

**Court No. S-235348
Vancouver Registry**



**IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY**

**IN THE MATTER OF THE RECEIVERSHIP OF
RED BUFFALO 8655 HOLDINGS LTD.**

**FIRST REPORT TO COURT OF
MCEOWN AND ASSOCIATES LTD.**

November 10, 2023

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- A. Order made August 3, 2023 appointing McEown and Associates Ltd.
Receiver of Red Buffalo 8655 Holdings Ltd.**
- B. Letter dated May 1, 2023 from Kornfeld LLP**
- C. HCLG appraisal report dated May 19, 2023**
- D. Ryan appraisal dated June 11, 2023**
- E. Contract of Purchase and Sale dated October 31, 2023**

A. INTRODUCTION

1. By Order made August 2, 2023 McEown & Associates Ltd. (the “**Receiver**”) was appointed receiver, without security, of all of the assets, undertakings and property of Red Buffalo 8655 Holdings Ltd. (the “**Company**”).

2. The Company is the registered owner of a vacant development property located at 8655 Granville St., Vancouver, BC legally described as:

PID: 009-430-105

Lot D Block F District Lot 318 Plan 21521

(the “**Property**”)

3. The Company holds legal title to the Property as bare trustee for the benefit of Red Buffalo 8655 Management Corp. (“**8655 Management**”) which was previously the general partner of 8655 Granville Limited Partnership (the “**Limited Partnership**”).

4. On April 18, 2023, by Extraordinary Resolution of certain limited partners holding an aggregate of more than 75% of the outstanding units, it was resolved that the Limited Partnership would be wound up and dissolved. Under the terms of that resolution, McEown was appointed receiver of the Limited Partnership.

5. The dissolution of the Limited Partnership arose, in part as a result of disputes arising between limited partners regarding the development of the Property and funding arrangements. During the course of its engagement, the Receiver (or its legal counsel) has kept counsel for those limited partners (Kornfeld LLP and Bridgehouse Law LLP) apprised of developments.

6. In order to realize the Property for the purposes of winding up and dissolving the Limited Partnership the Receiver commenced these proceedings seeking its appointment as receiver of the Company.

7. In support of its petition for appointment as receiver of the Company, the Affidavit of John McEown made July 27, 2023 (the “**McEown Affidavit**”) was filed setting out the circumstances leading up to the proceedings. This report should be read in conjunction with the McEown Affidavit.
8. The purpose of this report is to provide the Court with an update on the steps taken by the Receiver receiver to realize on the Property and for the purposes of an application seeking orders authorizing and approving its sale. The Receiver also intends to seek directions from the Court in respect to the distribution of funds realized on the sale of the Property (if approved) which will be the subject of a separate report and application to be heard at the same time.

B. DISCLAIMER AND TERMS OF REFERENCE

9. Except as specified, in preparing this report the Receiver has obtained and relied upon unaudited, draft and/or internal information provided by the Company, its financial advisors who advise that they have been compiled from the Company’s books and records.
10. Except as otherwise described in this report the Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the information which has been provided in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountant Canada Handbook.
11. This Report has been prepared solely for the purpose described herein and readers are cautioned that it may not be appropriate for any other purposes.

C. THE PROCEEDINGS

12. The circumstances leading up to these proceedings and the granting of the Receivership Order are generally described in the McEown Affidavit which should be read in conjunction with this report.
13. As will be described later in this report, subsequent to the granting of the Receivership Order the Receiver has continued to market the Property with the assistance of Cushman Wakefield. As a result of those marketing endeavours and as described further, the Receiver has accepted an offer to purchase the Property subject to court approval (the “Transaction”).

D. LISTING AND MARKETING OF THE PROPERTY

14. After its initial appointment as receiver of the Limited Partnership, the Receiver entered into negotiations with 8655 K Cube Project Limited Partnership by its general partner 1383990 B. C. Ltd. (together referred to as “Cube”) which had expressed an interest in acquiring the Lands. Cube is the proposed purchaser for the purposes of the Transaction.
15. During the course of those negotiations one of the limited partners disclosed to the Receiver its potential involvement in Cube as a lender and/or a lender with debt convertible into equity. Attached as **Appendix B** is a letter dated May 1, 2023 from Kornfeld LLP (counsel for Hong Xu, Sunshine Treasure Hunt Development Limited and 1146812B. C. Ltd.) disclosing that potential conflict.
16. That information was disclosed to Bridgehouse Law LLP, counsel for the other disputing limited partner.
17. On its appointment as receiver of the Limited Partnership, the Receiver received (amongst other documents) an appraisal for the Property dated February 17, 2022, effective November 23, 2022, commissioned by the Company and directed to Mr.

Gerald Chiang (“**Appraisal #1**”). Mr. Chiang has been represented by Bridgehouse Law LLP since the Receiver’s appointment.

