Urban Village Commercial District (Hastings) C8.
 - (2) Liquor licence establishments having the capacity to serve not more than one hundred (100) persons at one time.
- (B/L No. 11517-03-05-12)

308.2B Uses Permitted in the C8r Zoning District:

Uses permitted in the Urban Village Commercial District (Hastings) C8, subject to the conditions therein, except that dwelling units shall be rental dwelling units only, and at least two dwelling units shall be provided.

(B/L No. 13940-18-12-03)

308.2C Uses Permitted in the C8a/r Zoning District:

Uses permitted in the Urban Village Commercial District (Hastings) C8a, subject to the conditions therein, except that dwelling units shall be rental dwelling units only, and at least two dwelling units shall be provided.

(B/L No. 13940-18-12-03)



308.3 Conditions of Use:

- (1) Every business or undertaking shall be conducted within a completely enclosed building except for parking and loading facilities, produce and garden displays, outdoor restaurant seating, outdoor play areas, and mobile retail carts.
(B/L No. 14065-19-11-18)
- (2) All goods produced on the premises shall be sold at retail on the same premises.
- (3) Residential uses shall be permitted on the second, third and fourth storeys.
- (4) All principal uses shall be oriented to pedestrian needs and be so located and designed as to avoid vehicular interference with pedestrian movement.
- (5) A lighted public pedestrian walkway on a registered statutory right of way that links Hastings Street with the parallel lane and is at least 1.0 m (3.28 ft.) wide shall be provided unless a walkway or an intersecting street exists within 45.72 m (150.0 ft.) of the centre of the lot; and the provision of the walkway shall reduce the required non-residential parking spaces by one.
- (6) The depth of floor areas developed above a pedestrian walkway shall not exceed one-half the depth of the building but in no case shall the depth be restricted to less than 12.19 m (40 ft.).
- (7) Where a building contains more than four dwelling units, a compact, covered recycling area shall be provided.

308.4 Height of Buildings:

- (1) The height of a building shall not exceed 16.0 m (52.5 ft.) nor four storeys.
- (2) Storeys above the second shall be set back so that the structure above the second storey, except for any balcony, is contained within a building envelope defined by a 45° inclined plane extending from the required front yard and passing through the second floor ceiling at the point nearest the front of the property.



308.5 Lot Area and Width:

Each lot shall have an area of not less than 312.0 m² (3,358.45 sq.ft.) and width of not less than 10.06 m (33.0 ft.).

308.6 Floor Area Ratio:

- (1) The floor area ratio shall in no case exceed 2.00 except, where underground parking is provided, an amount may be added to the floor area ratio equal to 1.0 multiplied by the ratio of parking spaces provided in the underground parking to the total parking spaces provided, but in no case shall the floor area ratio exceed 3.00. (B/L No. 11888-05-04-11)
- (2) The area of a pedestrian walkway and the area of any floors located over the walkway shall be excluded from the gross floor area for the purpose of computing floor area ratio and parking space requirements in this District.

308.7 Front Yard:

A front yard shall be provided of not less than 2.0 m (6.57 ft.) in depth. Notwithstanding section 6.12(1)(d), rain protection canopies may be provided up to 2.0 m (6.57 ft.) in depth within this required front yard but no parking shall be permitted above the surface of the finished grade in a front yard.

308.8 Rear Yard:

A rear yard shall be provided of not less than 6.0 m (19.69 ft.) in depth.

308.8A Side Yard:

No side yard shall be required except in the case of a corner lot, where a side yard adjoining the flanking street or lane shall be provided of not less than 2.0 m (6.56 ft.) in width. (B/L No. 12865-10-11-15)

308.9 Frontage:

- (1) On C8 lots, the maximum first storey building frontage occupied by an individual user shall be 15.24 m (50.0 ft.).
- (2) On C8a lots, the maximum first storey building frontage occupied by an individual user shall be 20.12 m (66.01 ft.).

**308.10 Off-Street Parking:**

Off-street parking shall be provided and maintained in accordance with Schedule VIII of this Bylaw; and no parking shall be permitted in side yards.

308.11 Off-Street Loading:

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

(B/L No. 9632-93-11-08)

308.12 Car Wash Stall:

One car wash stall with a "No Parking" sign affixed to it shall be provided for each 100 dwelling units. (B/L No. 13829-18-02-26)

This is Exhibit "B" referred to in the Affidavit of JONATHAN WONG sworn before me at Vancouver, B.C., this 24 day of January, 2020.


A Commissioner for taking Affidavits within British Columbia

NEW WESTMINSTER LAND TITLE OFFICE

BUILDERS LIEN ACT
FORM 5 (Sections 15,16,18)

Nov-01-2019 12:15:09.001

CA7847746

CLAIM OF LIEN Province of British Columbia

PAGE 1 OF 1 PAGES

Your electronic signature is a representation that you are a subscriber as defined by the Land Title Act, RSBC 1996 c.250, and that you have applied your electronic signature in accordance with Section 168.3, and a true copy, or a copy of that true copy, is in your possession.

Leslie James
Armitstead
L6IXFK
Digitally signed by Leslie James Armitstead L6IXFK
DN: c=CA, cn=Leslie James Armitstead L6IXFK, o=Lawyer, ou=Verify ID at www.landtitle.com.LKUP.cfm?id=L6IXFK
Date: 2019.11.01 11:24:33 -07'00'

APPLICATION: (Name, address, phone number of applicant, applicant's solicitor or agent)

Amitstead & Company
Les Armitstead, Lawyer
Unit 320-31935 South Fraser Way
Abbotsford BC V2T 5N7
Document Fees: \$0.00

LTO Client No. 899012140
File No. 2085
File Name. FBM/CENSORIO

I, Lisa Stainton
Abbotsford, BC

of 320 - 31935 South Fraser Way
, agent of the lien claimant state that:

1. FBM CANADA GSD, INC.

Incorporation No
A0093560

of 9698 192 Street, Surrey, BC V4N 4C7
claims a lien against the following land:
[PID] [legal description]

029-877-555 LOT 1 DISTRICT LOT 121 GROUP 1 NEW WESTMINSTER DISTRICT
PLAN EPP56644

STC? YES

2. A general description of the work done or material supplied, or to be done or supplied, or both, is as follows:

Supply of drywall and miscellaneous building materials.

3. The person who engaged the lien claimant, or to whom the lien claimant supplied material, and who is or will become indebted to the lien claimant is:

CENSORIO GROUP (HASTINGS & CARLETON) HOLDINGS LTD.

4. The sum of \$ 36,115.27 is or will become due and owing to FBM CANADA GSD, INC.
on September 30, 2019.

5. The lien claimant's address for service is:

c/o Armitstead & Company, 320 - 31935 South Fraser Way, Abbotsford, BC V2T 5N7

Signed: _____

Date: November 1, 2019

Note: Section 45 of the Builders Lien Act provides as follows:

- 45 (1) A person who knowingly files or causes an agent to file claim of lien containing a false statement commits an offence.
- (2) A person who commits an offence under subsection (1) is liable to a fine not exceeding the greater of \$2,000 and the amount by which the stated claim exceeds the actual claim.

NEW WESTMINSTER LAND TITLE OFFICE

BUILDERS LIEN ACT
FORM 5 (Sections 15, 16, 18)

Nov-22-2019 09:35:07.003

CA7883860

CLAIM OF LIEN Province of British Columbia

PAGE 1 OF 1 PAGES

Your electronic signature is a representation that you are a designate authorized to certify this document under section 168.4 of the *Land Title Act*, RSBC 1996 c.250, that you certify this document under section 168.41(4) of the act, and that an execution copy, or a true copy of that execution copy, is in your possession.

Tim Martin
Sportschuetz
3WN5MR
Digitally signed by Tim Martin Sportschuetz
3WN5MR
Date: 2019.11.21 11:12:27 -08'00'

APPLICATION: (Name, address, phone number of applicant, applicant's solicitor or agent)

Tim M. Sportschuetz
Singleton Urquhart Reynolds Vogel LLP
Suite 1200 - 925 W. Georgia Street
Vancouver BC V6C 3L2
Document Fees: \$0.00

Telephone: (604) 682-7474
File no.: 62307.001

I, Henri Medina
Vancouver, B.C., V5V 4H1

of 4661 Fraser Street
, agent of the lien claimant state that:

1. MEDINA CONCRETE SERVICES LTD.

Incorporation No
BC0839535

of 4661 Fraser Street, Vancouver, B.C., V5V 4H1
claims a lien against the following land:
[PID] [legal description]

029-877-555 LOT 1 DISTRICT LOT 121 GROUP 1 NEW WESTMINSTER DISTRICT PLAN
EPP56644

STC? YES

2. A general description of the work done or material supplied, or to be done or supplied, or both, is as follows:

For the performance and supply of work and the supply of material in relation to the improvement, including cement finishing, grinding, patching floors and walls, parkade repairs, floor-leveling, and concrete placement.

