

EXHIBIT F

PREFERRED FORM OF MASTER DEVELOPMENT AGREEMENT (without completed Schedules)

**PREFERRED FORM OF MASTER
DEVELOPMENT AGREEMENT
(WITHOUT COMPLETED SCHEDULES)
MASTER DEVELOPMENT AGREEMENT
B.C. PLACE DEVELOPMENT SITE 10A**

This Agreement, made with effect as of the Execution Date (herein defined),

BETWEEN:

B.C. PAVILION CORPORATION, a Crown Corporation of the Province of British Columbia, with its head office located at 1900 – 999 West Hastings Street, Vancouver, British Columbia, V6C 2W2

(“PavCo”)

AND:

[NAME AND ADDRESS OF DEVELOPER]

(the “Developer”)

AND:

[NAME AND ADDRESS OF INDEMNIFIER]

(the “Indemnifier”)

WITNESSES THAT WHEREAS:

- A. Terms employed in these Recitals and in this Agreement will have the meanings respectively ascribed to them in Section 1.1 hereof;
- B. PavCo is the registered owner of the B.C. Place Lands, including Development Site 10A;
- C. As of the Execution Date, PavCo has committed to the City to complete the Upgrade Project;

D. PavCo wishes to enter into this Agreement for the purposes of generating revenues to be applied to PavCo's expenses in connection with the Upgrade Project;

E. PavCo has requested proposals from interested parties with respect to the development of the Developer's Project upon Development Site 10A;

F. The Developer has provided PavCo with a proposal which PavCo wishes to support and implement;

G. The Indemnifier has a financial interest in the Developer and has agreed to become a party to this Agreement for the purposes of providing PavCo with assurances and indemnities as to the performance by the Developer of its obligations under this Agreement; and

H. PavCo and the Developer and the Indemnifier wish to clearly establish their respective rights and obligations in connection with the future use and development, through required Development Approval and a Ground Lease, of Development Site 10A as set out in this Agreement,

NOW THEREFORE, in consideration of the foregoing Recitals and the payment of the sum of TEN DOLLARS (\$10.00) and other good and valuable consideration by each of the parties hereto to the other, PavCo and the Developer and the Indemnifier covenant, acknowledge and agree as follows:

1. INTERPRETATION

1.1 Definitions

In this Agreement, the following terms will have the meanings respectively given to them:

- (a) "**Acceptable Rezoning**" means a Rezoning Bylaw which, upon Rezoning Enactment, will permit the development, use and occupation of Development Site 10A for the purposes of the Developer's Project, in compliance with the Target Rezoning Requirements (without adversely impacting or restricting the future development or use of the B.C. Place Remainder, including Development Site 10C and B.C. Place Stadium);
- (b) "**Acceptable Subdivision**" means the subdivision of Development Site 10A as a separate legal parcel from the balance of the B.C. Place Lands, whether through an air space subdivision, a leasehold subdivision or otherwise, as approved by the Approving Officer and through the deposit and registration at the Land Title Office of a Subdivision Plan upon terms and conditions in compliance with the Target Subdivision Requirements;
- (c) "**Affiliate**" has the meaning attributed in the *Canada Business Corporations Act* or in the *British Columbia Business Corporations Act*, as applicable;

- (d) **"Agreement"** means this agreement including all schedules and instruments supplementary or ancillary hereto, as amended, supplemented or restated from time to time;
- (e) **"Allowable Development Density"** means the maximum Development Density allowed to be developed pursuant to the Acceptable Rezoning in connection with Development Site 10A;
- (f) **"Applicable Law"** means any law, bylaw, statute, ordinance, order, regulation, policy or permit enacted, adopted, promulgated or issued by any federal, provincial, municipal or other local governmental authority and applicable to the ownership, development, occupation or use of Development Site 10A or any relevant portion thereof during any period of time material to this Agreement; and **"Applicable Laws"** will have a corresponding meaning;
- (g) **"Appointing Notice"** has the meaning attributed in Section 10.2;
- (h) **"Approved Developer Assignee"** means any entity approved by PavCo to acquire all or any interests of the Developer under this Agreement or in respect of Development Site 10A prior to the Commencement Date;
- (i) **"Approved Plans and Specifications"** means detailed plans and specifications for the Developer's Project (or any relevant portion thereof) proposed by the Developer and approved by PavCo, each acting in a commercially-reasonable manner, as contemplated in Section 3.12 of this Agreement;
- (j) **"Approved Referees"** means not fewer than two (2) architects, two (2) engineers and two (2) solicitors, each licensed and qualified to practice their respective professions in the Province of British Columbia, each of which has been approved by both of the parties hereto within sixty (60) days following the Execution Date, each of which shall be qualified and available to act as a Referee for the purposes of the Expedited Resolution Procedures; PROVIDED THAT if any person so approved by the parties hereto from time to time to act as a Referee is not available to act or is no longer approved by the parties to act as Referee for the purposes of the Expedited Resolution Procedures, the parties hereto will, acting in a commercially-reasonable manner, consider the selection and designation of other persons to ensure that at all times during the term of this Agreement, the parties hereto have agreed upon two (2) architects, two (2) engineers and two (2) solicitors who are and remain available and qualified as Referees if so required;
- (k) **"Approving Officer"** means the officer of the City appointed to perform the obligations and duties of the "approving officer" under the *Land Title Act*

with respect to the subdivision of lands within the boundaries of the City of Vancouver;

- (l) **“Arm’s Length”** will have the meaning ascribed thereto in the *Income Tax Act*, R.S.C., 1985, ch.1, as amended;
- (m) **“B.C. Environment”** means the Minister of Environment for the Province of British Columbia, or his successor in function and any person from time to time acting as the nominee, delegate or agent of the Minister in connection with environmental remediation of Development Site 10A, the B.C. Place Lands, or any relevant part or parts thereof, including, but not limited to, a director, manager or officer of the Ministry of Environment, or any branch, agency or division thereof;
- (n) **“B.C. Place Access Easement”** means an Easement to be granted by the Tenant, charging the interests of the Tenant under the Ground Lease, and an appurtenance to the ownership of the B.C. Place Remainder for the purposes providing pedestrian access and exiting and vehicular exiting over designated portions of Development Site 10A and the Developer’s Project, which Easement will be granted by the Tenant to PavCo as contemplated in Section 5.5 of this Agreement;
- (o) **“B.C. Place Access Routes”** means those portions of Development Site 10A and/or the Developer’s Project intended to provide pedestrian access and egress and vehicular egress for the purposes of the B.C. Place Access Easement;
- (p) **“B.C. Place Construction and Maintenance Easement”** means an Easement to be granted by the Tenant, charging the interests of the Tenant under the Ground Lease, as an appurtenance to the ownership of the B.C. Place Remainder permitting access through, under and over Development Site 10A and the Developer’s Project for the purposes of construction, repair, maintenance, demolition and replacement of the Upgraded Stadium and any replacement thereof, which Easement will be granted by the Tenant to PavCo as contemplated in Section 5.5 of this Agreement;
- (q) **“B.C. Place Environmental Standards”** means such standards of environmental remediation as may be established by relevant Governmental Authorities of the Province of British Columbia to be applicable to residential and commercial uses of the B.C. Place Lands, including, in particular, Development Site 10A;
- (r) **“B.C. Place Lands”** means those lands located in the City of Vancouver, in the Province of British Columbia and legally described as:

Parcel Identifier: 008-332-614
 Lot 153 False Creek Plan 20421,

together with any areas of land intended to be consolidated with the B.C. Place Lands through the Smithe Street Realignment, as collectively contemplated and shown in bold outline on the plan attached hereto as Schedule A;

- (s) **"B.C. Place Parking Easement"** means an Easement to be granted by the Tenant, charging the interests of the Tenant under the Ground Lease, as an appurtenance to the ownership of the B.C. Place Remainder, to permit access to and use of the B.C. Place Parking Spaces, which Easement will be granted by the Tenant to PavCo as contemplated in Section 5.5 of this Agreement;
- (t) **"B.C. Place Parking Spaces"** means Three Hundred (300) full-size vehicle parking spaces to be constructed and made available for use by PavCo as contemplated in Section 4.8 of this Agreement;
- (u) **"B.C. Place Remainder"** means the remainder of the B.C. Place Lands following subdivision of Development Site 10A from the B.C. Place Lands pursuant to an Acceptable Subdivision;
- (v) **"Builders Lien Act"** means the *Builders Lien Act*, RSBC 1997, Chapter 45 and amendments thereto;
- (w) **"Building Permit"** means a building permit issued by the City of Vancouver permitting the construction of the Developer's Project;
- (x) **"Business Day"** means any day other than a Saturday, Sunday or statutory holiday in the Province of British Columbia;
- (y) **"City"** means City of Vancouver, a corporation created pursuant to the *Vancouver Charter*, as amended from time to time, having its municipal offices at 453 West 12th Avenue, Vancouver, British Columbia, V5Y 1V4;
- (z) **"City Staff Report"** means that Policy Report prepared by Vancouver City Staff to Vancouver City Council dated September 3, 2008, a copy of which was attached as Exhibit D to the RFP;
- (aa) **"Commencement Date"** will have the meaning ascribed thereto in the Ground Lease, but for greater certainty, will mean that date upon which vacant possession of Development Site 10A is delivered by PavCo to the Developer for the purposes of commencement of development and construction of the Developer's Project;
- (bb) **"Commercial Uses"** means any retail, office, hotel or other commercial and non-residential use of Development Site 10A;
- (cc) **"Community Amenity Contribution"** means any "voluntary" payment or contribution to be made by PavCo, the Developer or any other party in

connection with any Rezoning Enactment in respect of Development Site 10A, whether imposed or invited, directly or indirectly;

- (dd) **"Construction Commencement"** means the substantial commencement of excavation for foundations and subgrade structures for the purposes of development of the Developer's Project upon Development Site 10A;
- (ee) **"Construction Period"** means that portion of the Term (of the Ground Lease) commencing on the Commencement Date and ending on the earlier of:
- (i) the date upon which an Occupancy Permit (whether conditional or unconditional) for the first phase of the Developer's Project is issued by the City following Substantial Completion thereof; or
 - (ii) that date which is **[thirty (30)]** months following the Commencement Date;
- (ff) **"Construction Period Rent"** means the greater of:
- (i) [\$_____ Dollars]; or
 - (ii) 33-1/3% of the amount of Annual Basic Rent payable by the Tenant to the Landlord during the Operating Term of the Ground Lease,

payable by Developer to PavCo in advance on the Commencement Date and on each anniversary thereof, pro-rated to any partial years of the Construction Period;
- (gg) **"Consultant"** means any professional or other consultant engaged by PavCo or the Developer, as the case may be, in connection with the processes of obtaining any Development Approvals, and **"Consultants"** will have a corresponding meaning;
- (hh) **"Consultant Costs"** means any and all costs of the engagement of any Consultants;
- (ii) **"Control"** means the ownership, either directly or indirectly, of shares having more than 50% of the votes entitled to be cast for the election of the directors of any corporation constituting the Developer; and **"Controlled"** will have a corresponding meaning;
- (jj) **"DCC Payment"** means a sum equal to Ten (\$10.00) Dollars multiplied by:
- (i) [_____], being the anticipated square foot area of all Allowable Development Density expected, as of the Execution Date, to be approved in connection with Development Site 10A pursuant to the Acceptable Rezoning; or

- (ii) (as applicable and to be adjusted as contemplated in Section 2.3(b)) the actual Allowable Development Density allowed to be developed upon Development Site 10A as determined upon enactment of the Acceptable Rezoning,
 - (iii) to be paid by the Developer to PavCo as set out in Section 2.4 of this Agreement;
- (kk) **"DCC Payment LC"** means an irrevocable and unconditional letter of credit issued by a major Canadian chartered bank and delivered by the Developer to PavCo as contemplated in Section 2.4 of this Agreement to provide security to PavCo for payment of the DCC Payment when due, in whole or in part, as contemplated in Section 2.3 of this Agreement;
- (ll) **"Deposit"** means the sum of Five Hundred Thousand Dollars (\$500,000) paid by or on behalf of the Developer to PavCo in accordance with the provisions of Section 2.2 of this Agreement;
- (mm) **"Developer's Affiliated Assignee"** means any party, designated by the Developer through written notice to PavCo, to become the Tenant under the Ground Lease or otherwise to acquire all or any of the interest of the Developer under this Agreement and/or in connection with Development Site 10A and/or the Developer's Project; PROVIDED THAT any such Developer's Affiliated Assignee must:
 - (i) be and remain an Affiliate of and Controlled by the Developer until all obligations of the Developer to PavCo under this Agreement have been performed; and
 - (ii) have entered into an agreement with PavCo, in form and substance satisfactory to PavCo, whereby such Developer's Affiliated Assignee will agree with PavCo to assume and perform any and all obligations of the Developer to PavCo under this Agreement as applicable to the parcel or parcels of Development Site 10A in respect of which any such Developer's Affiliated Assignee is proposed to receive a registrable or beneficial interest on the Commencement Date;
- (nn) **"Developer's Approved Assignee"** means any party designed by the Developer to written notice in writing to PavCo, to become the Tenant under the Ground Lease or otherwise to acquire all or any of the interests of the Developer under this Agreement and/or in connection with Development Site 10A and/or the Developer's Project, and approved, or deemed approved, by PavCo pursuant to Section 12.1 of this Agreement in connection with any such proposed assignment;

- (oo) **“Developer’s Default”** means any default by the Developer and the timely performance of any of its obligations under this Agreement and under any Applicable Laws;
- (pp) **“Developer’s Infrastructure Works”** means any Infrastructure Works, whether installed on Development Site 10A or off-site, required to service Development Site 10A, including any works which are modifications or additions to or upgrades of Standard City Services; PROVIDED THAT for greater certainty, “Developer’s Infrastructure Works” will include all works required to provide electrical, natural gas, telecommunication and other services to the Developer’s Project and, in addition, the Developer, and not PavCo, will be solely responsible to construct or supply or install sidewalks (and related light fixtures, street trees and street furniture) adjacent to neighbouring City streets around the perimeter of the Developer’s Project in accordance with the requirements of the City;
- (qq) **“Developer’s Project”** means the development and use of Development Site 10A as more specifically described in Schedule C to this Agreement, which shall, unless the Developer and PavCo otherwise agree, include rights as to development of buildings and related improvements upon Development Site 10A in compliance with the Target Rezoning Requirements;
- (rr) **“Developer’s Proposal”** means the Proposal submitted by the Developer to PavCo pursuant to the RFP;
- (ss) **“Developer’s Solicitors”** means _____, or such other solicitor or firm of solicitors as may be appointed by the Developer from time to time to provide advice and counsel to the Developer in connection with the subject matter of this Agreement;
- (tt) **“Development Approvals”** means, together:
 - (i) the Acceptable Rezoning; and
 - (ii) the Acceptable Subdivision;
- (uu) **“Development Cost Levies”** has the meaning attributed in the Zoning and Development Bylaw, as applicable to Development Site 10A pursuant to the Acceptable Rezoning;
- (vv) **“Development Density”** means the entitlement to construct improvements with building areas (measured in square feet) as contemplated under the Zoning and Development Bylaw, as applicable to Development Site 10A pursuant to the Acceptable Rezoning;

- (ww) **“Development Permit”** means a development permit issued by the City pursuant to the Zoning and Development Bylaw and the Acceptable Rezoning, authorizing the development of the Developer’s Project;
- (xx) **“Development Process Costs”** means any and all costs reasonably required to be incurred to obtain the Development Approvals, inclusive, without limitation, of Consultant Costs incurred by PavCo in connection with the obtaining of any Development Approvals;
- (yy) **“Development Site 10A”** means that portion of the B.C. Place Lands so labelled and shown in heavy outline on the Sketch Plan, as may be revised by further agreements between the Developer and PavCo from time to time pursuant to this Agreement up to but not beyond the date of the issuance of an Acceptable Subdivision;
- (zz) **“Event of Force Majeure”** means acts of God or public enemy, wars (declared or undeclared), revolutions, riots, insurrections, civil commotions, fires, floods, slides, epidemics, quarantine restrictions, strikes or lockouts, including illegal work stoppages or slowdowns, or stop work orders issued by a court or a public authority, including the City (provided that no such orders were issued, nor any labour disputes occasioned, as a result of an act or omission of any party whose performance of obligations hereunder is affected by any such Event of Force Majeure, or anyone employed or retained by such party), freight embargoes or power failures, provided that any such event or circumstance reasonably constitutes a material disabling event or circumstance which is beyond the reasonable control of such party, does not arise from the neglect or default of such party, and which results in material delay, interruption or failure by such party in carrying out its duties, covenants or obligations under this Agreement, but which does not mean or include any delay caused by such party’s lack of funds or financial condition;
- (aaa) **“Execution Date”** means the date upon which this Agreement has been executed by both PavCo and the Developer and fully executed copies thereof have been delivered to both PavCo and the Developer;
- (bbb) **“Expedited Resolution Procedures”** means the procedures for resolution of any Referable Matter as set out in Article 10 hereof;
- (ccc) **“Governmental Authority”** means any ministry, agency, department, officer, manager, minister or other agent or officer of any federal, provincial, municipal or other local governmental authority having jurisdiction over or in connection with the B.C. Place Lands, including Development Site 10A, pursuant to any Applicable Laws;
- (ddd) **“Ground Lease”** means a lease to be granted by PavCo, as Landlord, to the Developer (or any permitted transferee or assignee of the Developer),

as Tenant, with respect to those portions of Development Site 10A required for the purposes of the Developer's Project, which Ground Lease will be prepared, executed, delivered and become effective as set out in Sections 5.1 and 5.2 hereof;

- (eee) **"Ground Lease Preconditions"** means those conditions precedent to the granting or effectiveness of the Ground Lease set out in Section 5.2;
- (fff) **"GST"** means goods and services taxes payable under the *Excise Tax Act* (Canada, R.S., 1985, C.E-15), as may be amended from time to time;
- (ggg) **"Incremental Environmental Remediation Costs"** means any costs:
 - (i) incurred or payable by PavCo pursuant to Section 7.1 of this Agreement relating to the investigation, analysis, excavation, handling, storage and removal from the B.C. Place Lands of any soils which are determined, pursuant to the B.C. Place Environmental Standards, to require environmental remediation, removal, storage or disposal; and
 - (ii) incremental to costs which would otherwise have been incurred by the Developer in excavating, handling, storing and disposing of soils upon Development Site 10A (which are not determined, pursuant to the B.C. Place Environmental Standards, to be environmentally contaminated) as part of the Developer's Project;
- (hhh) **"Indemnified Parties"** means PavCo, the members of its Board of Directors, the Ministers of the Province having responsibility for PavCo and for the B.C. Place Environmental Standards, and the respective officers, employees, agents, successors and assigns of PavCo and such Ministries and all others for whose conduct PavCo is responsible in law;
- (iii) **"Infrastructure Works"** means any and all offsite works in the nature of infrastructure required by the City to service the B.C. Place Lands, including, in particular, Development Site 10A, as a condition of any Development Approval or under any Applicable Laws in connection with the Developer's Project;
- (jii) **"Land Title Office"** means the Lower Mainland Land Title Office, or any other office or authority in which or through which title to Development Site 10A may be registered from time to time;
- (kkk) **"Landlord"** means the landlord named in the Ground Lease, being the registered owner of Development Site 10A as of the Commencement Date;
- (lll) **"Leasehold Mortgage"** means a first registered mortgage (and related security) contemplated to be granted and to charge the Tenant's interests under the Ground Lease, and executed by the Tenant in favour of any

Canadian bank, trust company or other reputable mortgage lender (approved by PavCo, acting in a commercially-reasonable manner), as security for the advance of funds required to be borrowed by the Developer and/or the Tenant for the purposes of the design, development, construction and operation of the Developer's Project;

- (mmm) **"Leasehold Mortgagee"** means any mortgagee named under any Leasehold Mortgage;
- (nnn) **"Occupancy Permit"** means an occupancy permit issued by the City permitting the occupation and use of the [first phase of the] Developer's Project following Substantial Completion thereof;
- (ooo) **"ODP Amendment"** means the amendment to the Vancouver City North-East False Official Development Plan recommended in the City Staff Report, enacted on October 30, 2008 as Bylaw 9753, a copy of which, as enacted, was attached as Exhibit E to the RFP;
- (ppp) **"Operating Period"** means that portion of the Term of the Ground Lease commencing upon expiry of the Construction Period;
- (qqq) **"Participation Rent"** will have the meaning ascribed thereto in the Ground Lease (which will be reflective of any proposals made by the Developer to PavCo under the RFP and further negotiated and settled under the terms of this Agreement);
- (rrr) **"PavCo Default"** means any default by PavCo and the timely performance of any of its obligations under this Agreement and under any Applicable Laws;
- (sss) **"PavCo's Knowledge"** means the actual knowledge of [] or Howard Crosley, the current senior employees of PavCo responsible for the subject matter of this Agreement in connection with Development Site 10A;
- (ttt) **"PavCo's Solicitors"** means Bull, Housser & Tupper LLP, or such other solicitor or firm of solicitors as may be appointed by PavCo from time to time to provide advice and counsel to PavCo in connection with the subject matter of this Agreement;
- (uuu) **"Permitted Encumbrances"** means:
 - (i) reservations and exceptions contained in any original Crown grant or implied by statute, as applicable to Development Site 10A;
 - (ii) those charges or encumbrances registered against title to the Development Site 10A and listed in Schedule D;

- (iii) any charges or encumbrances required by any Governmental Authority to obtain any Development Approvals and approved by both the Developer and PavCo as contemplated in Section 3.11 of this Agreement;
 - (iv) any Public Access SRW's;
 - (v) the B.C. Place Construction and Maintenance Easement;
 - (vi) the B.C. Place Access Easement;
 - (vii) the B.C. Place Parking Space Easement; and
 - (viii) any other charges or encumbrances granted by the Developer or by the Tenant or claimed against the interests of the Developer or the Tenant in Development Site 10A as of the Commencement Date;
- (vvv) **"Prime Rate"** means the prime lending rate established from time to time by the Royal Bank of Canada for loans made in Canada and in Canadian dollars to its most creditworthy customers;
- (www) **"Project Documents"** means those plans, studies and other materials which are currently relevant to Development Site 10A expressly listed in Schedule C to this Agreement;
- (xxx) **"Project Milestones"** means, collectively, those events or action items listed in Schedule I;
- (yyy) **"Project Schedule"** means the schedule existing as of the Execution Date attached as Schedule H to this Agreement, as may be amended from time to time as contemplated in Section 3.4 hereof;
- (zzz) **"Property Taxes"** means all taxes, rates, duties, charges and assessments, including school taxes, local improvement rates and other charges which are now or shall or may be levied, rated, charged and assessed against Development Site 10A, the Developer's Project, and all other structures, all machinery, equipment, facilities or other property of any nature whatsoever thereon and therein, whether such taxes, rates, duties, charges and assessments are charged by any municipal, parliamentary, legislative, regional, school or other authority, including the British Columbia Assessment Authority and/or the City of Vancouver; PROVIDED THAT if and to the extent that Property Taxes have not been assessed or paid specifically in respect of Development Site 10A, but rather if Property Taxes, or gifts in lieu of taxes, have been paid by PavCo in connection with the B.C. Place Lands prior to the occurrence of the Acceptable Subdivision, PavCo may equitably allocate a portion of any property taxes or gifts in lieu of taxes paid or payable by PavCo for payment by the Developer with respect to the area and value of

Development Site 10A and the Developer's Project or any other related improvements thereupon;

- (aaaa) **"Property Transfer Tax"** means "tax" as defined in the *Property Transfer Tax Act*, R.S.B.C. 1996, ch.378, as amended from time to time;
- (bbbb) **"Province"** means Her Majesty the Queen in Right of the Province of British Columbia;
- (cccc) **"Provincial Emanation"** means any ministry, agency, authority, Crown corporation or other entity emanating from or owned or controlled by the Province;
- (dddd) **"Public Access SRW's"** means any statutory rights-of-way required by the City to be granted to the City (as contemplated in the UCA) as conditions of any Acceptable Rezoning or any Acceptable Subdivision, or otherwise, for the purposes of providing public pedestrian and disabled access upon or across Development Site 10A;
- (eeee) **"Public Consultations"** means all public consultations and information sessions, together with the Public Hearing, as may be required by the City or any other Governmental Authorities for purposes of following requisite public processes in connection with applications made by PavCo or the Developer for the Development Approvals;
- (ffff) **"Public Hearing"** has the meaning attributed under the Zoning and Development Bylaw, as applicable to Development Site 10A and in connection with the Acceptable Rezoning;
- (gggg) **"Receiving Party"** has the meaning attributed in Section 10.1;
- (hhhh) **"Referable Matter"** means any dispute which might arise between the parties hereto and relating to:
 - (i) the satisfaction of the Ground Lease Preconditions;
 - (ii) the design, development, servicing and construction of the Developer's Project; and
 - (iii) the integration or coordination of the respective designs, construction and operations of the upgraded B.C. Place Stadium and the Developer's Project, including, without limitation the accommodation of any access to or exiting from B.C. Place Stadium as reasonably required by PavCo or as required by any Applicable Laws;
 - (iv) Development Process Costs;

- (v) the terms and conditions upon which any Development Approvals may be obtained; or
- (vi) any other action, decision or matter affecting the implementation or advancement of the Developer's Project, the upgrade of B.C. Place Stadium, the continuing operations of B.C. Place and any other development or use of Development Site 10C or any other portion of the B.C. Place Remainder;

PROVIDED ALWAYS THAT Referable Matters will not include (and the Expedited Resolution Procedures will not apply to) any determinations by any applicable Governmental Authorities as to compliance with:

- (vii) relevant Applicable Laws, including City of Vancouver bylaws;
 - (viii) any building or fire codes applicable to access to or exiting from B.C. Place Stadium; nor
 - (ix) any Standard City Services required to be installed to or in connection with the B.C. Place Lands, nor Development Site 10A;
- (iii) **"Referee"** means any person selected from the list of Approved Referees for the purposes of resolution of any Referable Matter as contemplated in Article 10 of this Agreement;
 - (jjjj) **"RFP"** means the Request for Proposals dated April 20, 2009 and issued by PavCo in respect of the "Real Estate Development Opportunity adjacent to B.C. Place Stadium-Development Site 10A";
 - (kkkk) **"Reserved Easements"** means, collectively:
 - (i) the B.C. Place Construction and Maintenance Easement;
 - (ii) the B.C. Place Access Easement; and
 - (iii) the B.C. Place Parking Space Easement,
 - (iv) as the same affect Development Site 10A and/or the Developer's Project;
 - (llll) **"Rezoning Bylaw"** means a bylaw amending the Zoning and Development Bylaw and applicable to Development Site 10A based upon an application to be submitted to the City by PavCo for the purposes of obtaining the Acceptable Rezoning;
 - (mmmm) **"Rezoning Enactment"** means the final enactment by Vancouver City Council of an Acceptable Rezoning;
 - (nnnn) **"Schedule"** means any respective Schedule attached to this Agreement;

- (oooo) **“Sketch Plan”** means the unsurveyed sketch plan attached hereto as Schedule A;
- (pppp) **“Smithe Street Realignment”** means, in summary, all transfers, exchanges or dedications of land or closures of City streets affecting the B.C. Place Lands and any roads or other properties adjacent to or in the vicinity thereof to give effect to the realignment of Smithe Street in accordance with the plan attached as Schedule B to this Agreement, together with the transfer to and for the benefit of PavCo of all lands located to the east of the realignment of Smithe Street as shown on such Plan (or subdivision or road dedication plans giving effect thereto);
- (qqqq) **“Standard City Services”** means any services required by the City to be installed or paid at the expense of PavCo or the Developer to service Development Site 10A, including any roads, curbs, gutters, storm and sanitary sewers and water mains;
- (rrrr) **“Subdivision Plan”** means a plan of subdivision prepared by PavCo and approved by the Developer, each acting in a commercially-reasonable manner, and complying with Target Subdivision Requirements to create Development Site 10A as a separate legal parcel from the B.C. Place Remainder Lands;
- (ssss) **“Substantially Completed”** means, with respect to the Developer’s Project, or any relevant portion thereof, that such improvements are substantially complete in all material respects in a proper and workmanlike manner and are ready for occupancy, as evidenced by the issuance by the City of an Occupancy Permit therefor; and **“Substantial Completion”** will have a corresponding meaning;
- (tttt) **“Surviving Obligations”** means those obligations of the Developer **[and, as applicable, the Indemnifier]** which are intended to survive the termination of this Agreement, and set out in Sections 2.2, 2.3, 2.4, 3.13, 3.14, 4.2, 4.5, 4.6, 4.8, 4.9, 4.10, 9.2 and 11.2 of this Agreement;
- (uuuu) **“Target Rezoning Requirements”** means, with respect to any Rezoning Enactment, all of the criteria set out in Schedule F to this Agreement;
- (vvvv) **“Target Subdivision Requirements”** means, with respect to any proposed subdivision of Development Site 10A, all of the criteria set out in Schedule G to this Agreement;
- (wwww) **“Tenant”** means the tenant named under the Ground Lease, being the party entitled to hold and exercise all rights and benefits of the Developer pursuant to the Ground Lease as of the Commencement Date;
- (xxxx) **“Term”** will have the meaning ascribed thereto in the Ground Lease;

- (yyyy) **“Tripartite Agreement”** means an agreement which may be entered into among PavCo, as the owner of Development Site 10A, the Tenant and any Leasehold Mortgagee, if so requested by the Developer and any such Leasehold Mortgagee, which Tripartite Agreement will be substantially in the form attached as Schedule N to this Agreement, or as otherwise expressly agreed among the parties to such Agreement;
- (zzzz) **“Upgrade Commitment Agreement”** means the “Upgrade Commitment Agreement” dated for reference the 14th day of October, 2008, a copy of which was attached as Exhibit C to the RFP;
- (aaaaa) **“Upgrade Project”** means the design, construction and completion of the upgrading of B.C. Place Stadium as contemplated in and defined in the Upgrade Commitment Agreement;
- (bbbbb) **“Upgraded Stadium”** means the B.C. Place Stadium as refurbished through the Upgrade Project and in accordance with the Upgrade Commitment Agreement;
- (ccccc) **“Vancouver City Council”** means the Council of the City of Vancouver, as duly constituted from time to time; and
- (dddd) **“Zoning and Development Bylaw”** means the Zoning and Development Bylaw of the City of Vancouver, as amended from time to time.