18. The Receiver subsequently commissioned an update to Appraisal #1 from the same appraiser. Attached as **Appendix C** is a copy of that appraisal which estimates the market value of the Property as though vacant and unimproved is \$21,550,000 as of May 10, 2023 (“**Appraisal #2**”). The Receiver provided a copy of Appraisal #2 for review and comment to Kornfeld LLP and Bridgehouse Law LLP.
19. As a result of the negotiations described above with Cube, in June 2023 the Receiver received an offer to purchase the Lands/Shares from Cube for the sum of \$20,820,000 (the “**Initial Offer**”). The Initial Offer was for a purchase price greater than the Transaction and would not have incurred a Real Estate Commission.
20. However, when the Receiver sought comment from some of the limited partners on the Initial Offer, concerns were raised about the terms of the Initial Offer (the purchase price) and the limited partners’ relationship with Cube. A demand was also made of the Receiver to list the Lands for sale and threats of litigation were made. One of the limited partners, 1146503 BC Ltd. also commissioned an appraisal dated June 26, 2023, and provided it to the Receiver, which opined that the market value of the Property, subject to the assumptions and contingent limiting conditions contained in the report, was \$24,400,000 as of June 11, 2023 (“**Appraisal #3**”). Attached and marked as **Appendix D** is a copy of Appraisal #3.
21. The Receiver was, and remains, of the view that the assumptions and limiting conditions contained in **Appraisal #3** were such that the market value identified was questionable
22. However, as a result of the concerns raised and the possibility of receiving greater value for the Property, on or about July 24, 2023 the Receiver, in its capacity as receiver of the Limited Partnership only, entered into an exclusive listing agreement with Cushman & Wakefield ULC (“**Cushman Wakefield**”) and CAH Realty Inc. as listing agent for the Lands. The Lands were initially listed for sale for a listing

price of \$24,800,000 based on the information contained in Appraisal #3. The listing price was contrary to the recommendation of realtors.

23. Prior to entering into the listing agreement the Receiver endeavoured to seek Cube's agreement to the Initial Offer standing as a stalking horse bid but it was unwilling to do so and advised that there were no guarantees that it would be prepared to offer the same amount in the event the Property was formally listed.
24. The listing was subsequently amended to reflect the Receiver's appointment as receiver of 8655 Holdings and to include the possibility of a sale of shares. In August 24, 2023 the Receiver entered into a MLS Listing Agreement with Cushman Wakefield to allow for the Lands to be listed with MLS. Copies of the listing agreements are attached to the affidavit of Mr. Haziza filed in support of the application for approval of the Transaction.
25. The listing agreements:
 - a. incorporated terms expressly confirming the capacity in which the Receiver was acting;
 - b. provided that any offers to purchase must include a Sale Schedule addressing specific terms relating to the Receiver; and
 - c. addressed the possibility that the Lands or Shares may be purchased by a related buyer in which circumstances, a reduced commission would be payable.
26. Under the terms of the operative listing agreement, in the event that the Transaction is approved a reduced commission of \$50,000 will be due and owing to Cushman Wakefield as a result of the purchaser, Cube, being a related party. If a sale occurs to a non-related party full commission will be due and owing in accordance with the terms of the listing agreement.

27. Based on recommendations from the realtors, an apparent lack of interest in the market and what appeared to be weakening market conditions, the listing price for the Property was subsequently reduced.
28. Pursuant to the terms of the listing agreements Cushman Wakefield undertook a comprehensive marketing of the Property. The Receiver received regular updates from realtors and made efforts to keep counsel for the limited partners mentioned above informed of developments. Unfortunately, difficulties were experienced in securing offers for the Lands/Shares.

Development Permit

29. The Property is vacant land with development potential. Prior to the appointment of the Receiver a Development Permit application was filed with the City of Vancouver which allows for a significant increase in the buildable area. In order to secure the Development Permit the City of Vancouver demanded that various conditions be satisfied. As a result of dispute which led to the winding up of the Limited Partnership, few steps were taken to satisfy those conditions.
30. In September 2023 the Receiver became aware that the City of Vancouver had issued a notice of cancellation for the Development Permit application effective November 2, 2023. Based on advice received from realtors, the Receiver determined that the cancellation of the Development Permit application would likely negatively affect the value of the Lands. As a result, the Receiver retained consultants to assist in addressing the conditions and an extension to January 31, 2023 has been negotiated with the City to provide additional information. The Receiver is of the view that the conditions would best be addressed by the ultimate purchaser.

Foreclosure proceedings

31. As described in the McEown Affidavit the Property is subject to foreclosure proceedings commenced by Canadian Western Bank (“CWB”). On June 22, 2023 CWB obtained an Order Nisi of Foreclosure with the redemption period scheduled to expire December 22, 2023.
32. CWB consented to the Receivership Order subject to certain conditions relating to the Receiver’s charge and the stay of proceedings. Counsel for CWB is aware of the Transaction and will be provided notice of the application seeking approval.
33. The purchase price in the Transaction will realize sufficient funds to discharge the CWB mortgage/judgment and other registered charges.
34. Counsel for CWB has indicated that in the event that the Property is not sold prior to the expiry of the redemption period on December 22, 2023 he anticipates receiving instructions to seek conduct of sale.