3. The person who engaged the lien claimant, or to whom the lien claimant supplied material, and who is or will become indebted to the lien claimant is:

CENSORIO GROUP (HASTINGS & CARLETON) HOLDINGS LTD.

4. The sum of \$ 33,332.55 is or will become due and owing to MEDINA CONCRETE SERVICES LTD.
on November 1, 2019

5. The lien claimant's address for service is:

Suite 1200 - 925 W. Georgia Street (Attention: Tim M. Sportschuetz)
Vancouver, B.C., V6C 3L2

Signed: _____
Date: November 19, 2019

Note: Section 45 of the Builders Lien Act provides as follows:

- 45 (1) A person who knowingly files or causes an agent to file claim of lien containing a false statement commits an offence.
- (2) A person who commits an offence under subsection (1) is liable to a fine not exceeding the greater of \$2,000 and the amount by which the stated claim exceeds the actual claim.

CLAIM OF LIEN Province of British Columbia

Your electronic signature is a representation that you are a designate authorized to certify this document under section 168.4 of the *Land Title Act*, RSBC 1996 c.250, that you certify this document under section 168.41(4) of the act, and that an execution copy, or a true copy of that execution copy, is in your possession.

Christopher James Moore
8FUUN8
Digitally signed by Christopher James Moore
8FUUN8
Date: 2019.12.06 14:15:28 -08'00'

APPLICATION: (Name, address, phonenumber of applicant, applicant's solicitor or agent)

McLean & Armstrong LLP
300 - 1497 Marine Drive

Tel: 604-925-0672
File Ref: 3542-001

West Vancouver BC V7T 1B8
Document Fees: \$0.00

I, Chris Moore
300 - 1497 Marine Drive, West Vancouver, BC, V7T 1B8

of McLean & Armstrong LLP
, agent of the lien claimant state that:

1. TUCUVAN CONSTRUCTION LTD.

Incorporation No
BC1190571

of 2426 Gillespie Street, Port Coquitlam, British Columbia V3B 6W5
claims a lien against the following land:
[PID] [legal description]

029-877-555 LOT 1 DISTRICT LOT 121 GROUP 1 NEW WESTMINSTER DISTRICT
PLAN EPP56644

STC? YES

2. A general description of the work done or material supplied, or to be done or supplied, or both, is as follows:

Carpentry services to fix/replace/install doors, baseboards, tracks, door trims & door knobs

3. The person who engaged the lien claimant, or to whom the lien claimant supplied material, and who is or will become indebted to the lien claimant is:

1057127 B.C. LTD. (BC1057127)

4. The sum of \$ 41,027.71 is or will become due and owing to TUCUVAN CONSTRUCTION LTD.
(BC1190571) on Dec 3, 2019

5. The lien claimant's address for service is:

c/o McLean & Armstrong LLP
300 - 1497 Marine Drive, West Vancouver, BC, V7T 1B8

Signed: _____

Date: Dec 6, 2019

Note: Section 45 of the Builders Lien Act provides as follows:

45 (1) A person who knowingly files or causes an agent to file claim of lien containing a false statement commits an offence.

(2) A person who commits an offence under subsection (1) is liable to a fine not exceeding the greater of \$2,000 and the amount by which the stated claim exceeds the actual claim.

CLAIM OF LIEN Province of British Columbia

Your electronic signature is a representation that you are a designate authorized to certify this document under section 168.4 of the *Land Title Act*, RSBC 1996 c.250, that you certify this document under section 168.41(4) of the act, and that an execution copy, or a true copy of that execution copy, is in your possession.

Aikay Vincent
Oduoza AB52J2
Digitally signed by Aikay Vincent Oduoza AB52J2
Date: 2019.12.13 15:47:28 -08'00'

APPLICATION: (Name, address, phone number of applicant, applicant's solicitor or agent)

Aikay Vincent Oduoza
Vincent Mark Law Corporation
#1-4677 Kingsway
Burnaby BC V5H 2B3
Document Fees: \$0.00

Telephone Number: 778-379-9353
Our File Ref #: 16-267/OMNI

I, Aikay Vincent Oduoza of Vincent Mark Law Corporation
#1-4677 Kingsway Burnaby BC V5H 2B3, agent of the lien claimant state that:

1. OMNI DRYWALL LTD Incorporation No
BC0910734

of #105-13423 78A Street Surrey. BC. V3W 0A8.
claims a lien against the following land:
[PID] [legal description]

029-877-555 LOT 1 DISTRICT LOT 121 GROUP 1 NEW WESTMINSTER DISTRICT PLAN
EPP56644.

STC? YES

2. A general description of the work done or material supplied, or to be done or supplied, or both, is as follows:

Drywall, Boarding, Taping and Supervision and Supply of Materials at 4223 Hastings Street
Burnaby British Columbia. V5C 2K8.

3. The person who engaged the lien claimant, or to whom the lien claimant supplied material, and who is or will become indebted to the lien claimant is:

Hugo Dussault and Censorio Group (Hastings & Carleton) Holdings Ltd Inc No. BC0905871.

4. The sum of \$ 93,593.43 is or will become due and owing to OMNI DRYWALL LTD
on November 30, 2019

5. The lien claimant's address for service is:
#105-13423 78A Street Surrey. BC. V3W 0A8.

Signed: _____
Date: December 13, 2019

Note: Section 45 of the Builders Lien Act provides as follows:

45 (1) A person who knowingly files or causes an agent to file claim of lien containing a false statement commits an offence.

(2) A person who commits an offence under subsection (1) is liable to a fine not exceeding the greater of \$2,000 and the amount by which the stated claim exceeds the actual claim.

CLAIM OF LIEN Province of British Columbia

Your electronic signature is a representation that you are a designate authorized to certify this document under section 168.4 of the *Land Title Act*, RSBC 1996 c.250, that you certify this document under section 168.41(4) of the act, and that an execution copy, or a true copy of that execution copy, is in your possession.

manvir sekhon
MLXW1D
Digitally signed by manvir sekhon MLXW1D
Date: 2020.01.22 15:28:11 -08'00'

APPLICATION: (Name, address, phonenumber of applicant, applicant's solicitor or agent)

Sekhon Notary Public
#10-8430 128 Street

File: 20RG002
Phone: 604.503.1313

Surrey BC V3W4G3
Document Fees: \$0.00

I, Rajwant Singh Sohal of
104-8655 130 Street, Surrey, BC, V3W 1V9, agent of the lien claimant state that:

1. RAHUL GLASS LTD. Incorporation No
684781

of 104-8655 130 Street, Surrey, BC, V3W 1V9
claims a lien against the following land:
[PID] [legal description]

029-877-555 LOT 1 DISTRICT LOT 121 GROUP 1 NEW WESTMINSTER DISTRICT
PLAN EPP56644

STC? YES

2. A general description of the work done or material supplied, or to be done or supplied, or both, is as follows:
Supply & Installation of Shower Enclosures.

3. The person who engaged the lien claimant, or to whom the lien claimant supplied material, and who is or will become indebted to the lien claimant is:
CENSORIO GROUP (HASTINGS & CARLETON) HOLDINGS LTD.

4. The sum of \$ 38,100.00 is or will become due and owing to Rahul Glass Ltd.
on January 10, 2020

5. The lien claimant's address for service is:
104-8655 130 Street, Surrey, BC, V3W 1V9

Signed: _____
Date: January 22 2020

Note: Section 45 of the Builders Lien Act provides as follows:

45 (1) A person who knowingly files or causes an agent to file claim of lien containing a false statement commits an offence.

(2) A person who commits an offence under subsection (1) is liable to a fine not exceeding the greater of \$2,000 and the amount by which the stated claim exceeds the actual claim.

NEW WESTMINSTER LAND TITLE OFFICE

BUILDERS LIEN ACT
FORM 5 (Sections 15, 16, 18)

Jan-21-2020 16:01:02.001

CA7992704

CLAIM OF LIEN Province of British Columbia

PAGE 1 OF 1 PAGES

Your electronic signature is a representation that you are a designate authorized to certify this document under section 168.4 of the Land Title Act, R.SBC 1996 c.250, that you certify this document under section 168.41(4) of the act, and that an execution copy, or a true copy of that execution copy, is in your possession.