1.2 Extended Meanings

Words importing the singular number include the plural and vice versa and words importing the masculine gender include the feminine and neuter genders.

1.3 Applicable Law

This Agreement will be interpreted in accordance with the laws of British Columbia and the laws of Canada applicable therein.

1.4 Headings

The division of this Agreement into sections and clauses and the insertion of headings are for convenience of interpretation of this Agreement.

1.5 Entire Agreement

This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and, except as herein stated and in the instruments and document to be executed and delivered pursuant hereto, contains all of the representations, undertakings and agreements of the respective parties. There are no representations, undertakings or agreements of any kind between the parties except those contained herein; and this Agreement supersedes all previous negotiations, information and material provided to the Developer, whether oral or written, by PavCo.

1.6 Schedules

The following Schedules attached to this Agreement will be considered to constitute an integral part of this Agreement:

Schedule A	Sketch Plan showing the current boundaries of the B.C. Place Lands and the (currently-anticipated) locations of Development Site 10A and the B.C. Place Remainder following completion of the Smithe Street Realignment
Schedule B	Plan showing Smithe Street Realignment Components
Schedule C	List of Project Documents
Schedule D	List of Permitted Encumbrances
Schedule E	Description of Developer's Project
Schedule F	Target Rezoning Requirements
Schedule G	Target Subdivision Requirements
Schedule H	Current Project Schedule
Schedule I	Current Project Milestones
Schedule J	Approved Form of B.C. Place Construction and Maintenance Easement
Schedule K	Approved Form of B.C. Place Access Easement
Schedule L	Approved Form of B.C. Place Parking Easement
Schedule M	Approved Form of Ground Lease
Schedule N	Approved Form of Tripartite Agreement

2. PURPOSES AND DEPOSIT

2:1 Purposes of this Agreement

PavCo and the Developer acknowledge and agree that the purposes of this Agreement shall be:

- (a) to express and confirm the common intention of both PavCo and the Developer to obtain the Acceptable Rezoning and the Acceptable Subdivision to permit the Developer's Project to proceed;
- (b) to establish acceptable conditions and an effective cooperative methodology to obtain all Development Approvals, together with the Development Permit, Building Permit and Occupancy Permit for the Developer's Project;
- (c) to allocate the respective responsibilities of PavCo and the Developer in obtaining the Development Approval and the Development Permit, Building Permit and Occupancy Permit required for the Developer's Project pursuant to Applicable Laws;
- (d) to establish a practical and achievable Project Schedule, including relevant Project Milestones, in connection with obtaining all Development Approvals, a Development Permit, a Building Permit and an Occupancy

Permit, all in connection with the commencement, implementation and completion of the construction and opening of the Developer's Project; and

- (e) to establish the respective rights, obligations, liabilities and remedies of the parties to this Agreement with respect to all Development Approvals and the planning, design, construction, commissioning and opening of the Developer's Project within the context of the Upgrade Project, the continued operation of B.C. Place Stadium and the future development of the B.C. Place Remainder, including, without limitation, Development Site 10C.

2.2 Deposit

- (a) PavCo and the Developer acknowledge and agree that concurrently with execution and delivery of this Agreement by both PavCo and the Developer, the Developer has paid the Deposit as security for the contribution by the Developer to PavCo's expenses incurred in connection with the performance by PavCo of its obligations under this Agreement.
- (b) the Deposit is acknowledged by the Developer to be non-refundable by PavCo to the Developer except if:
- (c) PavCo commits a PavCo Default and PavCo either fails to commence to remedy such PavCo Default within fifteen (15) days following the date of receipt by PavCo of written notice from the Developer of such alleged PavCo Default or, having commenced such remedying, fails to diligently and continuously complete the remedying of such PavCo Default within a commercially-reasonable period following such commencement; or
- (d) following satisfaction of the Ground Lease Preconditions, PavCo fails to execute and deliver the Ground Lease to the Developer (or to an Approved Developer Assignee) as required pursuant to this Agreement; or
- (e) the Developer has not committed an unremedied Developer's Default and PavCo fails to deliver vacant possession of Development Site 10A to the Developer as contemplated in Section 4.1 of this Agreement.

2.3 DCC Payment

The DCC Payment:

- (a) will be due and payable by the Developer to PavCo:
 - (i) In full not later than the first day of the Operating Period; and
 - (ii) in installments and within 30 days following delivery by PavCo of written request and substantiation therefor in amounts equal to any sums expended from time to time by PavCo with respect to the

design, construction, installation, completion and commissioning of the Standard City Services,

and unless the Developer and PavCo otherwise agree and arrange for payment of the DCC Payment, whenever due in whole or in part, by bank draft, certified cheque or wire transfer to the satisfaction of PavCo, acting in a commercially-reasonable manner, PavCo may draw upon and cash the DCC Payment LC and retain the proceeds thereof in payment of any portion of the DCC Payment as and when due;

- (b) will, together with the DCC Payment LC as applicable, be adjusted upon enactment of the Acceptable Rezoning to reflect the actual Allowable Development Density established by the Acceptable Rezoning;
- (c) is intended to constitute payment by the Developer to PavCo of a contribution to PavCo's expenses in providing the following services or benefits to or for Development Site 10A:
 - (i) preparing all requisite applications for the Development Approvals and discussing, negotiating and settling with the City and all other requisite Governmental Authorities the terms and conditions of approval of Acceptable Rezoning and the Acceptable Subdivision;
 - (ii) negotiating, settling and granting all charges and other agreements required by the City and any other relevant Government Authority in connection with obtaining all Development Approvals;
 - (iii) designing, constructing and installing Standard City Services;
 - (iv) undertaking all such works, obligations and liabilities relating to the Smithe Street Realignment;
 - (v) coordinating with the Developer the design of any improvements upon or appurtenant to Development Site 10A for, usage or benefit to the B.C. Place Remainder, including, without limitation, the B.C. Place Parking Spaces; and
 - (vi) coordinating with the Developer the review and approval of the Approved Plans and Specification;
- (d) is acknowledged by the Developer to be non-refundable by to the Developer except if:
 - (i) PavCo commits a PavCo Default in connection with its obligations under Sections 2.3(c)(i) through (c)(iv) hereof, and PavCo either fails to commence to remedy such PavCo Default within fifteen Business Days (15) following the date of receipt by PavCo of written notice from the Developer of such alleged PavCo Default or, having

commenced such remedying, fails to diligently and continuously complete the remedying of such PavCo Default within a commercially-reasonable period following such commencement; or

- (ii) following satisfaction of the Ground Lease Preconditions, PavCo fails to execute and deliver the Ground Lease to the Developer (or to an Approved Developer Assignee) as required pursuant to this Agreement.

2.4 DCC Payment LC

As security for payment by the Developer to PavCo of the DCC Payment, the Developer agrees to deliver to PavCo, not later than five (5) Business Days prior to the Commencement Date, the DCC Payment LC.

The Developer will ensure that the DCC Payment LC is issued by a major Canadian chartered bank for a term of not less than one (1) year from its date of issuance and will be renewed or replaced not later than fifteen (15) days prior to each scheduled Expiry Date thereof, failing which PavCo may cash the DCC Payment LC in its entirety and retain the proceeds thereof to be applied to pay the DCC Payment as an when due pursuant to Section 2.3 hereof.

3. COORDINATION OF DEVELOPMENT APPROVAL PROCESSES

3.1 Approval of Developer's Project

PavCo and the Developer acknowledge and agree that, effective as of the Execution Date, the description of the Developer's Project showing in Schedule E to this Agreement is acceptable to such parties and will form the basis for applications made to the City and any other relevant Governmental Authorities for the Development Approvals, together with any relevant:

- (a) Development Permit
- (b) Building Permit; and
- (c) Occupancy Permit.

In addition, the Developer acknowledges that the Target Rezoning Requirements and the Target Subdivision Requirements included in Schedules F and G, respectively, to this Agreement will satisfy all requirements of the Developer in connection with the Developer's Project.

3.2 Modification of Descriptions of Developer's Project

If at any time following the Execution Date, either the Developer or PavCo determines that any material revisions to this description of the Developer's Project from that shown in Schedule E to this Agreement is required, such party may, by delivery of written notice to the other, request the approval of the other party to any such proposed modification; PROVIDED THAT either party to whom any such request for consent to a modification of a description of the Developer's Project is sent will act in a commercially-reasonable manner to consider and approve of any such

requested modification; and the Developer acknowledges and agrees that it will not be unreasonable for PavCo to refuse to approve of such proposed modification if and to the extent that any such modification is anticipated by PavCo to materially and adversely affect:

- (a) the anticipated availability of either of the Development Approvals;
- (b) all or any portion of the B.C. Place Remainder;
- (c) the Upgrade Project;
- (d) the continued viability and efficient operation of the Upgraded Stadium; or
- (e) any other interests or operations of PavCo.

If and to the extent that any modification of the Developer's Project is proposed by either PavCo or the Developer and approved by the other party, both PavCo and the Developer will take all such action as may reasonably be required to give effect to such modification, including through modifications of any applications relating to issuance of any Development Approval, any Development Permit, any Building Permit and any Occupancy Permit.

3.3 Advancement of Development Approval Processes

PavCo will, diligently and continuously, employ commercially-reasonable efforts to make all such applications to the City and to all other relevant Governmental Authorities as may be required to obtain all Development Approvals on or before the dates respectively established therefor in the list of Project Milestones.

In connection therewith:

- (a) PavCo and the Developer will, promptly following the Execution Date, appoint respective representatives to meet and expeditiously establish:
 - (i) on or before [_____, 2010], any revisions approved by both the Developer and PavCo to the Developer's Project;
 - (ii) on or before [_____, 2010], any revisions approved by both the Developer and PavCo to the Target Rezoning Requirements;
 - (iii) on or before [_____, 2010], any revisions approved by both the Developer and PavCo to the Target Subdivision Requirements;
 - (iv) on or before [_____, 2010], any revisions approved by both the Developer and PavCo to the Infrastructure Works;
 - (v) on or before [_____, 2010], any revisions approved by both the Developer and PavCo to any requisite soils remediation protocols;
 - (vi) on or before [_____, 2010], any revisions approved by both the Developer and PavCo to the Project Schedule;

- (vii) on or before [_____, 2010], any revisions approved by both the Developer and PavCo to the Project Milestones; and
 - (viii) on or before [_____], the Approved Plans and Specifications,
 - (ix) for the purposes of submitting applications to and discussing with City Staff all processes, schedules and terms relevant to obtaining all Development Approvals;
- (b) PavCo may, in consultation with the Developer (both acting in a commercially-reasonable manner) make applications to and advance discussions and negotiations with the City and all other relevant Governmental Authorities in connection with obtaining all Development Approvals in such manner as may reasonably be required to achieve all relevant Project Milestones in accordance with the Project Schedule;
 - (c) the Developer will have no authority to make commitments binding upon PavCo nor upon any other owner of Development Site 10A nor the B.C. Place Remainder, or any portion thereof unless approved in advance by PavCo, acting in a commercially-reasonable manner;
 - (d) PavCo and the Developer will retain such Consultants as may reasonably be required from time to time to expeditiously apply for and obtain all requisite Development Approvals;
 - (e) PavCo will submit all applications as may be required to obtain the Development Approvals; PROVIDED THAT the Developer will be responsible to pay all fees required by the City in connection with applying for and obtaining the Acceptable Rezoning;
 - (f) the Developer will, in consultation with PavCo (both acting in a commercially-reasonable manner) make applications to and advance discussions and negotiations with the City and all other relevant Governmental Authorities in connection with any Development Permit, Building Permit and Occupancy Permit required in connection with the Developer's Project;
 - (g) the Developer will retain such Consultants as may reasonably be required from time to time to expeditiously apply for and obtain any required Development Permit, Building Permit and Occupancy Permit in connection with the Developer's Project; and
 - (h) PavCo and the Developer will, acting in a commercially-reasonable manner coordinate and support applications and presentations to the City and any other relevant Governmental Authorities required to obtain any and all Development Approvals, together with any required Development Permit,

Building Permit and Occupancy Permit in connection with the Developer's Project.

3.4 Amendments to Target Rezoning Requirements

If and to the extent that any modifications to the Developer's Project are proposed and approved by the Developer or PavCo, as applicable, in any such modifications required resulting amendments to the Target Rezoning Requirements, PavCo and the Developer will consider, negotiate and settle appropriate and equitable amendments to rents payable under the Ground Lease to reflect resulting alterations to (without limitation) Allowable Development Density allocable to Development Site 10A and uses which may be permitted to be made of Development Site 10A and the Developer's Project.

3.5 Project Schedule

The Developer and PavCo acknowledge and agree:

- (a) that, as of the Execution Date, the Project Schedule and the list of Project Milestones respectively attached hereto as Schedules H and I represent reasonable estimates of dates by which all Project Milestones described therein may be achieved;
- (b) to co-operate with one another, each acting in a commercially-reasonable manner, to achieve all Project Milestones on or before the dates respectively set out in Schedule I;
- (c) to employ all commercial-reasonable efforts to perform their respective obligations under this Agreement up to the Commence Date in compliance with the Project Schedule;
- (d) to advise one another if and to the extent that either of them foresees any deviations or delays arising and affecting the Project Schedule and, in particular any Project Milestones; and
- (e) in any such event, to co-operate with one another to endeavour to mitigate the effects of any such deviations or delays, all with a view to ensuring that all Project Milestones are achieved by the respective dates set out in Schedule I or any revised dates approved by both PavCo and the Developer from time to time.

3.6 Periodic Reports and Consultation

Each of the Developer and PavCo agrees to provide to the other ongoing periodic reports (not less frequently than monthly) as to activities respectively conducted by PavCo or the Developer and as to the status of obtaining all requisite Development Approvals and satisfaction of all Ground Lease Preconditions.

PavCo and the Developer acknowledge and agree that each of the parties may from time to time request more frequent and timely status reports as significant events or Project Milestones arise.

In addition, each of the parties hereto agrees to act in a commercially-reasonable manner to respond to requests, questions and suggestions from the other in connection with Development Approvals, satisfaction of Ground Lease Preconditions and impacts upon the Developer's Project and the Upgrade Project.

3.7 Developer Support and Assistance

The Developer agrees to provide, promptly as and when requested by PavCo, acting in a commercially-reasonable manner, such information, comments, advice, plans, designs, specifications and support as PavCo may reasonably require from time to time in connection with obtaining Development Approvals and in connection with the intended use and development of Development Site 10A and the Developer's Project.

The Developer will bear all costs incurred by the Developer in fulfilment of such obligations, including any Consultant Costs in connection therewith.

3.8 Co-Ordination of Public Consultations

PavCo and the Developer will each, acting in a commercially-reasonable manner, co-operate with the other in connection with the scheduling and conduct of all Public Consultations, as may be required by the City or any other Governmental Authority in connection with Development Approvals and satisfaction of all other Ground Lease Preconditions.

In no event will either PavCo or the Developer make announcements, public statements or commitments which could reasonably be interpreted to materially and adversely affect the interests of the other party in connection with all or any portion of Development Site 10A or the B.C. Place Remainder.

3.9 Infrastructure Works Obligations and Payments

PavCo will, as an integral component of seeking Development Approvals (and in consultation with the Developer), undertake the design and settlement with the City and any other relevant Governmental Authority, of any Infrastructure Works required to be constructed, installed or upgraded or modified to serve the B.C. Place Lands and Development Site 10A and to meet the Target Subdivision Requirements.

In connection therewith, PavCo and the Developer will, each acting in a commercially-reasonable manner, determine any components of the Infrastructure Works which will constitute Developer's Infrastructure Works.

The costs of design, construction, installation and completion (through to acceptance by the City thereof) of all Infrastructure Works will be paid on the following bases:

- (a) PavCo will (subject to Section 3.9(b) below) pay all such costs of Standard City Services required to service the B.C. Place Lands, inclusive of Development Site 10A, as required by the City as conditions of the Acceptable Rezoning and the Acceptable Subdivision up to the common boundary of Development Site 10A with any adjoining City streets; and
- (b) the Developer will be obligated to pay for all Developer's Infrastructure Works, together with the costs of any connections to any such off-site Infrastructure Works and the costs of any services and utilities required to be constructed or installed within the boundaries of Development Site 10A in connection with the Developer's Project.

3.10 Community Amenity Contributions and Development Cost Levies

PavCo and the Developer acknowledge and agree that the UCA provides that no Community Amenity Contributions or Development Cost Levies will be charged nor payable in connection with any developments upon the B.C. Place Lands and, in connection therewith, PavCo and the Developer acknowledge the provisions of Sections 3.9 and 3.10 of the UCA if Vancouver City Council should, at any time in the future, endeavour to impose Community Amenity Contributions or Development Cost Levies as terms and conditions of any Acceptable Rezoning or any Acceptable Subdivision.

If and to the extent that the City should endeavour to so impose any such Community Amenity Contributions or Development Cost Levies, PavCo and the Developer will cooperate in a commercially-reasonable manner to endeavour to prevent the imposition of any such Community Amenity Contributions or Development Cost Levies or to seek and obtain repayment thereof by the City as contemplated in Sections 3.9 and 3.10 of the UCA.

To the extent that any monies are so recovered by PavCo or the Developer from the City as contemplated in Sections 3.9 and 3.10 of the UCA, PavCo and the Developer will account and equitably adjust between PavCo and the Developer any such receipts so that any party having been obligated to pay any such Community Amenity Contributions or Development Cost Levies will be reimbursed from funds received from the City.

Notwithstanding the foregoing provisions of this Section 3.10, if and to the extent that Community Amenity Contributions and/or Development Cost Levies are required or imposed by the City by reason of an increase in the Allowable Development Density beyond Development Density contemplated in the ODP Amendment, the Developer will be obligated to pay any such Community Amenity Contributions and/or Development Cost Levies as and when required pursuant to the Acceptable Rezoning.

3.11 Co-Operation Re: Development Approvals

Both PavCo and the Developer agree to act in a commercially-reasonable manner in connection with the approval of any commitments and as to the execution of any agreement, including encumbrances required by the City or any other Governmental Authority to be registered against title to Development Site 10A or the B.C. Place Remainder or any portion thereof, in connection with obtaining any Development Approvals in connection with obtaining any

Development Approval, any requisite Development Permit, Building Permit or Occupancy Permit; PROVIDED THAT:

- (a) any encumbrances so required by the City or any other relevant Governmental Authority shall, for the purposes of this Agreement and the Ground Lease, constitute Permitted Encumbrances;
- (b) if and whenever PavCo or the Developer becomes aware of the requirement for the granting of any such encumbrances as contemplated in Section 3.11(a), each such party will provide written notice thereof, together with any relevant materials in substantiation therefor to the other party;
- (c) neither PavCo nor the Developer will have authority to make commitments as to the granting of any such proposed encumbrances without the prior written consent of the other party, acting in a commercially-reasonable manner; and
- (d) if any such encumbrances are contemplated to be granted as conditions of obtaining any Development Permit, Building Permit or Occupancy Permit, PavCo and the Developer will endeavour to ensure that any such charges comprise encumbrances against the interest of the Tenant under the Ground Lease and not as encumbrances against the fee simple interest in Development Site 10A nor the B.C. Place Lands.

3.12 Approved Plans and Specifications

The Developer will be solely responsible to prepare concept drawings relating to the Developer's Project as required from time to time in support of applications to be made by PavCo in respect of Development Approvals and by the Developer in respect of the Development Permit required for the Developer's Project.

In addition, the Developer will be solely responsible to engage any and all Consultants required in connection with the design and development for the Developer's Project.

On or before the dates respectively set out in the Project Schedule and in the list of Project Milestones, the Developer will prepare and deliver to PavCo any proposed concept drawings, any revisions thereto in response to comments and proposed amendments provided by PavCo, and any proposed working drawings prepared in connection with any proposed Building Permit application for the Developer's Project.

PavCo agrees to act promptly and in a commercially-reasonable manner in connection with any proposed concept drawings, revised drawings and plans and specifications relating to the Developer's Project; PROVIDED THAT:

- (a) PavCo may object to or require revisions in connection with any proposed plans and specifications for the Developer's Project to the extent that any such proposals might reasonably be anticipated to materially and adversely affect the issue described in Sections 3.2(a) through 3.2(e); and

- (b) when any such proposed plans and specifications have been approved by PavCo, they shall, for the purposes of this Agreement and the Ground Lease, constitute the "**Approved Plans and Specifications**".

3.13 Access and Documents

Following the Execution Date:

- (a) the Developer and its advisers and other authorized representatives will be entitled to reasonable access to Development Site 10A at all reasonable times, upon delivery of advance written request to PavCo, and will also be entitled to have access to (and PavCo will make available to the Developer, upon the Developer's request) and to make or request and obtain copies of, all Project Documents within the possession or control of PavCo and any consultants engaged by PavCo;
- (b) the Developer will have the right to enter upon Development Site 10A to conduct surveys, examinations and tests of Development Site 10A as the Developer may reasonably deem necessary or appropriate, subject always to such conditions as PavCo may reasonably impose in connection therewith and subject to the rights of any parties under any relevant Permitted Encumbrances;

PROVIDED ALWAYS THAT:

- (c) the Developer will make good any damage (including any environmental damage) caused thereby and will indemnify and save harmless PavCo from and against any and all costs, expenses, liabilities, claims (including environmental claims), suits or damages howsoever caused by or in connection with the Developer's activities upon Development Site 10A; and
- (d) this covenant of indemnity will survive any termination of this Agreement and the effective grant of the Ground Lease as of the Commencement Date.

3.14 Deliveries upon Termination

The Developer acknowledges and agrees that if:

- (a) the Ground Lease does not become effective; or
- (b) this Agreement is terminated,

(for any reason other than the unremedied breach by PavCo of its obligations to grant the Ground Lease to the Developer as contemplated in this Agreement or otherwise as a result of any unremedied PavCo Default), the Developer will, promptly upon receipt of written request from PavCo and without cost to or liability on the part of PavCo, deliver true and complete copies of all studies, reports, plans, analyses, commitments or other agreements prepared by or

at the request of, or otherwise available to the Developer (or any Affiliated Entity) in connection with the Developer's intended development of the Developer's Project and lease of Development Site 10A .

Such materials to be delivered by the Developer to PavCo will include, without limitation, all geotechnical, environmental, engineering reports, studies and proposals, and all architectural and other consultants' designs, renderings, proposals, plans, reports, studies and work-in-progress relating to the Developer's Project and Development Site 10A , both in original copies and (where reasonably available) in digital form.

4. CONSTRUCTION PERIOD OBLIGATIONS

4.1 Coordinated Construction Activities

PavCo and the Developer will, to the extent that all or any portion of the Upgrade Project is not fully completed prior to the Commencement Date, coordinate their respective activities in connection with the completion by PavCo of the Upgrade Project and the construction of the Developer's Project by the Developer with the express objective of avoiding interference with or delays of each other's respective activity.

The Developer acknowledges and agrees that PavCo will be entitled to reserve and exercise all rights over Development Site 10A and the Developer's Project as contemplated in the B.C. Place Construction and Maintenance Easement; PROVIDED THAT with respect to the completion by PavCo of the Upgrade Project:

- (a) PavCo will ensure that its agents, contactors, subcontractors and licensees engaged in connection with the Upgrade Project and employing any such reserved rights will exercise such rights in a safe manner and in compliance with all Applicable Laws and construction work site practices;
- (b) communicate with the Developer (and its designated construction site managers on Development Site 10A) if and to the extent that PavCo will conduct any activities pursuant to such reserved rights necessitating additional safety precautions by the Developer on Development Site 10A; and
- (c) PavCo will employ all commercially-reasonable efforts to minimize any interference with or disruption of the development and construction of the Developer's Project.

4.2 Compliance with Applicable Laws and Other Requirements

The Developer will be solely responsible to ensure that the development and construction of the Developer's Project is conducted in strict compliance with:

- (a) all Applicable Laws, including, without limitation, all Applicable Laws relating to construction site safety;

- (b) the Acceptable Rezoning;
- (c) all Permitted Encumbrances;
- (d) the Development Permit; and
- (e) any Building Permit.