Offers Received

35. In late September 2023 Cushman Wakefield received the following offers;
 - a. September 28, 2023.
 - i. \$18,500,000 purchase price;
 - ii. 90 day subject period with various conditions;
 - iii. six-month closing date; and
 - iv. a vendor takeback mortgage.
 - b. September 29, 2023 from Cube.
 - i. \$17,600,000 purchase price;
 - ii. no conditions;

iii. \$1,000,000 deposit; and

iv. closing within 30 days of court approval.

36. The Receiver sought advice from realtors regarding the terms of those offers and the possibility of amending certain conditions. Based on the following advice provided by the realtors the Receiver formed the view that the Cube offer was superior and entered into further negotiations with it.

37. Although the September 28, 2023 offer appeared to be for a greater amount:

a. the six-month closing would likely create significant difficulties with respect to the Development Permit application;

b. as a result of interest continuing to accrue on the CWB mortgage/judgment, the 90 day condition period and six months closing would likely reduce the recovery to stakeholders by in excess of \$750,000;

c. the potential purchaser was not a “related party” and Cushman Wakefield would be entitled to recover a greater commission payment;

d. the Cube offer is unconditional (except for court approval); and

e. for those reasons the Cube offer likely provided a higher net return.

38. As a result of the negotiations on the proposed purchase price and the form of offer, on October 31, 2023 (**the “Transaction”**), the Receiver entered into a contract of purchase and sale for the Lands (with an option to acquire the Shares) \$18,800,000 which the which the Receiver seeks approval of. Attached and marked as **Appendix E** is a copy of the Contract of Purchase and Sale which approval is sought for.

39. The Receiver has disclosed the terms of the Transaction to counsel for CWB and other interested parties including counsel. The accepted contract is subject only to approval by the court.

E. PROPOSED DISTRIBUTIONS

40. The Transaction contemplates a portion of the purchase price being satisfied by delivery of a promissory note. The consideration for that note is intended to be based on the distribution entitlement of certain limited partners in the Limited Partnership.
41. The Receiver is in the process of finalizing distribution calculations and intends to file a separate application (and supplementary Report) seeking directions from the court in respect to the distribution of proceeds from the Transaction. It is intended that that application will be scheduled for the same as the application for approval of sale.

F. CONCLUSIONS AND RECOMMENDATIONS

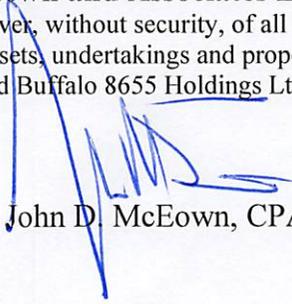
42. Based on the information available to the Receiver and recommendations provided by realtors, the Receiver is of the view that:
- a. the purchase price in the Transaction represents the fair market value of the Property;
 - b. the Transaction represents a provident sale;
 - c. approval of the Transaction is in the best interests of the stakeholders; and

d. the Transaction should be approved and Receiver should be authorized to complete.

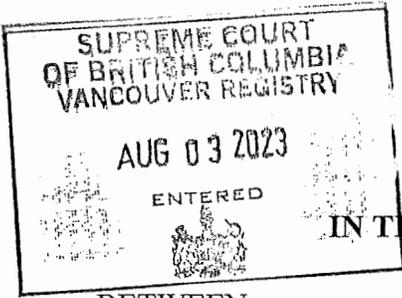
DATED at the City of Vancouver, British Columbia, this 10th day of November, 2023.

McEown and Associates Ltd.

Receiver, without security, of all of the assets, undertakings and property of Red Buffalo 8655 Holdings Ltd.



Per: John D. McEown, CPA, CA, CIRP, LIT



No. S235348
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

MCEOWN AND ASSOCIATES LTD. in its capacity as RECEIVER OF
8655 GRANVILLE LIMITED PARTNERSHIP

PETITIONER

AND:

RED BUFFALO 8655 HOLDINGS LTD.

RESPONDENT

ORDER MADE AFTER APPLICATION

BEFORE THE HONOURABLE) THE 3rd DAY OF
JUSTICE WARREN) AUGUST, 2023
)
)

ON THE APPLICATION of the Petitioner for an Order pursuant to Section 324 of the *Business Corporations Act*, S.B.C. 2002, c. 57, as amended (the "BCA") and Section 39 of the *Law and Equity Act*, R.S.B.C. 1996 c. 253, as amended (the "LEA") appointing McEown and Associates Ltd. as Receiver-Manager (in such capacity, the "Receiver") without security, of all of the assets, undertakings and property of Red Buffalo 8655 Holdings Ltd. (the "Company") acquired for, or used in relation to a business carried on by the Company, coming on for hearing this day at 800 Smithe Street, Vancouver, British Columbia.

AND ON READING the Affidavit #1 of John McEown sworn July 27, 2023 and the consent of McEown and Associates Ltd. to act as the Receiver; AND ON HEARING Thomas M. Hanson, Counsel for the Petitioner and other counsel as listed on Schedule "C" hereto, and no one else appearing, although duly served.