Amel Jahanmiri
NDI6RJ
Digitally signed by Amel Jahanmiri NDI6RJ
Date: 2020.01.21 15:35:46 -08'00'

APPLICATION: (Name, address, phone number of applicant, applicant's solicitor or agent)

Amel Jahanmiri, Lawyer
Zahra Jenab & Company Law Corporation
220 - 545 Clyde Avenue
West Vancouver BC V7T 1C5
Document Fees: \$0.00
Tel: 604-925-6005
File No.:4093L

I, Siavash Ezzati of 4115 Canterbury Crt,
North Vancouver, BC V7R 3N4, agent of the lien claimant state that:

1. 1223293 B.C. LTD. Incorporation No

of 4115 Canterbury Crt, North Vancouver, BC V7R 3N4
claims a lien against the following land:
[PID] [legal description]

029-877-555 LOT 1 DISTRICT LOT 121 GROUP 1 NEW WESTMINSTER DISTRICT PLAN
EPP56644

STC? YES

2. A general description of the work done or material supplied, or to be done or supplied, or both, is as follows:

Installation and finishing on 27 kitchens.

3. The person who engaged the lien claimant, or to whom the lien claimant supplied material, and who is or will become indebted to the lien claimant is:

Censorio Group (Hastings & Carleton) Holdings Ltd., Inc. No. BC0905871

4. The sum of \$ 27,835.77 is or will become due and owing to 1223293 B.C. Ltd.
on

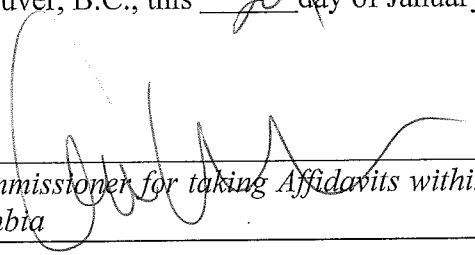
5. The lien claimant's address for service is:

c/o Zahra Jenab & Company Law Corporation
#220-545 Clyde Ave, West Vancouver, BC, V7T 1C5

Date: January 21, 2020

Note: Section 45 of the Builders Lien Act provides as follows:
45 (1) A person who knowingly files or causes an agent to file claim of lien containing a false statement commits an offence.
(2) A person who commits an offence under subsection (1) is liable to a fine not exceeding the greater of \$2,000 and the amount by which the stated claim exceeds the actual claim.

This is Exhibit "C" referred to in the Affidavit of JONATHAN WONG sworn before me at Vancouver, B.C., this 20 day of January, 2020.


A Commissioner for taking Affidavits within British Columbia

Status: Registered

Doc #: CA7219414

RCVD: 2018-11-29 RQST: 2019-03-07 11.11.16

FORM_B_V23

NEW WESTMINSTER LAND TITLE OFFICE

LAND TITLE ACT
FORM B (Section 225)

Nov-29-2018 15:58:44.001

CA7219414 CA7219415

MORTGAGE - PART 1 Province of British Columbia

PAGE 1 OF 19 PAGES

Your electronic signature is a representation that you are a subscriber as defined by the Land Title Act, RSBC 1996 c.250, and that you have applied your electronic signature in accordance with Section 168.3, and a true copy, or a copy of that true copy, is in your possession.

Jose Amador
Alvaro Olaguera
SDFBNT
Digitally signed by Jose Amador Alvaro Olaguera SDFBNT
DN: o=CA, ou=Jose Amador Alvaro Olaguera SDFBNT, o=Lawyer,
cn=Verify ID at www.ltrfca.com/
LKUP:2/m7id-SDFBNT
Date: 2018.11.29 15:58:08 -08'00'

1. APPLICATION: (Name, address, phone number of applicant, applicant's solicitor or agent)

Bill Olaguera, McMillan LLP, client No. 12120

1500 - 1055 West Georgia Street

P.O. Box 11117

Vancouver

BC V6E 4N7

Tel: 604-689-9111

File Ref: 262981

Doc # 30240352

Document Fees: \$143.16

Deduct LTSA Fees? Yes

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND:

[PID] [legal description]

029-877-555

LOT 1 DISTRICT LOT 121 GROUP 1 NEW WESTMINSTER DISTRICT

PLAN EPP56644

STC? YES

3. BORROWER(S) (MORTGAGOR(S)): (including postal address(es) and postal code(s))

CENSORIO GROUP (HASTINGS & CARLETON) HOLDINGS LTD.

4723 HASTINGS STREET, 2ND FLOOR

BURNABY

V5C 2K8

BRITISH COLUMBIA

CANADA

Incorporation No

BC0905871

4. LENDER(S) (MORTGAGEE(S)): (including occupation(s), postal address(es) and postal code(s))

PK CAPITAL LTD.

#142 - 1020 Mainland Street

Vancouver

CANADA

BRITISH COLUMBIA

V6B 2T5

Incorporation No

BC1073031

5. PAYMENT PROVISIONS:

(a) Principal Amount:	(b) Interest Rate:	(c) Interest Adjustment	Y	M	D
See Schedule	18.0% per annum	Date: N/A			
(d) Interest Calculation Period: Monthly, not in advance	(e) Payment Dates: N/A	(f) First Payment Date: N/A			
(g) Amount of each periodic payment: N/A	(h) Interest Act (Canada) Statement. The equivalent rate of interest calculated half yearly not in advance is N/A % per annum.	(i) Last Payment Date: N/A			
(j) Assignment of Rents which the applicant wants registered? -YES <input checked="" type="checkbox"/> - NO <input type="checkbox"/> If YES, page and paragraph number: Page 4 Paragraph 3.2	(k) Place of payment: Postal address in Item 4	(l) Balance Due Date: ON DEMAND			

MORTGAGE - PART 1

6. MORTGAGE contains floating charge on land ?
YES NO

7. MORTGAGE secures a current or running account ?
YES NO

8. INTEREST MORTGAGED:
Freehold
Other (specify)

9. MORTGAGE TERMS:

Part 2 of this mortgage consists of (select one only):

(a) Prescribed Standard Mortgage Terms

(b) Filed Standard Mortgage Terms

(c) Express Mortgage Terms

D F Number:

(annexed to this mortgage as Part 2)

A selection of (a) or (b) includes any additional or modified terms referred to in item 10 or in a schedule annexed to this mortgage.

10. ADDITIONAL OR MODIFIED TERMS:

N/A

11. PRIOR ENCUMBRANCES PERMITTED BY LENDER:

Easements CA3072254, CA6058174;
Covements CA5281006, CA5281008, CA5281010, CA5281012, CA5281014, CA5281018;
Statutory Right of Way CA5281016, CA5281020, CA6438021, CA6555970;
Mortgages CA6245585 and CA6245684 and Assignment of Rents CA6245586 and CA6245685;
Priority Agreements CA6246768, CA6246769 and CA6555971

12. EXECUTION(S): This mortgage charges the Borrower's interest in the land mortgaged as security for payment of all money due and performance of all obligations in accordance with the mortgage terms referred to in item 9 and the Borrower(s) and every other signatory agree(s) to be bound by, and acknowledge(s) receipt of a true copy of, those terms.

Officer Signature(s)

JUDD G. LAMBERT
Barrister & Solicitor
#215 - 8171 Cook Road
Richmond, BC V6Y 3T8
Phone: 604-273-7575

Execution Date		
Y	M	D
18	11	28

Borrower(s) Signature(s)

CENSORIO GROUP (HASTINGS & CARLETON) HOLDINGS LTD., by its authorized signatory(ies):

Peter Censorio

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.

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5. PAYMENT PROVISIONS:

(a) Principal Amount:

This Mortgage secures the payment, observance, performance and satisfaction of all present and future debts, liabilities and obligations of the Mortgagor to the Creditor (including all future advances) whether direct or indirect, absolute or contingent, joint or several, matured or not, extended or renewed, wherever and however incurred, of whatever nature or kind, whether or not provided for herein, in connection with the credit facility(ies) contemplated by the Commitment Letter and the security or other documents referred to therein (including this Mortgage) up to the aggregate of:

- (i) the principal sum of CAD\$800,000;
- (ii) all present and future debts, liabilities and obligations of the Mortgagor hereunder; and
- (iii) any unpaid interest on all present and future debts, liabilities and obligations owing by the Mortgagor to the Creditor from time to time, at the applicable rate(s) of interest.