4.3 Compliance with Project Schedule and Project Milestones

The Developer will be solely responsible to ensure that the Developer's Project is developed and constructed in compliance with the Project Schedule and all Project Milestones.

4.4 Compliance with and Changes to Approved Plans and Specifications

The Developer will be solely responsible to ensure that the Developer's Project is developed and constructed in strict compliance with the Approved Plans and Specifications. If and to the extent that the Developer proposes any changes to the Approved Plans and Specification, the Developer will:

- (a) as soon as practicably possible, advise PavCo of any such proposed changes and provide reasonable substantiation therefor;
- (b) establish representatives or Consultants of the Developer to meet with representatives or Consultants of PavCo to discuss any such proposed changes;
- (c) obtain any requisite permits, consents or approvals required from any relevant Governmental Authority, including, without limitation, the City, as to any such proposed changes to the Approved Plans and Specifications;
- (d) accept and comply with any decision by PavCo, acting in a commercially-reasonable manner, as to the acceptance, rejection or acceptance of conditions of any such proposed changes to the Approved Plans and Specifications;
- (e) acknowledge that it will be commercially-reasonable for PavCo to reject or accept on terms and conditions any proposed changes to the Approved Plans and Specifications which would materially and adversely affect the issues described in Sections 3.2(a) through 3.2(e); and
- (f) bear all costs (including PavCo's out of pocket costs) and risks relating to any such changes to the Approved Plans and Specifications which may be approved by PavCo as herein contemplated.

4.5 Builder's Liens

Without limiting any other obligations of the Tenant under the Ground Lease, it is agreed that PavCo shall not be responsible for claims of builders liens filed by persons claiming through the

Developer or persons for whom the Developer is in law responsible. The Developer acknowledges and agrees that the improvements to be made to Development Site 10A will be made at the Developer's request solely for the benefit of the Developer and those for whom the Developer is in law responsible.

PavCo has filed a Notice of Interest in the Land Title Office pursuant to Section 3.2(b) of the *Builders Lien Act* stating that PavCo is giving notice that it will not be responsible for any improvements made to Development Site 10A or other improvements thereon, unless the improvements are undertaken at the express request of PavCo.

The Developer shall, throughout the Construction Period, at its own cost and expense, cause any and all builders' liens and other liens for labour, services or materials alleged to have been furnished with respect to Development Site 10A or the Developer's Project, which may be registered against or otherwise affect Development Site 10A or the Developer's Project, to be paid, satisfied, released (including, without limitation, the release of all such liens from the interest of PavCo in Development Site 10A), or vacated within 42 days after PavCo shall send to the Developer written notice by registered mail of any claim for any such lien. PROVIDED HOWEVER, that in the event of a bona fide dispute by the Developer of the validity or correctness of any claim for any such lien, the Developer shall not be bound by the foregoing, but shall be entitled to defend against the same in any proceedings brought in respect thereof after first paying into court the amount claimed or sufficient security therefor, and such costs as the court may direct, or the Developer may provide, as security in respect of such claim, an irrevocable letter of credit, lodged with PavCo, for 120% of the full amount of any claim for any such lien, the amount of which letter of credit shall be increased every six months to include interest on the claimed amount at the Prime Rate, calculated semi-annually not in advance from the date any such claim is registered against or otherwise affects Development Site 10A or the Developer's Project, continuing so long as the aforesaid proceedings shall continue and which letter of credit shall be on terms sufficient to protect PavCo's interest in Development Site 10A and the Developer's Project and in a form reasonably satisfactory to PavCo and shall be issued by one of the chartered banks of Canada; and, upon being entitled to do so, the Developer shall register all such documents as may be necessary to cancel such lien from Development Site 10A and the Developer's Project.

4.6 Payment of Property Taxes

The Developer acknowledges that the Ground Lease requires that the Tenant pay, during the Construction Period, in each case prior to the respective dates thereof:

- (a) all Property Taxes, pro-rated to the Construction Period; and
- (b) all charges or gas, electricity, light, heat, power, telephone, water, sanitary sewers, storm sewers, cable and other utilities and services used in or supplied to Development Site 10A and the Developer's Project throughout the Construction Period,

and the Developer will indemnify and keep indemnified PavCo and all Indemnified Parties from and against payment of all losses, costs, charges and expenses, occasioned by or arising from

any and all such Property Taxes and any other charges, penalties, interests or other expenses which relate to the foregoing charges.

4.7 Continuation of B.C. Place Operations

The Developer acknowledges and agrees that in the conduct of the Developer's activities upon Development Site 10A, the Developer will not, without the express prior written consent of PavCo (which may be granted, withheld or withheld upon conditions, in the sole and unfettered discretion of PavCo) endanger or create any nuisance which would prevent or materially interfere with the continued safe and effective operation of B.C. Place Stadium as a public assembly facility.

4.8 Construction of B.C. Place Parking Spaces

Without in any way modifying or releasing any of the other obligations of the Developer under this Agreement, the Developer covenants and agrees to ensure that the B.C. Place Parking Spaces are constructed and Substantially Completed in accordance with the applicable portions of the Approved Plans and Specifications and made available for occupancy and use, for the parking of motor vehicles in accordance with the B.C. Place Parking Easement, on or before the respective dates specified in the list of Project Milestones.

In connection therewith, PavCo and the Developer acknowledge and agree that the use and enjoyment by PavCo (or any of its authorized designees or licensees) will be substantially in accordance with the following terms and conditions:

- (a) the Developer will make available to PavCo 100 B.C. Place Parking Spaces for use by PavCo or any licensee designated by PavCo, on any day or days during the Operating Period and between 6AM and 6PM, in locations to be agreed by PavCo and the Developer, each acting in a commercially-reasonable manner;
- (b) the Developer will make available to PavCo, 200 B.C. Place Parking Spaces for use by PavCo or any licensee designated by PavCo on any day or days during the Operating Period and between 10AM and 12AM (midnight), in locations to be agreed by PavCo and the Developer, each acting in a commercially-reasonable manner,

and in connection therewith, the Developer may require payment from any users of such B.C. Place Parking Spaces described in Sections 4.8(a) and (b) at rates agreed between PavCo and the Developer prior to the Execution Date.

In addition:

- (c) the provision of such B.C. Place Parking Spaces for uses as contemplated under Sections 4.8 (a) and (b) above shall be in addition to and not in substitution for the provision by the Developer of any parking spaces required upon Development Site 10A by the City in connection with parking requirements relating to Lot 157; and

- (d) PavCo will support any application made by the Developer to the City to permit the construction and use of parking spaces, in addition to those contemplated in this Section 4.8 above, as the Developer may wish in connection with the Developer's Project.

4.9 Restoration of B.C. Place Access Routes

Without in any way modifying or releasing any of the other obligations of the Developer under this Agreement, the Developer covenants and agrees to ensure that the B.C. Place Access Routes are constructed and Substantially Completed in accordance with the applicable portions of the Approved Plans and Specifications and made available for occupancy and use for the purposes of pedestrian access to and egress from B.C. Place Stadium and for the purposes of vehicular egress from B.C. Place Stadium in accordance with the B.C. Place Access Easement, on or before the respective dates specified in the list of Project Milestones.

4.10 Workers' Compensation Coverage

At all times during the Construction Period, the Developer [or as applicable, the Tenant] shall at its own expense procure and carry or cause to be procured and carried and paid for full workers' compensation coverage in respect of all workmen, employees, servants and others engaged in or upon any work, the non-payment of which would create a lien on Development Site 10A or the Developer's Project.

Without limiting any of the obligations of the Tenant under the Ground Lease, the Developer shall immediately notify PavCo of any dispute involving third parties which may arise in connection with the obtaining and maintenance of workers' compensation coverage required hereby if such dispute results in the requisite coverage not being in place, and the Developer shall take all reasonable steps to ensure the resolution of such dispute forthwith.

Without limiting any of the obligations of the Tenant under the Ground Lease, at all times the Developer shall defend, indemnify and save harmless the Indemnified Parties from and against all damages, costs, expenses (including, without limitation, legal expenses on a solicitor and own client basis), claims, suits, judgments and demands which the Indemnified Parties may incur or suffer as a result of any default by the Developer of its obligation under this Section 4.10 to ensure the said full workers' compensation coverage is maintained. The Developer shall further ensure that no amount of the said Workers' Compensation coverage is left unpaid so as to create a lien on Development Site 10A or the Developer's Project. If the workers' compensation coverage required by this Section 4.10 is not in place within 60 days of the date of the notice to PavCo hereinbefore mentioned, PavCo shall be entitled to have recourse to the remedies of PavCo specified in this Agreement and to the remedies of the Landlord specified in the Ground Lease, in each case, or at law or in equity.

5. GROUND LEASE AND RESERVED EASEMENTS

5.1 Agreement to Grant Ground Lease

PavCo and the Developer agree to execute and deliver (or to cause to be executed and delivered) the Ground Lease by PavCo, as Landlord, and by the Developer (or any Approved

Developer Assignee), as Tenant **[and, as appropriate, by the Indemnifier]** in the form attached hereto as Schedule M and in accordance with the following provisions:

- (a) notwithstanding anything to the contrary contained in this Agreement, neither PavCo nor the Developer will have any obligations to the other in connection with the execution, delivery or effectiveness of the Ground Lease unless and until all Ground Lease Preconditions are satisfied as set out in this Agreement;
- (b) not later than twenty Business Days prior to the scheduled Commencement Date, PavCo, as Landlord, will prepare the form of the Ground Lease for execution by all parties thereto;
- (c) in preparing copies of the Ground Lease for execution by all parties thereto, the Landlord will:
 - (i) insert the appropriate legal description of the legal parcel intended to comprise the Premises for the purposes of the Ground Lease, as created or designated pursuant to an Acceptable Subdivision;
 - (ii) the Landlord will insert, as the "Commencement Date" under the Ground Lease the date determined by the Landlord to be the date upon which vacant possession of Development Site 10A will be delivered by PavCo to the Developer for the purposes of commencement of development and construction of the Developer's Project;
 - (iii) the Landlord will prepare and attach to the Ground Lease appropriate copies of such plans as may be required to fully identified the Premises, together with any rights of access by easements, statutory rights-of-way, restrictive covenants or otherwise for the benefit of PavCo, as the registered owner of the B.C. Place Remainder or for the benefit of the City as may be required as conditions of the Acceptable Rezoning and/or the Acceptable Subdivision;
- (d) not later than fifteen Business Days prior to the scheduled Commencement Date, the Landlord will deliver to the Tenant not fewer than four complete copies of the Lease together with all relevant plans, schedules and supporting material;
- (e) not later than ten Business Days prior to the scheduled Commencement Date, the Tenant **[and, as applicable, the Indemnifier]** will execute and return not fewer than two copies of the Ground Lease to PavCo;
- (f) not later than ten Business Days prior to the scheduled Commencement Date, the Tenant will deliver to PavCo the Rent Security LC as contemplated in the Ground Lease;

- (g) notwithstanding execution and delivery of the Ground Lease by PavCo, as Landlord, and any parties comprising the Tenant **[and, as applicable, the Indemnifier]**, the Ground Lease will not become effective nor shall the Commencement Date be deemed to have occurred until and unless all Ground Lease Preconditions have been satisfied as contemplated in Section 5.2 of this Agreement;
- (h) notwithstanding execution and delivery of the Ground Lease by the parties thereto, neither the Tenant nor the Indemnifier nor any party acting on behalf of either of such party shall register or attempt to register the Ground Lease against title to the B.C. Place Lands, nor Development Site 10A, nor the Premises described in the Ground Lease as may be created pursuant to the Acceptable Subdivision until and unless all Ground Lease Preconditions have been satisfied as contemplated in this Agreement.

5.2 Ground Lease Preconditions

Notwithstanding anything to the contrary contained in this Agreement and despite the execution and delivery by the Landlord and the Tenant of the Ground Lease, all obligations of both PavCo, as Landlord, and the Developer, as Tenant, under the Ground Lease and the effectiveness of the Ground Lease shall be subject to satisfaction of each and all of the following conditions precedent:

- (a) completion of all requisite acquisitions, transfers, dedications and exchanges of lands required in connection with the Smithe Street Realignment on or before the respective dates set out in the Project Milestones;
- (b) occurrence of the Acceptable Rezoning on or before the respective date set out in the Project Milestones;
- (c) occurrence of the Acceptable Subdivision on or before the respective date set out in the Project Milestones;
- (d) issuance of the Development Permit on or before the respective date set out in the Project Milestones;
- (e) issuance of a Building Permit on or before the respective date set out in the Project Milestones;
- (f) delivery by the Developer to PavCo, on or before the respective date set out in the Project Milestones of evidence satisfactory to PavCo, acting in a commercially-reasonable manner that the Developer (or the Tenant, as applicable) have available sufficient equity (whether from or through the Developer, the Tenant, any Approved Developer's Assignee or the Indemnifier) or available credit on commercially-reasonable terms to

Substantially Complete the Developer's Project in accordance with the terms of this Agreement and the Ground Lease; and

- (g) the Developer has fully and punctually performed all of its obligations under this Agreement up to the date of satisfaction of all other Ground Lease Preconditions.

5.3 Non-Satisfaction of Ground Lease Preconditions

If any of the Ground Lease Preconditions are not satisfied as contemplated in Section 5.2 of this Agreement, then the following provisions shall apply:

- (a) if any of such Ground Lease Preconditions have not been satisfied by reason of an unremedied PavCo Default, the provisions of Sections 2.2(c) and 2.3(d), respectively, shall apply; and
- (b) if any of the Ground Lease Preconditions have not been satisfied by reason of an unremedied Developer Default, then in addition to any other rights or remedies to PavCo in connection therewith, PavCo may retain the Deposit and to cash the DCC Payment LC, or, if the DCC Payment has already been paid to PavCo, PavCo may retain the DCC Payment without any obligations for repayment or accounting to the Developer;
- (c) if any of the Ground Lease Preconditions have not been satisfied and neither a Developer's Default nor a PavCo Default has occurred then, subject to any further agreements between PavCo and the Developer, the Ground Lease will be deemed to be null and void and none of the parties thereto shall have any obligations to the other thereunder, and the provisions of Sections 2.3 and 2.4 shall apply as to the payment of all or any portions of the Deposit and the DCC Payment, and subject only to the Surviving Obligations, this Agreement shall be null and void and have no further force or effect.

5.4 Land Title Office Fees and Property Transfer Taxes

The Developer will pay, or cause the Developer's Approved Assignees to pay all Property Transfer Tax and Land Title Office registration fees in connection with the registration of the Ground Lease at the Land Title Office.

5.5 Execution and Delivery of Reserved Easements

PavCo and the Developer agree to execute and deliver (or to cause to be executed and delivered) each of the Reserved Easements by PavCo, as Landlord, and by the Developer (or any Approved Developer Assignee), as Tenant, in the forms respectively attached hereto as Schedules J, K and L, accompanied by relevant Explanatory Plans of Easement to accompany the B.C. Place Access Easement and the B.C. Place Parking Easement as agreed between the Landlord and the Tenant in accordance with the respective dates established therefor in the list of the Project Milestones.

PavCo will be entitled and responsible to coordinate registration of each of the Reserved Easements in the Land Title Office immediately subsequent to the submission for registration of the Ground Lease by the Tenant and immediately prior to the registration of any Leasehold Mortgage or other security proposed or intended to be registered at the Land Title Office in connection with any interest of the Developer or any Tenant under the Ground Lease or otherwise in connection with Development Site 10A.

5.6 Assumption and Indemnities Re: Permitted Encumbrances

If and to the extent required by the City (or any other relevant Governmental Authority), the Developer will cause the Tenant to execute and deliver to the City (or to any other relevant Governmental Authority) agreements providing for the assumption by the Tenant of obligations under any existing Permitted Encumbrances or for the granting by the Tenant or by the Indemnifier of any indemnities as may be required in connection with the rights and obligations of the Tenant and the Indemnifier under the Ground Lease or otherwise in connection with Development Site 10A, including, without limitation, as to the Public Access SRW's.

5.7 Adjustments to Ground Lease Rent Based upon Changes to Allowable Development Density

PavCo and the Developer agree that if and to the extent that the Acceptable Rezoning is enacted by Vancouver City Council upon terms and conditions which:

- (a) allow greater Allowable Development Density to be utilized on Development Site 10A in connection with the Developer's Project; or
- (b) permit uses of higher commercial values
- (c) than those contemplated in the Target Rezoning Requirements, PavCo and the Developer will meet, discuss and settle equity adjustments to Rents otherwise payable under the terms of the Ground Lease.

6. REPRESENTATIONS AND WARRANTIES

6.1 Representations and Warranties of PavCo

PavCo hereby represents and warrants to the Developer as follows:

- (a) PavCo is the registered and beneficial owner of the B.C. Place Lands;
- (b) as of the Execution Date, the Project Documents comprise all information in the possession or control of PavCo and (to PavCo's Knowledge) currently-relevant to the ownership, condition and development status and prospects for Development Site 10A;
- (c) the Environmental Reports (delivered as a part of the Project Documents) comprise all environmental reports in the possession or control which are, to PavCo's Knowledge, currently-relevant with respect to the environmental condition of Development Site 10A; and

- (d) subject to the performance by the Developer of all of its obligations under this Agreement, effective as of the Commencement Date, PavCo, as Landlord, will grant a lease of Development Site 10A to the Developer pursuant to the Ground Lease, free and clear of all charges, tenancies or encumbrances, except the Permitted Encumbrances.

6.2 Representations and Warranties of the Developer

The Developer hereby represents and warrants to PavCo as follows:

- (a) the Developer has the power, authority and capacity to enter into this Agreement and to carry out the transactions contemplated hereby, all of which will, by the Commencement Date, have been duly and validly authorized by all requisite proceedings;
- (b) there are no actions, suits or proceedings in existence or, to the knowledge of the Developer, threatened against or affecting the Developer in law or in equity which, if decided adversely, could materially affect the ability of the Developer to perform its obligations hereunder;
- (c) all of the information provided by the Developer to PavCo under and in connection with the RFP was and remains complete and accurate as of the Execution Date;
- (d) (unless such obligations are to be performed by the Indemnifier as contemplated in Section 11.1 of this Agreement) the Developer has retained and will retain all managerial expertise as may be required to observe and fully perform all of the obligations of the Developer under this Agreement;
- (e) (unless such obligations are to be performed by the Indemnifier as contemplated in Section 11.1 of this Agreement) the Developer has maintained and will maintain available sufficient financial resources to fully observe and fully perform all of the obligations of the Developer under this Agreement as and when required and as and when due hereunder; and
- (f) the Developer is, directly or indirectly, Controlled by the Indemnifier and will, (along with any proposed Developer's Affiliated Assignee), remain Controlled by the Indemnifier up to and including the commencement of the Operating Period.

6.3 Representations and Warranties of the Indemnifier

The Indemnifier hereby represents and warrants to PavCo as follows:

- (a) the Indemnifier has the power, authority and capacity to enter into this Agreement and to carry out the transactions contemplated hereby, all of

which will, by the Commencement Date, have been duly and validly authorized by all requisite proceedings;

- (b) there are no actions, suits or proceedings in existence or, to the knowledge of the Indemnifier, threatened against or affecting the Indemnifier in law or in equity which, if decided adversely, could materially affect the ability of the Indemnifier to perform its obligations hereunder;
- (c) (unless such obligations are to be performed by the Indemnifier as contemplated in Section 6.3 of this Agreement) the Indemnifier has retained and will retain all managerial expertise as may be required to observe and fully perform all of the obligations of the Indemnifier under this Agreement;
- (d) (unless such obligations are to be performed by the Indemnifier as contemplated in Section 6.3 of this Agreement) the Indemnifier has maintained and will maintain available sufficient financial resources to fully observe and fully perform all of the obligations of the Indemnifier under this Agreement as and when required and as and when due hereunder; and
- (e) the Indemnifier, directly or indirectly, Controls the Developer (along with any proposed Developer's Affiliated Assignee) and will retain such Control up to and including the expiry of the Construction Period.

7. ENVIRONMENTAL MATTERS

7.1 Environmental Responsibilities

PavCo and the Developer acknowledge and agree that prior to the Execution Date, PavCo has delivered to the Developer true copies of any environmental reports in the possession or control of PavCo with respect to the environmental condition of Development Site 10A (and, as appropriate, the B.C. Place Lands and other properties in the vicinity thereof) which remain currently-relevant to Development Site 10A.

The Developer will be entitled, at its sole expense:

- (a) to review all environmental tests, soil management plans and remediation plans relating to Development Site 10A and of the balance of Development Site 10A;
- (b) through the Developer's environmental consultants, to discuss with PavCo's environmental consultants, at the expense of the Developer, all reasonable matters relating to the environmental condition of Development Site 10A and of the B.C. Place Remainder.

In furtherance thereof:

- (c) PavCo will be solely responsible to determine, negotiate and settle with any relevant Governmental Authority:
 - (i) any applicable B.C. Place Environmental Standards; and
 - (ii) relevant remediation plans and work protocols,
 - (iii) relating to the environmental remediation of Development Site 10A (or any other relevant portions of the B.C. Place Lands and the Smithe Street Re-Alignment to give effect to the B.C. Place Environmental Standards;
- (d) PavCo may, at its option, conduct any examinations, analyses, excavations, storage and disposal of any soils upon or from Development Site 10A to give effect to the obligations of PavCo under this Section 7.1;
- (e) PavCo may arrange with the Developer (both acting in a commercially-reasonable manner) to implement its obligations under this Section 7.1 as to the environmental remediation of Development Site 10A in accordance with the B.C. Place Environmental Standards concurrently with the conduct by the Developer of its excavation and disposal processes in connection with the Developer's Project;
- (f) PavCo will be solely responsible to pay all Incremental Environmental Remediation Costs and to obtain and deliver to the Developer (as well as to the City, as applicable) any confirmation of the completion of the obligations of PavCo as to the remediation of Development Site 10A contemplated in this Section 7.1, in accordance with any relevant agreements, remediation programs or work protocols agreed or imposed by any relevant Governmental Authorities as contemplated in Section 7.1(c) of this Agreement;
- (g) for greater certainty, the Developer will cooperate with PavCo, each acting in a commercially-reasonable manner, to effect the environmental remediation of Development Site 10A not later than the period of excavation and disposal of other soils and other excavation materials from Development Site 10A in connection with the Developer's Project;
- (h) for greater certainty, other than the Incremental Environmental Remediation Costs payable by PavCo, the Developer will be responsible to pay all other costs of excavation and disposal of soils and other excavation materials from Development Site 10A required in connection with the Developer's Project, and PavCo will not be obligated to excavate, remediate or dispose of wood waste unless such wood waste is otherwise determined to comprise environmental contamination under the B.C. Place Environmental Standards; and

- (i) the Developer waives the requirement for delivery by PavCo of a Site Profile in connection with Development Site 10A as contemplated in the *Environmental Management Act* (British Columbia).

8. DEVELOPER'S EQUITY AND FINANCING

8.1 Confirmation of Available Developer Financing

The Developer will be solely responsible to obtain and to demonstrate to the commercially-reasonable satisfaction of PavCo from time to time, prior to the commencement of the Operating Period, that the Developer (or the Tenant, as applicable) has available sufficient equity (whether from or through the Developer, the Tenant, any Developer's Approved Assignee or the Indemnifier) or available credit on commercially-reasonable terms to Substantially Complete the Developer's Project in accordance with the terms of this Agreement and the Ground Lease.

8.2 Leasehold Mortgage Financing

PavCo agrees that the Developer (or the Tenant, as applicable) may require financing to be secured by a Leasehold Mortgage and PavCo agrees to observe and perform the obligations of the Landlord under the Ground Lease with respect to any such proposed Leasehold Mortgage (and related security).

8.3 Tripartite Agreement

If so requested by any Leasehold Mortgagee, PavCo, as Landlord, the Developer (or any Developer's Approved Assignee), as Tenant, **[and the Indemnifier]** and Leasehold Mortgagee will discuss, settle and execute a Tripartite Agreement as contemplated in Article 15 of the Ground Lease, but substantially in the form attached hereto as Schedule N, subject to any revisions as may be agreed among the parties thereto, each acting in a commercially-reasonable manner.

9. DEFAULT AND REMEDIES

9.1 Developer's Defaults

For the purposes of this Article 9, any of the following occurrences will constitute a Developer's Default under this Agreement:

- (a) if the Developer should be in default in the payment of any moneys required to be paid by the Developer hereunder (including, without limitation, any Development Process Costs payable by the Developer, any Property Taxes payable during the Construction Period and the DCC Payment) and such default will continue for a period of Ten (10) Business Days after written notice thereof has been given by PavCo to the Developer; or

- (b) if the Developer shall be in default under any of the provisions of this Agreement (other than provisions requiring the payment of moneys) unless caused by or as a result of an Event of Force Majeure and the Developer is proceeding with all due diligence to remedy the same, and such default will continue for a period of Fifteen (15) Business Days after written notice thereof has been given by PavCo to the Developer, or such longer period as may reasonably be required to cure any such default; PROVIDED THAT reasonable steps to cure such default are taken and diligently pursued by the Developer; or
- (c) if a change of Control of the Developer or any assignment of the interests of the Developer other than to a Developer's Affiliated Assignee occurs without prior notice to and (as required) the approval of PavCo; or
- (d) if the Developer will be an insolvent Person within the meaning of the *Bankruptcy and Insolvency Act* (Canada) or commit or threaten to commit any act of bankruptcy; or
- (e) if any proceeding is commenced or if any step by or against the Developer is taken for the dissolution, liquidation or winding-up of the Developer or for any relief under the laws of any jurisdiction relating to bankruptcy, insolvency, reorganization, arrangement, compromise or winding-up, or for the appointment of one or more of a trustee, receiver, receiver-Manager, custodian, liquidator or any other person with similar powers with respect to the Developer or the Developer's interests under this Agreement; or
- (f) if an encumbrancer or creditor takes possession of the Developer's interests under this Agreement or in respect of Development Site 10A or the Developer's Project, or if a distress or execution or any similar process is levied or enforced upon or against such interest of the Developer under this Agreement or in respect of Development Site 10A or the Developer's Project; PROVIDED THAT such process will not give rise to an Developer's Default if:
 - (i) it is being diligently disputed in good faith by the Developer and any such breach or alleged breach giving rise to such actions by an encumbrancer or a creditor is rectified within a commercially-reasonable period of time;
 - (ii) non-payment will not in the reasonable opinion of PavCo adversely affect the ability of the Developer to perform of its obligations under this Agreement; and
 - (iii) if the Developer will desire to contest the same, the Developer will also give security which, in the reasonable opinion of PavCo, will be deemed sufficient to pay in full the amount claimed if it will be held to be a valid claim.

In the event of the occurrence of more than one of the circumstances set forth in Sections 9.1(a) through (f) inclusive, each such circumstance will be deemed to be a separate Developer's Default.