THIS COURT ORDERS AND DECLARES that:

1. ~~The time for service of the Petition, any Response to Petition, the Affidavits therein, and all related materials is abridged, if necessary, and any further service of the above documents is dispensed with.~~

Abu

APPOINTMENT

2. Pursuant to Section 324 of the BCA and Section 39 of the LEA, McEown and Associates Ltd. is appointed Receiver, without security, of all of the assets, undertakings and property of the Company of every kind and nature whatsoever, including, but not limited to, the sale or transfer of any of the Company's share capital, and including all proceeds (the "Property").

RECEIVER'S POWERS

3. The Receiver is empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:
 - (a) to take possession of and exercise control over the Property and any and all receipts and disbursements arising out of or from the Property;
 - (b) to sell, transfer, issue or cancel any of the Company's share capital;
 - (c) to receive, preserve and protect the Property, or any part or parts thereof, including, but not limited to, changing locks and security codes, relocation of Property, engaging independent security personnel, taking physical inventories and placing insurance coverage;
 - (d) to manage, operate and carry on the business of the Company, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Company;
 - (e) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including, without limitation, those conferred by this Order;
 - (f) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Company or any part or parts thereof;
 - (g) to receive and collect all monies and accounts now owed or hereafter owing to the Company and to exercise all remedies of the Company in collecting these amounts, including, without limitation, enforcement of any security held by the Company;
 - (h) to settle, extend or compromise any indebtedness owing to the Company;
 - (i) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Company, for any purpose pursuant to this Order;

- (j) to undertake environmental or workers' health and safety assessments of the Property and operations of the Company;
- (k) to initiate, manage and direct all legal proceedings now pending or hereafter pending (including appeals or applications for judicial review) in respect of the Company, the Property or the Receiver, including initiating, prosecuting, continuing, defending, settling or compromising the proceedings;
- (l) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver considers appropriate;
- (m) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business:
 - (i) without the approval of this Court in respect of a single transaction for consideration up to \$50,000.00, provided that the aggregate consideration for all such transactions does not exceed \$200,000.00; and
 - (ii) with the approval of this Court in respect of any transaction in which the individual or aggregate purchase price exceeds the limits set out in subparagraph (i) above,and in each such case notice under Section 59(10) of the *Personal Property Security Act*, R.S.B.C. 1996, c. 359 shall not be required;
- (n) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers, free and clear of any liens or encumbrances;
- (o) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver considers appropriate on all matters relating to the Property and the receivership, and to share information, subject to confidentiality terms as the Receiver considers appropriate;
- (p) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (q) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if considered necessary or appropriate by the Receiver, in the name of the Company;
- (r) to enter into agreements with any trustee in bankruptcy appointed in respect of the Company, including, without limitation, the ability to enter into occupation agreements for any property owned or leased by the Company;
- (s) to exercise any shareholder, partnership, joint venture or other rights which the Company may have; and

- (t) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations,

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Company, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. Each of (i) the Company; (ii) all of the Company's current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf; and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (collectively, "**Persons**" and each a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property (excluding Property subject to liens the validity of which is dependent on maintaining possession) to the Receiver upon the Receiver's request.
5. All Persons, other than governmental authorities, shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Company, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (collectively, the "**Records**") in that Person's possession or control. Upon request, governmental authorities shall advise the Receiver of the existence of any Records in that Person's possession or control.
6. Upon request, all Persons shall provide to the Receiver or permit the Receiver to make, retain and take away copies of the Records and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities, provided however that nothing in paragraphs 5, 6 or 7 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to solicitor client privilege or statutory provisions prohibiting such disclosure.
7. If any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by an independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may require including, without limitation, providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

8. No proceeding or enforcement process in any court or tribunal (each, a “**Proceeding**”), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE COMPANY OR THE PROPERTY

9. No Proceeding against or in respect of the Company or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Company or the Property are stayed and suspended pending further Order of this Court (the “**Stay of Proceedings**”); provided, however, that nothing in this Order shall prevent any Person from commencing a Proceeding regarding a claim that might otherwise become barred by statute or an existing agreement if such Proceeding is not commenced before the expiration of the stay provided by this paragraph and provided that no further step shall be taken in respect of the Proceeding except for service of the initiating documentation on the Company and the Receiver.
 - (a) The Stay of Proceedings shall not operate with respect to foreclosure proceedings commenced by petition filed by Canadian Western Bank on May 17, 2023, BCSC Vancouver Registry No. H-230378.

NO EXERCISE OF RIGHTS OR REMEDIES

10. All rights and remedies (including, without limitation, set-off rights) against the Company, the Receiver, or affecting the Property, are stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that nothing in this Order shall (i) empower the Receiver or the Company to carry on any business which the Company is not lawfully entitled to carry on, (ii) affect the rights of any regulatory body as set forth in section 69.6(2) of the BIA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien. This stay and suspension shall not apply in respect of any “eligible financial contract” as defined in the BIA.

