

LAND TITLE ACT

FORM C

(Section 219.81)
Province of
British Columbia

GENERAL INSTRUMENT - PART 1 (This area for Land Title Office use) PAGE 1 of 27 pages

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

E.M. Vogt, McCarthy Tétrault
1300 - 777 Dunsmuir Street
Vancouver, B.C. V7Y 1K2 669-2611

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

016-084-713

(LEGAL DESCRIPTION)

Lot B, District Lot 1039, Plan 22832

3. NATURE OF INTEREST: *

DESCRIPTION	DOCUMENT REFERENCE (page and paragraph) Entire Document	PERSON ENTITLED TO INTEREST
Modification of Lease GD 3141	Page 26 Paragraph 4.1	Lessor/Lessee
Priority Agreement	Page 26 Paragraph 4.1	Lessor/Lessee

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

- (a) Filled Standard Charge Terms
- (b) Express Charge Terms
- (c) Release

<input type="checkbox"/>
<input checked="" type="checkbox"/>
<input type="checkbox"/>

D.F. No.
Annexed as Part 2
There is no Part 2 of this instrument

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

5. TRANSFEROR(S): *

THE CORPORATION OF THE DISTRICT OF WEST VANCOUVER

and

BANK OF AMERICA CANADA

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

GATEWAY PACIFIC CONSTRUCTION LTD., (Incorp. No. 371299)
1551 Columbia Street, North Vancouver, British Columbia, V7J 1A3, and

~~THE CORPORATION OF THE DISTRICT OF WEST VANCOUVER, 750 17th Street,~~
~~West Vancouver, British Columbia, V7V 3T3~~

7. ADDITIONAL OR MODIFIED TERMS: * NIL

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British Columbia

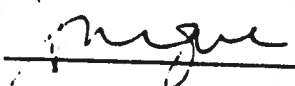
GENERAL INSTRUMENT - PART 1 (This area for Land Title Office use) PAGE 2 of 27 pages

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

USE BLACK INK ONLY
Officer Signature(s)


A Commissioner for taking affidavits
for British Columbia
J. Douglas Allan
Municipal Manager
District of West Vancouver


ELIZABETH V. VOGT
Notary Public
1300 - 777 DUNDAS STREET
VANCOUVER, B.C. V7Y 1K2

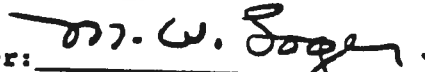

RONALD J. ARGUE
OWEN, BIRD
BARRISTER & SOLICITOR
2900 - 895 BARRARD STREET


Execution Date

Y	M	D
92	6	30
92	6	22
92	6	20

USE BLACK INK ONLY
Party(ies) Signature(s)

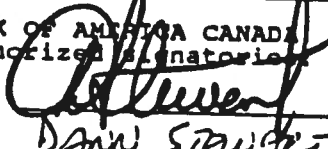
THE CORPORATION OF THE
DISTRICT OF WEST
VANCOUVER, by its authorized
signatories:


Per: MARK W. SAGER MAYOR


Per: MARK WARWICK
MAYOR
GATEWAY PACIFIC CONSTRUCTION
LTD., by its authorized
signatories:


Per: MICHAEL SCASTIS

Per: _____
BANK OF AMERICA CANADA by its
authorized signatories:


Per: DAWN STEWART

OFFICER'S DECLARATION:
Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the Evidence
Title Act as they pertain to the execution of this instrument.
If space insufficient, enter "SEE SCHEDULE" and attach schedule in Form E.

AMENDMENT TO LEASE

This Amendment to Lease is dated for reference and made as of February 1, 1992,

BETWEEN:

THE CORPORATION OF THE DISTRICT OF WEST VANCOUVER, 750 - 17th Street, West Vancouver, British Columbia, V7V 3T3

(the "Lessor")

AND:

GATEWAY PACIFIC CONSTRUCTION LTD. (Inc. No. 371299), 1551 Columbia Street, North Vancouver, British Columbia, V7J 1A3

(the "Lessee")

AND:

BANK OF AMERICA CANADA
586 Hornby Street,
Vancouver, British Columbia, V6C 2E7

(the "Lender")

WHEREAS:

A. Pursuant to a ground lease (the "Lease") dated for reference November 4, 1988 between the Lessor and the Lessee which is registered in the land title office under registration no. GD3141, the Lessor leased to the Lessee the Lands, as more particularly described in the Lease;

B. The Lessor and the Lessee have agreed to amend the Lease to provide for the development of the Lands by means of a two phased strata development;

C. The Lands were consolidated by means of a subdivision plan and are now legally described as follows:

Lot B
District Lot 1039
Plan 22832; and

D. The Lessee has granted to the Lender a mortgage and assignment of rents (collectively, the "Lender's Security") which are registered in the Vancouver/New Westminster Land Title Office under registration nos. GD6180 and GD6181, respectively.

NOW THEREFORE the Lessor, the Lessee and the Lender, in consideration of the premises, the sum of \$1.00 paid by each party to the other, the mutual covenants and agreements herein contained, and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged) and subject to the terms and conditions herein set out, covenant and agree as follows:

1.0 INTERPRETATION

1.1 Defined Terms. All terms defined in the Lease and used herein shall have the respective meanings ascribed to them in the Lease unless the context otherwise requires or unless otherwise stated herein. The defined terms in the recitals to this Amendment to Lease shall have such meanings throughout this Amendment to Lease, unless otherwise stated herein.