9.2 Remedies Available to PavCo

If any Developer's Default will have occurred, until such Developer's Default has been fully remedied, PavCo will have the right to do any of the following:

- (a) bring any proceedings in the nature of specific performance, injunction, or other equitable remedy, it being acknowledged by the parties hereto that damages at law may be an inadequate remedy for a default or breach of this Agreement; or
- (b) remedy such Developer's Default and any other default of the Developer under this Agreement or under any other agreements entered into by or on behalf of the Developer, in which case PavCo will be entitled upon demand to be reimbursed by the Developer for any moneys expended to remedy any such Developer's Default and any other reasonable expenses incurred by PavCo, together with interest at a rate per annum equal to the Prime Rate plus 5% from the time moneys are expended until reimbursed; or
- (c) retain the Deposit and utilize the proceeds of the Deposit to remedy any such Developer's Default and to prevent the occurrence of any further Developer's Default; or
- (d) retain the DCC Payment (if then paid) or cash and utilize the proceeds of the DCC Payment LC, as applicable, to remedy any such Developer's Default and to prevent the occurrence of any further Developer's Default; or
- (e) bring any action at law as may be necessary or advisable in order to recover damages and costs; or
- (f) if any such Developer's Default continues for a period of 15 Business Days after the occurrence thereof, to deliver written notice to the Developer of the termination of this Agreement, whereupon, without any obligation to pay any moneys or other compensation or consideration to the Developer, PavCo may, at its option and without limiting any other rights or remedies available to PavCo at law or in equity:
 - (i) retain the Deposit;
 - (ii) retain any DCC Payment (if then paid) or cash and retain the proceeds of the DCC Payment LC;
 - (iii) terminate the Ground Lease; and

- (iv) demand delivery to PavCo of all of the materials contemplated in Section 3.14 upon the terms and conditions therein provided.

10. EXPEDITED RESOLUTION PROCEDURES

10.1 Resolution by Approved Referee

If any dispute arises between the Developer and PavCo in respect of any Referable Matter prior to the Commencement Date and such dispute is not resolved within a time-frame which either of the parties hereto determines is reasonably required to ensure the timely satisfaction of the Ground Lease Preconditions and the timely advancement of the Developer's Project and the Upgrade Project, either PavCo or the Developer may, by delivery of written notice (which notice will include a reasonably-detailed description of any Referable Matter in dispute) to the other (the "**Receiving Party**"), require that the Referable Matter in dispute be resolved by reference to an Approved Referee.

10.2 Appointment of Approved Referee

Any Receiving Party will, within 5 Business Days following receipt of any notice described in Section 10.1, select from the then-current list of Approved Referees (by delivery of written notice - an "**Appointing Notice**" to the other party and to all then-listed Approved Referees), and based upon the expertise of such party and the subject matter of the Referable Matter, to determine the Referable Matter in dispute.

If the Receiving Party does not, within such period of 5 Business Days, deliver an Appointing Notice, the other party will be entitled to deliver an Appointing Notice and thereby appoint the Approved Referee to resolve the Referable Matter in dispute.

10.3 Conduct of Approved Referee

As soon as practically possible following receipt of an Appointing Notice, but not later than Five (5) Business Days following receipt thereof, the Approved Referee so appointed will convene a meeting among the parties to such dispute to receive each other's written and oral presentations as to the Referable Matter in dispute and each party's respective proposal for resolution of the Referable Matter. The Approved Referee will be entitled to question all parties in connection with the Referable Matter and their respective proposals with respect thereto and to require the delivery, as soon as practicably possible, further materials, submissions or evidence in connection therewith, all with a view to rendering a final determination in respect of the Referable Matter in dispute within 10 Business Days following delivery of any Appointing Notice (provided that if the Approved Referee determines that he or she will be unable to render a final determination within such period, then the final determination will be delivered as soon as practically available from the Approved Referee).

The Approved Referee will be instructed, upon engagement, to select the proposal of either one of the parties as to the Referable Matter in dispute in preference to the other and the proposal so selected will, for all purposes relating to the Referable Matter, be implemented in connection therewith as soon as practicably possible following such determination by the Approved Referee.

10.4 Effect of Determination of Approved Referee

Except as to questions of law or mixed law and fact, the parties hereto acknowledge and agree that any determination by any Approved Referee of any Referable Matter in dispute will be final and binding upon the parties hereto and any related parties and other parties holding interests pursuant to this Agreement.

Promptly following issuance by the Approved Referee of his/her determination of the Referable Matter in dispute, the parties hereto will implement such determination for all purposes of this Agreement and for the purposes of seeking satisfaction of the Ground Lease Preconditions and advancement of the Developer's Project and the Upgrade Project.

10.5 Costs of Determination by Approved Referee

Unless the Approved Referee otherwise determines in connection with issuance of his/her determination of the Referable Matter in dispute, each party to the proceedings conducted by the Approved Referee will bear their own costs and share equally all fees and costs involved in the engagement of the Approved Referee in such determination.

10.6 Maintenance of List of Approved Referees

If and to the extent that any person included within the list of Approved Referees in the definition thereof in Section 1.1(j) of this Agreement is, from time to time, unavailable, unable, unwilling or not qualified to act as an Approved Referee, the parties hereto will, acting in a commercially-reasonable manner, endeavour to agree upon replacements of any such person, with the intention that there will, at all times material to this Agreement, be not fewer than two (2) architects, two (2) engineers and two (2) solicitors, qualified as required under Section 1.1(j) of this Agreement, available and acceptable to both of the parties hereto to act as an Approved Referee.

If the parties hereto do not approve of all six (6) Approved Referees, either party may apply to the Supreme Court of British Columbia to approve the designation of any party as an Approved Referee for the purposes of this Agreement.

11. COVENANTS OF INDEMNIFIER

11.1 Covenants of Indemnifier

The Indemnifier covenants and agrees with PavCo as follows:

- (a) the Indemnifier will take all such action within the power of the Indemnifier to cause the Developer to fully and punctually perform all of its obligations under this Agreement;
- (b) the Indemnifier will indemnify and save harmless PavCo and all Indemnified Parties from and against any and all damages, costs, expenses, liabilities or obligations of any nature, howsoever arising, by reason of any breach by the Developer or any Affiliate of the Developer,

including the Indemnifier of its or their respective obligations under this Agreement;

- (c) the Indemnifier will maintain Control of the Developer from and including the Execution Date up to and including the Commencement Date unless PavCo first and expressly otherwise agrees in PavCo's sole and unfettered discretion; and
- (d) the Indemnifier will maintain sufficient financial resources available to fully observe and perform all of the obligations of the Indemnifier under this Agreement as and when required and as and when due hereunder.

11.2 Acknowledgement of Indemnifier

The Indemnifier hereby acknowledges and agrees with PavCo that as of the Execution Date, the Developer has and will up to and including the Commencement Date, have full authority to communicate with and commit to PavCo, the City and all other Governmental Authorities with respect to all matters contemplated in this Agreement and in connection with the Developer's Project without any requirement for further notice to or authorizations or consents from the Indemnifier, all of which will bind the Indemnifier without any requirement for any further action or consent by the Indemnifier.

12. ASSIGNMENTS AND TRANSFERS

12.1 Assignments by Developer

The Developer will have no right to assign any of its interests under this Agreement or under the Ground Lease except to:

- (a) any Developer's Affiliated Assignee; PROVIDED THAT:
 - (i) if the Developer intends to require PavCo to grant the Ground Lease to any Developer's Affiliated Assignee, the Developer will provide written notice thereof to PavCo not later than fifteen (15) Business Days prior to the Commencement Date;
 - (ii) any such entity is (at the effective date of such assignment and remains) at all material times up to and including the Commencement Date, an Affiliate of the Developer, unless the prior written consent of PavCo (which may be withheld or given in the sole and absolute discretion of PavCo) is obtained;
 - (iii) in no event will any assignment of the interests of the Developer, whether to an Affiliate or otherwise, be permitted unless any such proposed assignee enters into an agreement in a form satisfactory to PavCo, acting reasonably, to assume all of the obligations and covenants of the Developer under this Agreement; and

- (iv) notwithstanding any such assignment by the Developer, the Developer and the Indemnifier named on page 1 of this Agreement will remain liable for the performance of the respective obligations of the Developer and the Indemnifier under this Agreement until and unless expressly released at the option of PavCo; or
- (b) any other party or parties not comprising a Developer's Affiliated Assignee; PROVIDED THAT:
- (i) the Developer will provide written notice to PavCo as soon as reasonably practicable requesting the consent of PavCo to any such proposed assignment (including any other form of disposition of the interests of the Developer under this Agreement, in connection with the Ground Lease or in connection with Development Site 10A or the Developer's Project), but in any event not later than Fifteen (15) Business Days prior to the Commencement Date;
 - (ii) concurrently with delivery of any notice by the Developer to PavCo of any request for consent to any such assignment (or any form of disposition), the Developer will provide PavCo with reasonable supporting material relating to the identity, ownership, control, managerial expertise and financial capabilities of any such proposed assignee;
 - (iii) PavCo may determine, in its sole and unfettered discretion whether to approve, accept, reject or accept on conditions any such proposed assignment;
 - (iv) in no event will any assignment of the interests of the Developer be permitted unless such proposed assignee enters into an agreement in a form satisfactory to PavCo, acting reasonably, to assume all of the obligations and covenants that the Developer under this Agreement proposed to be assigned to and assumed by such assignee; and
 - (v) notwithstanding any such assignment by the Developer, the Developer and the Indemnifier named on page 1 of this Agreement will remain liable for the performance of the respective obligations of the Developer and the Indemnifier under this Agreement until and unless expressly released at the option of PavCo.

For greater certainty, PavCo acknowledges and agrees that any proposed assignment of any of the interests of the Developer to any Developer's Affiliated Assignee will not require the approval of PavCo PROVIDED THAT all other conditions set out in Section 12.1(a) have been satisfied.

12.2 Assignment by PavCo

PavCo will be entitled to assign all or any interest of PavCo in all or any portion of the B.C. Place Lands, including without limitation, Development Site 10A, and/or under this Agreement and/or under the Ground Lease to any Affiliate or Affiliates of PavCo or to any other Provincial Emanations; PROVIDED THAT any such Affiliate or Affiliates of PavCo or any such other Provincial Emanation will enter into an agreement in a form satisfactory to the Developer, acting reasonably, to assume all of the obligations and covenants of PavCo under this Agreement.

13. MISCELLANEOUS

13.1 Time of the Essence

Time will be the essence of this Agreement and the transactions contemplated herein.

13.2 Tender

Any tender of documents or money may be made upon the party being tendered or upon its solicitors and money may be tendered by certified cheque or banker's draft.

13.3 Relationship of the Parties

Nothing herein will be construed so as to make the Developer and owner of Development Site 10A nor a tenant thereof for any purpose until all Ground Lease Preconditions have been satisfied and the Ground Lease has become effective as of the Commencement Date.

Nothing in this Agreement will be construed to create between the Developer and PavCo a partnership or joint venture.

13.4 Notices

Any notice required or permitted to be given hereunder will be sufficiently given if personally delivered, addressed as follows:

(a) if to PavCo:

B.C. Pavilion Corporation
1900 – 999 West Hastings Street
Vancouver, British Columbia
V6C 2W2

Attention: Chief Executive Officer

Facsimile No.: (604) 484-5154

with a concurrent copy to PavCo's Solicitors (which may be delivered by courier or by fax) at:

BULL, HOUSSEY & TUPPER LLP
3000 - 1055 West Georgia Street
Vancouver, British Columbia
V6E 3R3

Attention: Larry R. Sandrin

Facsimile No.: (604) 641-4949; and

(b) if to the Developer, addressed as follows:

Attention:

Facsimile: (____) _____

with a concurrent copy to the Developer's Solicitors, which may be given by courier or by fax, at:

Attention:

Facsimile: (____) _____; and

(c) [if to the Indemnifier, addressed as follows:

Attention:

Facsimile: (____) _____,]

or at such other address or addresses as any of the parties hereto may designate by notice in writing to the other parties hereto.

13.5 Commissions/Costs

PavCo and the Developer each represent and warrant to the other that neither of them has engaged the services of any realtor in connection with the offering, development or lease of Development Site 10A contemplated under this Agreement and the RFP; PROVIDED THAT if and to the extent that any payment is due to or any claim is made by any realtor or other agent in connection with the offering, development or lease of Development Site 10A, the party which has engaged the services of any such realtor or other such consultant will be responsible to pay any such commissions or fees properly due and payable to any such agent or consultant and

will indemnify and save harmless the other party hereto from and against any and all such claims and related liabilities.

PavCo and the Developer will pay their own respective legal fees and all other fees incurred by such parties to any other party in connection with the transactions herein contemplated, except as may otherwise be specifically set forth in this Agreement.

13.6 Further Assurances

Each of the parties will execute and deliver all such further documents and do such other things as the other party may reasonably request to give full effect to this Agreement.

13.7 Entire Agreement

This Agreement, together with the Ground Lease, comprises the entire agreement between the parties hereto with respect to the subject matter of this Agreement and, without limiting the generality of the foregoing, this Agreement will supersede and render null and void the RFP and the Developer's Proposal.

13.8 Confidentiality

PavCo and the Developer and the Indemnifier will maintain in strict confidence the terms of this Agreement and all confidential information received from the other party relating to Development Site 10A, the Developer's Project and will only disclose the same to their respective employees, directors, officers, bankers, partners or co-owners, lawyers and consultants on a "need to know" basis and on the basis of strict confidentiality; PROVIDED THAT PavCo may, in its sole and absolute discretion, disclose the existence of this Agreement and its terms for all purposes required to obtain provide reports and recommendations to and to seek approvals and directions from the management and membership of PavCo and/or from any Provincial Emanation or other Governmental Authority and to obtain the advice and counsel of any of PavCo's consultants and advisors.

For the purposes of this Agreement, "confidential information" will include:

- (a) any information expressly identified by the party disclosing such information as "confidential";
- (b) any information which, by its nature, and if disclosed, would reasonably be expected to offer advantages to competitors of the disclosing party; and
- (c) any information of a proprietary or confidential nature relating to the business or the assets of either party or any of their Affiliates.

13.9 Press Releases

Neither PavCo nor the Developer nor the Indemnifier will, without the prior written approval, concurrence or joint or co-ordinated actions of the other parties, grant any interviews nor issue or release any public acknowledgements or announcements, including press releases, or

knowingly participate in or generate any publicity concerning the subject matter of this Agreement.

13.10 Successors

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

13.11 Counterpart Execution

This Agreement may be executed in counterparts by PavCo and the Developer and the Indemnifier and their respective authorized signatories, which counterparts may be executed and delivered in person or by facsimile transmission and which shall, together and when delivered, constitute one agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, all with effect as of the Execution Date.

B.C. PAVILION CORPORATION

Per: _____
Authorized Signatory

Authorized Signatory

THE DEVELOPER

Per: _____
Authorized Signatory

Authorized Signatory

[THE INDEMNIFIER

Per: _____
 Authorized Signatory

 Authorized Signatory]

ATTACHMENTS:

Schedule A	Sketch Plan showing the current boundaries of the B.C. Place Lands and the (currently-anticipated) locations of Development Site 10A and the B.C. Place Remainder following completion of the Smithe Street Realignment
Schedule B	Plan showing Smithe Street Realignment Components
Schedule C	List of Project Documents
Schedule D	List of Permitted Encumbrances
Schedule E	Description of Developer's Project
Schedule F	Target Rezoning Requirements
Schedule G	Target Subdivision Requirements
Schedule H	Current Project Schedule
Schedule I	Current Project Milestones
Schedule J	Approved Form of B.C. Place Construction and Maintenance Easement
Schedule K	Approved Form of B.C. Place Access Easement
Schedule L	Approved Form of B.C. Place Parking Easement
Schedule M	Approved Form of Ground Lease
Schedule N	Approved Form of Tripartite Agreement

SCHEDULE A

**SKETCH PLAN SHOWING THE CURRENT BOUNDARIES OF THE B.C.
PLACE LANDS AND THE (CURRENTLY-ANTICIPATED) LOCATIONS OF
DEVELOPMENT SITE 10A AND THE B.C. PLACE REMAINDER FOLLOWING
COMPLETION OF THE SMITHE STREET REALIGNMENT**

SCHEDULE B

PLAN SHOWING SMITHE STREET REALIGNMENT COMPONENTS

SCHEDULE C
LIST OF PROJECT DOCUMENTS

SCHEDULE D

LIST OF PERMITTED ENCUMBRANCES

SCHEDULE E
DESCRIPTION OF DEVELOPER'S PROJECT

SCHEDULE F

TARGET REZONING REQUIREMENTS

[DRAFTING NOTE: CONSIDER, *INTER ALIA*, ITEMIZATION OF THE FOLLOWING REQUIREMENTS:

- 1. MINIMUM ALLOWABLE DEVELOPMENT DENSITY REQUIRED**
- 2. MINIMUM ALLOWABLE AREAS OF DIFFERENT TYPES OF BUILDINGS FOR HOTEL, ENTERTAINMENT, OFFICE, RETAIL OR OTHER PURPOSES**
- 3. REQUIREMENTS AS TO LOADING ACCESS, WITH WIDTHS, GRADES, RADIUS OF CURVATURE, PARKING, ENTRY AND EXIT, ETC.**
- 4. MINIMUM FLOOR AREA REQUIREMENTS**
- 5. MINIMUM HEIGHT ALLOWANCES**
- 6. EXPLANATION OF REQUISITE PERMITTED LAND USES**
- 7. ANTICIPATED SIGNAGE REQUIREMENTS**
- 8. ANTICIPATED PARKING REQUIREMENTS**
- 9. ANYTHING ELSE?**

SCHEDULE G

TARGET SUBDIVISION REQUIREMENTS

[DRAFTING NOTE: CONSIDER, *INTER ALIA*, ITEMIZATION OF THE FOLLOWING REQUIREMENTS:

- 1. MINIMUM PARCEL SIZE AND DIMENSIONS OR VOLUME IF SUBDIVISION IS TO BE EFFECTED THROUGH AN AIRSPACE OR LEASE HOLD SUBDIVISION**
- 2. MINIMUM FRONTAGES ALONG SMITHE STREET AND PACIFIC BOULEVARD**
- 3. ANTICIPATED AND MINIMUM CAPACITIES FOR SERVICES (WATER, SEWER, STORM SEWER, NATURAL GAS, TELECOMMUNICATIONS, ETC.)**

SCHEDULE H
CURRENT PROJECT SCHEDULE

SCHEDULE I
CURRENT PROJECT MILESTONES

SCHEDULE J

APPROVED FORM OF B.C. PLACE CONSTRUCTION AND MAINTENANCE EASEMENT

SCHEDULE K

APPROVED FORM OF B.C. PLACE ACCESS EASEMENT

SCHEDULE L

APPROVED FORM OF B.C. PLACE PARKING EASEMENT

SCHEDULE M
APPROVED FORM OF GROUND LEASE

SCHEDULE N
APPROVED FORM OF TRIPARTITE AGREEMENT

EXHIBIT G

PREFERRED FORM OF GROUND LEASE (without completed Schedules)

EXHIBIT G

PREFERED FORM OF GROUND LEASE
(WITHOUT COMPLETED SCHEDULES)

GROUND LEASE
B.C. PLACE DEVELOPMENT SITE 10A

This Lease, made with effect as of the Commencement Date (herein defined),

BETWEEN:

B.C. PAVILION CORPORATION, a Crown Corporation of the Province of British Columbia, with its head office located at 1900 – 999 West Hastings Street, Vancouver, British Columbia, V6C 2W2

(the “**Landlord**”)

AND:

[NAME AND ADDRESS OF TENANT]

(the “**Tenant**”)

AND:

[NAME AND ADDRESS OF INDEMNIFIER]

(the “**Indemnifier**”)

WITNESSES THAT WHEREAS:

- A. Terms employed in these Recitals and in this Lease will have the meanings respectively ascribed to them in Section 1.1 hereof;
- B. The Landlord is the owner of the Premises, together with all improvement existing thereupon as of the Commencement Date;
- C. The Tenant has agreed with the Landlord to construct the Tenant’s Project upon the Premises;
- D. The Indemnifier has a financial interest in the Tenant and has agreed to become a party to this Lease for the purposes of providing the Landlord with assurances and indemnities as to

the performance by the Tenant of its obligations under this Lease up to the commencement of the Operating Period;

E. The Landlord has agreed to lease the Premises to the Tenant for the Term, so that the Tenant may construct the Tenant's Project thereupon and thereafter use, occupy and enjoy the Premises and the Buildings during the Term, all upon the terms and conditions and subject to the provisos herein contained,

NOW THEREFORE, in consideration of the rents, covenants and agreements hereinafter reserved and contained, and other good and valuable consideration given by each of the parties hereto to the other (the receipt and sufficiency of which are hereby acknowledged), the parties hereto covenant, acknowledge and agree as follows:

1. DEFINITIONS

1.1 Definitions

The terms defined in this Section 1.1, for all purposes of this Lease unless otherwise specifically provided herein, have the meanings hereinafter specified, as follows:

- (a) "**Additional Rent**" means the amounts, if any, payable by the Tenant pursuant to Sections 2.3, 3.1, 3.2, 3.3, 3.4, 3.5, 6.11, 8.3 and 8.4 together with any other additional amounts which are expressed to be added to and made part of Additional Rent, other than Annual Basic Rent;
- (b) "**Affiliate**" has the meaning attributed in the *Canada Business Corporations Act* or in the British Columbia *Business Corporations Act*, as applicable;
- (c) "**Allowable Development Density**" means the maximum Development Density allowed to be developed pursuant to the Acceptable Rezoning in connection with the Premises;
- (d) "**Annual Basic Rent**" will be the rent specified for each year of the Term as set out in Section 2.2(b) of this Lease;
- (e) "**Applicable Law**" means any law, bylaw, statute, ordinance, order, regulation, policy or permit enacted, adopted, promulgated or issued by any federal, provincial, municipal or other local governmental authority and applicable to the ownership, development, occupation or use of the Premises or any relevant portion thereof during any period of time material to this Lease; and "**Applicable Laws**" will have a corresponding meaning;
- (f) "**Appointing Notice**" has the meaning attributed in Section 7.2;
- (g) "**Approved Plans and Specification**" means those detailed plans and specifications for the Tenant's Project (or any relevant portion thereof) listed or described in Schedule A to this Lease (subject to such amendments thereto as

may be approved by both the Landlord and the Tenant from time to time in accordance with the Master Development Agreement);

- (h) **“Approved Referees”** means not fewer than two (2) architects, two (2) engineers and two (2) solicitors, each licensed and qualified to practice their respective professions in the Province of British Columbia, each of which has been approved by both the Landlord and Tenant within sixty (60) days following the Commencement Date, each of which shall be qualified and available to act as a Referee for the purposes of the Expedited Resolution Procedures; PROVIDED THAT if any person so approved by the parties hereto from time to time to act as a Referee is not available to act or is no longer approved by the parties to act as Referee for the purposes of the Expedited Resolution Procedures, the parties hereto will, acting in a commercially-reasonable manner, consider the selection and designation of other persons to ensure that at all times during the Term, the parties hereto have agreed upon not fewer than two (2) architects, two (2) engineers and two (2) solicitors, who are and remain available and qualified as Referees if so required;
- (i) **“Architect”** means such architect as the Tenant may appoint from time to time, who shall be a member in good standing of the Architectural Institute of British Columbia;
- (j) **“Arm’s Length”** will have the meaning ascribed thereto in the *Income Tax Act*, R.S.C., 1985, ch.1, as amended;
- (k) **“B.C. Environment”** means the Minister of Environment for the Province of British Columbia, or his successor in function and any person from time to time acting as the nominee, delegate or agent of the Minister in connection with environmental remediation of the Premises, the B.C. Place Lands, or any relevant part or parts thereof, including, but not limited to, a director, manager or officer of the Ministry of Environment, or any branch, agency or division thereof;
- (l) **“B.C. Place Access Easement”** will have the meaning ascribed thereto in the Master Development Agreement;
- (m) **“B.C. Place Access Routes”** means those portions of the Premises and/or the Tenant’s Project intended to provide pedestrian access and egress and vehicular egress for the purposes of the B.C. Place Access Easement;
- (n) **“B.C. Place Construction and Maintenance Easement”** will have the meaning ascribed thereto in the Master Development Agreement;
- (o) **“B.C. Place Environmental Standards”** means such standards of environmental remediation as may be established by relevant Governmental Authorities of the Province of British Columbia to be applicable to Permitted Uses of the Premises;
- (p) **“B.C. Place Parking Easement”** will have the meaning ascribed thereto in the Master Development Agreement;

- (q) **"B.C. Place Parking Spaces"** means Three Hundred (300) full-size vehicle parking spaces to be constructed and made available for use by the Landlord as contemplated in Section 4.9 of this Lease and in the B.C. Place Parking Easement;
- (r) **"B.C. Place Remainder"** means the remainder of the B.C. Place Lands following subdivision of the Premises from the B.C. Place Lands pursuant to an Acceptable Subdivision;
- (s) **"B.C. Place Stadium"** means the public assembly stadium (and any modifications thereof or additions thereto) constructed and existing on the B.C. Place Remainder from time to time;
- (t) **"Building Permit"** means a building permit issued by the City of Vancouver permitting the construction of the Tenant's Project;
- (u) **"Builders Lien Act"** means the *Builder's Lien Act*, RSBC. 1997, Ch. 45 and amendments thereto;
- (v) **"Buildings"** means all structures and buildings constructed or to be construction upon the Premises or any part thereof by or for the Tenant pursuant to the provisions of this Lease, including, without limitation, the entirety of the Tenant's Project, inclusive of the B.C. Place Parking Spaces and the B.C. Place Access Routes, together with all replacements, alterations, additions, changes, substitutions, improvements or repairs thereto and all other improvements from time to time constructed upon or affixed or appurtenant to the Premises;
- (w) **"Business Day"** means any day other than a Saturday, Sunday or statutory holiday in the Province of British Columbia;
- (x) **"City"** means City of Vancouver, a corporation created pursuant to the *Vancouver Charter*, as amended from time to time, having its municipal offices at 453 West 12th Avenue, Vancouver, British Columbia, V5Y 1V4;
- (y) **"Commencement Date"** means the ▼ day of ▼, 200▼;
- (z) **"Construction Period"** means that portion of the Term commencing on the Commencement Date and ending on the earlier of:
 - (i) the date upon which an Occupancy Permit (whether conditional or unconditional) for the first phase of the Tenant's Project is issued by the City following Substantial Completion thereof; or
 - (ii) that date which is [thirty (30)] months following the Commencement Date;
- (aa) **"Construction Period Rent"** means the greater of:
 - (i) [\$_____ Dollars]; or

- (ii) 33-1/3% of the amount of Annual Basic Rent payable by the Tenant to the Landlord during the Operating Period,

payable by the Tenant to the Landlord, in advance on the Commencement Date and on each anniversary thereof, during the continuation of the Construction Period;