NO INTERFERENCE WITH THE RECEIVER

11. No Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Company, without written consent of the Receiver or leave of this Court. Nothing in this Order shall prohibit any party to an eligible financial contract from closing out and terminating such contract in accordance with its terms.

CONTINUATION OF SERVICES

12. All Persons having oral or written agreements with the Company or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services,

payroll services, insurance, transportation services, utility or other services to the Company are restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and the Receiver shall be entitled to the continued use of the Company's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Company or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

13. All funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever including, without limitation, the sale of all or any of the Property and the collection of any accounts receivable, in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post-Receivership Accounts**") and the monies standing to the credit of such Post-Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further order of this Court.

EMPLOYEES

14. Subject to the employees' right to terminate their employment, all employees of the Company shall remain the employees of the Company until such time as the Receiver, on the Company's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities of the Company, including any successor employer liabilities as referred to in Section 14.06(1.2) of the BIA, other than amounts the Receiver may specifically agree in writing to pay or in respect of obligations imposed specifically on receivers by applicable legislation, including sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*, S.C. 2005, c.47. The Receiver shall be liable for any employee-related liabilities, including wages, severance pay, termination pay, vacation pay, and pension or benefit amounts relating to any employees that the Receiver may hire in accordance with the terms and conditions of such employment by the Receiver.

PERSONAL INFORMATION

15. Pursuant to Section 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5 or Section 18(1)(o) of the *Personal Information Protection Act*, S.B.C. 2003, c. 63, the Receiver may disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "**Sale**"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete

a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Company, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

16. Nothing in this Order shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release, or deposit of a substance contrary to any federal, provincial or other law relating to the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination (collectively "**Environmental Legislation**"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation.
17. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless the Receiver is actually in possession.
18. Notwithstanding anything in federal or provincial law, the Receiver is not personally liable in that position for any environmental condition that arises or environmental damage that occurred:
 - (a) before the Receiver's appointment; or,
 - (b) after the Receiver's appointment, unless it is established that the condition arose or the damage occurred as a result of the Receiver's gross negligence or wilful misconduct.
19. Notwithstanding anything in federal or provincial law, but subject to paragraph 17 of this Order, where an order is made which has the effect of requiring the Receiver to remedy any environmental condition or environmental damage affecting the Property, if the Receiver complies with the BIA section 14.06(4), the Receiver is not personally liable for the failure to comply with the order and is not personally liable for any costs that are or would be incurred by any Person in carrying out the terms of the order.

LIMITATION ON THE RECEIVER'S LIABILITY

20. The Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except:
 - (a) any gross negligence or wilful misconduct on its part; or

- (b) amounts in respect of obligations imposed specifically on receivers by applicable legislation.

Nothing in this Order shall derogate from the protections afforded the Receiver by Section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

- 21. The Receiver and its legal counsel, if any, are granted a charge (the "**Receiver's Charge**") on the Property as security for the payment of their fees and disbursements, in each case at their standard rates, in respect of these proceedings, whether incurred before or after the making of this Order. The Receiver's Charge shall form a second charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise (each a "**Security Interest**"), in favour of any Person, but subject to Sections 14.06(7), 81.4(4), and 81.6(2) of the BIA, and subject to any Security Interest in favour of the Canadian Western Bank ("**CWB**") granted before the making of this Order, which shall remain a first charge on the Property (the "**CWB Charge**") in priority to the Receiver's Charge.
- 22. The Receiver and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are referred to a judge of the Supreme Court of British Columbia and may be heard on a summary basis.
- 23. Prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

- 24. The Receiver is authorized and empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$200,000.00 (or such greater amount as this Court may by further Order authorize) at any time, at a rate not greater than the Prime Rate plus two (2%) per annum, for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge, the CWB Charge, and the charges as set out in Sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.
 - (a) "**Prime Rate**" as used herein, means the variable annual rate of interest quoted by the main branch of Royal Bank of Canada, Vancouver, British Columbia, from time to time as the rate of interest used by it as a reference rate for setting rates of interest

on Canadian dollar loans in Canada repayable on demand and commonly referred to by such Bank as its "prime rate".

25. Neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.
26. The Receiver is authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.
27. The monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

ALLOCATION

28. Any interested party may apply to this Court on notice to any other party likely to be affected for an order allocating the Receiver's Charge and Receiver's Borrowings Charge amongst the Property.

SERVICE AND NOTICE OF MATERIALS

29. The Receiver shall establish and maintain a website in respect of these proceedings at: <https://www.mceownassociates.com/> (the "**Website**") and shall post there as soon as practicable:
 - (a) all materials prescribed by statute or regulation to be made publicly available, including pursuant to Rule 10-2 of the *Supreme Court Civil Rules*; and,
 - (b) all applications, reports, affidavits, orders and other materials filed in these proceedings by or on behalf of the Receiver, except such materials as are confidential and the subject of a sealing order or pending application for a sealing order.
30. Any Person who is served with a copy of this Order and that wishes to be served with any future application or other materials in these proceedings must provide to counsel for each of the Receiver and the Applicant a demand for notice in the form attached as Schedule B (the "**Demand for Notice**"). The Receiver and the Applicant need only provide further notice in respect of these proceedings to Persons that have delivered a properly completed Demand for Notice. The failure of any Person to provide a properly completed Demand for Notice releases the Receiver and the Applicant from any requirement to provide further notice in respect of these proceedings until such Person delivers a properly completed Demand for Notice.