1.2 Captions. The captions appearing in this Amendment to Lease have been inserted as a matter of convenience and for reference only and in no way define, limit or enlarge the scope or meaning of this Amendment to Lease or any provision hereof.

1.3 New Definitions. In this Amendment to Lease, "Amendment Date" means the date this Amendment to Lease is filed for registration in the Vancouver/New Westminster Land Title Office.

2.0 AMENDMENTS TO LEASE

2.1 General Amendments. The Lease is hereby amended, with effect as of the Amendment Date, as follows:

(a) Paragraphs 1.01(e), (f), (m), (u), (v), (ff), (hh) and (ll) are deleted and replaced with the following definitions:

"(e) "Building Permit I" means building permit No. B-03-3944, as amended from time to time;

(f) "Building Permit II" means building permit No. B-03-4721, as amended from time to time;

(m) "Development Permit" means development permit No. 89-22, Ref. No. 760, as amended from time to time;

(u) "Leasehold Strata Plan" means the Phase I Strata Plan upon the deposit of such plan in the Vancouver/New Westminster Land Title Office, and means the Phase I Strata Plan and the Phase II Strata Plan upon the

deposit of the Phase II Strata Plan in the Vancouver/New Westminster Land Title Office;

- (v) "Letter of Credit" means a "clean", unconditional letter of credit issued by a Canadian chartered bank and in a form and containing such terms as are acceptable to the Lessor. In the event the Lessee is not able to obtain letters of credit for the time periods specified herein, the letters of credit may be for a shorter term provided that:
 - (i) the terms of such letters of credit shall be not less than 1 year; and
 - (ii) the Lessee shall provide replacement letters of credit at least 30 days prior to their expiry, failing which the Lessor, in its absolute discretion, may forthwith tender the same for payment;
 - (ff) "Project" means the construction of a multi-family residential complex within 2 high-rise towers and 10 townhouses, together with ancillary commercial uses;
 - (hh) "Strata Corporation" means the corporation created by the provisions of the Condominium Act upon the deposit of the Phase I Strata Plan in the Vancouver/New Westminster Land Title Office and, for greater certainty, means the amalgamated strata corporation created pursuant to the Condominium Act upon the deposit of the Phase II Strata Plan in the Vancouver/New Westminster Land Title Office;
 - (ll) "Tower I" means the buildings constructed pursuant to Building Permit I;".
- (b) The following definitions are added to section 1.01:
- "Phase I Strata Plan" means the leasehold strata plan comprising all of the dwelling units located in Tower I and deposited in the appropriate Land Title Office under Part 2 of the Condominium Act as the first phase of the phased development dealt with in the Form E under the Condominium Act filed with such plan;
- "Phase II Strata Plan" means the leasehold strata plan comprising all of the dwelling units located in Tower II and the remainder of the Lands after the deposit of the Phase I Strata Plan and deposited in the appropriate Land Title Office under Part 2 of the

Condominium Act as the second phase of the phased development dealt with in the Form E under the Condominium Act filed with the Phase I Strata Plan;

"Proposed Phase I Strata Plan" means the leasehold strata plan that the Lessee proposes be deposited to create the Phase I Strata Plan;

"Proposed Phase II Strata Plan" means the leasehold strata plan that the Lessee proposes be deposited to create the Phase II Strata Plan;

(c) Paragraph 2.01(d) of the Lease is deleted and replaced by the following:

"Subject to the conditions set out below, the sum of \$1,837,500 shall be paid on January 1, 1993 (hereinafter called the "No. 4 Payment Date"). In addition, the Lessee shall pay to the Lessor, as additional rent, within 10 days of the date upon which the C.P.I. for the month of the No. 4 Payment Date is published, an amount which is equal to the product obtained by multiplying \$1,837,500 by the fraction, the numerator of which is the C.P.I. for the month of the No. 4 Payment Date and the denominator of which is the C.P.I. for the month of July, 1989, minus the sum of \$1,837,500. PROVIDED HOWEVER:

- (i) that such additional rent shall not be less than the interest that would accumulate on an initial balance of \$1,837,500 (subject to reductions in the balance in accordance with subparagraph (ii)) at a rate of 4% per annum compounded annually not in advance from July 1, 1989 to January 1, 1993, and shall not be greater than the interest that would accumulate on an initial balance of \$1,837,500 (subject to reductions in the balance in accordance with subparagraph (ii)) at a rate of 6% per annum compounded annually not in advance from July 1, 1989 to January 1, 1993; and
- (ii) that in the event of early partial payments on account of Basic Rent due to sales of leasehold strata lots as provided for below, the total additional rent payable as a consequence of the increase in C.P.I. shall from the date of each early payment be calculated on \$1,837,500 less the aggregate amount of early payments on account of the said sum of \$1,837,500

calculated under subparagraph (iii) below, such that the additional rent payment based on the increase in C.P.I. shall only be payable on the portion of the \$1,837,500 from time to time unpaid.