The following terms will have the following meanings in this Mortgage unless the context otherwise requires:

- (1) "**Commitment Letter**" means the letter agreement dated November 27, 2018 issued by the Creditor to and accepted by, *inter alia*, the Mortgagor and the Covenantor, and any other term sheet, commitment letter or loan agreement entered into at any time between the Mortgagor and the Creditor, and includes all amendments and modifications thereto and all restatements and replacements thereof from time to time.
- (2) "**Covenantor**" means the Parties who signs this Mortgage as a Covenantor in favour of the Mortgagee with respect to the Secured Obligations.
- (3) "**Creditor**" means the Parties described as Lender(s) (Mortgagee(s)) in item 4 of the attached Form B and its successors and assigns, whether immediate or derivative.
- (4) "**Mortgagor**" means jointly and severally the party or parties described as Borrower(s) (Mortgagor(s)) in item 3 of the attached Form B and their respective heirs, personal representatives, successors and permitted assigns, whether immediate or derivative.
- (5) "**Secured Obligations**" means all of the debts, liabilities and obligations of the Mortgagor to the Creditor referred to in this item 5(a), up to the aggregate limit set out above.

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EXPRESS MORTGAGE TERMS - PART 2

ORGANIZATION OF MORTGAGE; DEFINED TERMS

1.1 Organization of Mortgage. This Mortgage is comprised of two parts, Part 1 and Part 2, and Part 2 of this Mortgage has been organized on the basis of the following sections:

<u>Section</u>	<u>Heading</u>
1	Organization of Mortgage; Defined Terms
2	Promise to Pay; Continuing Security
3	Mortgage; Assignment of Rents; Discharge
4	Representations and Covenants
5	Events of Default
6	Rights, Remedies and Disclaimers
7	Other Agreements
8	Interpretation

1.2 Defined Terms. The terms defined in item 5 of Part 1 and in section 8 of this Part 2 will have those defined meanings therein and herein unless the context otherwise requires.

PROMISE TO PAY; CONTINUING SECURITY

2.1 Promise to Pay. The Mortgagor will pay, observe, perform and satisfy all of the Secured Obligations as and when the same are required to be paid, observed, performed and satisfied.

2.2 Continuing Security. This Mortgage is general and continuing security for the Secured Obligations and any ultimate unpaid balance thereof, including a current or running account. The Secured Obligations may be reduced to zero from time to time without affecting the continuing nature of this Mortgage as security for any Secured Obligations thereafter incurred. Without limiting the foregoing, no payment, observance, performance or satisfaction of the Secured Obligations, nor any ceasing by the Mortgagor to be indebted or liable to the Creditor, will be deemed a redemption or discharge of this Mortgage.

MORTGAGE; ASSIGNMENT OF RENTS; DISCHARGE

3.1 Mortgage. As security for the Secured Obligations, the Mortgagor grants and mortgages to the Creditor the Mortgaged Property and, subject to paragraph 3.3, releases all claims of the Mortgagor to the Mortgaged Property.

3.2 Assignment of Rents and Leases. As further security for the Secured Obligations, the Mortgagor assigns to the Creditor the Assigned Rents and the benefit of all rights and agreements contained in or arising in connection with the Assigned Leases; provided that the Mortgagor will be permitted to collect and receive the Assigned Rents as and when they become due according to the terms of each of the Assigned Leases until there is an Event of Default and the Creditor exercises any of the rights and remedies of the Creditor upon default hereunder.

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3.3 Discharge. The Mortgagor will be entitled to a discharge of this Mortgage upon the later of full payment, observance, performance and satisfaction of the Secured Obligations (or the securing of the Secured Obligations to the satisfaction of the Creditor in its absolute discretion) and receipt by the Creditor of a written request from the Mortgagor for a discharge of this Mortgage. No discharge will be effective unless it is in writing and is executed by the Creditor.

3.4 Partial Discharges. Forthwith upon the request of a Senior Creditor, the Grantor will execute and deliver to the Senior Creditor partial discharges (to be prepared by the Mortgagor or its counsel and to be in form satisfactory to the Grantor and the Senior Creditor and their respective counsel, acting reasonably) of the Grantor's Security against the Mortgaged Property, which partial discharges shall be delivered to the Senior Creditor to be utilized only as follows:

- (a) upon the sale of each Lot to be created on the Project the Senior Creditor may register the partial discharge applicable to the Lot sold in the Land Title Office provided that the Gross Sale Price is paid to the Senior Creditor and applied to the amount outstanding under the Mortgagor to Senior Creditor Liabilities, less the following:
 - (i) applicable real estate commissions;
 - (ii) normal closing adjustments;
 - (iii) reasonable legal fees in connection with the sale;
 - (iv) any builder's lien holdback (provided that the builder's lien holdback is irrevocably assigned by the Mortgagor to the Senior Creditor); and
 - (v) if Harmonized Sales Tax or Goods and Services Tax is included in the sale price, the amount of such tax; and

the Charge in favour of the Senior Creditor is also discharged from each Lot to be created on the Project being sold; and

- (b) at such time as the Mortgagor to Senior Creditor Liabilities are fully paid and satisfied, any unused partial discharges executed by the Grantor shall be returned forthwith to the Grantor.

REPRESENTATIONS AND COVENANTS

4.1 General. The Mortgagor represents and warrants to the Creditor that each statement made in this Mortgage is true, complete and accurate. No investigation by the Creditor will diminish its right to rely on such statements, all of which will survive until the Creditor has discharged this Mortgage. The Mortgagor will strictly observe and perform each of its agreements set out herein except to the extent that the Creditor may from time to time in its absolute discretion, by prior written notice, consent otherwise or waive such compliance.

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4.2 Authority to Charge. The Mortgagor has good right, full power and lawful authority to enter into this Mortgage, to create the Charges provided for herein and to convey all of the Mortgaged Property to the Creditor. All necessary resolutions have been passed and all other necessary steps have been taken (including, without limitation, authorization by the beneficial owner of the Mortgaged Property) to authorize the execution and delivery of this Mortgage and to make the Charges provided for herein effective.

4.3 Title and Adverse Claims. The Mortgagor legally owns and possesses and has good title in fee simple to all of the Mortgaged Property. The Mortgagor will defend the Mortgaged Property for the benefit of the Creditor against the claims and demands of all Persons. The Mortgagor will immediately notify the Creditor of any claim, litigation or contemplated expropriation affecting any of the Mortgaged Property.

4.4 Compliance with By-Laws. The Mortgaged Property complies with all applicable building and zoning by-laws and with all restrictions registered against the Mortgaged Property in the land title office.

4.5 Charges. All of the Mortgaged Property is free and clear of all Charges other than Permitted Charges. The Mortgagor will not create, assume or permit the existence of any Charge affecting any of the Mortgaged Property except the Mortgagor may create and permit (but the Creditor does not grant priority to) Permitted Charges. Without limiting the above prohibition, the Mortgagor will, upon written request by the Creditor, immediately pay all obligations, whether or not due, under all Charges prohibited hereby and will cause the same to be discharged immediately. With respect to Permitted Charges, the Mortgagor will pay all moneys payable thereunder when due and will promptly observe and perform all of its other obligations thereunder.

4.6 Dispositions. The Mortgagor will not sell, lease, assign, release, surrender or otherwise dispose of or part with possession of any of the Mortgaged Property or agree to do so.

4.7 Assigned Leases and Rents. With respect to all of the Assigned Leases from time to time, no payment in advance of any of the Assigned Rents for a period exceeding one month has been or will be accepted by the Mortgagor.

4.8 Taxes. The Mortgagor will pay when due all Taxes unless the Mortgagor in good faith contests the same and furnishes such security as the Creditor may require. Upon request the Mortgagor will give the Creditor receipts evidencing such payments and copies of all bills, assessments and other notices relating to any Taxes. Upon request from time to time the Mortgagor will pay to the Creditor the amount which the Creditor estimates is the pro-rated amount (for a specified period) of all Taxes for the current year, and will pay to the Creditor the amount by which the Taxes for the current year actually exceed the total of any such amounts. The Creditor will also be entitled to deduct from any loan advance secured hereby the total of any unpaid Taxes and estimated Taxes that are due or are to become due in the current year less any pro-rated amounts paid by the Mortgagor in respect thereof. The Creditor will not be required to pay interest to the Mortgagor on any such payments or deducted amounts. If the Mortgagor gives the Creditor a copy of an official notice that any Taxes are due, the Creditor will use any payments and deducted amounts referred to in this paragraph to pay those Taxes; except the Creditor may apply

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such payments and amounts on account of the Secured Obligations if an Event of Default has occurred.