31. The Receiver shall maintain a service list identifying all parties that have delivered a properly completed Demand for Notice (the “**Service List**”). The Receiver shall post and maintain an up-to-date form of the Service List on the Website.
32. Any interested party, including the Receiver, may serve any court materials in these proceedings by facsimile or by emailing a PDF or other electronic copy of such materials to the numbers or addresses, as applicable, set out on the Service List. Any interested party, including the Receiver, may serve any court materials in these proceedings by mail to any party on the Service List that has not provided a facsimile number or email address, and materials delivered by mail shall be deemed received five (5) days after mailing.
33. Notwithstanding paragraph 31 of this Order, service of the Petition and any affidavits filed in support shall be made on the Federal and British Columbia Crowns in accordance with the *Crown Liability and Proceedings Act*, R.S.C. 1985, c.C-50 and its regulations for the Federal Crown and the *Crown Proceedings Act*, R.S.B.C. 1996 c.89 in respect of the British Columbia Crown.
34. The Receiver and its counsel are authorised to serve or distribute this Order, any other orders and any other materials as may be reasonably required in these proceedings, including any notices or other correspondence, by forwarding copies by facsimile or by email to the Company’s creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of any legal or juridical obligation and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*.

GENERAL

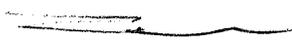
35. Any interested party may apply to this Court to vary or amend this Order on not less than seven (7) clear business days’ notice to the Service List and to any other party who may be affected by the variation or amendment, or upon such other notice, if any, as this Court may order.
36. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
37. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Company.
38. Nothing in this Order shall prevent CWB from applying to appoint a different receiver of the Company pursuant to any security agreement which grants CWB the right to apply for such appointment.
39. This Court requests the aid, recognition and assistance of any court, tribunal, regulatory or administrative body having jurisdiction, wherever located, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All such courts, tribunals and regulatory and administrative bodies are respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be

necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

40. The Receiver is authorized and empowered to apply to any court, tribunal or regulatory or administrative body, wherever located, for recognition of this Order and for assistance in carrying out the terms of this Order and the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.
41. The Petitioner shall have its costs of this motion, up to and including entry and service of this Order on a substantial indemnity basis to be paid by the Receiver from the Company's estate with such priority and at such time as this Court may determine.
42. Endorsement of this Order by counsel appearing on this application other than the Petitioner is dispensed with.

THE FOLLOWING PARTIES APPROVE OF THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

APPROVED BY:



Thomas M. Hanson
Counsel for the Petitioner

BY THE COURT



DISTRICT REGISTRAR

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT

\$ _____

1. THIS IS TO CERTIFY that McEown and Associates Ltd., the Receiver-Manager (the "**Receiver**") of all of the assets, undertakings and properties of Red Buffalo 8655 Holdings Ltd. (the "**Company**") acquired for, or used in relation to a business carried on by the Company, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Supreme Court of British Columbia (the "**Court**") dated the _____ day of _____, 2023 (the "**Order**") made in SCBC Action No. _____ has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded monthly not in advance on the _____ day of each month after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of _____ from time to time.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of the Property in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at _____.
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.
6. The charge securing this certificate shall operate to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum under this Certificate in respect of which it may issue certificates under the terms of the Order.

DATED the [REDACTED] day of [REDACTED], 202[REDACTED].

McEown and Associates Ltd., solely in its capacity as Receiver of the Property, and not in its personal capacity

Per:
Name:
Title:

Schedule "B"

Demand for Notice

TO: McEown and Associates LLP
c/o Watson Goepel LLP
Attention: Jeremy D. West
Email: jwest@watsongoepel.com / jm@mceownassociates.ca

Re: In the matter of the Receivership of Red Buffalo 8655 Holdings Ltd.

I hereby request that notice of all further proceedings in the above Receivership be sent to me in the following manner:

- 1. By email, at the following address (or addresses):

OR

- 2. By facsimile, at the following facsimile number (or numbers):

OR

- 3. By mail, at the following address:

Name of Creditor: _____

Name of Counsel (if any): _____

Creditor's Contact Address: _____

Creditor's Contact Phone Number: _____

Schedule "C" – List of Counsel Appearing

Thomas M. Hanson	Counsel for McEown and Associates Ltd., in its capacity as Receiver of 8655 Granville Limited Partnership
Dan Parlow	Counsel for Sunshine Treasurehunt Development Ltd.
Ritchie Clark, K.C.	Counsel for 1146506 B.C. Ltd.

IN THE SUPREME COURT OF BRITISH
COLUMBIA

BETWEEN:

MCEOWN AND ASSOCIATES LTD. in its capacity as
RECEIVER OF
8655 GRANVILLE LIMITED PARTNERSHIP

PETITIONER

AND:

RED BUFFALO 8655 HOLDINGS LTD.