Upon filing the Phase I Strata Plan, if the Lessee wishes to assign its interest in any leasehold strata lot hereby created prior to full payment of the Basic Rent payable pursuant to this Section 2.01(d), the Lessee shall pay to the Lessor, as a condition of the Lessor's consent to such assignment and on account of the Lessee's rent obligations under this Section 2.01(d), the following:

- (iii) on account of the Basic Rent payment of \$1,837,500 an amount equal to the product obtained by multiplying \$1,837,500 by the fraction, the numerator of which is in each instance the unit entitlement of the leasehold strata lot being assigned and the denominator of which is the aggregate unit entitlement set out in the Phase I Strata Plan (the "Phase I Proportionate Basic Rent"); plus
- (iv) on account of the additional rent due to an increase in the C.P.I. an amount equal to the product obtained by multiplying the Phase I Proportionate Basic Rent by the fraction, the numerator of which is the C.P.I. for the month of such early payment and the denominator of which is the C.P.I. for the month of July, 1989 and deducting therefrom the Phase I Proportionate Basic Rent, PROVIDED HOWEVER such additional rent shall not be less than the amount of the interest that would accumulate on the Phase I Proportionate Basic Rent at a rate of 4% per annum compounded annually not in advance from July 1, 1989 to the first day of the month in which such early payment is made and shall not be more than the amount of the interest that would accumulate on the Phase I Proportionate Basic Rent at a rate of 6% per annum compounded annually not in advance from July 1, 1989 to the first day of the month in which such early payment is made. In the event the C.P.I. for the month of such assignment is not known at the time of such assignment, the parties shall use as the basis of their

calculation and make payments using the C.P.I. for the month for which statistics were last published and shall re-adjust the amount owing when the C.P.I. for the actual month of the assignment is first known;"

- (d) Paragraph 2.01(e) of the Lease is deleted and replaced by the following:

"Subject to the conditions set out below, the sum of \$1,837,500 shall be paid on January 1, 1995 (hereinafter called the "No. 5 Payment Date"). In addition, the Lessee shall pay to the Lessor, as additional rent, within 10 days of the date upon which the C.P.I. for the month of the No. 5 Payment Date is published, an amount which is equal to the product obtained by multiplying \$1,837,500 by the fraction, the numerator of which is the C.P.I. for the month of the No. 5 Payment Date and the denominator of which is the C.P.I. for the month of July, 1989, minus the sum of \$1,837,500. PROVIDED HOWEVER:

- (i) that such additional rent shall not be less than the amount of the interest that would accumulate on an initial balance of \$1,837,500 (subject to reductions in the balance of \$1,837,500 in accordance with subparagraph (ii)) at the rate of 4% per annum compounded annually not in advance from July 1, 1989 to January 1, 1995, and shall not be greater than the interest that would accumulate on an initial balance of \$1,837,500 (subject to reductions in the balance of \$1,837,500 in accordance with subparagraph (ii)) at the rate of 6% per annum compounded annually not in advance from July 1, 1989 to January 1, 1995; and
- (ii) that in the event of early partial payments on account of Basic Rent due to sales of leasehold strata lots as provided for below, the total additional rent payable as a consequence of the increase in C.P.I. shall from the date of each early payment be calculated on \$1,837,500 less the aggregate amount of early payments on account of the said sum of \$1,837,500 calculated under subparagraph (iii) below, such that the additional rent payment based on the increase in C.P.I. shall only be payable on the portion of the \$1,837,500 from time to time unpaid.

Upon filing the Phase II Strata Plan, if the Lessee wishes to assign its interest in any leasehold strata lot thereby created prior to full payment of the Basic Rent payable pursuant to this Section 2.01(e), the Lessee shall pay to the Lessor, as a condition of the Lessor's consent to such assignment and on account of the Lessee's rent obligations under this Section 2.01(e), the following:

- (iii) on account of the Basic Rent payment of \$1,837,500 an amount equal to the product obtained by multiplying \$1,837,500 by the fraction, the numerator of which is in each instance the unit entitlement of the leasehold strata lot being assigned and the denominator of which is the aggregate unit entitlement set out in the Phase II Strata Plan (the "Phase II Proportionate Basic Rent"); plus
- (iv) on account of the additional rent due to an increase in the C.P.I. an amount equal to the product obtained by multiplying the Phase II Proportionate Basic Rent by the fraction, the numerator of which is the C.P.I. for the month of such early payment and the denominator of which is the C.P.I. for the month of July, 1989 and deducting therefrom the Phase II Proportionate Basic Rent, PROVIDED HOWEVER such additional rent shall not be less than the amount of the interest that would accumulate on the Phase II Proportionate Basic Rent at a rate of 4% per annum compounded annually not in advance from July 1, 1989 to the first day of the month in which such early payment is made and shall not be more than the amount of the interest that would accumulate on the Phase II Proportionate Basic Rent at a rate of 6% per annum compounded annually not in advance from July 1, 1989 to the first day of the month in which such early payment is made. In the event the C.P.I. for the month of such assignment is not known to the parties at the time of such assignment, the parties shall use as the basis for their calculation and make payments using the C.P.I. for the month for which statistics were last published and shall readjust the amount owing when the C.P.I. for the actual month of the assignment is first known;"

(e) Paragraph 2.01(f) of the Lease is deleted and replaced with the following:

"(f) subject to the conditions set out below:

- (i) with respect to that portion of the Lands included within the Phase I Strata Plan, commencing January 1, 1993 the sum of \$77,350 per annum plus, commencing January 1, 1998, an amount which is equal to the product obtained by multiplying \$77,350 by a fraction, the numerator of which is the C.P.I. for the month of January in each successive year and the denominator of which is the C.P.I. for January, 1998, minus the sum of \$77,350 (such basic rent and additional rent being collectively the "Phase I Rent");
- (ii) with respect to that portion of the Lands not included within the Phase I Strata Plan, commencing January 1, 1993 the sum of \$47,650 per annum plus, commencing January 1, 1998, an amount which is equal to the product obtained by multiplying \$47,650 by a fraction, the numerator of which is the C.P.I. for the month of January in each successive year and the denominator of which is the C.P.I. for January, 1998, minus the sum of \$47,650 (such basic rent and additional rent being collectively the "Phase II Rent");