4.9 Insurance. With respect to insurance:

- (a) the Mortgagor will keep all of the Mortgaged Property that is of an insurable nature insured for full replacement value against loss or damage by fire (with extended perils coverage), other risks as are customarily insured against for similar property, and such other risks as the Creditor may reasonably require (including "builder's all risk" construction, loss of rental income, and business interruption insurance), and if a steam boiler, pressure vessel, oil or gas burner, coal blower, stoker, or air conditioning or sprinkler system is at any time operated on the Mortgaged Property then also against loss or damage by explosion of or otherwise caused by any such apparatus or system;
- (b) all such insurance will be with insurers acceptable to the Creditor, will provide that the coverage provided cannot be cancelled or amended except on 30 days' written notice to the Creditor, and will contain a standard mortgage clause in favour of the Creditor in a form approved by the Insurance Bureau of Canada;
- (c) the Mortgagor assigns to the Creditor the proceeds of all insurance required hereby and upon request will do everything necessary to enable the Creditor to obtain the insurance proceeds, and if any such proceeds are or become payable the Creditor may apply the same on account of the Secured Obligations, whether or not then due, and the Mortgagor waives any statutory right to request or require the insurance proceeds to be applied in any particular manner;
- (d) the Mortgagor will maintain public liability insurance in amounts and with insurers acceptable to the Creditor and, if the Creditor requests, with the Creditor as an additional insured;
- (e) the Mortgagor will pay when due all premiums in connection with all insurance required hereby, and will provide to the Creditor insurance certificates evidencing all such insurance and certified copies of the applicable policies, and will provide the Creditor with evidence of renewal or replacement insurance at least 10 days before any policy expires or is terminated; and
- (f) if any insurance obtained is unacceptable to the Creditor, the Creditor may require the Mortgagor to obtain new insurance approved by the Creditor.

4.10 Maintenance, Damage and Use. The Mortgagor will keep all of the Mortgaged Property in good condition and repair according to the nature and description thereof, and will make all repairs reasonably requested by the Creditor. The Mortgagor will not demolish or remove any of the Mortgaged Property or commit or permit any act of waste with respect thereto or do or permit anything which has the effect of reducing the value thereof (in the Creditor's sole opinion). The Mortgagor will give the Creditor immediate written notice of any destruction of or substantial damage to any of the Mortgaged Property. The Mortgagor will not change the use of the Mortgaged Property or

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permit any of the Mortgaged Property to remain unoccupied or unused for 30 days or to be abandoned. The Mortgagor will not permit any of the Mortgaged Property to be used in violation of any present or future insurance policy. The Mortgagor will comply with all present and future laws, by-laws, rules, regulations, ordinances, orders and directions of any governmental, municipal or civil authority or agency with respect to the Mortgaged Property.

4.11 Construction and Renovations. The Mortgagor will not permit any construction or renovation with respect to any of the Mortgaged Property except in accordance with plans and specifications approved in advance by the Creditor in writing, all applicable governmental requirements and generally accepted standards of construction in the locality of the Mortgaged Property. The Mortgagor will cause all such construction and renovations to be completed as quickly as possible (and without limitation will not permit 10 days to pass without work towards the completion thereof) and will retain all required holdbacks.

4.12 Environment/Hazardous Materials. All of the Mortgaged Property and the operations thereon are and will be kept in compliance with all Environmental/Hazardous Materials Laws. No contaminated site designation, remediation order or other enforcement action in respect of any Environmental/Hazardous Materials Laws is pending or contemplated, nor has in the past been made or taken, in respect of any of the Mortgaged Property or any operations thereon. No Wastes/Hazardous Materials have at any time been transported to or from any of the Mortgaged Property, or used, generated, manufactured or disposed of on, under or about any of the Mortgaged Property, or leaked, spilled, discharged, emitted or released therefrom or from any nearby property; and the Mortgagor will not permit any such activity with respect to the Mortgaged Property except in compliance with all Environmental/Hazardous Materials Laws. Upon request from time to time the Mortgagor will promptly submit to the Creditor a comprehensive report regarding the foregoing matters prepared by a consultant approved by the Creditor. The Mortgagor has provided the Creditor with copies of all communications from or to all levels of government and other authorized agencies relating to any Environmental/Hazardous Materials Laws and all communications from or to any Person relating to any Environmental/Hazardous Materials Claims in connection with any of the Mortgaged Property or any operations thereon, and upon receipt or sending of any such communications in the future will immediately provide copies of the same to the Creditor.

4.13 Wastes/Hazardous Materials Indemnity. The Mortgagor will protect, indemnify and hold harmless the Creditor, and any Receiver, and all direct and indirect successors and assigns of the Creditor or the Creditor's interest in any of the Mortgaged Property, and all directors, officers, employees and agents thereof, from and against all actual, potential or future claims, liabilities, losses, fines, penalties, judgments, awards and expenses (including legal costs, investigation costs, the costs of removal, treatment, storage and disposal of any Wastes/Hazardous Materials, and other costs of remediation) which relate in any way, directly or indirectly, to the storage, manufacture, disposal, treatment, generation, use, transport, remediation or release of any Wastes/Hazardous Materials in, on, under or about the Mortgaged Property or any operations thereon, or the escape, seepage, leakage, spillage, discharge, emission or release of any Wastes/Hazardous Materials therefrom or from any nearby property into, on or under any land, the atmosphere or any watercourse, body of water, or wetland. The Mortgagor will pay to the indemnified parties on demand all amounts payable under this paragraph as determined by the

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indemnified parties from time to time. The Mortgagor's liability to the indemnified parties will arise upon the earlier of the discovery of any Wastes/Hazardous Materials, and the institution of any Environmental/Hazardous Materials Claims, and will not be dependent upon the realization of any loss or damage or the determination of any liability. This indemnity and the Mortgagor's liability hereunder will survive after this Mortgage and the Charges created hereby have been discharged, but only insofar as such liability is in connection with Wastes/Hazardous Materials that were in, on, under or about the Mortgaged Property, or that escaped, seeped or leaked or were discharged, emitted or released therefrom or from a nearby property, or that were used in connection with operations on the Mortgaged Property, prior to this Mortgage being discharged.

4.14 Strata Lots. If the Mortgaged Property includes one or more Strata Lots now or in the future, the following will apply:

- (a) "Strata Property Act" means the *Strata Property Act* (British Columbia) and the regulations thereunder, each as amended or replaced from time to time, and where used in this paragraph, the terms "Buildings", "Bylaws", "Common Facilities", "Common Property", "Owner", "Strata Corporation" and "Strata Lot" will have the respective meanings attributed to them in the Strata Property Act;
- (b) the Mortgagor will promptly observe and perform all obligations, including payment when due of all common expenses and all assessments, contributions and levies, imposed on the Mortgagor by the Strata Property Act or any Bylaws, rules or regulations that may be passed by the Strata Corporation or any special interest section thereof of which the Mortgagor is a member by virtue of Ownership of the Strata Lots charged by this Mortgage;
- (c) the Mortgagor will forward to the Creditor within 10 days of demand a certificate issued by the Strata Corporation certifying that no money is owing to it by the Mortgagor;
- (d) the Mortgagor assigns to the Creditor the Mortgagor's power to vote at meetings of the Strata Corporation or any special interest section thereof, to the extent permitted by the Strata Property Act, and the Creditor hereby notifies the Mortgagor of the Creditor's intention to exercise such power to vote (but the Creditor will not be under any obligation to vote or to protect the interest of the Mortgagor, and the Mortgagor may vote if the Creditor does not);
- (e) the Mortgagor will not assign to any Person other than the Creditor any of the Mortgagor's rights, powers, duties or obligations under the Strata Property Act or the Bylaws;
- (f) the Mortgagor authorizes the Creditor, as an authorized agent of the Mortgagor, to apply from time to time to the Strata Corporation for certification of the matters set out in section 36 of the Strata Property Act and to inspect or obtain copies of the Bylaws and other records and documents of the Strata Corporation that the Mortgagor is entitled to inspect or obtain copies of; and

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- (g) it will be an Event of Default hereunder if the Strata Corporation transfers, encumbers, reduces or adds to the Common Property or amends the Bylaws without the consent of the Creditor and such event reduces the value of the Mortgaged Property in the Creditor's sole opinion.

4.15 Information and Inspection. The Mortgagor will from time to time immediately deliver to the Creditor all information requested by the Creditor relating to the Mortgaged Property, the Assigned Rents and the Assigned Leases and the Mortgagor's financial affairs. All such information will be prepared by a qualified accountant in accordance with generally accepted accounting principles applied consistently from year to year, and if requested by the Creditor will be audited at the expense of the Mortgagor. The Mortgagor will permit the Creditor to enter and inspect at any reasonable time the Mortgaged Property and all books and records relating thereto wherever located, and for that purpose the Creditor will have access without charge to the Mortgagor's premises and to all mechanical or electrical equipment and processes where any such records may be stored or from which any of the same may be retrieved, and the Mortgagor will render all necessary assistance. The Mortgagor authorizes any Person holding any such books or records to make the same available in a readable form to the Creditor upon request by the Creditor. **Amalgamations.** The Mortgagor will not permit any corporation to wind-up into or amalgamate with or enter into a similar arrangement with the Mortgagor.