RESPONDENT

APPENDIX B



1100 ONE BENTALL CENTRE
505 BURRARD STREET, BOX 11
VANCOUVER, BC, CANADA V7X 1M5
Dan Parlow
dparlow@kornfeldllp.com

T: 604.331.8300
F: 604.683.0570
WWW.KORNFELDLLP.COM

D: 604.331.8322

File No. SUN022DEV231

May 1, 2023

**BY EMAIL
PRIVATE AND CONFIDENTIAL**

McEown and Associates Ltd.
Insolvency and Restructuring Professionals
110 - 744 West Hastings St.
Vancouver, BC, V6C 1A5
Attention: John McEown

Dear Sirs/Mesdames:

**Re: 8655 Granville Limited Partnership (the "Partnership")
Our clients: Hong Xu, Sunshine Treasure Hunt Development Ltd. and 1146812 B.C. Ltd.**

Dear Sirs/Mesdames,

With respect to the potential buyer, 8655 K Cube Project Limited Partnership ("**Cube**"), please be advised that our client, Ms Hong Xu, has had some discussions with the principals of Cube about the possibility of participating in their acquisition of 8655 Granville St., Vancouver, through one or more entities, as a lender and/or as a lender with debt convertible into equity. To date, no agreement has been reached; the conversations have been exploratory in nature.

We thought it appropriate that you be aware of Ms Xu's potential involvement in Cube in the context of your considering the strength of Cube's offer and whether Ms Xu's potential participation would be a factor to be considered by the Receiver in discharging its duties as set out in the Limited Partnership Agreement of the now-dissolved 8655 Granville Limited Partnership.

Yours truly,

KORNFELD LLP

Per:

A handwritten signature in blue ink, appearing to read 'Dan Parlow', written over a horizontal line.

Dan Parlow
Law Corporation

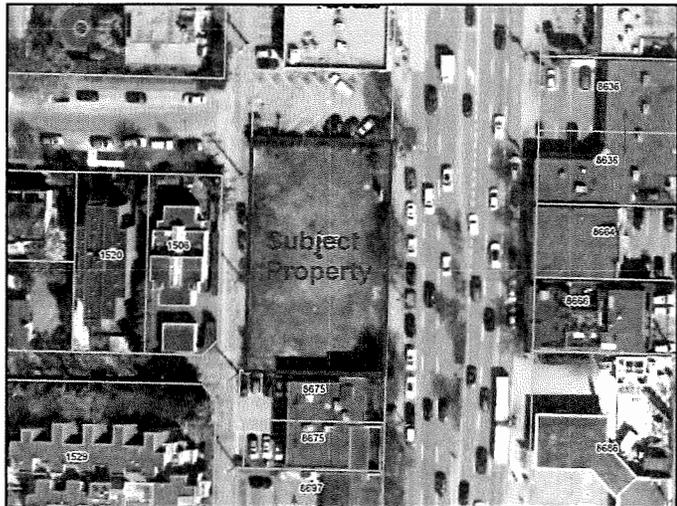
DSP

cc: Watson Goepel LLP, attention: Jeremy West (by email)

APPENDIX C

Appraisal of a:
Vacant Development Site

Located at:
8655 Granville Street,
Vancouver, BC



Prepared For:
McEown + Associates Ltd.

Effective Date of Valuation:
May 10, 2023

HCLG File No.:
04/23/46959

HCLG
HOOKER CALLUM GROUP



Head Office - Suite #302, 10233 - 153rd Street, Surrey, BC V3R 0Z7 • t 778.571.2321 • f 778.571.3030
Richmond Branch - Suite #2215, 4871 Shell Road, Richmond, BC V6X 3Z6 • t 778.571.2321 • f 604.370.0783
www.hclg.ca

May 19, 2023

HCLG Reference No.: 04/23/46959

McEown + Associates Ltd.
#110 – 744 West Hastings Street
Vancouver, BC
V6C 1A5

Attention: Mr. John McEown

**Re: Appraisal of a Vacant Development Site
Located at 8655 Granville Street, Vancouver, BC**

In accordance with your instructions and authorization to proceed, we are providing you an appraisal report for the property referred to above. The purpose of this appraisal is to provide an estimate of the current market value of fee simple interest of the subject property as of May 10, 2023. The property has been appraised free and clear of all financial encumbrances. The intended use of the appraisal is to serve as a basis to assist with winding up the owner's limited partnership use and for no other use.

Our terms of reference are to provide the following:

1. Estimate of the current market value for the land as though vacant and unimproved.

Data, information, and calculations leading to the value conclusions are incorporated in the report following this letter. The report, in its entirety, including all the Assumptions and Limiting Conditions, is an integral part of, and inseparable from this letter. We suggest that you thoroughly read and familiarize yourself with these, since the appraisal is based upon these assumptions.