provided however, that the additional rent for each of the Phase I Rent and the Phase II Rent for each year commencing 1998 shall not be less than the amount of the interest that would accumulate on the basic rent at a rate of 4% per annum compounded annually not in advance from January 1, 1998 to the first day of each such year and shall not be more than the amount of the interest that would accumulate on the basic rent at a rate of 6% per annum compounded annually not in advance from January 1, 1998, to the first day of each such year. If the aggregate unit entitlement of all of the strata lots in the Phase II Strata Plan varies materially from 89,363, as

determined by the Lessor acting reasonably, the aggregate annual basic rent of \$125,000.00 shall be readjusted as between that portion of the Lands included within the Phase I Strata Plan and that portion of the Lands not included in the Phase I Strata Plan based upon the actual relative aggregate unit entitlements of the Phase I Strata Plan and the Phase II Strata Plan in the same manner as apportionment is to take place under subsection 25.06(b) hereof once the actual number is known and such reapportionment of the annual basic rent shall be effective commencing with the calendar year following that in which the Phase II Strata Plan is deposited. In such event the Phase I Rent shall be the annual basic rent apportioned to the Lands included within the Phase I Strata Plan and the Phase II Rent shall be the annual basic rent apportioned to the Lands not included within the Phase I Strata Plan plus in each case additional rent calculated based upon such reapportioned basic rent using the same principles as are set out above. Each of the Phase I Rent and the Phase II Rent shall be paid in equal monthly instalments on the first day of each month. If the Term should end on any other day than the last day of the month the Phase I Rent and the Phase II Rent for the fraction of the month shall be calculated on a per diem basis at a rate per day equal to 1/365th of the Phase I Rent or the Phase II Rent, as the case may be, paid in the last year of the Term of the Lease. Upon the deposit of the Phase I Strata Plan the Phase I Rent shall become an obligation of the Strata Corporation which shall be responsible for its collection from the Strata Lot lessees. Upon the deposit of the Phase II Strata Plan the Phase II Rent shall become an obligation of the Strata Corporation which shall be responsible for its collection from the Strata Lot lessees. The Lessee shall, at any time, be entitled to prepay the Phase I Rent and the Phase II Rent upon payment of the then net present value of the aggregate annual rental of \$125,000, discounted at 5%. The discount rate has been determined by using an interest rate of 9% per annum and deducting therefrom the minimum C.P.I. increase of 4%."

- (f) Section 2.07 of the Lease is amended by adding the following phrase to the end of the first sentence:

" , provided that such extension shall apply only with respect to such payment, provision, expiry and performance referable to that portion of the Lands included in either the Phase I Strata Plan or to be included in the Phase II Strata Plan which is affected by such delay."

- (g) Section 13.01 of the Lease is amended by deleting the phrase "prior to the filing of the Leasehold Strata Plan and the creation of the Strata Corporation" from lines 14 and 15 of that section and replacing it with the following:

"with respect to that portion of the Buildings and Lands included within the Phase I Strata Plan, prior to the filing of the Phase I Strata Plan and the creation of the Strata Corporation and, with respect to that portion of the Buildings and Lands not included within the Phase I Strata Plan, prior to the filing of the Phase II Strata Plan,".

- (h) Paragraph 18.03(a) of the Lease is amended by deleting the phrase "the assumption of the balance of the Term as aforesaid and whose charge" in the sixth and seventh lines from the bottom of paragraph 18.03(a) and replacing it with the following: "the assumption of the balance of the Term as aforesaid by that Mortgagee which is willing to cure and assume as aforesaid and whose charge".

- (i) A new section 21.02 shall be added to the Lease as follows:

21.02 Observance and Performance of Prior Encumbrances

The Lessee covenants and agrees with the Lessor that it will observe and perform all of the terms and covenants set out in any prior encumbrance registered against title to the Lands which are to be observed or performed by the grantor of such encumbrance."

- (j) Sections 25.01 and 25.02 of the Lease are deleted and replaced with the following:

25.01 Conversion of Ground Lease

It is understood and agreed between the Lessor and the Lessee that the Lessee will convert this Lease into individual leases in the name of the Lessee in respect of the interest of the Lessor

in each Strata Lot, subject to the applicable terms and conditions contained in this Lease and the Model Strata Lot Lease attached hereto and forming Schedule "A" hereof and to the provisions of the Condominium Act and the regulations made thereunder, all in accordance with the provisions of Part 3 of the Condominium Act, by:

- (a) depositing the Proposed Phase I Strata Plan in the Vancouver/New Westminster Land Title Office which will convert this Lease, pursuant to section 96(1) of the Condominium Act, into individual leases in respect of the strata lots within the Phase I Strata Plan, but will continue this Lease on an unconverted basis in respect of that portion of the Lands not included in the Phase I Strata Plan; and
- (b) depositing the Proposed Phase II Strata Plan in the Vancouver/New Westminster Land Title Office which will convert this Lease as the lease of that portion of the Lands not included in the Phase I Strata Plan, pursuant to section 96(1) of the Condominium Act, into individual leases in respect of the strata lots within the Phase II Strata Plan.

Each Strata Lot shall be held during all of the unexpired residue of the Term then remaining separately from and independently of each of the other Strata Lots as if each Strata Lot had been demised to the Lessee by separate leases in the form of the Model Strata Lot Lease attached hereto as Schedule "A". For greater certainty, it is acknowledged and agreed that after the deposit of the Phase I Strata Plan but before the deposit of the Phase II Strata Plan, the lease of that portion of the Lands not included in the Phase I Strata Plan will be on the terms of this Lease.