4.17 Further Assurances. Upon the Creditor's request from time to time the Mortgagor will execute and deliver such further documents (including specific assignments of the Assigned Rents and the Assigned Leases) and do such other acts as the Creditor reasonably requires in order to give effect to the intent of this Mortgage or to confirm, create, register or maintain registration of the Charges provided for herein.

4.18 Charges and Expenses. The Mortgagor will pay on demand, whether or not any advance is made, all charges and expenses, including legal costs on a solicitor and his/her own client basis and including applicable taxes, which may be incurred or charged by or on behalf of the Creditor or any Receiver in connection with:

- (a) inspecting, appraising and investigating title to the Mortgaged Property;
- (b) preparing, negotiating, interpreting, modifying, registering, extending or discharging this Mortgage or any related registration;
- (c) establishing or confirming the priority of this Mortgage;
- (d) exercising and enforcing rights, remedies and powers under this Mortgage or otherwise in relation to any of the Secured Obligations (including correcting any non-compliance by the Mortgagor, and inspecting, preserving, repairing, taking and keeping possession of, completing construction of, preparing for disposition, disposing of, borrowing on the security of, and otherwise realizing on the Mortgaged Property, and collecting the Assigned Rents and other income, and managing the Mortgaged Property and any businesses conducted thereon, and taking proceedings in relation to this Mortgage or by reason of non-payment of or to procure payment of any of the Secured Obligations); and

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- (e) if the Mortgagor is entitled to redeem this Mortgage but instead requires the Creditor to assign this Mortgage to a specified third party, assigning and conveying this Mortgage to that third party.

The Mortgagor will on demand pay interest on all such amounts at the highest rate then applicable to any of the Secured Obligations.

EVENTS OF DEFAULT

5.1 General. The occurrence of an event of default under the Commitment Letter shall constitute an Event of Default under this Mortgage.

RIGHTS, REMEDIES AND DISCLAIMERS

6.1 Correct Non-Compliance. If the Mortgagor fails to perform any of its obligations hereunder or fails upon request to give the Creditor proof thereof, the Creditor may (but will not be obligated to) perform any or all of such obligations or cause them to be performed without prejudice to the other rights and remedies of the Creditor.

6.2 Indulgences. The Creditor may grant extensions of time and other indulgences, take and give up security, accept compositions, make settlements, grant releases and discharges, refrain from registering or maintaining registration of Charges, and otherwise deal with the Mortgagor, debtors of the Mortgagor, sureties and other Persons and with the Mortgaged Property and other security, all as the Creditor may see fit in its absolute discretion and without prejudice to the liability of the Mortgagor or the rights or remedies of the Creditor.

6.3 Allocation of Payments and Proceeds. All payments made in respect of the Secured Obligations from time to time, and any monies realized from any security held therefor, may be applied to such parts of the Secured Obligations (whether or not then due) as the Creditor may see fit or, at the option of the Creditor, may be held unappropriated in a collateral account or released to the Mortgagor, and the Creditor may from time to time revoke or alter such application or holding, all in the absolute discretion of the Creditor and without prejudice to the liability of the Mortgagor or the rights or remedies of the Creditor.

6.4 Set-Off. Whenever any or all of the Secured Obligations are immediately due and payable or the Creditor has the right to declare the same to be immediately due and payable (whether or not it has so declared), the Creditor may at any time set off any amounts owed to the Mortgagor by the Creditor in any capacity against any or all of the Secured Obligations, whether or not then due and whether absolute or contingent.

6.5 Demand and Acceleration. Regardless of whether an Event of Default has occurred the Creditor may at any time demand payment of the Secured Obligations which are payable upon demand. Upon the occurrence of an Event of Default the Creditor may declare any or all of the other Secured Obligations to be immediately due and payable.

6.6 Enforcement on Default. Upon the occurrence of an Event of Default the Charges created hereby will immediately become enforceable. To enforce the Charges created hereby the Creditor may in its absolute discretion exercise any one or more of the

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following rights and remedies with respect to all or such of the Mortgaged Property as the Creditor considers appropriate:

- (a) appoint by instrument a Receiver with or without bond as the Creditor may determine, and may from time to time remove such Receiver and appoint another in its place;
- (b) immediately and without notice:
 - (i) enter upon, take possession of, occupy, use, preserve, protect, maintain, repair and complete the Mortgaged Property, with power to exclude the Mortgagor and its agents and employees;
 - (ii) collect the Assigned Rents and other income from the Mortgaged Property, and for such purposes may demand such payments, give receipts therefor, and take proceedings to collect the same;
 - (iii) enforce the observance and performance by others of their obligations and liabilities in respect of the Mortgaged Property; and
 - (iv) exercise any or all of the rights and remedies of the Mortgagor in respect of the Mortgaged Property;

all in the manner and to the extent the Creditor may consider reasonable, and without limitation any completion of the Mortgaged Property may be in accordance with existing plans or otherwise as the Creditor may determine in its absolute discretion;

- (c) distraint for arrears of any or all of the Secured Obligations, with or without notice to the Mortgagor;
- (d) sell, lease or otherwise dispose of or concur in selling, leasing or otherwise disposing of the Mortgaged Property, whether by public or private sale or lease or otherwise, in such manner, at such price, and on such terms and conditions (as to deferred payment and otherwise) as the Creditor may consider reasonable and with or without notice to the Mortgagor; and
- (e) exercise any other rights and remedies hereunder and any other rights and remedies of a mortgagee at law or in equity.

6.7 Receiver. A Receiver appointed pursuant hereto will be the agent of the Mortgagor and not of the Creditor. To the extent permitted by law or to such lesser extent permitted by its appointment the Receiver will have all of the rights, remedies and powers of the Creditor hereunder and, in addition, will have power to carry on or concur in carrying on all or any part of the business of the Mortgagor relating to the Mortgaged Property. For these purposes the Receiver may from time to time borrow money and may secure such borrowings and related interest and costs by granting mortgages or certificates on the Mortgaged Property in priority to the Charges provided for herein.

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6.8 Proceeds of Disposition. Subject to applicable law and any Charges ranking in priority to the Charges created hereby, all amounts realized from the Mortgaged Property pursuant hereto will be applied as the Creditor may see fit within the following constraints:

- (a) firstly, in or toward payment of all charges and expenses (including legal fees and disbursements on a solicitor and his/her own client basis) incurred or charged by the Creditor or Receiver in connection with the exercise by the Creditor or Receiver of the rights, remedies and powers granted pursuant hereto or otherwise, including the Receiver's remuneration and all amounts properly payable by the Receiver;
- (b) secondly, in or toward payment to the Creditor of the Secured Obligations.

6.9 Liability of Creditor and Receiver. Neither the Creditor nor any Receiver will be liable or accountable for any failure to exercise or for any delay in exercising any of its rights, remedies or powers (including collection of the Assigned Rents); nor will the Creditor or any Receiver be responsible for any debts contracted by it, for damages to Persons or property, or for salaries or non-fulfilment of contracts, during any period when it manages or otherwise deals with the Mortgaged Property; nor will the Creditor be responsible for any misconduct, negligence or failure to act on the part of any Receiver; nor will the Creditor or any Receiver be liable for the performance of any obligations contained in or arising in connection with any of the Assigned Leases; nor will anything contained herein or any act of the Creditor or any Receiver render the Creditor or any Receiver a mortgagee in possession or render them liable to account as a mortgagee in possession or for any loss on realization; nor will the Creditor or any Receiver be accountable for the proceeds of any disposition until the monies therefor are actually received; nor will the Creditor or any Receiver be bound to do, observe, perform, or to see to the observance or performance by the Mortgagor of, any obligation of the Mortgagor.

6.10 No Obligation to Advance. None of the preparation, execution or registration of this Mortgage nor the making of any advance will bind the Creditor to advance, continue, extend time for payment of, or accept anything which constitutes or would constitute a Secured Obligation, all of which will remain in the absolute discretion of the Creditor.