- (bb) "**Control**" means the ownership, either directly or indirectly, of shares having more than 50% of the votes entitled to be cast for the election of the directors of any corporation constituting the Tenant; and "**Controlled**" will have a corresponding meaning;
- (cc) "**Development Density**" means the entitlement to construct improvements with building areas (measured in square feet) as contemplated under the Zoning and Development Bylaw, as applicable to the Premises pursuant to the Acceptable Rezoning;
- (dd) "**Development Permit**" means a development permit issued by the City pursuant to the Zoning and Development Bylaw and the Acceptable Rezoning, authorizing the development of the Tenant's Project;
- (ee) "**Event of Force Majeure**" means acts of God or public enemy, wars (declared or undeclared), revolutions, riots, insurrections, civil commotions, fires, floods, slides, epidemics, quarantine restrictions, strikes or lockouts, including illegal work stoppages or slowdowns, or stop work orders issued by a court or a public authority, including the City (provided that no such orders were issued, nor any labour disputes occasioned, as a result of an act or omission of any party whose performance of obligations hereunder is affected by any such Event of Force Majeure, or anyone employed or retained by such party), freight embargoes or power failures, provided that any such event or circumstance reasonably constitutes a material disabling event or circumstance which is beyond the reasonable control of such party, does not arise from the neglect or default of such party, and which results in material delay, interruption or failure by such party in carrying out its duties, covenants or obligations under this Lease, but which does not mean or include any delay caused by such party's lack of funds or financial condition;
- (ff) "**Expedited Resolution Procedures**" means the procedures for resolution of any Referable Matter as set out in Article 5 hereof;
- (gg) "**Governmental Authority**" means any ministry, agency, department, officer, manager, minister or other agent or officer of any federal, provincial, municipal or other local governmental authority having jurisdiction over or in connection with the Premises, the Tenant's Project and the B.C. Place Remainder, pursuant to any Applicable Laws;
- (hh) "**GST**" means goods and services taxes payable under the *Excise Tax Act* (Canada, R.S., 1985, C.E-15), as may be amended from time to time;

- (ii) **"Indemnified Parties"** means the Landlord, the members of its Board of Directors, the Ministers of the Province having responsibility for the Landlord and for the B.C. Place Environmental Standards, and the respective officers, employees, agents, successors and assigns of the Landlord and such Ministries and all others for whose conduct the Landlord is responsible in law;
- (jj) **"Land Title Office"** means the Lower Mainland Land Title Office, or any other office or authority in which or through which title to the Premises may be registered from time to time;
- (kk) **"Landlord's Solicitors"** means Bull, Housser & Tupper LLP, or such other solicitor or firm of solicitors as may be appointed by the Landlord from time to time to provide advice and counsel to the Landlord in connection with the subject matter of this Lease;
- (ll) **"Lease"** means this Lease, any Schedules attached hereto and any modifications of or additions to this Lease executed from time to time by the Landlord and the Tenant, **[and the Indemnifier]**, as the case may be;
- (mm) **"Leasehold Mortgage"** means a mortgage or mortgages upon or in respect of and specifically charging the leasehold interest of the Tenant in the Premises and the Buildings or any part thereof and includes any debenture or deed of trust and mortgage to secure any bonds or debentures issued thereunder, and any assignment of rents made to the Leasehold Mortgagee as security for the advance of funds required by the Tenant for the purposes of developing, construction and operation of the Tenant's Project;
- (nn) **"Leasehold Mortgagee"** means a mortgagee (or mortgagees) under any Leasehold Mortgage;
- (oo) **"Master Development Agreement"** means that agreement executed on _____, 2009, titled "Master Development Agreement – B.C. Place Development Site 10A" and made between B.C. Pavilion Corporation, _____, as Developer and _____, as Indemnifier;
- (pp) **"Occupancy Permit"** means an occupancy permit issued by the City permitting the occupation and use of the Tenant's Project following Substantial Completion thereof;
- (qq) **"Operating Period"** means that portion of the Term commencing on expiry of the Construction Period;
- (rr) **"Owner"** shall have the same meaning as such expression is given under the *Strata Property Act*;
- (ss) **"Penalty"** means a penalty, fine, cost, levy, imposition or other like charge;
- (tt) **"Permitted Encumbrances"** means (without duplication):

- (i) reservations and exceptions contained in any original Crown grant or implied by statute, as applicable to the Premises;
 - (ii) those charges or encumbrances registered against title to the Premises and listed in Schedule D;
 - (iii) any Public Access SRW's;
 - (iv) the B.C. Place Construction and Maintenance Easement;
 - (v) the B.C. Place Access Easement;
 - (vi) the B.C. Place Parking Easement; and
 - (vii) any other charges or encumbrances granted by the Tenant or by the Tenant or claimed against the interests of the Tenant or the Tenant in the Premises as of the Commencement Date;
- (uu) **"Permitted Uses"** means the following uses, which are permitted to be made of the Premises:
- (i) ;
 - (ii) ; and
 - (iii)
- together with uses reasonably ancillary thereto and permitted by any Applicable Laws, but no other uses whatsoever unless the Landlord otherwise agrees, in its sole and unfettered discretion;
- (vv) **"Premises"** means those lands in the Province of British Columbia, more particularly known and described in Item 2 of General Instrument -P art 1 to which this Lease is attached as Terms of Instrument - Part 2;
 - (ww) **"Prime Rate"** means the prime lending rate established from time to time by the Royal Bank of Canada for loans made in Canada and in Canadian dollars to its most creditworthy customers;
 - (xx) **"Project Milestones"** means, collectively, those events or action items and related "Target Dates" and "Deadline Dates" listed in Schedule C (as may be amended from time to time as contemplated in the Master Development Agreement);

- (yy) **“Project Schedule”** means the schedule existing as of the Commencement Date attached as Schedule B to this Lease (as may be amended from time to time as contemplated in the Master Development Agreement);
- (zz) **“Property Taxes”** means all taxes, rates, duties, charges and assessments, including school taxes, local improvement rates and other charges which are now or shall or may be levied, rated, charged and assessed against the Premises, the Tenant’s Project, and all other structures, all machinery, equipment, facilities or other property of any nature whatsoever thereon and therein, whether such taxes, rates, duties, charges and assessments are charged by any municipal, parliamentary, legislative, regional, school or other authority, including , without limitation, the British Columbia Assessment Authority, Metro Vancouver Regional District and/or the City of Vancouver; PROVIDED THAT if and to the extent that Property Taxes have not been assessed specifically in respect of the Premises, but rather in connection with the B.C. Place Lands prior to the Commencement Date, the Landlord may equitably allocate for payment by the Tenant a portion of any property taxes or payments in lieu of taxes paid or payable by the Landlord with respect to the area and value of the Premises and the Tenant’s Project or other related improvement thereupon;
- (aaa) **“Property Transfer Tax”** means “tax” as defined in the *Property Transfer Tax Act*, R.S.B.C. 1996, ch.378, as amended from time to time;
- (bbb) **“Province”** means Her Majesty the Queen in Right of the Province of British Columbia;
- (ccc) **“Provincial Emanation”** means any ministry, agency, authority, Crown corporation or other entity emanating from or owned or controlled by the Province;
- (ddd) **“Public Access SRW’s”** means those statutory rights-of-way required by the City to be granted to the City and registered against title to the Premises and/or the B.C. Place Remainder under Land Title Office registration numbers [_____, _____ and _____], for the purposes of providing public pedestrian and disabled access upon or across portions of the Premises;
- (eee) **“Receiving Party”** has the meaning attributed in Section 7.1;
- (fff) **“Referable Matter”** means any dispute which might arise between the parties hereto and relating to:
- (i) the design, development, servicing and construction of the Tenant’s Project; and
 - (ii) the integration or coordination of the respective designs, construction and operations of the upgraded B.C. Place Stadium and the Tenant’s Project, including, without limitation the accommodation of any access to or

exiting from B.C. Place Stadium as reasonably required by the Landlord or as required by any Applicable Laws;

- (iii) the terms and conditions upon which any Building Permit or Occupancy Permit may be obtained; or
- (iv) any other action, decision or matter affecting the implementation or advancement of the Tenant's Project or the upgrade of B.C. Place Stadium;

PROVIDED ALWAYS THAT Referable Matters will not include (and the Expedited Resolution Procedures will not apply to) any determinations by any applicable Governmental Authorities as to:

- (v) compliance with relevant Applicable Laws, including City of Vancouver bylaws; nor
 - (vi) any building or fire codes applicable to access to or exiting from B.C. Place Stadium;
- (ggg) "**Referee**" means any person selected from the list of Approved Referees for the purposes of resolution of any Referable Matter as contemplated in Article 7 of this Lease;
 - (hhh) "**Rent**" means the Annual Basic Rent, Additional Rent and any other amounts payable by the Tenant under this Lease;
 - (iii) "**Rent Security LC**" means an irrevocable and unconditional Letter of Credit, issued by a major Canadian charter bank and delivered by the Tenant to the Landlord as contemplated in Section 2.7 of this Lease to provide security to the Landlord for payment of an amount equivalent to the aggregate of all Rent (including, without duplication, all Additional Rent and all Property Taxes) estimated by the Landlord to be payable by the Tenant for the next ensuing full calendar year of the Term;
 - (jjj) "**Schedule**" means any respective Schedule attached to this Lease;
 - (kkk) "**Substantially Completed**" means, with respect to the Tenant's Project, or any relevant portion thereof, that the Tenant's Development is substantially complete in all material respects in a proper and workmanlike manner, in accordance with the Approved Plans and Specifications and ready for occupancy, as evidenced by the issuance by the City of an Occupancy Permit therefor; and "**Substantial Completion**" will have a corresponding meaning;
 - (III) "**Surviving Obligations**" means those obligations of the Tenant which are intended to survive the termination of this Lease, and set out in Sections [2.6, ____, ____, 9.5, 13.1 through 13.4 and ____] of this Lease;

- (mmm) **“Tenant’s Project”** means the development and use of the Premises, which shall, unless the Tenant and the Landlord otherwise agree, include rights as to development of buildings and related improvements upon the Premises in compliance with the Approved Plans and Specifications;
- (nnn) **“Tenant’s Solicitors”** means _____, or such other solicitor or firm of solicitors as may be appointed by the Tenant from time to time to provide advice and counsel to the Tenant in connection with the subject matter of this Lease;
- (ooo) **“Term”** means that period of **[70 years]** from and including the Commencement Date and expiring at 11:59:59 p.m. on the calendar day preceding the **[70th]** anniversary of the Commencement Date;
- (ppp) **“Tripartite Agreement”** means an agreement which may be entered into among the Landlord, as the owner of the Premises, the Tenant and any Leasehold Mortgagee, if so requested by the Tenant and any such Leasehold Mortgagee, which Tripartite Agreement will be substantially in the form attached as Schedule E to this Lease, or as otherwise expressly agreed by the parties to such Tripartite Agreements; and
- (qqq) **“Zoning and Development Bylaw”** means the Zoning and Development Bylaw of the City of Vancouver, as amended from time to time.

1.2 Extended Meanings

Words importing the singular number include the plural and vice versa and words importing the masculine gender include the feminine and neuter genders.

1.3 Applicable Law

This Lease will be interpreted in accordance with the laws of British Columbia and the laws of Canada applicable therein.

1.4 Headings

The division of this Lease into sections and clauses and the insertion of headings are for convenience of interpretation of this Lease.

1.5 Entire Lease

This Lease (together with the Master Development Agreement, to the extent that any provisions thereof are incorporated into or referred to in this Lease) constitute the entire agreement between the parties with respect to the subject matter hereof and, except as herein stated and in the instruments and document to be executed and delivered pursuant hereto, contains all of the representations, undertakings and agreements of the respective parties. There are no representations, undertakings or agreements of any kind between the parties hereto except those contained herein (or in the Master Development Agreement, to the extent that any

provisions thereof are incorporated into or referred to this Lease); and (except as set out in the Master Development Agreement) this Lease supersedes all previous negotiations, information and material provided to the Tenant, whether oral or written, by the Landlord.

1.6 Schedules

The following Schedules attached to this Lease will be considered to constitute an integral part of this Lease:

Schedule A	List or Description of Current Approved Plans and Specifications
Schedule B	Current Project Schedule
Schedule C	Current Project Milestones
Schedule D	List of Registered Permitted Encumbrances
Schedule E	Approved Form of Tripartite Agreement

2. GRANT OF LEASE AND PAYMENT OF RENT

2.1 Grant of Lease

In consideration of the rents, covenants, agreements and conditions herein to be paid, performed, or observed by the Tenant, the Landlord hereby demises and leases the Premises to the Tenant, and the Tenant hereby accepts that demise and lease, subject to the covenants, agreements and conditions set out in this Lease.

Subject to the terms and conditions of this Lease, the Tenant will be entitled to have and to hold the Premises for and during the Term.

2.2 Rent

The Tenant covenants and agrees to pay to the Landlord, in advance, during the Term the following forms of Rent:

(a) Construction Period Rent for and during each year of the Construction Period; PROVIDED THAT if and to the extent that Construction Period Rent has been paid by the Tenant to the Landlord in respect of any period following the expiry of the Construction Period, any such Construction Period Rent shall be applied as a credit against payment of Annual Basic Rent accruing due following the expiry of the Construction Period, and

(b) Annual Basic Rent in the amounts and payable on the date hereafter specified:

(i)

;

(ii)

; and

(iii)

2.3 Participation Rent

In addition to the Rent payable by the Tenant to the Landlord under Section 2.2 of this Lease, the Tenant also agrees to pay to the Landlord:

2.4 Payments by Tenant Generally

All payments by the Tenant to the Landlord of whatsoever nature which are required or contemplated by this Lease to be paid, including, without limitation, as to Construction Period Rent, Annual Basic Rent, Participation Rent, Additional Rent, or otherwise, shall be:

- (a) paid to the Landlord by the Tenant in lawful currency of Canada;
- (b) paid when due hereunder, without prior demand therefor and without any set-off, compensation or deduction whatsoever, delivered to the office of the Landlord or such other place as the Landlord may designate from time to time to the Tenant;
- (c) applied firstly to amounts of Rent then outstanding by the Tenant to the Landlord hereunder, in such manner as the Landlord may see fit;
- (d) be accompanied by payment (or evidence of payment) by the Tenant of any GST or other taxes payable by the Tenant under any Applicable Laws with respect to the payment of Rent or Additional Rent under this Lease; and
- (e) deemed to be Rent, in partial consideration for which this Lease has been entered into, and shall be payable and recoverable as rent, such that the Landlord shall have all rights and remedies against the Tenant for default in making any such payment which may not be expressly designated as rent as the Landlord has for default in payment Rent.

2.5 Net Lease

Unless otherwise expressly stipulated herein to the contrary, all Rent required to be paid by the Tenant hereunder shall be paid without any deduction, abatement or set-off whatsoever, it being the intention of the Landlord and Tenant that:

- (a) all expenses, costs, payments and out goings incurred in respect of the Premises, the Buildings and any other improvements of the Premises or for any other matter or thing affecting the Premises, shall be borne by the Tenant; and
- (b) the Annual Basic Rent herein provided shall be absolutely net to the Landlord and free of all abatements, set-off or deduction of Property Taxes, charges, rates, assessments, expenses, costs, payments or out goings of every nature arising from or related to the Premises, the Buildings or any other improvements on the Premises.

2.6 Interest on Amounts in Arrears

If and whenever any Rent shall be in arrears, such amounts in arrears shall bear interest, including interest on overdue interest, at the Prime Rate plus 6% per annum calculated monthly not in advance from the date due until paid, irrespective of whether or not the Landlord demanded payment.

The Landlord shall have all the remedies for the collection of such interest, if unpaid after demand, as in the case of Rent in arrears, but this stipulation for interest shall not prejudice or affect any other remedy of the Landlord under this Lease.

2.7 Delivery of Rent Security LC

The Tenant will, prior to the Commencement Date, deliver to the Landlord the Rent Security LC in a form, in an amount and from a major Canadian chartered bank, in each case acceptable to the Landlord, acting in a commercially reasonable manner.

The Rent Security LC will secure payment to the Landlord of Rent as contemplated in the definition set out in Section 1.1(iii) of this Lease and will expire not earlier than one year from the date of issuance thereof.

In connection therewith, the following provisions shall apply:

- (a) not later than 60 days prior to the date of expiry of any relevant Rent Security LC, the Landlord will provide written notice to the Tenant of the Landlord's reasonable estimate of the amount of the Rent Security LC required for the next ensuing full calendar year of the Term;
- (b) not later than 30 days prior to the expiry of any then-current Rent Security LC, the Tenant will deliver to the Landlord a replacement or extension of any then-current Rent Security LC securing payment to the Landlord of the amount specified by the Landlord as contemplated in Section 2.7(a) above;
- (c) if the Tenant fails to deliver to the Landlord a replacement Rent Security LC before 15 days prior to the expiry date of any then-current Rent Security LC, the Landlord may draw upon and cash the Rent Security LC and retain the proceeds thereof until the Tenant delivers to the Landlord a replacement Rent Security LC

in the amount required by the Landlord as contemplated in Section 2.7(a) above for the next ensuing full calendar year of the Term;

- (d) until the Tenant delivers a replacement Rent Security LC as contemplated in Section 2.7(c), the Landlord may retain the entirety of the amount drawn under any Rent Security LC as continuing security for payment of all forms of Rent when due under this lease; and
- (e) if and to the extent that the Tenant fails to make payment of any Rent or other payment due by the Tenant to the Landlord under this Lease, the Landlord may, at its option and upon delivery of not less than 15 days prior written notice to the Tenant, draw upon the Rent Security LC to effect payment of any such Rent then due and unpaid by the Tenant under this Lease and the Tenant will be responsible to provide a replacement or extended Rent Security LC in an amount necessary to ensure that the Landlord has available security for all amounts required to be secured by a Rent Security LC pursuant to Section 2.7(a).

3. PAYMENTS FOR UTILITIES AND SERVICES

3.1 Payment of Property Taxes if Landlord is not Exempt Therefrom

Save as otherwise provided in Section 3.2, the Tenant will, in each and every year during the Term and not later than the day immediately preceding the date or dates on which Property Taxes and other charges imposed upon real property within the Province of British Columbia become due and payable (whether monthly, quarterly, twice-yearly or otherwise), pay and discharge or cause to be paid and discharged all Property Taxes which now are or shall or may be levied, rated, charged or assessed against the Premises, the Tenant's Project, the Buildings, all other structures, all machinery, equipment, facilities and other property of any nature whatsoever thereon and therein, whether such Property Taxes are charged by any municipal, parliamentary, legislative, regional, school or other authority during the Term and will indemnify and keep indemnified the Landlord from and against payment of all losses, costs, charges and expenses occasioned by or arising from any and all such Property Taxes; and any such losses, costs, charges and expenses suffered by the Landlord may be collected by the Landlord as Additional Rent, with all rights of distress and otherwise as reserved to the Landlord in respect of rent in arrears. The Tenant further covenants and agrees that during the Term, it will deliver to the Landlord for inspection receipts for payments of all Property Taxes in respect of the Premises, the Tenant's Project, the Buildings, all other structures, all machinery, equipment, facilities and other property of any nature whatsoever thereon and therein which were due and payable during the Term within 14 days following receipt by the Tenant of each of such receipts for payment. The Landlord shall, not later than 14 days following receipt of any assessment notices delivered to the Landlord by any taxing authority (relating to the Premises, the Tenant's Project, the Buildings or any other structures, any machinery, equipment, facilities and other property of any nature whatsoever thereon and therein), forward a copy thereof to the Tenant. The Tenant shall have the right from time to time to appeal any assessment of the Premises, the Tenant's Project or the Buildings or any other tax, rate, duty, charge or amount referred to in this Section 3.1 provided that such appeal shall be at the sole cost, risk and expense of the Tenant.

The Tenant shall be responsible for the payments referred to in this Section 3.1 from and including the Commencement Date.

3.2 Payment of Property Taxes if Landlord is Exempt Therefrom

The Tenant covenants and agrees with the Landlord that if during the Term, the Premises, the Tenant's Project, the Buildings, all other structures, all machinery, equipment and facilities and other property of any nature whatsoever, thereon and therein, are by the provisions of any municipal, parliamentary, legislative or regional enactment exempt from taxation for the purposes of Property Taxes, in whole or in part, by reason of the Landlord's ownership of the Premises and they would otherwise have been subject to taxation for the purposes of Property Taxes, then the Tenant shall in each and every year during the Term that such exemption occurs pay to the Landlord as Additional Rent in like manner and time as Property Taxes are to be, or would otherwise be paid pursuant to Section 3.1, an amount equal to the amount that but for such exemption would have been paid by the Tenant pursuant to Section 3.1 for Property Taxes.

For such purposes, in each year during the Term, the following provisions shall apply:

- (a) if the Province of British Columbia or any municipal, parliamentary, legislative, regional or other authority including the City, Metro Vancouver Regional District and/or British Columbia Assessment Authority having the authority so to do, requires payment (whether by by-law or by-laws in advance of the passing of a rating by-law or preparation of the real-property tax roll for the current year) of real-property taxes and other charges imposed or to be imposed upon real property within the Province of British Columbia by monthly, quarterly or twice-yearly instalments and providing that the amounts of such instalments shall be a percentage of the amount of real-property taxes payable on the real-property roll for the immediately preceding year, the Landlord shall deliver to the Tenant an advance tax statement or statements of the amount or amounts determined in accordance with such by-law or by-laws from time to time in respect of the Premises, the Tenant's Project, the Buildings and all other structures, all machinery and equipment and facilities and other property of any nature whatsoever thereon and therein; and
- (b) after the passing of a rating by-law or rating by-laws (as the case may be) by the Province of British Columbia or any municipal, parliamentary, legislative, regional or other authority, including the City and/or British Columbia Assessment Authority having the authority so to do, establishing the rate or rates to be levied on real property within the Province of British Columbia for the current year, the Landlord shall determine the relevant Additional Rent payable under this Section 3.2 by applying the rate or rates of levy established by such rating by-law or rating by-laws (as the case may be) to all, or such portion of the assessed value of the Premises, the Tenant's Project, the Buildings and all other structures, machinery, equipment, and facilities and other property of any nature whatsoever thereon and therein as the said rate or rates of levy are applied to other taxpayers in the Province of British Columbia in like case, and the Landlord shall

deliver to the Tenant a statement of the amount payable under this Section 3.2 after deducting all Property Taxes and other charges paid in advance for the current year.

The Tenant shall have the right from time to time to appeal any assessment of the Premises, the Tenant's Project or Buildings or any other tax, rate, duty, charge or amount referred to in this Section 3.2, provided that such appeal shall be at the sole cost, risk and expense of the Tenant.

The Tenant shall be responsible for the payments referred to in this Section 3.2 from and including the Commencement Date.

3.3 Delinquent Property Taxes

If the Tenant shall in any year during the Term fail to pay any Property Taxes when due under Sections 3.1 and 3.2, the Tenant shall thereupon be responsible to pay any and all interest and other penalties arising or imposed in connection with any such failure to pay such Property Taxed when due and shall indemnify and save harmless the Landlord from and against any and all liabilities or expenses of any nature howsoever arising in connection with any such unpaid or overdue Property Taxes.

3.4 Payments for Utilities and Services

The Tenant covenants with the Landlord to pay for or cause to be paid when due to the providers thereof, including, as applicable, the Landlord to the extent that the Landlord provides any such utility services to the Tenant or to the Premises, all charges for gas, electricity, light, heat, power, telephone, water, sanitary sewers, storm sewers, cable and other utilities and services used in or supplied to the Premises and the Buildings throughout the Term and will indemnify and keep indemnified the Landlord from and against payment of all losses, costs, charges and expenses occasioned by or arising from any and all such charges, and any such loss, costs, charges and expenses which relate to such charges suffered by the Landlord may be collected by the Landlord as Additional Rent with all rights of distress and otherwise as reserved to the Landlord in respect of rent in arrears.

3.5 Business Taxes and License Fees

The Tenant covenants with the Landlord to pay for or cause to be paid when due every tax and permit and license fee in respect of the use or occupancy of the Premises by the Tenant (and any and every subtenant, permittee and licensee) other than such taxes as corporate income, profits or excess profit taxes assessed upon the income of the Tenant (or such subtenant, permittee and licensee) whether such taxes or permit and license fees are charged by any municipal, parliamentary, legislative, regional or other authority during the Term and will indemnify and keep indemnified the Landlord from and against payment of all losses, costs, charges and expenses occasioned by or arising from any and all such taxes and permit and license fee, and any such loss, costs, charges and expenses which relate to such charges suffered by the Landlord may be collected by the Landlord as Additional Rent with all rights of distress and otherwise as reserved to the Landlord in respect of rent in arrears.

4. DEVELOPMENT AND CONSTRUCTION OF TENANT'S PROJECT

4.1 Tenant's Rights and Obligations During Construction Period

During the Construction Period, the Tenant will be entitled to enter upon and occupy the Premises for the purposes of design, development and construction of the Tenant's Project in accordance and strict compliance with, *inter alia*:

- (a) the Approved Plans and Specifications;
- (b) the Project Schedule;
- (c) the Project Milestones;
- (d) the Development Permit;
- (e) any Building Permit;
- (f) all Permitted Encumbrances; and
- (g) all Applicable Laws.

For greater certainty, the Tenant acknowledges and agrees that all rights of the Tenant with respect to the use and occupation of the Premises for and during the Construction Period will be subject to performance by the Tenant of its obligations under this Lease (and under the Master Development Agreement) as to the commencement and completion of the Tenant's Project, and subject to exercise of the rights of the Landlord, respectively, under the B.C. Place Construction and Maintenance Easement.

4.2 Covenants of Tenant During Construction Period

The Tenant covenants and agrees that on or before the Commencement Date:

- (a) the Tenant will, at its sole risk and expense, obtain the Development Permit and any relevant Building Permit; PROVIDED THAT with respect to the issuance of any Building Permit, the parties acknowledge that the Tenant may obtain separate permits for excavation, foundations and the balance of the Tenant's Project;
- (b) deliver to the Landlord evidence of the issuance of the Development Permit and any relevant Building Permit;
- (c) deliver to the Landlord evidence of the issuance (and maintenance) of all forms of insurance as contemplated in Article 6 of this Lease; and
- (d) pay to the Landlord, in advance, the Construction Period Rent, together with applicable GST, for the period of one year from and including the Commencement Date.

4.3 Compliance with Applicable Laws and Permits

The Tenant will be solely responsible to ensure that the development and construction of the Tenant's Project is conducted in strict compliance with all Applicable Laws (including, without limitation, those relating to construction site safety) and to the Development Permit, any Building Permit, any other relevant permit or approval from any Governmental Authority and all Permitted Encumbrances.

4.4 Compliance with Project Schedule and Project Milestones

The Tenant will be solely responsible to ensure that the Tenant's Project is developed and constructed in strict compliance with the Project Schedule and all Project Milestones (subject only to such modifications as may be approved by the Landlord as contemplated in the Master Development Agreement).

4.5 Compliance with and Changes to Approved Plans and Specifications

The Tenant will be solely responsible to ensure that the Tenant's Project is developed and constructed in strict compliance with the Approved Plans and Specifications (subject only to such modifications as may be approved by the Landlord as contemplated in the Master Development Agreement).

4.6 Builder's Liens

It is agreed that the Landlord shall not be responsible for claims of builders liens filed by persons claiming through the Tenant or persons for whom the Tenant is in law responsible. The Tenant acknowledges and agrees that the improvements to be made to the Premises will be made at the Tenant's request solely for the benefit of the Tenant and those for whom the Tenant is in law responsible.

The Landlord has filed a Notice of Interest in the Land Title Office pursuant to Section 3.2(b) of the *Builders Lien Act* stating that the Landlord is giving notice that it will not be responsible for any improvements made to the Premises or other improvements thereon, unless the improvements are undertaken at the express request of the Landlord.