25.02 Leasehold Strata Plan

- (a) The Lessee will prepare or cause to be prepared as soon as reasonably possible after the date of this Lease the Proposed Phase I Strata Plan, and shall prepare or cause to be prepared as soon as reasonably possible after the deposit of the Phase I Strata Plan, the Proposed Phase II Strata

Plan, each to be prepared in accordance with the provisions of the Condominium Act.

- (b) The Lessee shall deliver each of the Proposed Phase I Strata Plan and the Proposed Phase II Strata Plan, when prepared, to the Lessor and the Lessor agrees to deliver to the Lessee its written consent to the registration of such strata plans for filing in the Vancouver/New Westminster Land Title Office if such strata plans have been prepared in accordance with the provisions of the Condominium Act.
- (c) As soon as reasonably possible after the written consent of the Lessor has been delivered, the Lessee shall deposit each of the Proposed Phase I Strata Plan and the Proposed Phase II Strata Plan in the Vancouver/New Westminster Land Title Office in accordance with the provisions of the Condominium Act and the Land Title Act, S.B.C. 1979, c.219, as amended from time to time.
- (d) The Lessee acknowledges and confirms to the Lessor that it shall be the sole responsibility of the Lessee, in addition to the covenants set out in the paragraphs above, to comply with the requirements of the Condominium Act such that the Proposed Phase I Strata Plan and the Proposed Phase II Strata Plan may be accepted by the Vancouver/New Westminster Land Title Registrar for deposit in the Vancouver/New Westminster Land Title Office as aforesaid.
- (e) The Lessee agrees to provide the Lessor with a copy of any application made by the Strata Corporation under section 79(4) of the Condominium Act.
- (f) If an application is made under section 79(4) of the Condominium Act, the Mortgagee at its election and upon notice in writing to the Lessor may for the purpose of completing the construction of Tower II and the completion of all other things necessary to permit the deposit of the Phase II Strata Plan take possession and control of the portion of the Lands to be included in the Phase II Strata Plan in

accordance with its Mortgage or may cause a receiver to be appointed under the terms of its Mortgage or by a Court of competent jurisdiction who takes possession and control of the said portion of the Lands and the Lessor hereby grants the Mortgagee or such receiver access to the said portion of the Lands for such purpose provided that:

- (i) the Mortgagee shall in such event perform and observe all of the obligations on the part of the Lessee hereunder arising in or related to the period of time during the continuance of possession and control by it or by a receiver as aforesaid;
 - (ii) during the continuance of such possession and control any notice to the Mortgagee by the Lessor shall also be notice to the Lessee;
 - (iii) the remedies hereunder on the part of the Lessor in respect of any breach of the terms hereof (for certainty as affected by Section 18.03 of this Lease) shall not in any manner be affected by this section 25.02(f) of this Lease or by anything done under it;
 - (iv) the Lessee's obligations and liabilities hereunder shall not in any manner be affected by this section 25.02(f) of this Lease or by anything done under it; and
 - (v) if the Mortgagee consists of more than one Mortgagee the right to take possession and control as aforesaid shall be deemed granted to them in the order of the priority of their respective charges.
- (g) The Lessee agrees to proceed with the construction of Tower II at a reasonable rate and within any time limit set by a court having jurisdiction pursuant to a court order made under section 79(4) of the Condominium Act.
- (h) The Lessee agrees that if the Lessee is deemed to have elected not to proceed with

the second phase of the phased development dealt with in the Form E under the Condominium Act filed with the Phase I Strata Plan upon failure to comply with a court order under Section 79(4) of the Condominium Act, or if the final disposition of an application under Section 79(4) of the Condominium Act is an order that the Lessee elects not to proceed with the second phase of the phased development as aforesaid;

then in any such case:

- (i) such election, deemed election or court ordered election may, at the option of the Lessor exercised by notice in writing to the Lessee, be considered to be a default under this Lease which cannot be remedied by the Lessee;
- (ii) upon the issuance by the Lessor of such notice this Lease shall thereupon cease and determine absolutely with respect to the remainder of the Lands after the deposit of the Phase I Strata Plan to like effect as though the Lessor had re-entered under section 18.01 of this Lease; and
- (iii) notwithstanding any other provision hereof including, without limitation, sections 17.02, 18.01, 18.03 and 25.02(f) of this Lease such termination of this Lease as it relates to the portion of the Lands aforesaid shall be immediately valid as against any and all Mortgagees;

it being understood and agreed for certainty that neither the amendment of the said Form E nor a modification of the building plans for Tower II or the remainder of the Lands after the deposit of the Phase I Strata Plan without the occurrence of an actual, deemed or court ordered election not to proceed with the second phase as aforesaid pursuant to the provisions of the Condominium Act shall be treated as an election not to proceed for the purposes of this section 25.02(h).

- (i) The Lessee agrees that if the Lessee elects not to proceed or elects not to proceed any further with the second phase of the phased development dealt with in the Form E under the Condominium Act filed with the Phase I Strata Plan or elects not to proceed any further with the development of the Lands other than in the circumstances covered by Section 25.02(h) of this Lease then in any such case:
- (i) such election may, at the option of the Lessor exercised by notice in writing to the Lessee, be considered to be a default under this Lease which cannot be remedied by the Lessee;
 - (ii) upon the issuance by the Lessor of such notice this Lease shall thereupon cease and determine absolutely with respect to the remainder of the Lands after the deposit of the Phase I Strata Plan to like effect as though the Lessor had re-entered under Section 18.01 of this Lease; and
 - (iii) notwithstanding any other provision hereof including without limitation Sections 17.02, 18.01, 18.03 and 25.02(f) of this Lease, but excepting the balance of this Section 25.02(i) such termination of this Lease as it relates to the portion of the Lands aforesaid shall be immediately valid as against any and all Mortgagees.