6.11 Power of Attorney. The Mortgagor hereby irrevocably appoints the Creditor or the Receiver, as the case may be, as the attorney of the Mortgagor, with full power of substitution, to execute and deliver under seal or otherwise in the name of the Mortgagor all documents, and generally to use the name of the Mortgagor and to do all things, as may be necessary or incidental to the exercise of any of the rights, remedies or powers conferred on the Creditor or the Receiver, as the case may be, pursuant hereto or otherwise.

6.12 Waiver. The Creditor may from time to time waive in whole or in part any right, remedy, breach or default under any provision of this Mortgage, but any such waiver on any particular occasion will not be deemed to be a waiver of any such right, remedy, breach or default thereafter or of any other right, remedy, breach or default. No waiver will be effective unless in writing and executed by the Creditor and, without limitation, no failure to exercise or delay in exercising any right or remedy of the Creditor will operate as a waiver of such right or remedy.

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6.13 Additional Security. The Charges created hereby are in addition to and not in substitution for any other Charges now or hereafter held by the Creditor.

6.14 Rights Cumulative. No right, remedy or power of the Creditor or any Receiver is intended to be exclusive, and each will be in addition to every other right, remedy and power now or hereafter existing whether or not contained herein.

6.15 Order of Realization. The Creditor and any Receiver may realize upon the Charges created hereby and any other present or future Charges in such order as it may consider appropriate, and any such realization will not prevent realization on any other Charges. The Creditor and any Receiver will be free to deal with the Mortgaged Property in such order as it may consider appropriate, notwithstanding any rule of law or equity to the contrary (including the equitable principle or doctrine of marshalling).

OTHER AGREEMENTS

7.1 Subdivision. Every part into which the Mortgaged Property is now or may hereafter be divided will stand charged with the whole of the Secured Obligations, and no Person will have any right to require the Secured Obligations to be apportioned.

7.2 Amalgamation. Without limiting the covenant contained herein prohibiting an amalgamation without the Creditor's consent, if the Mortgagor amalgamates with any other corporations the Secured Obligations will include all Secured Obligations of the amalgamated corporation.

7.3 Secured Obligations Absolute. The obligation of the Mortgagor to pay, observe, perform and satisfy the Secured Obligations is absolute and unconditional and will not be affected by any circumstance, including any set-off, claim, counterclaim, defence or other right which the Mortgagor now or hereafter has against the Creditor or anyone else for any reason whatsoever.

7.4 Amendment. This Mortgage may only be amended by a document executed by the party against whom enforcement of the amendment is sought.

7.5 Communication. No notice, consent or other communication in connection herewith (including legal process) will be effective unless it is in writing and is executed by the party giving the same or the party's authorized agent. Any such communication may be validly given by delivery, mail or fax to the address for the intended party set out in items 3 and 4 of Part 1, or a corresponding fax number, or such other address or fax number as the intended party may have given notice of. Any such communication given by mail will be deemed to have been given on the earlier of the date of actual receipt or, except when postal services are not functioning, the expiry of five days after the date of mailing.

7.6 Assignment. The Mortgagor will not assign this Mortgage or any of its rights or benefits hereunder. The Creditor may assign this Mortgage or any of its rights, benefits, liabilities or obligations hereunder to any Person without any consent of the Mortgagor.

7.7 Consolidation. This Mortgage is subject to the doctrine of consolidation notwithstanding section 31 of the *Property Law Act* (British Columbia) as amended or replaced from time to time.

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7.8 Currency Conversions. If the Creditor receives or recovers under this Mortgage payment of any or all of the Secured Obligations recovered in a currency (the "Recovered Amount") which is different than the currency in which the Secured Obligations are due or owing (the "Contract Currency"), the Creditor may convert the Recovered Amount to the Contract Currency at the rate of exchange which the Creditor is able, acting in a reasonable manner and in good faith, to purchase the Contract Currency.

Any payments received in respect of the Secured Obligations from time to time, and any monies realized on this Mortgage shall, notwithstanding any appropriation by the Mortgagor, be appropriated by the Creditor against such Secured Obligations as the Creditor may see fit, and the Creditor shall have the right to change any appropriation at any time. If monies are received or appropriated by the Creditor in respect of Secured Obligations not yet due, they shall be credited to a cash collateral account opened by the Creditor for such purpose in its own records of account, as the Creditor may in its discretion decide, and appropriated to the Obligations when due or transferred to the Creditor to be dealt with in accordance with the Creditor's discretion.

INTERPRETATION

8.1 Governing Law. This Mortgage will be governed by the laws in effect in British Columbia. The Mortgagor irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of British Columbia with respect to all matters arising in connection with this Mortgage and the Secured Obligations.

8.2 Joint and Several. If more than one Person executes this Mortgage as the Mortgagor, all representations, warranties, covenants and agreements of the Mortgagor will be joint and several, the Secured Obligations will include all those of any one or more such Persons, and the Mortgaged Property will include all of the Mortgaged Property of any one or more such Persons.

8.3 Successors. This Mortgage will enure to the benefit of and be binding upon the parties and their respective heirs, personal representatives, successors and permitted assigns.

8.4 Severability. The invalidity or unenforceability of any provision of this Mortgage will not affect the remaining provisions or the remainder of the impugned provision.

8.5 Number and Gender. Unless the context otherwise requires, words importing the singular will include the plural and *vice versa*, and words importing gender will include all genders.

8.6 Headings. Headings have been inserted for convenience of reference only and are not to affect interpretation.

8.7 Entire Agreement; Conflicting Terms. The Creditor has not made any representation or agreement or undertaken any obligation in connection with the subject matter of this Mortgage other than as specifically set out herein and in any other document executed by the Creditor. If and to the extent the terms of this Mortgage conflict with the terms of any document executed by the Creditor, the terms of that document will prevail.

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- 8.8 Deed.** The parties intend this Mortgage to take effect as a deed.
- 8.9 Definitions.** Unless the context otherwise requires, the following terms will have the following meanings herein:
- (a) **"Assigned Leases"** means the following:
 - (i) all existing and future leases of and agreements to lease any of the Mortgaged Property;
 - (ii) all existing and future tenancies, agreements as to use or occupation, and licences in respect of any of the Mortgaged Property, whether or not pursuant to any written lease, agreement or licence;
 - (iii) all existing and future guarantees of any or all of the obligations of any existing or future tenant, sub-tenant, user, occupier or licensee of any of the Mortgaged Property; and
 - (iv) all existing and future agreements to assume the obligations of any existing or future tenant, sub-tenant, user, occupier or licensee of any of the Mortgaged Property;
 - (b) **"Assigned Rents"** means all rents and other monies now or hereafter owing under or in respect of any of the Assigned Leases;
 - (c) **"Charge"** means any security interest, mortgage, charge (fixed or floating), pledge, hypothec, lien (statutory or otherwise), assignment, lease, conditional sale or other title retention agreement, trust or other encumbrance of any nature however arising;
 - (d) **"Creditor"** has the meaning given to it in item 5(a) of Part 1;
 - (e) **"Environmental/Hazardous Materials Claims"** means enforcement or other governmental or regulatory actions, agreements or orders threatened, instituted or completed pursuant to any Environmental/Hazardous Materials Laws, together with claims made or threatened by any third party against the Mortgagor or in respect of any of the Mortgaged Property relating to the environment, health, safety, any Wastes/Hazardous Materials or any Environmental/Hazardous Materials Laws;
 - (f) **"Environmental/Hazardous Materials Laws"** means laws, bylaws, rules, ordinances, regulations, notices, approvals, orders, licences, permits, standards, guidelines and policies from time to time of any level of government or other authorized agency relating to the environment, health, safety or any Wastes/Hazardous Materials;
 - (g) **"Event of Default"** means any event referred to in paragraph 5.1 hereof or otherwise herein as constituting an Event of Default;
 - (h) **"Grantor"** means the Creditor.