The Tenant shall, throughout the term of the Term, at its own cost and expense, cause any and all builders' liens and other liens for labour, services or materials alleged to have been furnished with respect to the Premises or the Tenant's Project, which may be registered against or otherwise affect the Premises or the Tenant's Project, to be paid, satisfied, released (including, without limitation, the release of all such liens from the interest of the Landlord in the Premises), or vacated within 42 days after the Landlord shall send to the Tenant written notice by registered mail of any claim for any such lien. PROVIDED HOWEVER, that in the event of a bona fide dispute by the Tenant of the validity or correctness of any claim for any such lien, the Tenant shall not be bound by the foregoing, but shall be entitled to defend against the same in any proceedings brought in respect thereof after first paying into court the amount claimed or sufficient security therefor, and such costs as the court may direct, or the Tenant may provide, as security in respect of such claim, an irrevocable letter of credit, lodged with the Landlord, for 120% of the full amount of any claim for any such lien, the amount of which letter of credit shall

be increased every six months to include interest on the claimed amount at the Prime Rate, calculated semi-annually not in advance from the date any such claim is registered against or otherwise affects the Premises or the Tenant's Project, continuing so long as the aforesaid proceedings shall continue and which letter of credit shall be on terms sufficient to protect the Landlord's interest in the Premises and the Tenant's Project and in a form reasonably satisfactory to the Landlord and shall be issued by one of the chartered banks of Canada; and, upon being entitled to do so, the Tenant shall register all such documents as may be necessary to cancel such lien from the Premises and the Tenant's Project.

4.7 Continuation of B.C. Place Operations

The Tenant acknowledges and agrees that in the conduct of the Tenant's activities upon the Premises, the Tenant will not, without the express prior written consent of the Landlord (which may be granted, withheld or withheld upon conditions, in the sole and unfettered discretion of the Landlord) endanger or create any nuisance which would prevent or materially interfere with the continued safe and effective operation of B.C. Place Stadium as a public assembly facility.

4.8 Construction of B.C. Place Parking Spaces

Without in any way modifying or releasing any of the other obligations of the Tenant under this Lease, the Tenant covenants and agrees to ensure that the B.C. Place Parking Spaces are constructed and Substantially Completed in accordance with the applicable portions of the Approved Plans and Specifications and made available for occupancy and use, for the parking of motor vehicles in accordance with the B.C. Place Parking Easement, on or before the respective dates specified in the list of Project Milestones.

4.9 Restoration of B.C. Place Access Routes

Without in any way modifying or releasing any of the other obligations of the Tenant under this Lease, the Tenant covenants and agrees to ensure that the B.C. Place Access Routes are constructed and Substantially Completed in accordance with the applicable portions of the Approved Plans and Specifications and made available for occupancy and use for the purposes of pedestrian access to and egress from the B.C. Place Stadium and for the purposes of vehicular egress from B.C. Place Stadium in accordance with the B.C. Place Access Easement, on or before the respective dates specified in the list of Project Milestones.

4.10 Workers' Compensation Coverage

At all times during the Term, including, without limitation, during the Construction Period, the Tenant shall at its own expense, procure and carry or cause to be procured and carried and paid for, full workers' compensation coverage in respect of all workmen, employees, servants and others engaged in or upon any work, the non-payment of which would create a lien on the Premises or the Tenant's Project.

The Tenant shall immediately notify the Landlord of any dispute involving third parties which may arise in connection with the obtaining and maintenance of workers' compensation coverage required hereby if such dispute results in the requisite coverage not being in place, and the Tenant shall take all reasonable steps to ensure the resolution of such dispute forthwith.

At all times the Tenant shall defend, indemnify and save harmless the Indemnified Parties from and against all damages, costs, expenses (including, without limitation, legal expenses on a solicitor and own client basis), claims, suits, judgments and demands which the Indemnified Parties may incur or suffer as a result of any default by the Tenant of its obligation under this Section 4.10 to ensure the said full workers' compensation coverage is maintained. The Tenant shall further ensure that no amount of the said Workers' Compensation coverage is left unpaid so as to create a lien on the Premises or the Tenant's Project. If the workers' compensation coverage required by this Section 4.10 is not in place within 60 days of the date of the notice to the Landlord hereinbefore mentioned, the Landlord shall be entitled to have recourse to the remedies of the Landlord specified in this Lease or at law or in equity.

5. PERMITTED USES

5.1 Permitted Uses

The Tenant covenants and agrees with the Landlord that neither the Premises nor the Buildings nor any portion or portions of the Premises or the Buildings shall be used for any purposes, except Permitted Uses.

6. INSURANCE

6.1 Tenant's Insurance During Construction Period

The Tenant shall effect or cause its contractor or contractors to effect, prior to the Commencement Date, and shall maintain and keep in force until the commencement of the Operating Period, insurance:

- (a) protecting both the Tenant and the Landlord and the Landlord's servants and agents (without any rights of cross claim or subrogation against the Landlord) against claims for personal injury, death or property damage or other third party or public liability claims arising from any accident or occurrence upon, in or about the Premises and from any cause, including, without limitation, the risks occasioned by the construction of the Tenant's Project, and to an amount reasonably satisfactory to the Landlord for any personal injury, death, property or other claims in respect of any one accident or occurrence, and
- (b) protecting the Tenant from loss or damage (without any rights of cross claim or subrogation against the Landlord) to the Tenant's Project and all fixtures, equipment, improvements and building materials on the Premises from time to time both during and after construction (but which may be by policies effected from time to time covering the risk during different phases of construction of the Tenant's Project) against fire, earthquake and all other perils from time to time customarily included in the usual all risks builders' risk form of policy applicable to similar properties during construction and effected in the Province of British Columbia by prudent owners to the full insurable value thereof at all times and in any event in the amount sufficient to prevent the Tenant being deemed co-insurer.

6.2 Insurance

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

6.3 Pressure Vessel Insurance

At all times during the Term the Tenant shall, at no expense to the Landlord, maintain or cause to be maintained in respect of the Buildings pressure vessel insurance with one or more companies entitled to do insurance business in the Province of British Columbia protecting the Landlord and the Tenant during the Term in respect of all boilers and such other pressure vessels, such insurance shall cover loss or damage caused by rupture of steam pipes.

6.4 Deductible Amounts

Any of the policies of insurance referred to in Section 6.1 or 6.2 hereof may, with the approval of the Landlord, which approval shall not be unreasonably withheld, provide that the amount payable in the event of any loss shall be reduced by a deductible amount, such amount to be designated by the Tenant and approved by the Landlord, such approval not to be unreasonably withheld, and the Tenant shall be a co-insurer to the extent of the amount so deducted from the insurance monies paid in the event of any loss, and the said amount shall for the purpose of Section 6.8 hereof, be included as part of the insurance monies payable and paid.

6.5 Co-insurance Clauses

If any of the policies of insurance referred to in Sections 6.1 or 6.2 hereof shall contain any co-insurance clauses, the Tenant shall maintain at all times a sufficient amount of insurance to meet the requirements of such co-insurance clause so as to prevent the Landlord or the Tenant from becoming a co-insurer under the terms of such policy or policies and to permit full recovery in the event of loss.

6.6 Identity of Insured and Subrogation

Any and all policies of insurance referred to in Sections 6.1 and 6.2 hereof shall:

- (a) be written in the name of the Tenant and the Landlord as the insureds with loss payable to the Landlord, the Tenant and the Leasehold Mortgagee, if any, as their respective interests may appear, except to the extent that the Landlord (in its sole

and unfettered discretion) may agree that any loss payable may be paid to or for the benefit of any Leasehold Mortgagee;

- (b) shall contain a waiver of subrogation clause to the effect that any release from liability entered into by the Tenant prior to any loss, shall not affect the right of the Tenant, any Leasehold Mortgagee or the Landlord to recover; and
- (c) contain a provision or shall bear an endorsement that the insurer will not cancel nor modify any such policy without first giving the Landlord and any Leasehold Mortgagee at least 30 days notice in writing of its intention to cancel or to substantively modify any such insurance.

6.7 Release of the Indemnified Parties from Liability for Insured Loss or Damage

The Tenant hereby releases the Indemnified Parties from any and all liability for loss or damage caused by any of the perils against which the Tenant shall have insured, or pursuant to the terms of this Lease is obligated to insure, and the Tenant hereby covenants to defend, indemnify and save harmless the Indemnified Parties from and against all manner of actions, causes of action, suits, judgments, damages, loss, costs, expenses (including, without limitation, legal expenses on a solicitor and own client basis), claims and demands of any nature whatsoever relating to such insured loss or damage.

6.8 Payment of Loss Under the Insurance Policy Referred to in Section 6.1 or 6.2

- (a) The insurance monies payable under any or all of the policies of insurance referred to in Section 6.1 or 6.2 hereof, shall, notwithstanding the terms of the policy or policies, be paid to the order of the Tenant and Leasehold Mortgagee, if any, as their respective interests may appear.
- (b) The Tenant agrees that such insurance monies shall be used for the restoration, reconstruction or replacement of the loss or damage in respect of which such insurance monies are payable hereunder against certificates of the Architect engaged by the Tenant.

6.9 Comprehensive General Liability Insurance

At all times during the Term, the Tenant shall at the expense of the Tenant, maintain with one or more companies duly authorized to carry on business within the Province of British Columbia and approved by the Landlord, comprehensive general liability insurance against claims for personal injury, death or property damage or loss arising out of the use and occupation of the Premises and Buildings, indemnifying and protecting the Indemnified Parties and the Tenant and its directors, officers, employees, agents, successor and assigns to limits approved by the Landlord from time to time, such approval not to be unreasonably withheld.

6.10 Payment of Insurance Premiums

The Tenant shall pay or cause to be paid all the premiums under the policies of insurance referred to in this Article 6 as they become due and payable and in default of payment by the

Tenant, the Landlord may pay the same and add the amount so paid to the Additional Rent with all rights of distress and otherwise as reserved to the Landlord in respect of Additional Rent as rent in arrears.

6.11 Copies of Insurance Policies

If requested by the Landlord, and on an annual basis without request, confirming the renewal of all policies of insurance each year during the Term, the Tenant shall forthwith from time to time deliver or cause to be delivered to the Landlord certified copies of all policies of insurance referred to in this Article 6 and obtained and maintained by the Tenant hereunder, accompanied by evidence satisfactory to the Landlord that the premiums thereon have been paid.

6.12 Insurance May be Maintained by Landlord

The Tenant agrees that should the Tenant at anytime during the Term fail to insure or keep insured the Buildings against loss or damage by fire and other perils as required under this Article 6, or fail to maintain insurance against claims for personal injury, death or property damage or loss as required under Section 6.9, then in any of such events, the Landlord, although not obliged to do so, may obtain and maintain such insurance in such amount or amounts with such deductible amounts and for such period or periods of time as the Landlord deems advisable; and the Tenant shall pay to the Landlord as Additional Rent upon the Landlord obtaining any of such insurance and thereafter annually during the Term within 30 days after receipt of any invoice from the Landlord such amounts as, at the rates charged by the insurance companies with whom the Landlord has placed such insurance will pay all premiums therefor. In the event the Landlord pays for or obtains and maintains any insurance pursuant to this Section 6.12, the Landlord shall submit to the Tenant annually a statement of the amount or amounts payable by the Tenant under this Section 6.12 as the cost of such insurance for the next ensuing year and upon receipt of payment therefor shall apply the same on account of the premiums of such insurance with the loss, if any, thereunder payable to the Landlord, the Tenant and any Leasehold Mortgagee as their interests may appear.

7. EXPEDITED RESOLUTION PROCEDURES

7.1 Resolution by Approved Referee

If any dispute arises between the Tenant and the Landlord in respect of any Referable Matter prior to the first anniversary of the commencement of the Operating Period and such dispute is not resolved within a time-frame which either of the parties hereto determines is reasonably required to ensure the timely Substantial Completion of the Tenant's Project and the Upgrade Project, either the Landlord or the Tenant may, by delivery of written notice (which notice will include a reasonably-detailed description of any Referable Matter in dispute) to the other (the "Receiving Party"), require that the Referable Matter in dispute be resolved by reference to an Approved Referee.

7.2 Appointment of Approved Referee

Any Receiving Party will, within 5 Business Days following receipt of any notice described in Section 7.1, select from the then-current list of Approved Referees (by delivery of written notice

- an "Appointing Notice" to the other party and based upon the expertise of such Approved Referee and the subject matter of the Referable Matter) to determine the Referable Matter in dispute.

If the Receiving Party does not, within such period of 5 Business Days, deliver an Appointing Notice, the other party will be entitled to deliver an Appointing Notice and thereby appoint the Approved Referee to resolve the Referable Matter in dispute.

7.3 Conduct of Approved Referee

As soon as practically possible following receipt of an Appointing Notice, but not later than Five (5) Business Days following receipt thereof, the Approved Referee so appointed will convene a meeting among the parties to such dispute to receive each other's written and oral presentations as to the Referable Matter in dispute and each party's respective proposal for resolution of the Referable Matter. The Approved Referee will be entitled to question all parties in connection with the Referable Matter and their respective proposals with respect thereto and to require the delivery, as soon as practicably possible, further materials, submissions or evidence in connection therewith, all with a view to rendering a final determination in respect of the Referable Matter in dispute within 10 Business Days following delivery of any Appointing Notice (provided that if the Approved Referee determines that he or she will be unable to render a final determination within such period, then the final determination will be delivered as soon as practically available from the Approved Referee).

The Approved Referee will be instructed, upon engagement, to select the proposal of either one of the parties as to the Referable Matter in dispute in preference to the other and the proposal so selected will, for all purposes relating to the Referable Matter, be implemented in connection therewith as soon as practicably possible following such determination by the Approved Referee.

7.4 Effect of Determination of Approved Referee

Except as to questions of law or mixed law and fact, the parties hereto acknowledge and agree that any determination by any Approved Referee of any Referable Matter in dispute will be final and binding upon the parties hereto and any related parties and other parties holding interests pursuant to this Lease.

Promptly following issuance by the Approved Referee of his/her determination of the Referable Matter in dispute, the parties hereto will implement such determination for all purposes of this Lease and for the purposes of ensuring advancement of the Tenant's Project and the Upgrade Project without undue delay.

7.5 Costs of Determination by Approved Referee

Unless the Approved Referee otherwise determines in connection with issuance of his/her determination of the Referable Matter in dispute, each party to the proceedings conducted by the Approved Referee will bear their own costs and share equally all fees and costs involved in the engagement of the Approved Referee in such determination.

7.6 Maintenance of List of Approved Referees

If and to the extent that any person included within the list of Approved Referees in the definition thereof in Section 1.1(h) of this Lease is, from time to time, unavailable, unable, unwilling or not qualified to act as an Approved Referee, the parties hereto will, acting in a commercially-reasonable manner, endeavour to agree upon replacements of any such person, with the intention that there will, at all times material to this Lease, be not fewer than two (2) architects, two (2) engineers and two (2) solicitors, qualified as required under Section 1.1(h) of this capital Lease, available and acceptable to both of the parties hereto to act as an Approved Referee.

If the parties to this Lease do not approve of all 6 proposed Referees, either the Landlord or the Tenant may apply to the Supreme Court of British Columbia to approve the designation of any party as an Approved Referee for the purposes of this Lease.

7.7 Arbitration

In connection with any dispute between the Landlord and the Tenant which do not constitute a Referable Matter or which may arise following the first anniversary of the Operating Period, then:

- (a) if the Landlord and the Tenant do not agree as to any of the matters which, if no agreement is reached upon them, are by the provisions hereof to be determined by arbitration, any such disagreement shall be referred to three arbitrators, one of whom shall be chosen by the Landlord, one by the Tenant and the third by the two so chosen and the third arbitrator so chosen shall be the chairman;
- (b) the award may be made by the majority of the arbitrators so appointed;
- (c) if within 15 days or such extended time as the parties may agree upon, a party who has been notified of a dispute fails to appoint an arbitrator or the two arbitrators appointed by the parties do not agree upon a third arbitrator, then the party or parties not in default may apply to the Supreme Court of British Columbia for the appointment of an arbitrator to represent the party or parties in default or a third arbitrator or both of such arbitrators;
- (d) each party shall pay its own costs of attending the reference;
- (e) the costs of the arbitrators and the award shall be in the discretion of the arbitrators who may direct to and by whom and in what manner those costs or any part thereof shall be paid and may tax or settle the amount of costs to be paid or any part thereof and may award costs to be paid as between solicitor and client;
- (f) except as to matters otherwise provided herein, the rules of the British Columbia International Commercial Arbitration Centre as amended from time to time, shall apply; and

- (g) the case shall be administered by the British Columbia International Commercial Arbitration Centre in accordance with its "Procedures for Cases under the BCICAC Rules"; PROVIDED THAT if and to the extent that the British Columbia International Commercial Arbitration Centre ceases to exist or function for the purposes contemplated in this Section 7.7, then any issues contemplated to be resolved pursuant to this Section 7.7 shall instead be referred to arbitration pursuant to the British Columbia *Commercial Arbitration Act*, RSBC 1996, Chapter 55 as amended or pursuant to any legislation enacted in substitution therefor or in *pari materia* therewith.

8. REPAIRS AND MAINTENANCE

8.1 Landlord not Obligated to Repair

The Landlord shall not be obliged to furnish any services or facilities or to make repairs or alterations in or to the Premises or the Buildings, the Tenant hereby assuming the full and sole responsibility for the condition, operation, repair, replacement, maintenance and management of the Premises and the Buildings.

8.2 Repairs by the Tenant

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

The Tenant shall not commit or suffer waste or injury to the Premises or the Buildings or any part thereof (reasonable wear and tear excepted so long as the reasonable wear and tear does not unreasonably affect the exterior appearance of the Buildings or the foundation or structure of the Buildings) and shall not use or occupy or permit to be used or occupied the Premises or the Buildings or any part thereof for any illegal or unlawful purpose or in any manner which will result in the cancellation of any insurance, or in the refusal of any insurers generally to issue

any insurance as requested. The Tenant shall not injure or disfigure the Premises or the Buildings or permit the same to be injured or disfigured in any way; and at the expiration or other termination of this Lease, the Tenant shall, except as otherwise expressly provided herein, surrender and deliver up the Premises with the Buildings, and the aforesaid fixtures, appurtenances and equipment thereof, or any replacements thereof or substitution therefor, in good order and condition (reasonable wear and tear excepted so long as the reasonable wear and tear does not unreasonably affect the exterior appearance of the Buildings or the foundation or structure of the Buildings). The Tenant accepts the Premises "as is" knowing the condition thereof, and agreeing that the Landlord has made no representation, warranty or agreement with respect thereto, except as otherwise expressly provided herein.

8.3 Repairs to Buildings by Landlord

The Tenant covenants and agrees with the Landlord that if the Tenant does not put and keep in good order and condition or cause to put and keep in good order and condition (reasonable wear and tear excepted so long as the reasonable wear and tear does not unreasonably affect the exterior appearance of the Buildings or the foundation or structure of the Buildings) the Premises and the Buildings and the fixtures, appurtenances and equipment thereof, both inside and outside, all as more particularly required by the provisions of Section 8.2, the Landlord through its agents, servants, contractors and subcontractors, although not obliged to do so, may enter upon those parts of the Premises and the Buildings required for the purpose of making the necessary repairs required to put the Premises, Buildings, fixtures, appurtenances and equipment in good order and condition (reasonable wear and tear excepted so long as the reasonable wear and tear does not unreasonably affect the exterior appearance of the Buildings or the foundation or structure of the Buildings); provided that the Landlord will make such repairs, only after giving the Tenant 60 days written notice of its intention so to do, except in the case of an emergency. Any amount paid by the Landlord in making such repairs to the Premises and the Buildings or any part or parts thereof, together with all costs and expenses of the Landlord shall be reimbursed to the Landlord by the Tenant on demand together with interest at the rate of 6% per annum above the Prime Rate from the date incurred until paid and may be recovered by the Landlord as Additional Rent.

8.4 Removal of Ice and Snow

The Tenant covenants and agrees with the Landlord that if the Tenant at any time during the Term fails to keep the public sidewalks adjacent to the Premises, the B.C. Place Access Routes and the public access areas established by the Public Access SRW's, reasonably clean from ice and snow during the times and to the extent required of an owner under the provisions of any Applicable Laws with respect thereto in effect from time to time, the Landlord through its agents, servants, contractors and subcontractors may remove such ice and snow and the Landlord shall not be required to give the Tenant any notice of its intention so to do.

Any costs and expenses incurred by the Landlord in removing such ice and snow shall be reimbursed to the Landlord by the Tenant on demand together with interest at the rate of 6% per annum above the Prime Rate from the date incurred until paid and may be recovered by the Landlord as Additional Rent.

9. DAMAGE OR DESTRUCTION

9.1 Rent not to Abate

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

9.2 Tenant's Obligations When the Buildings Are Damaged or Partially Destroyed

The Tenant covenants and agrees with the Landlord that in the event of damage to or partial destruction of the Buildings, the Tenant, subject to the regulations and requirements of the City and any other Governmental Authority having jurisdiction, shall either:

- (a) replace any part of the Buildings destroyed with a new structure in accordance with any agreement which may be made by the Tenant with the Landlord, or
- (b) repair or replace such damage or destruction, in the absence of any such agreement.

9.3 Tenant's Obligations When the Buildings Are Completely or Substantially Destroyed

The Tenant covenants and agrees with the Landlord that in the event of complete or substantially complete destruction of the buildings the Tenant, subject to the regulations and requirements of the City and any other Governmental Authority having jurisdiction, shall either.

- (a) reconstruct or replace the Buildings, with a new structure or structure in accordance with any agreement which may be made by the Tenant with the Landlord, or
- (b) in the absence of any such agreement, replace the Buildings with a new structure or structures comparable to the structure or structures being replaced.

9.4 Replacement, Repair or Reconstruction

Any replacement, repair or reconstruction of the Buildings or any part thereof pursuant to the provisions of Section 9.2 or 9.3 hereof shall be made or done in compliance with the provisions of Sections 8.2 and 11.1 hereof.

9.5 Demolition of Buildings by the Tenant

The Tenant covenants, acknowledges and agrees that:

- (a) upon the expiration or earlier termination of this Lease, the Tenant will promptly and at the Tenant's sole expense, remove from the Premises all or any component of any Building or other improvement, fixture, equipment or

furnishings located upon the Premises as the Landlord may, in its sole and unfettered discretion, direct;

- (b) the Tenant will be solely responsible to effect the repair of any damage caused by any demolition or removal required by the Landlord under Section 9.5(a);
- (c) any and all costs of such demolition, removal and repair shall be for the sole account of the Tenant;
- (d) any such demolition, removal and repair shall be undertaken and completed in accordance with all Applicable Laws and required permits or approvals;
- (e) all such demolition, removal and repair shall be completed by such date as the Landlord may reasonably specify in any written notice delivered as contemplated in Section 9.5(a) above, failing which, the Tenant shall be and remain obligated to pay to the Landlord an amount equivalent to all Rent payable preceding the expiry or earlier termination of this Lease and pro rated to the period of time from and after such expiry or earlier termination up to the date upon which the Tenant has completed its work of demolition, removal and repair and has delivered vacant possession of the Premises in a clean and safe condition as contemplated in this Section 9.5; and
- (f) the obligations of the Tenant **[and the Indemnifier]** under this Section 9.5 shall survive the expiry or earlier termination of this Lease.

10. INSPECTION AND EXHIBITION BY LANDLORD

10.1 Inspection by Landlord

The Landlord and the Tenant agree that it shall be lawful for a representative of the Landlord at all reasonable times during the Term to enter the Premises and the Buildings, or any of them) and to examine the condition thereof, and, further, that all wants of reparation as required by Section 8.2 which upon such views shall be found, and for the amendment of which notice shall be delivered or given by the Landlord to the Tenant, the Tenant shall within 60 days after every such notice or such longer period as provided in Section 17.2(a), well and sufficiently repair and make good accordingly.

10.2 Exhibition by Landlord

During the final 12 months of the Term, the Landlord shall be entitled to display upon the Premises signs advertising the Premises and the Buildings as being available for purchase or lease, provided such signs are displayed in such a manner as not to interfere unreasonably with the Tenant's use and enjoyment of the Premises and the Buildings.

11. REPLACEMENT, CHANGES, ALTERATIONS AND SUBSTITUTIONS

11.1 No Amendments to Approved Plans and Specifications

The Tenant shall have no right to construct any improvements upon the Premises except in strict compliance with the Approved Plans and Specifications and all Applicable Laws relating thereto. No amendments to the Approved Plans and Specifications shall be made except as may be approved by the Landlord in accordance with the terms of the Master Development Agreement or under Section 11.2, as applicable.

11.2 Changes or Alterations Following Construction Period

Without limiting the obligations of the Tenant under Article 4 of this Lease or under the Master Development Agreement, following the expiry of the Construction Period, the Tenant shall not make or permit to be made any changes, alterations, replacements, substitutions or additions affecting the structure of the Buildings, the major electrical and/or mechanical systems contained therein, or the exterior decoration, design or appearance of the Buildings or the Premises, when the cost thereof is reasonably expected to exceed [\$ _____] (such amount shall be adjusted by the amount of any increase in the Consumer Price Index (All Items) for Vancouver, B.C. as published by Statistics Canada, or any comparable index which might replace it at any time, from [_____, 20__] to the end of the month immediately preceding the month in which the costs are going to be incurred), without the written approval of the Landlord, which approval the Landlord shall not withhold unreasonably; PROVIDED THAT:

- (a) the Landlord may object to or require revisions to any proposals made by the Tenant with respect to any such matters to the extent that any such proposals might reasonably be anticipated to materially and adversely affect:
 - (i) continuing B.C. Place operations;
 - (ii) pedestrian access to and egress from B.C. Place Stadium;
 - (iii) vehicular access from B.C. Place Stadium;
 - (iv) compliance with any applicable codes or other Applicable Laws; or
 - (v) all or any portion of the B.C. Place Remainder;
- (b) if and to the extent that any such proposed plans and specifications have been approved by the Landlord they shall thereafter, for the purpose of this lease, constitute the "**Approved Plans and Specifications**" applicable to the Premises, the Buildings and the Tenant's Project.

12. UNAVOIDABLE DELAYS

12.1 Unavoidable Delays

If, by reason of strike, lock-out or other labour dispute, material or labour shortage not within the control of the Tenant, stop work order issued by any court or tribunal of competent jurisdiction,

provided that such order was not issued as the result of any act or fault of the Tenant or of any one employed by it directly or indirectly, fire or explosion, flood, wind, water, earthquake, snowfall, inclement weather affecting construction conditions, act of God or other similar circumstances beyond the reasonable control of the Tenant and not avoidable by the exercise of reasonable effort or foresight by the Tenant, the Tenant is, in good faith and without default or neglect on its part, prevented or delayed in the achievement of each of the Project Milestones or the prosecution of construction or in the Substantial Completion of the Buildings or repair of the Buildings or any part or parts of them which under the terms of this Lease the Tenant is required to do by a specified date or within a specified time or if not specified within a reasonable time, the date or period of time within which the work was to have been completed shall be extended by the Landlord by a reasonable period of time at least equal to that of such delay or prevention and the Tenant shall not be deemed to be in default if it performs and completes the work in the manner required by the terms of this Lease within such extended period of time or within such further extended period of time as may be agreed upon from time to time between the Landlord and the Tenant. If the Landlord and the Tenant cannot agree as to whether or not there is a prevention or delay within the meaning of this section or they cannot agree as to the length of such prevention or delay, then such matter shall be determined by reference to Expedited Resolution Procedures.