Such termination of this Lease as it relates to the portion of the Lands aforesaid shall not be valid against a Mortgagee who has filed with the Lessor notice of Mortgage in favour of the Mortgagee, and specified an address for notice unless the Lessor shall first have given the Mortgagee a copy of the notice causing such termination and the Mortgagee shall fail to:

- (iv) immediately take possession and control of the portion of the Lands to be included in the Phase II Strata Plan for the purpose of completing the construction of Tower II and the completion of all other things necessary to permit the deposit of the Phase II Strata Plan;
- (v) diligently pursue the completion of the construction of Tower II and of all other things necessary to permit the deposit of the Phase II Strata Plan;
- (vi) deposit or cause the deposit of the Phase II Strata Plan within a reasonable period of time, in all the circumstances, from the time of the giving to the Mortgagee of a copy of the notice causing such termination; and
- (vii) the Mortgagee performs and observes all of the obligations on the part of the Lessee hereunder arising in or related to the period of time during the continuance of possession and control by it as aforesaid.

If the Mortgagee shall not fail to do any of the foregoing the Mortgagee shall be entitled to continue as Tenant for the balance of the Term provided that the Mortgagee attorns as tenant to the Lessor and undertakes to be bound by and to perform all of the covenants in and agreements of this Lease. If the Mortgagee shall fail to do any of the foregoing the termination of this Lease shall thereupon become effective as against all Mortgagees.

If the Mortgagee consists of more than one Mortgagee the rights under this Section 25.02(i) shall be deemed granted to them in the order of the priority of their respective charges."

- (k) Section 25.03 of the Lease is amended by deleting the phrase "The Lessee covenants and agrees with the Lessor that within 10 days after the deposit of the Leasehold Strata Plan" in the first and second lines of section 25.03 and replacing it with the following: "The Lessee covenants and agrees with the Lessor that within ten days after the deposit of the Phase I Strata Plan".
- (l) A new section 25.06 shall be added to the Lease as follows:

"25.06 Rights and Obligations on Conversion

- (a) For greater certainty, upon the deposit of the Phase I Strata Plan and the subsequent conversion of this Lease as it affects that portion of the Lands within the Phase I Strata Plan into individual leases of the strata lots created by that plan, the rights and obligations:

- (i) specifically referable only to that portion of the Lands included in the Phase I Strata Plan including, but not so as to limit the generality of the foregoing, the obligation of the Lessee set out in section 2.01(d), together with those not specifically referable only to that portion of the Lands to be included in the Phase II Strata Plan, shall be and shall be deemed to be the rights and obligations under this Lease as converted; and
- (ii) specifically referable only to that portion of the Lands to be included in the Phase II Strata Plan including, but not so as to limit the generality of the foregoing, the obligation of the Lessee set out in section 2.01(e), together with those not specifically referable only to that portion of the

Lands included in the Phase I Strata Plan, shall be and shall be deemed to be the rights and obligations under this Lease as the lease of that portion of the Lands not included in the Phase I Strata Plan;

(b) Monetary obligations payable under this Lease which are not specifically referable only to that portion of the Lands included in the Phase I Strata Plan or that portion of the Lands to be included in the Phase II Strata Plan (including the payment of Taxes levied against or payable in respect of the whole of the Lands) shall be apportioned on the basis of the relative aggregate unit entitlements of the two phases of the Project, so that:

(i) the obligations under this Lease as converted in respect of that portion of the Lands included in the Phase I Strata Plan shall be the fraction of any such monetary obligation having as its numerator the aggregate unit entitlement of all of the strata lots included in the Phase I Strata Plan, and having as its denominator the aggregate unit entitlement of all of the strata lots included in the Phase I Strata Plan and the Phase II Strata Plan; and

(ii) the obligations under this Lease as the lease of that portion of the Lands not included in the Phase I Strata Plan shall be the fraction of any such monetary obligation having as its numerator the aggregate unit entitlement of all of the strata lots included within the Phase II Strata Plan, and having as its denominator the aggregate unit entitlement of all of the strata lots in the Phase I Strata Plan and the Phase II Strata Plan;

provided that the aggregate unit entitlement of the strata lots in the Phase II Strata Plan until that is actually known shall be deemed to be 89,363 but once the actual unit entitlement of the strata lots in the Phase II Strata Plan is known the actual number shall be used."

- (m) Sections 27.07 and 27.08 of the Lease are deleted.
- (n) A new section 27.10 shall be added to the Lease as follows:

"27.10 Land Dedications

For certainty it is agreed that in the event any portion of the Lands is dedicated to the public by the deposit of a subdivision or reference plan or otherwise the rights and obligations hereunder shall continue in respect of the Lands excluding the dedicated portion, from and after the time of such dedication and for certainty there shall be no abatement of rent or other payment due hereunder as a result of such dedication."

2.2 Amendments to Model Strata Lot Lease. Schedule A to the Lease, being the Model Strata Lot Lease, is hereby amended, with effect as of the Amendment Date, as follows:

- (a) The demising paragraph on the first page of the Model Strata Lot Lease is deleted and replaced with the following paragraph:

"Now this Indenture witnesses that in consideration of the rents, covenants and agreements hereinafter reserved and contained on the part of the Lessee to be paid, observed and performed, the Lessor has demised and leased and by these presents does demise and lease unto the Lessee and the Lessee does hereby take and rent the Strata Lot (as hereinafter defined) together with all appurtenances thereto whensoever created, upon and subject to the conditions hereinafter expressed."