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- (i) **"Grantor's Security"** means all present and future Charges in favour of or held by the Grantor (or any predecessor thereof).
- (j) **"Gross Sale Price"** means the sale of a Lot for a purchase price which is not less than the following amounts:
 - (i) for pre-sold Lots, the sale price for such pre-sold Lot as set out in the contract of purchase and sale for such pre-sold Lot previously approved by the Senior Creditor and Grantor; and
 - (ii) for all other Lots, the sale price for that Lot as set out in the sales list for the Project previously approved by the Senior Creditor and Grantor.
- (k) **"including"** means including without limitation.
- (l) **"Lots"** means the strata lots to be created by the subdivision of the Mortgaged Property by way of strata plan.
- (m) **"this Mortgage", "hereby", "herein", "hereof", "hereto" and "hereunder"** refer to the whole of this Mortgage, as amended from time to time, and not to any subdivision hereof.
- (n) **"Mortgaged Property"** means the real property described in item 2 of Part 1 and all of the Mortgagor's present and after-acquired interests therein and with respect thereto, whether freehold, leasehold or otherwise, including all present and future:
 - (i) buildings, structures, improvements and fixtures;
 - (ii) easements, rights of way, privileges, benefits, licences, profits and similar rights, whether connected with or appurtenant to such property or otherwise; and
 - (iii) proceeds of any sale, expropriation or other disposition

provided that any reference to "Mortgaged Property" will unless otherwise provided be deemed to refer to the Mortgaged Property as a whole or any parts thereof.
- (o) **"Mortgagor"** has the meaning given to it in item 5(a) of Part 1.
- (p) **"Mortgagor to Senior Creditor Liabilities"** means all present and future debts and liabilities of the Mortgagor to a Senior Creditor.
- (q) **"Other Obligor"** means a Person who from time to time guarantees, assumes or otherwise becomes liable for, or who agrees to indemnify the Creditor for any loss, costs or damages as a result of the Mortgagor's failure to perform, any of the Secured Obligations.

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- (r) **"Part 1"** means the Form B (including all schedules and addenda thereto) which constitutes Part 1 of this Mortgage (and which refers to this Part 2).
- (s) **"Part 2"** means the express mortgage terms set out herein which are annexed to this Mortgage as Part 2.
- (t) **"Permitted Charges"** means:
 - (i) Charges that are totally subordinate in priority to the Charges created hereby by virtue of a priority agreement in favour of the Creditor registered against the Mortgaged Property;
 - (ii) Charges in favour of the Creditor or disclosed in item 11 of Part 1 or approved in writing by the Creditor prior to their creation or assumption;
 - (iii) liens for Taxes or other statutory or public obligations which are not at the time due and delinquent;
 - (iv) liens for delinquent Taxes, and liens of judgments rendered or claims filed against the Mortgagor, the validity of which is being contested in good faith and in respect of which the Mortgagor has set aside on its books reserves considered adequate by the Creditor in its sole discretion;
 - (v) security given to a public utility or governmental or other public authority which is required by such authority in connection with the operations of the Mortgagor;
 - (vi) easements, rights-of-way or similar rights in the Mortgaged Property granted to or reserved by other Persons which do not, in the Creditor's sole opinion, materially impair the usefulness of such Mortgaged Property for the purpose for which it is used or intended;
 - (vii) title defects or irregularities which, in the Creditor's sole opinion, are of a minor nature and will not materially impair the usefulness of the Mortgaged Property for the purpose for which it is used or intended; and
 - (viii) reservations, limitations, provisos and conditions expressed in any original grant from the Crown.
- (u) **"Person"** means any individual, proprietorship, firm, partnership or artificial body, including any corporation, government or instrumentality.
- (v) **"Project"** means the construction and development of the lands and premises located at 4221 and 4227 East Hastings Street, Burnaby, B.C. and legally described as PID: 029-877-555 LOT 1 DISTRICT LOT 121 GROUP 1 NEW WESTMINSTER -DISTRICT PLAN EPP56644 as a mixed-use development, consisting of a 5-storey building with two levels of underground parking.

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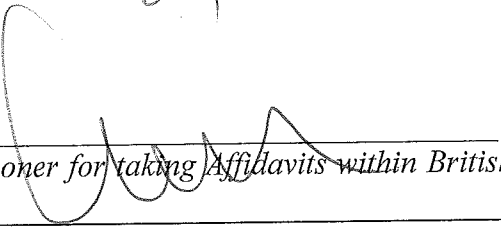
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- (w) **"Receiver"** means a receiver, receiver-manager or receiver and manager of the Mortgagor or any of the Mortgaged Property, whether appointed by the Creditor or a court upon the application of the Creditor.
- (x) **"Secured Obligations"** has the meaning given to it in item 5(a) of Part 1.
- (y) **"Senior Creditors"** means the creditors or mortgagees and their successors and assigns, as the case may be, who from time to time hold registered Mortgage security against the Mortgaged Property senior in priority to the Mortgage security held by the Creditor, and **"Senior Creditor"** means any one of them.
- (z) **"Taxes"** means taxes, rates, levies, assessments and other charges of every kind (including penalties and interest thereon added by the relevant authorities) which are levied, assessed or charged in connection with:
 - (i) the Mortgaged Property, the use or occupation thereof, or the utilities, local improvements and sewers in respect thereof; or
 - (ii) any of the Secured Obligations, but excluding the Creditor's income tax.
- (aa) **"Wastes/Hazardous Materials"** means wastes, materials and substances the storage, manufacture, disposal, treatment, generation, use, or transport of which is prohibited, controlled or licensed under any Environmental/Hazardous Materials Laws, or the remediation or release of which into the environment is likely to immediately or in the future cause harm or degradation to any of the Mortgaged Property or the environment, including contaminants, pollutants, corrosive substances, toxic substances, special wastes, substances deleterious to fish or wildlife, explosives, radioactive materials, asbestos, urea formaldehyde, and compounds known as chlorobiphenyls.

END OF DOCUMENT

This is Exhibit "D" referred to in the Affidavit of
JONATHAN WONG sworn before me at
Vancouver, B.C., this 24 day of January, 2020.


A Commissioner for taking Affidavits within British
Columbia

D. MANNING & ASSOCIATES INC.

Licensed Insolvency Trustee

Suite 520
625 Howe Street
Vancouver, B.C.
V6C 2T6Telephone: (604) 683-8030
Facsimile: (604) 683-8327
<http://www.manning-trustee.com>

January 20, 2020

Owen Bird Law Corporation
PO Box 49130
Three Bentall Centre
2900 – 595 Burrard Street
Vancouver, BC V7X 1J5Attention: Mr. Alan A. Frydenlund, Q.C.

Dear Sirs:

Re: Censorio Group (Hastings & Carleton) Holdings Ltd.

We are writing to confirm that we are a Licensed Insolvency Trustee under the *Bankruptcy & Insolvency Act* and that our licence applies to British Columbia and the Yukon Territory. In addition, we confirm that we have significant experience in the real estate industry including the completion of construction and selling residential condominiums and commercial real estate properties.

We are also writing to confirm that we are prepared to act as Receiver and Manager of the assets, undertakings and property of Censorio Group (Hastings & Carleton) Holdings Ltd. (“the Debtor”) in the event that our firm is appointed by the Court to act as Receiver and Manager of the assets, undertakings and property of the Debtor.

If you have any questions with respect to the foregoing, please do not hesitate to contact the writer at 604-683-8030.

Yours very truly,

D. MANNING & ASSOCIATES INC.

Licensed Insolvency Trustee

Per: William Choo, CPA, CGA
Senior Vice-President

WC:as

No. H-200039
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH
COLUMBIA**

BETWEEN:

PEOPLES TRUST COMPANY

Petitioner

AND:

CENSORIO GROUP (HASTINGS & CARLETON)
HOLDINGS LTD., PETER CENSORIO also known as PETER
ANTHONEY CENSORIO and PETER ANTHONY CENSORIO,
STRADA 39 TRUST, BANCORP GROWTH MORTGAGE
FUND II LTD., BANCORP BALANCED MORTGAGE FUND II
LTD., BANCORP FINANCIAL SERVICES INC., PK CAPITAL
LTD., ALL CANADIAN INVESTMENT CORPORATION, FBM
CANADA GSD, INC., MEDINA CONCRETE SERVICES LTD.,
TUCUVAN CONSTRUCTION LTD., OMNI DRYWALL LTD.,
1223293 B.C. LTD., RAHUL GLASS LTD., SERIN
INVESTMENTS LTD., CLARION PROPERTY
CORPORATION, G. I. H. PROPERTIES LTD., BARRY
CHARLES HOLDINGS LTD., BECISON HOLDING
CORPORATION, SANDRA CHAPPELL, CREST CAPITAL
CORPORATION, DURHAM CAPITAL MANAGEMENT INC.,
YORK VENTURES LTD., HI-GROVE HOLDINGS (1995)
LTD., DIANE RAUCH, JEFFREY RAUCH, GERHARD
RAUCH, HELGA RAUCH, PAVILION INVESTMENTS INC.,
RODNEY GRANT KENYON, ALAN LONG and MANDATE
MANAGEMENT CORPORATION

AFFIDAVIT

OWEN BIRD LAW CORPORATION
P.O. Box 49130
Three Bentall Centre
2900 - 595 Burrard Street
Vancouver, BC V7X 1J5
Attention: Alan A. Frydenlund, Q.C.
File No. 22880/0112