The Tenant shall act diligently and take all reasonable steps of a prudent owner to remove the cause or causes of delay in the achievement of each of the Project Milestones or completion of the Buildings.

13. RELEASE, INDEMNITY AND LIMITATION OF LIABILITY

13.1 Indemnification of the Indemnified Parties by the Tenant

The Tenant covenants and agrees to defend, indemnify and save harmless the Indemnified Parties from and against all damages, losses, actions, causes of action, suits, judgments, claims, demands, builders liens, liabilities, expenses (including, without limitation, legal expenses on a solicitor and own client basis), costs, indirect or consequential damages (including, without limitation, loss of profits and loss of use and damage arising out of delays) which may arise or accrue to any person, firm or corporation against the Indemnified Parties or any of their respective contractors and subcontractors which the Indemnified Parties may pay, incur, sustain or be put to arising out of or in any way connected with, or that would not or could not be made or incurred but for, this Lease.

Without derogating from the generality of the foregoing, the Tenant agrees to defend, indemnify and save harmless the Indemnified Parties in respect of:

- (a) all manner of actions, causes of action, suits, judgments, damages, loss, costs, claims and demands of any nature whatsoever relating to and arising during the Term or any period of overholding out of:
 - (i) bodily injury or death,
 - (ii) property damage,

- (iii) or other loss or damage, resulting from:
- (iv) the conduct of any work,
- (v) any act or omission, or
- (vi) relating to or arising from the occupation or possession of the Premises or any portion thereof,

by the Tenant or any assignee, subtenant, agent, employee, contractor, subcontractor, invitee or licensee of the Tenant,

- (b) all costs, expenses and liabilities incurred by the Indemnified Parties in connection with or arising out of all such claims, including, without limitation, the expenses of any action or legal proceeding pertaining thereto on a solicitor and own client basis,
- (c) the liabilities or obligations incurred or sustained by or imposed upon the Indemnified Parties, and
- (d) any and all manner of actions, causes of action, suits, judgments, administrative proceedings, damages, losses, costs, expenses (including without limitation, legal expenses on a solicitor and own client basis), builders liens, claims and demands of any nature whatsoever,

arising from any breach, violation or non-performance of any covenant, proviso, condition or agreement contained in this Lease on the part of the Tenant to be fulfilled, kept, observed or performed.

13.2 Limitation of Liability of the Landlord

The Tenant acknowledges and agrees that the Landlord, when involved in:

- (a) inspecting and approving plans, or
- (b) inspecting buildings, utilities, structures, or
- (c) inspecting other things,

requiring a permit for their construction, renovation, repair or reconstruction, owes no legal duty of care to the Tenant, its officers, employees, agents, contractors, subcontractors, successors and assigns on which a cause of action can be based, to ensure that plans, buildings, utilities, structures or other things so constructed; renovated, repaired or reconstructed on the Premises or on the B.C. Place Remainder or City streets, as applicable, comply with any Applicable Laws.

The Tenant further acknowledges and agrees that the Landlord is not liable for damages of any nature (including, without limitation, indirect or consequential damages such as loss of profits and/or loss of use and damage arising out of delays) sustained by the Tenant as a result of the neglect or failure, for any reason or in any manner, of the Landlord to:

- (d) discover or detect contraventions of, or
- (e) enforce,

any Applicable Laws or the Approved Plans and Specifications.

13.3 Release of Indemnified Party

The Tenant does hereby remise, release and forever discharge, and does hereby covenant and agree to defend, indemnify and save harmless:

- (a) the Landlord in its capacity as landlord and owner of the Premises, and
- (b) the Indemnified Parties,

whether or not the Landlord and/or the Indemnified Parties have been negligent, from and against all damages, losses, actions, causes of actions, claims, demands, builder's liens, liabilities, judgments, expenses (including without limitation, legal expenses on a solicitor and own client basis), costs, indirect or consequential damages (including, without limitation, loss of profits and loss of use and damage arising out of delays) which may arise or accrue to the Tenant or any person, firm or corporation against the Landlord and/or the Indemnified Parties, arising out of or in any way connected with:

- (c) the construction of the Buildings,
- (d) their later renovation, repair, and/or reconstruction from time to time, including, without limitation, any failure to complete construction, renovation, repair, and/or reconstruction of the Buildings, howsoever arising, or
- (e) inspecting and approving plans or inspecting buildings, utilities, structures or other things requiring a permit for their construction, and
- (f) any neglect or failure for any reason or in any manner by the Landlord and/or the Indemnified Parties or any of their respective contractors or subcontractors, to:
 - (i) discover or detect contraventions of, or
 - (ii) enforce,
 any Applicable Laws and/or the Approved Plans and Specifications, and
- (g) the operation of B.C. Place Stadium and the staging, conduct or performance of any public assemblies or events therein.

Nothing in the general law of suretyship shall operate to release the Tenant from its obligations under this release and indemnity.

13.4 Indemnification Survives Termination of Lease

The obligations of the Tenant to defend, indemnify and save harmless the Landlord and/or the Indemnified Parties under the provisions of this Lease shall apply and continue notwithstanding the termination of this Lease or breach of this Lease by the Landlord, or negligence on the part of the Landlord and/or the Indemnified Parties, or any of their respective contractors, or subcontractors anything in this Lease to the contrary notwithstanding.

14. SUBLETTING AND ASSIGNING

14.1 Subletting by Tenant - Other Than by Way of Leasehold Mortgage

Save as expressly provided in Section 14.3, the Tenant shall not and will not during the Term sublease the Premises or any part thereof or any structure or any part of any structure erected thereon to any person, persons or corporation whatsoever, without the consent in writing of the Landlord, which consent the Landlord may arbitrarily withhold; PROVIDED HOWEVER that:

- (a) notwithstanding any such consent being given by the Landlord under this Section 14.1 and such subleasing being effected, the Tenant shall remain bound to the Landlord for the fulfilment of all of its obligations hereunder; and
- (b) at the Landlord's request, a copy of any or all subleases shall be forwarded to the Landlord within 30 days of the conclusion of such transaction together with particulars of registration (if any) in the and Title Office.

14.2 Assignment by Tenant - Other Than by Way of Leasehold Mortgage

- (a) The Tenant shall not and will not during the Term (other than by way of Leasehold Mortgage as permitted in or by Section 14.3) assign, transfer or sell or otherwise, by any act or deed, cause the Premises or the Buildings, or any of them, or this Lease, to be assigned, transferred or sold to any person, persons or corporation whatsoever without the consent in writing of the Landlord, which consent the Landlord shall not unreasonably withhold, provided as hereinafter set forth.
- (b) Provided that the Landlord, in considering a request by the Tenant that such an assignment be approved, shall be acting reasonably in taking into account the following matters, and if the Landlord is not satisfied as to any of such matters, the Landlord shall be acting reasonably in refusing to approve the proposed assignment
 - (i) the reputation and experience of the proposed assignee as a real estate developer and the nature of the business of the proposed assignee,
 - (ii) the financial standing and capability of the proposed assignee (as evidence of which the three most recent financial statements of the proposed assignee shall be provided to the Landlord), including, without limitation, evidence that the proposed assignee will be able to secure a lender to finance construction of the Buildings and all ancillary facilities,

and evidence that there are no actions, suits, claims, legal or administrative proceedings or investigations, private or public, pending or threatened, which might affect the proposed assignee's ability to fulfil all the covenants and agreements of the Tenant under this Lease,

- (iii) the ability of the Tenant and the proposed assignee to arrange that the proposed assignee, following the assignment, will have full ability to perform the covenants and agreements of the Tenant under this Lease, including, without limitation, evidence that all drawings, plans, specifications, designs, applications, permits, approvals and contracts relating to the construction of the Buildings and all facilities ancillary thereto will be assigned to the proposed assignee, and
 - (iv) past and present dealings of the proposed assignee with the Landlord.
- (c) Provided however that the Landlord shall also be acting reasonably and shall be entitled arbitrarily to withhold its consent to an assignment
- (i) if the Tenant is in default in the performance and observance of any of the covenants, provisos and agreements required of the Tenant to be performed and observed under this Lease, or any of the Permitted Encumbrances,
 - (ii) if the Annual Basic Rent to be paid by the Tenant to the Landlord under Section 2.1 has not been paid in full,
 - (iii) unless the proposed assignee enters into an agreement, in form and content satisfactory to the Landlord, with the Landlord whereby the proposed assignee covenants directly with the Landlord and agrees to be bound by and comply with all the covenants, provisos and agreements required of the Tenant to be performed and observed under this; and
- (d) A copy of any or all agreements to purchase, assignments, transfers or sales shall be furnished to the Landlord within 30 days of the completion of each transaction together with particulars, if any, of registration in the Vancouver Land Title Office.

14.3 Leasehold Mortgaging by Tenant

The Tenant shall have the right at any time and from time to time but upon delivery of prior written notice to the Landlord, to mortgage its leasehold estate under the Lease by assignment or sublease and, *inter alia*, to give security by way of an assignment of rents and to extend, modify, renew, vary or replace any such mortgage, assignment or other security; PROVIDED THAT:

- (a) the Tenant will execute and deliver to the Landlord, in registerable form, requisite copies of the B.C. Place Access Easement, the B.C. Place Construction and Maintenance Easement and the B.C. Place Parking Easement for registration at

the Land Title Office immediately subsequent in priority to the registration of this Lease and prior to registration of any Leasehold Mortgage or any other form of security proposed to be granted by the Tenant and charging the interest of the Tenant under this Lease; and

- (b) a copy of any or all Leasehold Mortgages and any other related security shall be furnished to the Landlord, together with particulars of registration in the Land Title Office, within 30 days of any such registration.

15. LEASEHOLD MORTGAGE

15.1 Rights of Leasehold Mortgagee

The Leasehold Mortgagee under any Leasehold Mortgage referred to in Section 14.3 may enforce such Leasehold Mortgage and acquire title to the leasehold estate in any lawful way and, by its representative or by a receiver, as the case may be, take possession of and manage the Premises and upon foreclosure of such mortgage may sell or assign the leasehold estate and the purchaser or assignee of the leasehold estate shall be liable to perform the obligations imposed upon the Tenant by this Lease only so long as such purchaser or assignee has ownership or possession of such leasehold estate.

15.2 Notice to and Remedies of Leasehold Mortgagee

- (a) No re-entry, termination, acceptance of surrender, disclaimer or forfeiture of this Lease by the Landlord or by a receiver, interim-receiver, receiver-manager, liquidator, custodian or trustee shall be valid against the Leasehold Mortgagee who has executed and delivered to the Landlord a tripartite agreement in the form attached hereto as Schedule "B" (with such amendments to such tripartite agreement as are reasonably requested by the Leasehold Mortgagee) unless the Landlord shall first have given to the Leasehold Mortgagee notice of the default entitling the Landlord to re-enter, terminate or forfeit this Lease, specifying the nature of that default and stating the Landlord's intention to take such proceedings and requiring the Leasehold Mortgagee:
 - (i) to cure the default specified in the notice within a period of 60 days from the date of receipt of that notice by the Leasehold Mortgagee, or
 - (ii) if the default is other than the failure to pay Rent or any other sums required to be paid by the Landlord by any provisions of this Lease and if the default cannot reasonably be cured within such 60 day period, then to immediately commence to cure the same and to diligently prosecute to conclusion all acts necessary to cure the default and the Landlord hereby grants the Leasehold Mortgagee access to the Premises and the Buildings for that purpose.
- (b) If the default is cured within the period specified, the Leasehold Mortgagee shall be entitled to become tenant of the Premises and Buildings for the balance of the Term remaining at the date of the notice of default or contingency, providing that

the Leasehold Mortgagee attorns as tenant to the Landlord and undertakes to be bound by and to perform the covenants and agreements of this Lease for so long as it remains tenant and has not assigned the balance of the Term; PROVIDED however that in the event the Leasehold Mortgagee consists of more than one Leasehold Mortgagee each having a separate charge upon the Tenant's interest in this Lease, and more than one of them wishes to cure the default or contingency specified in the notice aforesaid, then the Landlord hereby agrees to permit curing of the default or contingency specified as aforesaid and the assumption of the balance of the Term as aforesaid by that Leasehold Mortgagee which is willing to cure and assume as aforesaid and whose charge ranks in priority over the charge or charges held by the other Leasehold Mortgagee or Leasehold Mortgagees willing to cure and assume as aforesaid; EXCEPT that in the event any Leasehold Mortgagee has commenced a foreclosure action the provisions of Section 15.2(c) shall apply.

- (c) In the event the Leasehold Mortgagee commences foreclosure proceedings against the Tenant, whether or not the Tenant is in default of the performance of its covenants and agreements with the Landlord under this Lease at the time such foreclosure proceedings are commenced, the Landlord shall not re-enter, terminate or forfeit this Lease after the commencement of foreclosure proceedings on the ground of any default or contingency entitling the Landlord to re-enter, terminate or forfeit this Lease if the Leasehold Mortgagee:
- (i) shall first have given to the Landlord notice of the foreclosure proceedings,
 - (ii) is actively prosecuting the foreclosure proceedings without undue delay,
 - (iii) cures the default or contingency within a period of 60 days from the date of receipt of notice from the Landlord specifying the nature of the default or contingency, or if the default or contingency is other than the failure to pay Rent or any other sums required to be paid to the Landlord by any provision of this Lease and if such default or contingency cannot reasonably be cured within such 60 day period, immediately commences to cure the same and to diligently prosecute to conclusion all acts necessary to cure the default or contingency,
 - (iv) performs and observes all of the Tenant's covenants and agreements under this Lease and without undue delay diligently prosecutes to a conclusion the foreclosure proceedings commenced by the Leasehold Mortgagee.

In the event that the Leasehold Mortgagee acquires title to the Tenant's interest in the Premises and the Buildings pursuant to the foreclosure proceedings, the Leasehold Mortgagee shall thereupon become subrogated to the rights of the Tenant under this Lease, provided it attorns to the Landlord as tenant and undertakes to be bound by and to perform the covenants and agreements of this

Lease for so long as it remains tenant and has not assigned the balance of the Term. PROVIDED HOWEVER that in the event the Leasehold Mortgagee consists of more than one Leasehold Mortgagee and more than one of them commences foreclosure proceedings, the right to cure any default or contingency granted by this Section 15.2(c) to a foreclosing Leasehold Mortgagee shall be deemed granted to them in the order of priority of the charges held by the foreclosing Leasehold Mortgagees.

- (d) If this Lease shall be subject to termination or forfeiture pursuant to Article 16 by reason of the bankruptcy or insolvency of the Tenant and the Leasehold Mortgagee has filed with the Landlord notice of Leasehold Mortgage in favour of the Leasehold Mortgagee and specified an address for notice under Article 23, the Landlord shall give to the Leasehold Mortgagee notice of the bankruptcy or insolvency of the Tenant entitling the Landlord to terminate or forfeit this Lease and stating the Landlord's intention to take such proceedings and requiring the Leasehold Mortgagee to cure any other default of the Tenant and the Tenant's other default shall be deemed to have been sufficiently cured if the Leasehold Mortgagee:
- (i) commences foreclosure proceedings against the Tenant as more particularly set out in Section 15.2(c),
 - (ii) takes possession and control of the Premises and the Buildings, or causes a receiver to be appointed under the terms of the Leasehold Mortgage or by a court of competent jurisdiction, who takes possession and control of the Premises and the Buildings, and the Landlord hereby grants the Leasehold Mortgagee or such receiver access to the Premises and the Buildings for that purpose,
 - (iii) cures every default within a period of 60 days from the date of receipt by the Leasehold Mortgagee of the notice from the Landlord of the bankruptcy or insolvency of the Tenant, or if such default or defaults are other than the failure to pay Rent or any other sums required to be paid to the Landlord by any provision of this Lease and if such default or defaults cannot reasonably be cured within such 60 day period, immediately commences to cure the same and to diligently prosecute to conclusion all acts necessary to cure the default or defaults, and
 - (iv) attorns as tenant to the Landlord and undertakes to be bound by and to perform the covenants and agreements of this Lease for so long as it remains tenant and has not assigned the balance of the Term.

PROVIDED HOWEVER that in the event the Leasehold Mortgagee consists of more than one Leasehold Mortgagee the right to take possession and control, to cure any default and to assume the Lease as aforesaid shall be deemed granted to them in the order of the priority of their respective charges.

- (e) Any re-entry, termination or forfeiture of this Lease made in accordance with the provisions of this Lease as against the Tenant shall be valid and effectual against the Tenant even though made subject to the rights of any Leasehold Mortgagee to cure any default of the Tenant and to continue as tenant under this Lease.
- (f) No entry upon the Premises or into the Buildings by the Leasehold Mortgagee pursuant to this Section 15.2 for the purpose of curing any default or defaults of the Tenant shall release or impair the continuing obligations of the Tenant.

15.3 Leasehold Mortgage Subject to Landlord's Rights Under Lease

Subject to the provisions of Section 15.2, every Leasehold Mortgage shall be made expressly subject to the rights of the Landlord under this Lease.

15.4 Tripartite Agreement

The Landlord and the Tenant agree that the obligations of the Landlord under Section 15.2 are subject to the Leasehold Mortgagee entering into a Tripartite Agreement in the form attached hereto as Schedule E (with such amendments to such preferred form of Tripartite Agreement as are reasonably requested by the Leasehold Mortgagee and approved by the Landlord) whereby the Leasehold Mortgagee covenants and agrees that if it acquires title to the Tenant's interest in this Lease but only for so long as it holds such title, it shall perform and observe the covenants and agreements required of the Tenant to be performed and observed, if not performed or observed by the Tenant, whether or not the Landlord has taken any steps to enforce performance or observance of any of the covenants and agreements in this Lease to be performed or observed by the Tenant.

16. BANKRUPTCY OF TENANT

16.1 Events of Bankruptcy or Receivership

The parties agree, subject to the provisions of Sections 15.2 and 15.4, that:

- (a) if the Tenant shall make a general assignment for the benefit of creditors, or
- (b) if the Tenant shall institute proceedings to be adjudicated bankrupt or insolvent or shall consent to the institution of bankruptcy or insolvency proceedings against the Tenant or shall file an application or petition or answer or consent, seeking re-organization or re-adjustment of the indebtedness of the Tenant under the *Bankruptcy and Insolvency Act* or the *Companies' Creditors Arrangement Act* or any law of Canada or any province thereof relating to bankruptcy or insolvency or shall consent to the filing of any such application or petition or shall consent to the appointment of a receiver, interim-receiver, receiver-manager, trustee, liquidator, or custodian, or
- (c) if a receiver, interim-receiver, receiver-manager, trustee, liquidator or custodian of all or substantially all of the property of the Tenant or of the Tenant's leasehold interest in the Premises and interest in the Buildings shall be appointed or

applied for by the Tenant or appointed pursuant to an instrument or by order of a court, or

- (d) if a judgment, decree or order shall be entered by a court of competent jurisdiction adjudging the Tenant a bankrupt or insolvent or subject to the provisions of the *Bankruptcy and Insolvency Act* or determining that proceedings for re-organization, arrangement, adjustment, composition, liquidation, or any similar relief under the *Bankruptcy and Insolvency Act* or the *Companies' Creditors Arrangement Act* or any law of Canada or any province thereof relating to bankruptcy or insolvency have been properly instituted otherwise than by the Tenant, provided that such judgment, decree or order is not in good faith contested by the Tenant, or
- (e) if any application or petition or certificate or order is made or granted for the winding up or dissolution of the Tenant voluntary or otherwise,

then the receiver, interim-receiver, receiver-manager, liquidator, custodian or trustee shall have the right to disclaim this Lease or to hold and retain the Premises and the Buildings for a period not exceeding six months from the effective date of any such appointment, receiving order, assignment, judgment, decree, order or the commencement of dissolution or winding-up, as the case may be, or until the expiration of the Term, whichever first happens on the same terms and conditions as the Tenant might have held the Premises and the Buildings had no such appointment, receiving order, assignment, judgment, decree or order been made or dissolution or winding-up commenced.

If the receiver, interim-receiver, receiver-manager, trustee, liquidator or custodian holds and retains the Premises and the Buildings as aforesaid he shall during the said period either:

- (i) surrender possession at any time and the Term shall thereupon terminate, or
- (ii) upon approval of the court as hereinafter provided, sell, transfer or otherwise dispose of all the interest of the Tenant in this Lease and the Premises and the Buildings for the remainder of the Term or any part thereof and all the rights of the Tenant hereunder notwithstanding anything to the contrary in Article 14 contained if the Supreme Court of British Columbia upon the application of such receiver, interim-receiver, receiver-manager, liquidator, custodian or trustee and after 14 days written notice of such application to the Landlord, approves such sale, transfer or disposition, or
- (iii) continue as tenant for the balance of the Term remaining provided that the receiver, interim-receiver, receiver-manager, liquidator, custodian or trustee attorns as tenant to the Landlord and undertakes to be bound by and to perform the covenants and agreements of this Lease on the part of the Tenant to be performed and observed.

16.2 Certain Rights of the Parties

The Landlord and the Tenant agree that:

- (a) Should the receiver, interim-receiver, receiver-manager, liquidator, custodian or trustee at any time before or after taking possession, disclaim this Lease or surrender possession to the Landlord, his liability and the liability of the estate of the Tenant and of the Tenant for payment of Rent is limited to the period of time during which the receiver, interim-receiver, receiver-manager, liquidator, custodian or trustee remains in possession of the Premises and the Buildings for the purposes of the trust estate. If the receiver, receiver-manager, liquidator, custodian or trustee disclaims this Lease or surrenders possession, the Landlord or the Landlord's agents or employees authorized by the Landlord may immediately or at any time thereafter re-enter the Premises and the Buildings without being liable for any prosecution or damages therefor, and may repossess and enjoy the Premises and the Buildings and all fixtures and improvements therein and thereon, except fixtures and improvements which are of the nature of usual tenants' fixtures and normally removable by tenants and which are not part of the Buildings or the Premises and such receiver, interim-receiver, receiver-manager, liquidator, custodian or trustee shall execute a surrender or assignment to the Landlord in registerable form.
- (b) Entry into possession of the Premises and the Buildings by the receiver, interim-receiver, receiver-manager, liquidator, custodian or trustee and its occupation by him while required for the purposes of the performance of his duties in his office shall not be deemed to be evidence of an intention on his part to retain the Premises and the Buildings, nor affect his right to disclaim or to surrender possession pursuant to the provisions of Section 16.1.
- (c) If after occupation of the Premises and the Buildings, the receiver, interim-receiver, receiver-manager, liquidator, custodian or trustee elects to retain it and thereafter sells, transfers or otherwise disposes of the Lease, the Premises and the Buildings and all interests and rights of the Tenant therein and hereunder to a person approved by the court as provided by Section 16.1, his liability and the liability of the Tenant and his estate for the payment of the Rent, if any, is limited to the period of time during which he remains in possession of the Premises and the Buildings.

16.3 No Abatement of Rent

The receiver, interim-receiver, receiver-manager, liquidator, custodian or trustee shall pay to the Landlord for the period during which the receiver, interim-receiver, receiver-manager, liquidator, custodian or trustee actually occupies the Premises and the Buildings pursuant to Section 16.1 hereof the Rent calculated on the basis of this Lease and payable in accordance with the terms hereof

17. DEFAULT BY TENANT

17.1 Re-Entry on Certain Defaults By Tenant

The Landlord and the Tenant agree that subject to the provisions of Section 15.2, if:

- (a) the Tenant shall default in payment of Rent or any other sums required to be paid to the Landlord by any provision of this Lease, and such default shall continue for a period of 30 days after written notice of intention to terminate this Lease by reason of such default shall have been given by the Landlord to the Tenant, or
- (b) the Tenant shall default in ensuring achievement of each of the Project Milestones or Substantial Completion of the Buildings by the dates set forth in the list of Project Milestones and such default shall continue for a period of 30 days after written notice of intention to terminate this Lease by reason of such default shall have been given by the Landlord to the Tenant,

the Landlord or the Landlord's agents or employees authorized by the Landlord may immediately or at any time thereafter re-enter the Premises and the Buildings without being liable to any prosecution or damages therefor and may repossess and enjoy the Premises, the Buildings and all fixtures and improvements on the Premises except fixtures and improvements which are of the nature of usual tenants' fixtures and normally removable by tenants, and which are not part of the Buildings or the Premises, as liquidated damages, without such re-entry and repossession constituting a forfeiture or waiver of the Rent paid or to be paid to the Landlord, all of which Rent may be retained by the Landlord as liquidated damages and not as a penalty and without forfeiture or waiver of the covenants to be performed by the Tenant up to the date of such re-entry and repossession.

17.2 Forfeiture on Certain Other Defaults by Tenant

The Landlord and the Tenant agree that, subject to the provisions of Section 15.2, if

- (a) the Tenant shall default in performing or observing any of its covenants or obligations under this Lease (other than those referred to in Section 17.1) and the Landlord shall have given to the Tenant notice of such default and at the expiration of 60 days after the giving of such notice the default shall continue to exist or, in the case of a default which cannot with due diligence be cured within the period of 60 days aforesaid, the Tenant fails to proceed promptly after the giving of such notice to cure such default, and
- (b) the Landlord desires to re-enter the Premises and to repossess and enjoy the Premises and the Buildings and all fixtures and improvements thereon (except fixtures and improvements which are of the nature of usual tenants' fixtures and normally removable by tenants, and which are not part of the Premises and the Buildings),

the Landlord shall unless the Tenant voluntarily surrenders the Premises and the Buildings to the Landlord, apply to the Supreme Court of British Columbia, upon not less than 14 days notice to all persons interested in the Premises and the Buildings, for an Order that, either.

- (i) the interest of the Tenant in this Lease and the Premises and the Buildings for the remainder of the Term and all the rights of the Tenant hereunder be sold by public auction or private sale on such terms and conditions as the Court deems fair and equitable in the circumstances, the proceeds therefrom to be distributed, after all Rent and other money due to the Landlord hereunder is paid to the Landlord, in accordance with the priorities of the persons interested as aforesaid as ascertained by the Court upon enquiry or reference, or
- (ii) the Landlord or the Landlord's agents or employees be authorized to re-enter the Premises and the Buildings without being liable to any prosecution or damages therefor, and repossess and enjoy the Premises and the Buildings and all fixtures and improvements (except for fixtures and improvements which are of the nature of usual tenants' fixtures and normally removable by tenants, and which are not part of the Buildings or the Premises), as liquidated damages, without such re-entry and repossession working a forfeiture or waiver of the Rent and other money paid or to be paid to the Landlord, all of which Rent may be retained by the Landlord as liquidated damages and not as a penalty and without forfeiture or waiver of the covenants to be performed by the Tenant up to the date of such re-entry and repossession, and

in ordering such sale or re-entry, the Court may direct the Registrar to cancel the Tenant's interest in the Premises and the Buildings, the registration thereof, and any certificate of leasehold charge and this Lease and issue a new or replacement certificate in the name of the Landlord or the purchaser, as the case may be, free and clear of and from all liens, charges and encumbrances whatsoever. The Landlord shall not be responsible for any loss to any such person interested which may arise by reason of any such sale or re-entry unless the same occurs by reason of the wilful neglect or default of the Landlord.