- (b) Paragraphs 1.01(c), (g), (i), (j), (k), (r) and (u) are deleted and replaced with the following definitions:

"(c) "Buildings" means, as of any given time, all structures and buildings constructed upon those lands which are included, at such time, in the definition of Lands or any part thereof, including, without limitation, hard landscaping, together with all replacements, alterations, additions, changes, substitutions, improvements or repairs thereto, all Common Property, all Common Facilities and all other improvements from time to time constructed upon or fixed or appurtenant to the lands which are then included in the definition of Lands;

- (g) "Development Permit" means development permit No. 89-22, Ref. No. 760, as amended from time to time;
- (i) "Ground Lease" means that certain indenture of lease of the Lands dated for reference the 4th day of November, 1988 and made between the District as lessor, and Gateway Pacific Construction Ltd., as lessee, as amended by an amendment to lease dated for reference and made as of February 1, 1992;
- (j) "Lands" means that part or parts of the following lands in the District which are included in a phase of the Leasehold Strata Plan which has been deposited in the Vancouver/New Westminster Land Title Office, namely:
- Lot B
District Lot 1039
Plan 22832;
- (k) "Leasehold Strata Plan" means the Phase I Strata Plan upon the deposit of such plan in the Vancouver/New Westminster Land Title Office, and means the Phase I Strata Plan and the Phase II Strata Plan upon the deposit of the Phase II Strata Plan in the Vancouver/New Westminster Land Title Office;
- (r) "Strata Corporation" means the corporation created by the provisions of the Condominium Act upon the deposit of the Phase I Strata Plan in the Vancouver/New Westminster Land Title Office and, for greater certainty, means the amalgamated strata corporation created pursuant to the Condominium Act upon the deposit of the Phase II Strata Plan in the Vancouver/New Westminster Land Title Office;
- (u) "Term" means the unexpired portion of the Term of the Ground Lease commencing:
- (i) with respect to the strata lots included in the Phase I Strata Plan, on the date of the deposit of the Phase I Strata Plan; and
- (ii) with respect to the strata lots included in the Phase II Strata Plan, on the date of the deposit of the Phase II Strata Plan;

save and except as modified by Article XXIV;".

- (c) The following definitions are added to section 1.01:

"Phase I Strata Plan" means the leasehold strata plan deposited in the appropriate Land Title Office under Part 2 of the Condominium Act as the first phase of the phased development of Lot B, District Lot 1039, Plan 22832 dealt with in the Form E under the Condominium Act filed with such plan;

"Phase II Strata Plan" means the leasehold strata plan deposited in the appropriate Land Title Office under Part 2 of the Condominium Act as the second phase of the phased development of Lot B, District Lot 1039, Plan 22832 dealt with in the Form E under the Condominium Act filed with the Phase I Strata Plan;

- (d) Section 2.01 of the Lease is deleted and replaced with the following:

"2.01 Basic Rent

- (a) If the Strata Lot is included in the Phase I Strata Plan and the Basic Rent and Additional Rent payable under the Ground Lease with respect to that portion of the Lands included within the Phase I Strata Plan have not been paid the Lessee covenants and agrees to pay to the Lessor, by the dates provided in the Ground Lease, as rent for and during the Term, the Basic Rent for the Strata Lot as determined by multiplying such unpaid Basic Rent and Additional Rent under the Ground Lease by the fraction, the numerator of which is the unit entitlement of the Strata Lot and the denominator of which is the aggregate unit entitlement of all of the Strata Lots included in the Phase I Strata Plan.
- (b) If the Strata Lot is included in the Phase II Strata Plan and the Basic Rent and Additional Rent payable under the Ground Lease with respect to that portion of the Lands included within the Phase II Strata Plan have not been paid the Lessee covenants and agrees to pay to the Lessor,

by the dates provided in the Ground Lease, as rent for and during the Term, the Basic Rent for the Strata Lot as determined by multiplying such unpaid Basic Rent and Additional Rent under the Ground Lease by the fraction, the numerator of which is the unit entitlement of the Strata Lot and the denominator of which is the aggregate unit entitlement of all of the Strata Lots included in the Phase II Strata Plan."

- (e) Section 3.01 of the Lease is amended by deleting the last paragraph of that section and replacing it with the following:

"Notwithstanding anything herein contained, the Lessee shall be responsible for the payments referred to in this Section 3.01:

- (a) with respect to the strata lots included in the Phase I Strata Plan, only from the date of deposit of the Phase I Strata Plan; and
- (b) with respect to the strata lots included in the Phase II Strata Plan, only from the date of deposit of the Phase II Strata Plan;

and if either of such dates shall be other than the first day of January in any year, the corresponding payment for the first year in which the Lessee is so responsible and for the last year of this Lease shall be reduced proportionately."

- (f) Paragraph 3.02(b) is amended by deleting the phrase "other authority so to do" in lines 3 and 4 and replacing it with the following: "other authority having the authority so to do".
- (g) Section 3.02 of the Lease is amended by deleting the last paragraph of that section and replacing it with the following:

"Notwithstanding anything herein contained, the Lessee shall be responsible for the payments referred to in this Section 3.02:

- (a) with respect to the strata lots included in the Phase I Strata Plan, only from the date of deposit of the Phase I Strata Plan; and
- (b) with respect to the strata lots included in the Phase II Strata Plan, only from the date of deposit of the Phase II Strata Plan;

and if either of such dates shall be other than the first day of January in any year, the corresponding payment for the first year in which the Lessee is so responsible and for the last year of this Lease shall be reduced proportionately."

- (h) Paragraph 18.03(c) is amended by deleting the phrase "re-enter the commencement of foreclosure proceedings" in lines 9 and 10 and replacing it with the following: "re-enter after the commencement of foreclosure proceedings".

2.3 Amendments to Addendum "A" to the Model Strata Lot Lease.

Addendum "A" to the Model Strata Lot Lease is hereby amended, with effect as of the Amendment Date, as follows:

- (a) All of the recitals in the Addendum are deleted and replaced with the following:

"A. By a ground lease dated for reference the 4th day of November, 1988 which was registered in the Vancouver/New Westminster Land Title Office under no. GD3141, as amended by an amendment to lease dated for reference and made as of February 1, 1992, (collectively, the "Ground Lease"), on the terms and conditions therein contained, the District, as lessor, did demise and lease to the Vendor, as lessee, certain Lands in the Province of British Columbia, which were subsequently consolidated and legally described as: Lot B, District Lot 1039, Plan 22832 (the "Lands");

B. A portion of the Lands were subdivided into strata lots by the deposit of Phase I of a two phased leasehold strata plan in the Vancouver/New Westminster Land Title Office in accordance with the provisions of the Condominium Act, S.B.C. 1979, c.61, and the Land Title Act, S.B.C. 1979, c.219, and the remainder of such Lands have been, or will be, subdivided into strata lots by the deposit of Phase II of the leasehold strata plan in the Vancouver/New Westminster Land Title Office, and the Registrar has issued in the name of the District, as registered owner in fee simple, new certificates of title to each of the strata lots so created;

C. The deposit of the Phase I leasehold strata plan:

- (i) converted the Ground Lease with respect to the strata lots included within the Phase I

leasehold strata plan (the "Phase I Lands") into individual leases in the name of the Vendor, in respect of the interest of the Vendor in each such strata lot including its share in the common property, at a rent premium or other consideration, and subject to the applicable terms and conditions contained in the Ground Lease and in the Model Strata Lot Lease attached thereto and to the provisions of the Condominium Act and the regulations thereto (the Model Strata Lot Lease being hereinafter referred to as the "Lease"); and

(ii) left that portion of the Lands (the "Phase II Lands") not included within the Phase I leasehold strata plan subject to the Ground Lease.

D. The deposit of the Phase II leasehold strata plan has, or will, convert the Ground Lease with respect to the strata lots included in the Phase II leasehold strata plan into individual leases in the name of the Vendor in the same manner as strata lots included in the Phase I Lands.

E. The Vendor at the request of the Purchaser has agreed to assign to the Purchaser for good and valuable consideration the Vendor's interest in:

Parcel Identifier _____
Strata Lot _____
District Lot 1039
Leasehold Strata Plan LMS _____ together with an interest in the common property in proportion to the unit entitlement of the strata lot as shown on Form 1.

(hereinafter called the "Strata Lot")

for all the residue now unexpired of the said term subject to the rent hereinafter reserved and to the performance and observance of the covenants on the part of the Lessee and the conditions contained in the Lease so far as the same relates to the Strata Lot; and

F. The District hereby consents to this assignment."

3.0 LEASE RATIFIED AND CONFIRMED

3.1 Ratification. Except as hereby expressly amended the Lease is hereby ratified and confirmed by the Lessor and the Lessee to the effect and

with the intent that the Lease and this Amendment to Lease should be read and construed as one document as of the Amendment Date.

4.0 CONSENT

4.1 Consent and Priority of Lender. In consideration of the Lessor agreeing to amend the Lease by the entry into this Amendment to Lease the Lender does acknowledge to, and agree with, the Lessor that it does consent to the amendments to the Lease effected by this instrument and does acknowledge and agree that the same shall be binding upon it as at the Amendment Date, and the Lender does further postpone its rights under the Lender's Security to those of the Lessor and the Lessee under this Amendment to Lease to the same manner and to the same extent as if the Lender's Security had been registered immediately after the registration of this Amendment to Lease.

5.0 ENUREMENT

5.1 Binding Effect. This Amendment to Lease shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

IN WITNESS WHEREOF the Lessor, the Lessee and the Lendor have executed this Amendment to Lease as of the day and year first above written.

The Common Seal of THE)
CORPORATION OF THE DISTRICT)
OF WEST VANCOUVER was)
hereunto affixed in the)
presence of:)

M. W. Soyer.)
Title: MAYOR)
(Authorized Signatory))

[Signature])
Title: Municipal Clerk)
(Authorized Signatory))

C/S

The Common Seal of GATEWAY)
PACIFIC CONSTRUCTION LTD.)
was hereunto affixed in the)
presence of:)

[Signature])
Title: _____)
(Authorized Signatory))

C/S

_____))
Title: _____)
(Authorized Signatory))

The Common Seal of BANK)
OF AMERICA CANADA)
was herewith affixed in the)
presence of)


Title: VICE PRESIDENT)
(Authorized Signatory))

C/S

Title: _____)
(Authorized Signatory))

This is page twenty-seven (27) of the AMENDMENT TO LEASE dated for reference and made as of February 1, 1992 between THE CORPORATION OF THE DISTRICT OF WEST VANCOUVER, GATEWAY PACIFIC CONSTRUCTION LTD. and BANK OF AMERICA CANADA.