17.3 Remedies of Landlord are Cumulative

The remedies of the Landlord specified in this Lease are cumulative and are in addition to any remedies of the Landlord at law or equity. No remedy shall be deemed to be exclusive, and the Landlord may from time to time have recourse to one or more or all of the available remedies specified herein or at law or equity. In addition to any other remedies provided in this Lease, the Landlord shall be entitled to restrain by injunction any violation or attempted or threatened violation by the Tenant of any of the covenants or agreements hereof.

17.4 Waiver by Landlord

The failure of the Landlord to insist upon the strict performance of any covenant or agreement of this Lease shall not waive such covenant or agreement, and the waiver by the Landlord of any

breach of any covenant or agreement of this Lease shall not waive such covenant or agreement in respect of any other breach. The receipt and acceptance by the Landlord of rent or other monies due hereunder with knowledge of any breach of any covenant or agreement by the Tenant shall not waive such breach. No waiver by the Landlord shall be effective unless made in writing.

18. CERTAIN COVENANTS AND AGREEMENTS OF TENANT

18.1 Prohibited Conduct Premises

Taking into account that during the Construction Period, the Premises will be operated as a normal construction site, the Tenant covenants and agrees with the Landlord that it will not carry on nor do, nor allow to be carried on or done upon the Premises or in the Buildings any work, business or occupation which may be a nuisance or which may be improper, noisy or contrary to any Applicable Law.

18.2 Covenant Respecting Permitted Encumbrances

The Tenant agrees to be bound by and perform all of the covenants of the Landlord, as owner of the Premises, set out in any of the relevant Permitted Encumbrances.

19. SURRENDER OF LEASE

19.1 Surrender of Lease/No Compensation

At the expiration or sooner determination of the Term, the Tenant shall surrender the Premises and the Buildings to the Landlord in the condition in which they were required to be kept by the Tenant under the provisions of this Lease, except as herein otherwise expressly provided.

The Tenant shall not be entitled to any compensation from the Landlord for surrendering and yielding up to the Premises and the Buildings as aforesaid.

20. QUIET ENJOYMENT AND OWNERSHIP OF TENANTS' FIXTURES

20.1 Covenant for Quiet Enjoyment

If the Tenant pays the Rent hereby reserved and the other charges, and perform the covenants hereinbefore on the Tenant's part contained, the Tenant shall and may peaceably enjoy and possess the Premises for the Term, without any interruption or disturbance whatsoever from the Landlord or any other person, firm or corporation lawfully claiming from or under the Landlord, provided however that nothing in this Section 20.1 shall limit the rights of access reserved by the Landlord under Section 8.3, the rights of inspection conferred upon the Landlord by Section 10.1, the right of the Landlord to show the Premises and the Buildings and to post notices, pursuant to Section 10.2, and/or under any other relevant Permitted Encumbrances.

20.2 Ownership of Tenants' Fixtures

The Tenant may confer upon tenants or occupants of the Buildings the right of property in, or the right to remove fixtures or improvements which are of the nature of usual tenants' fixtures

and normally removable by tenants, and which are not part of the Buildings or the Premises. The Tenant shall make good or shall cause such tenants to make good, any damage to the Buildings caused by any removal of the tenants' fixtures.

21. LANDLORD'S OBLIGATIONS WITH RESPECT TO B.C. PLACE STADIUM

21.1 No Obligation to Repair, Maintain or Replace B.C. Place Stadium

The Tenant expressly acknowledges and agrees that the Landlord will have no obligation to the Tenant to repair, maintain or replace all or any portion of B.C. Place Stadium nor any other improvements on the B.C. Place Remainder and, in connection therewith:

- (a) the Landlord (or any future owner or owners of the B.C. Place Remainder and/or B.C. Place Stadium) may, upon delivery of reasonable prior notice to the Tenant, modify or close any means of access between the Tenant's Project and B.C. Place Stadium;
- (b) neither the Landlord nor any future owner or owners of B.C. Place Remainder and/or B.C. Place Stadium shall have any obligation to the Tenant to operate B.C. Place Stadium for any purpose or purposes; and
- (c) the Tenant acknowledges and agrees that the operation of B.C. Place Stadium as a public events facility and the staging, conduct and performance of any public assemblies or events therein or thereupon will not comprise a public or private nuisance and will not constitute a breach of the Landlord's covenant of quiet enjoyment to the Tenant under this Lease.

21.2 Landlord's Option to Terminate Lease

The Tenant acknowledges and agrees that notwithstanding anything to the contrary contained in this Lease, if the Landlord determines that for the purposes of demolition of B.C. Place Stadium and/or the redevelopment of the B.C. Place Lands, the redevelopment of the Premises is required, then the Landlord may elect to terminate this Lease and to require the surrender by the Tenant of all of its rights under this Lease and in connection with the Premises, upon the following terms and conditions:

- (a) **[ON WHAT ADVANCE NOTICE TO TENANT?]**

- (b) **[NOT EARLIER THAN _____?]**

- ;

- (c) **[FOR WHAT PAYMENT TO TENANT AND BASED ON WHAT FORMULAE?]**

; and

(d) **[WHATOTHER TERMS]**

22. OVERHOLDING

22.1 No Right to Overhold

The Tenant covenants and agrees with the Landlord that the Tenant shall have no right to hold over or to remain in possession of the Premises following the expiration of the Term.

23. REPRESENTATIONS AND WARRANTIES AND COVENANTS OF THE INDEMNIFIER

23.1 Representations and Warranties of Indemnifier

The Indemnifier hereby represents and warrants to the Landlord as follows:

- (a) the Indemnifier has the power, authority and capacity to enter into this Lease and to carry out its obligations hereunder, all of which have been duly and validly authorized by all requisite proceedings;
- (b) there are no actions, suits or proceedings in existence or, to the knowledge of the Indemnifier, threatened against or affecting the Indemnifier in law or in equity which, if decided adversely, could materially affect the ability of the Indemnifier to perform its obligations hereunder;
- (c) the Indemnifier now has and will maintain sufficient financial resources to fully observe and fully perform all of the obligations of the Indemnifier under this Lease as and when required and as and when due hereunder; and
- (d) the Indemnifier, either directly or indirectly, Controls the Tenant and will continue to Control the Tenant (along with any proposed Tenant's Affiliated Assignees) up to and including the expiry of the Construction Period.

23.2 Covenants of Indemnifier

The Indemnifier covenants and agrees with the Landlord as follows:

- (a) the Indemnifier will take all such action within the power of the Indemnifier to cause the Tenant to fully and punctually perform all of its obligations under this Lease;
- (b) the Indemnifier will indemnify and save harmless the Landlord and all Indemnified Parties from and against any and all damages, costs, expenses,

liabilities or obligations of any nature, howsoever arising, by reason of any breach by the Tenant or any Affiliate of the Tenant, including the Indemnifier of its or their respective obligations under this Lease;

- (c) the Indemnifier will maintain Control of the Tenant from and including the Commencement Date up to and including the expiry of the Construction Period unless the Landlord first and expressly otherwise agrees in the Landlord's sole and unfettered discretion; and
- (d) the Indemnifier will maintain sufficient financial resources available to fully observe and perform all of the obligations of the Indemnifier under this Lease as and when required and as and when due hereunder.

23.3 Acknowledgement of Indemnifier

The Indemnifier hereby acknowledges and agrees with the Landlord that as of the Commencement Date, the Tenant has, and will up to and including the expiry of the Construction Period, have full authority to communicate with and commit to the Landlord, the City and all other Governmental Authorities with respect to all matters contemplated in this Lease and in connection with the Tenant's Project without any requirement for further notice to or authorizations or consents from the Indemnifier, all of which will bind the Indemnifier without any requirement for any further action or consent by the Indemnifier.

24. NOTICES

24.1 Notices

Any notice required or permitted to be given hereunder will be sufficiently given if personally delivered, addressed as follows:

- (a) if to the Landlord:

B.C. Pavilion Corporation
1900 – 999 West Hastings Street
Vancouver, British Columbia
V6C 2W2

Attention: Chief Executive Officer

Facsimile No.: (604) 484-5154

(b) if to the Tenant, addressed as follows:

Attention:

Facsimile: (____) _____

(c) [if to the Indemnifier, addressed as follows:

Attention:

Facsimile: (____) _____,]

or at such other address or addresses as any of the parties hereto may designate by notice in writing to the other parties hereto.

25. MISCELLANEOUS

25.1 Statements by Landlord and Tenant

The Landlord and the Tenant agree that at any time and from time to time upon not less than 30 days' prior request by the other party, each will execute, acknowledge and deliver to the other a statement in writing certifying:

- (a) that this Lease is unmodified and in full force and effect or if there have been modifications that the same are in full force and effect as modified and identifying the modifications;
- (b) the dates to which the rent and other charges have been paid and the request shall specify the charges in respect of which such information is required; and
- (c) that, so far as the maker of the statement knows, without having conducted any searches or made any particular enquiries, the party who requests the statement is not in default under any provisions of this Lease, or, if in default, the particulars thereof.

This certification shall be provided by the Landlord on the following conditions:

- (d) that neither the Landlord nor the party signing on behalf of the Landlord be liable for any damage or expense should for any reason, including, without limitation, negligence, the information provided be inaccurate, incomplete or misleading; and
- (e) that should any or all of the information be inaccurate, incomplete or misleading, for any reason, including, without limitation, negligence, the Landlord shall, as

against any person or corporation who may rely on the contents of this certification statement, be able to assert and enforce its full rights in strict accordance with the lease as if this certification statement had not been signed on behalf of the Landlord and as if any or all persons and corporations who may rely on the contents of the certification statement had not relied on the contents of the certification statement.

25.2 Time of the Essence

Time shall be of the essence of this Lease, save as herein otherwise provided.

25.3 No Modifications or Amendments

This Lease may not be modified or amended except by an instrument in writing of equal formality herewith executed by the Landlord and the Tenant **[and by the Indemnifier]** or by the successors or assigns of the Landlord and the successors or permitted assigns of the Tenant **[and by the Indemnifier]**.

25.4 Captions and Headings

The captions and headings throughout this Lease are for the convenience and reference only and the words and phrases contained therein shall in no way be held or deemed to define, limit, describe, explain, modify, amplify or add to the interpretation, construction or meaning of any provision of or the scope or intent of this Lease nor in any way affect this Lease.

25.5 Enurement and Binding Effect

It is further agreed and declared by the Landlord and the Tenant **[and by the Indemnifier]** that these presents shall extend to, be binding upon and enure to the benefit of the Landlord and the Tenant **[and by the Indemnifier]** and the successors and assigns of the Landlord and the successors and permitted assigns of the Tenant **[and by the Indemnifier]**.

IN WITNESS WHEREOF, the Landlord and the Tenant **[and the Indemnifier]** have hereunto caused this Lease to be executed by their respective proper officers, duly authorized for such purposes:

**B.C. PAVILION CORPORATION,
AS LANDLORD**

Per: _____
Authorized Signatory

Authorized Signatory

[THE TENANT]

Per: _____
Authorized Signatory

Authorized Signatory

[THE INDEMNIFIER]

Per: _____
Authorized Signatory

Authorized Signatory]

ATTACHMENTS:

- | | |
|------------|--|
| Schedule A | List or Description of Current Approved Plans and Specifications |
| Schedule B | Current Project Schedule |
| Schedule C | Current Project Milestones |
| Schedule D | List of Registered Permitted Encumbrances |
| Schedule E | Approved Form of Tripartite Agreement |

SCHEDULE A
LIST OR DESCRIPTION OF CURRENT APPROVED PLANS AND SPECIFICATIONS

**SCHEDULE B
CURRENT PROJECT SCHEDULE**

**SCHEDULE C
CURRENT PROJECT MILESTONES**

SCHEDULE D
LIST OF REGISTERED PERMITTED ENCUMBRANCES

SCHEDULE E
APPROVED FORM OF TRIPARTITE AGREEMENT

EXHIBIT H

PRELIMINARY LIST OF ANTICIPATED PROJECT MILESTONES

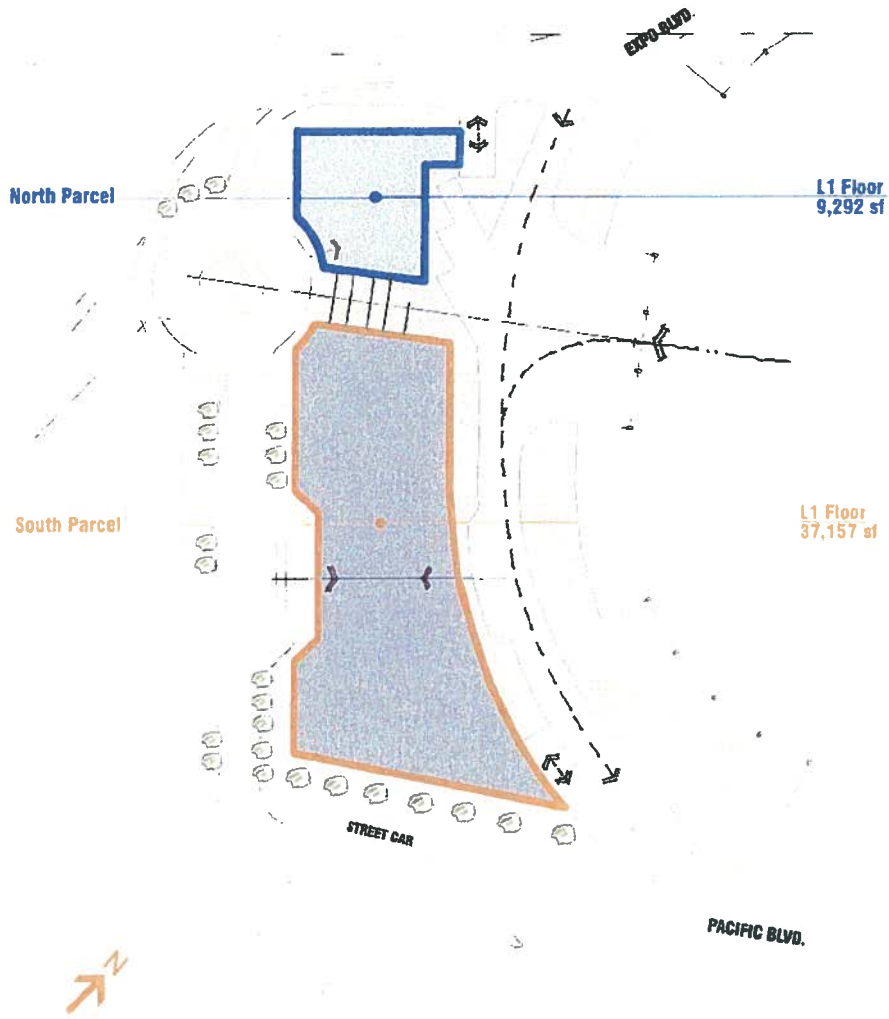
	<i>MILESTONE</i>	<i>TARGET DATE</i>	<i>DEADLINE DATE</i>
1.	Development Site 10A Site Rezoning Submission	November 2, 2009	
2.	Site Rezoning Public Hearing		
3.	Rezoning Enactment		
4.	Development Permit Submission to the City		
5.	Approval/Issuance of Development Permit and Building Permit		
6.	Confirmation of Developer's Project Financing		
7.	Execution of Ground Lease		
8.	Satisfaction of all Ground Lease Preconditions		
9.	Ground Lease Commencement Date (i.e. Delivery of Development Site 10A for Developer's Project Construction Commencement)		
10.	Commencement of Project Excavation		
11.	Substantial Completion of B.C. Place Parking Spaces		
12.	Restoration of B.C. Place Loading Exiting		
13.	Substantial Completion of Developer's Project		
14.	Expiry of Ground Lease Construction Period		

EXHIBIT I

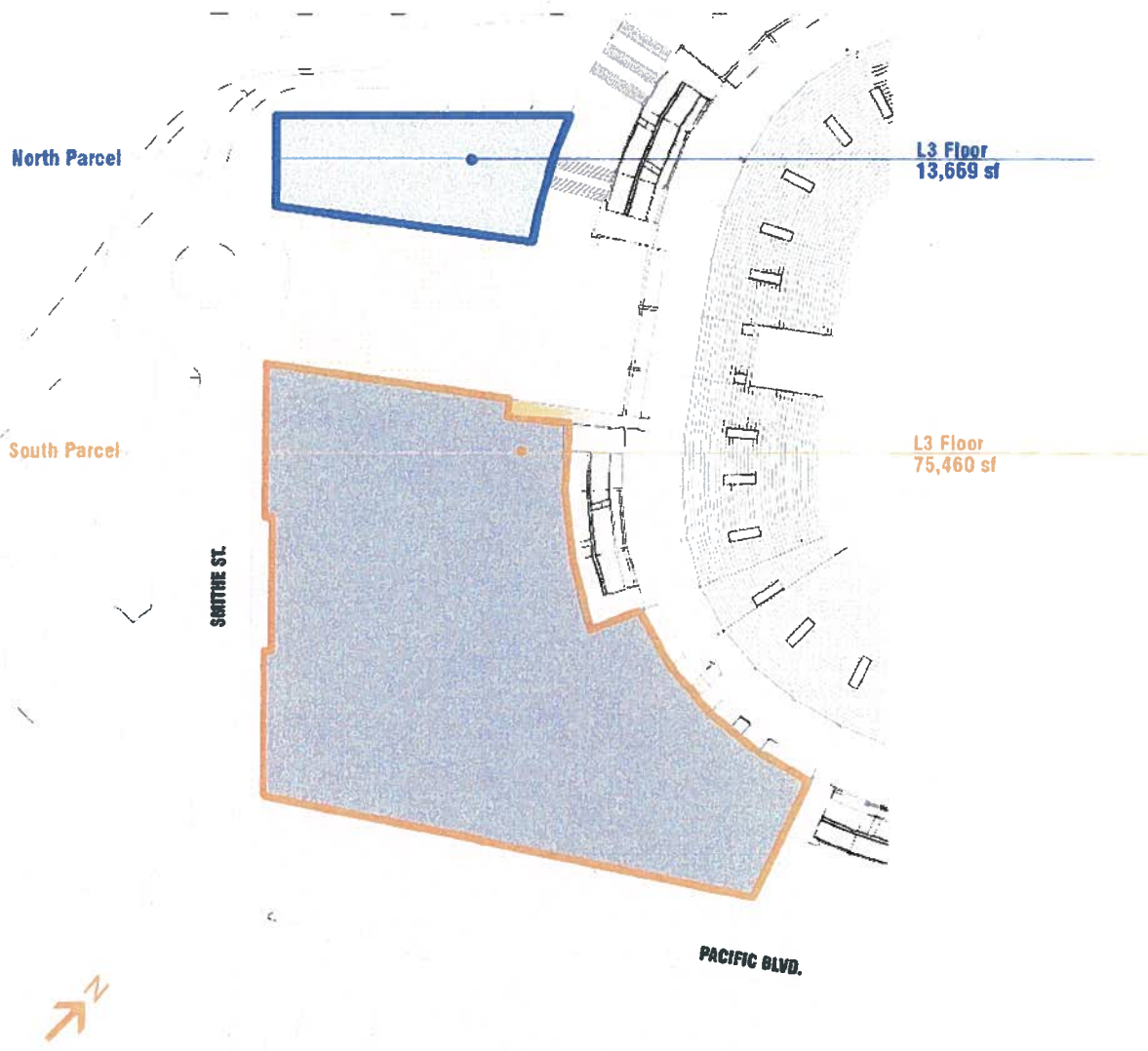
**PLANS SHOWING POSSIBLE NORTH PARCEL AND SOUTH PARCEL DEVELOPMENT
SITES**

EXHIBIT I

**PLANS SHOWING POSSIBLE NORTH PARCEL AND SOUTH PARCEL
DEVELOPMENT SITES**







North Parcel

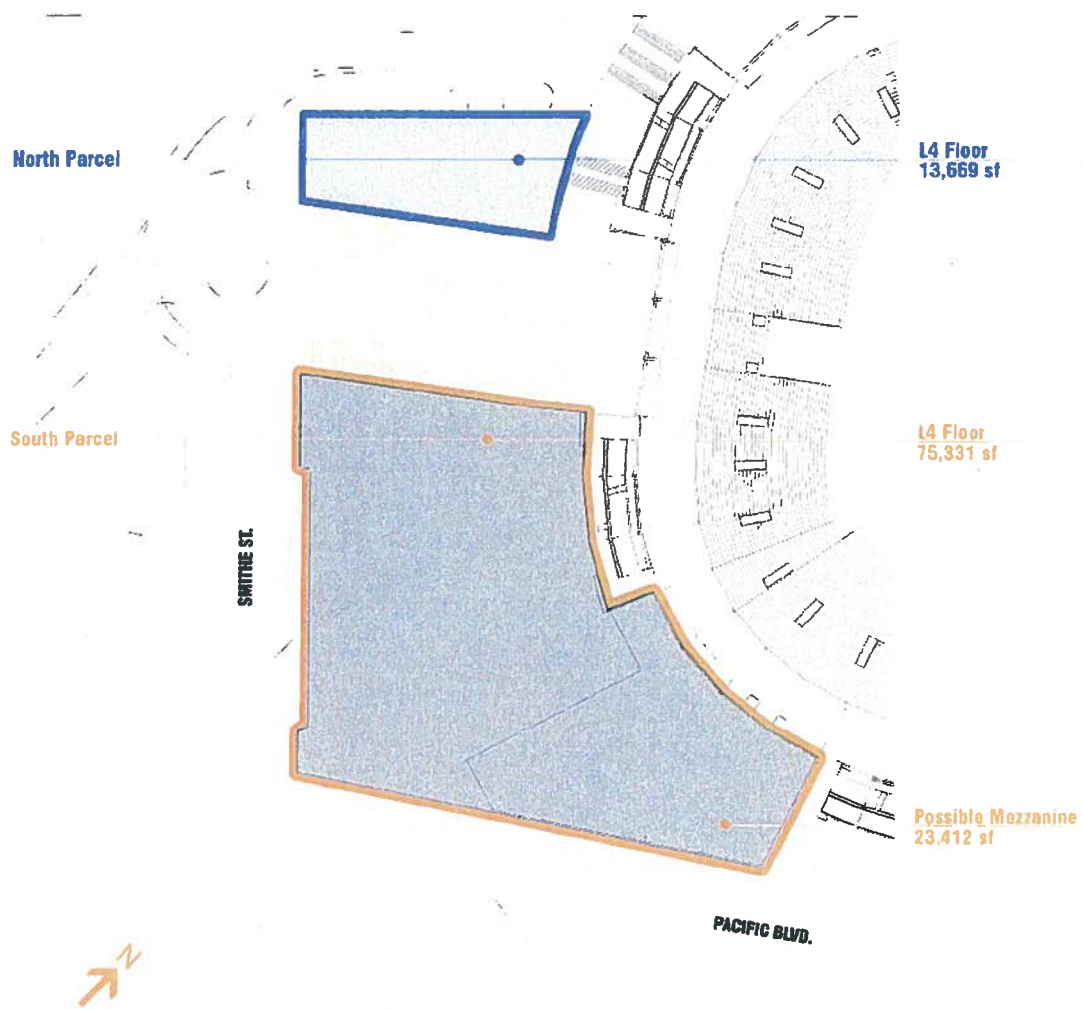
L3 Floor
13,669 sf

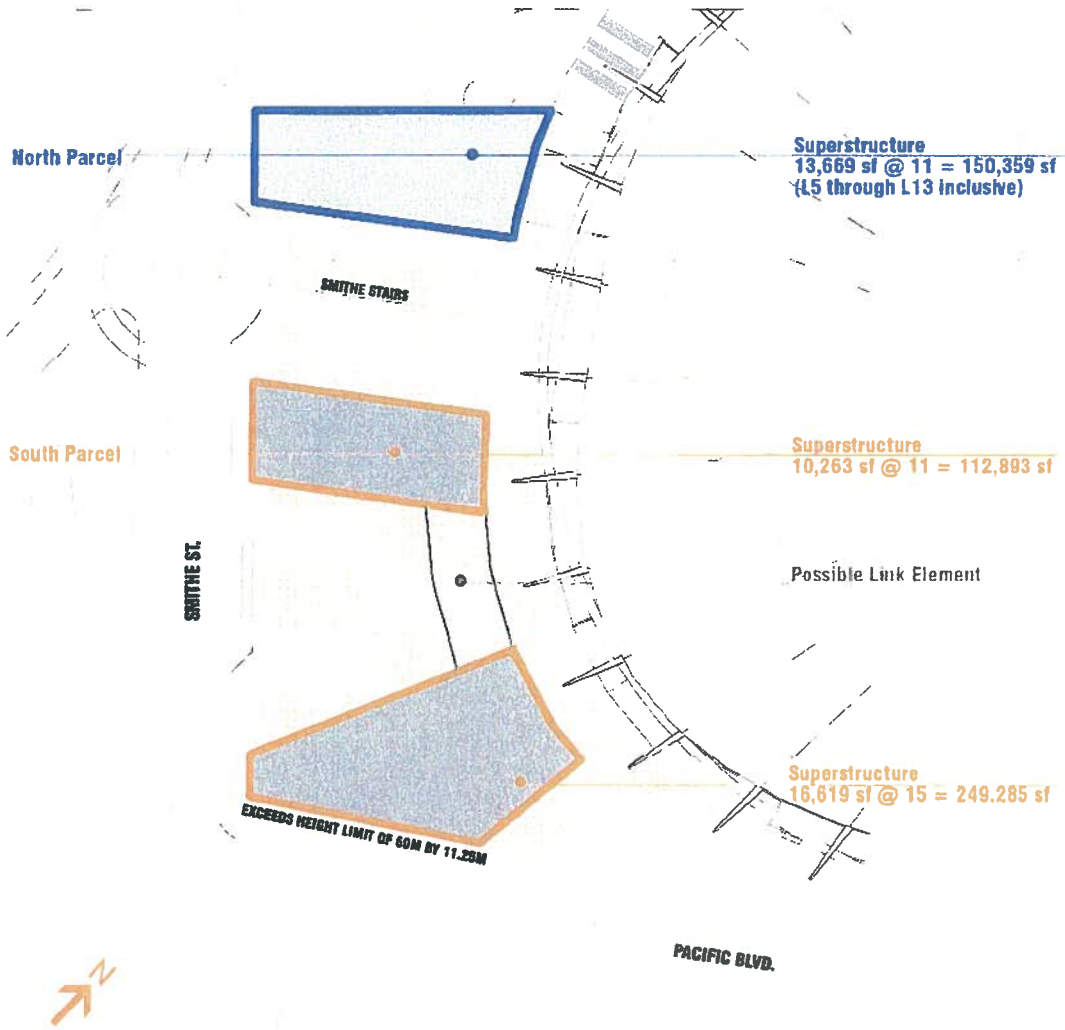
South Parcel

L3 Floor
75,460 sf

SMITH ST.

PACIFIC BLVD.





10A South Development Parcel
 (Development South of Smithe Stairs) = 641,045 sf

10A North Development Parcel
 (Development North of Smithe Stairs) = 204,405 sf

Grand Total = 845,450 sf