The following appraisal sets forth the most pertinent data gathered, the techniques employed, and the reasoning leading to the opinion of value. The analyses, opinions and conditions are developed based on, and this report has been prepared in conformance with, our interpretation of the guidelines and recommendations set forth in the Canadian Uniform Standards of Professional Appraisal Practice (*CUSPAP*), the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute of Canada.

Real Estate Advisors

Hooker Craig Lum Group Ltd. does not authorize the out-of-text quoting from or partial reprinting of this appraisal report. Further, neither all nor any part of this appraisal report shall be disseminated to the general public by the use of media or public communication without prior written consent of the appraiser signing this report.

Based upon the data, analyses and conclusions contained herein, the market value for the subject land assembly in its existing conditions, within the context of our stated terms of reference and subject to the assumptions limiting conditions, disclaimers and limitations of liability conditions herein, as of May 10, 2023, is estimated at:

TWENTY ONE MILLION FIVE HUNDRED FIFTY THOUSAND DOLLARS

(\$21,550,000)

Our report containing 64 pages and addenda is attached and forms the basis of this opinion. Your attention is directed to the assumptions, limiting conditions, disclaimers and limitations of liability, outlined on pages 8 to 14, which may have impact on our opinion.

Our report has been prepared for the exclusive use of *McEown + Associates Ltd.* We are not aware of any third party (parties) that is likely to see or rely on the report: liability in this respect or for any other use is expressly denied.

We believe that the data contained within the report is true and it has been verified where possible. We have no undisclosed interest in the property and our fee is not contingent on the opinions expressed. Should any questions arise by reason of this report, please do not hesitate to contact the undersigned at your convenience.

Yours truly,

HOOKER CRAIG LUM GROUP LTD.



Yixin (Henry) Wang, MBA, AACI, P. App.

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ADDENDUM

Appendix "A" Copy of Title Information

Appendix "B" Copy of the C-2 Zoning Bylaw Excerpt

Appendix "C" Qualifications of the Appraiser

EXECUTIVE SUMMARY

Civic Address:	8655 Granville Street, Vancouver, BC
Property Type:	Vacant Mid-Rise Apartment Development Site
Site Area:	±15,073 ft ² (±0.346 acres)
Zoning:	C-2 (Commercial)
Marpole Community Plan:	Mixed-Use (up to 12 storeys)
2023 Assessments:	\$20,336,000
2022 Gross Property Taxes:	\$85,468.60
Effective Date of Valuation:	May 10, 2023

MARKET VALUE CONCLUSIONS

Highest and Best Use: As a site for mid to high density mixed use commercial residential development uses in compliance with the Marpole Community Plan.

Direct Comparison \$21,550,000

Approach:

Final Estimate of Value: \$21,550,000

INTRODUCTION

TERMS OF REFERENCE

Hooker Craig Lum Group Ltd. (HCLG) has been retained by *McEown + Associates Ltd. (Client)* to estimate current market value for the fee simple interest in the subject property as of the effective date of valuation. The property has been appraised free and clear of all encumbrances except as noted otherwise herein.

PURPOSE OF REPORT

The purpose of this appraisal is to provide an estimate of current market value for the fee simple interest of the subject property in its existing and proposed conditions.

INTENDED USE OF REPORT

The intended use of the appraisal is to serve as a basis to assist with winding up the owner's limited partnership use and for no other use.

SPECIAL APPRAISAL INSTRUCTIONS

No special instructions have been conveyed by *the client* and no extraordinary assumptions have been made by the appraiser in completing this valuation.

DATE OF SITE VISIT

The *Appraiser* conducted a visual inspection of the subject site on May 10, 2023.

EFFECTIVE DATE OF VALUATION

This appraisal report reflects an estimate of market value as of May 10, 2023. The perspective of the *Appraiser* on market condition as of the effective date of valuation is current.

Introduction (continued)

SCOPE OF APPRAISAL

This appraisal has been prepared to meet the requirements of the Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP) for a narrative appraisal report. In conjunction with this assignment we:

- Completed a visual inspection of the subject site from roadside on May 10, 2023.
- Completed an inspection of the surrounding neighbourhood and documentation of existing land uses, access and traffic patterns, development trends and competitive properties.
- Reviewed a copy of the subject's title information obtained from BC Land Title and Survey Authority's online service, i.e., myLTSA.
- Obtained zoning and community planning information from the City of Vancouver.
- Obtained information pertaining to the availability of services from the City of Vancouver.
- Obtained development application information from the City of Vancouver.
- Researched and analyzed market data from the following sources:
 - Multiple Listing Service of the Greater Vancouver Real Estate Board.
 - Commercial Edge.
 - B.C. Assessment Authority.
 - Altusdatastudio.
 - File data maintained by *HCLG*.
 - Real estate agents, developers, and other persons knowledgeable of the local marketplace.
 - Various internet web sites of proposed developments.

Introduction (continued)

DEFINITION OF TERMS

Property Rights Appraised:

The property rights appraised are those of the "fee simple" interest defined as:

"The greatest interest an individual can own in land, or complete ownership in law, subject only to the governmental powers of taxation, expropriation, escheat and police powers."

Market Value:

CUSPAP defines "Market Value" as:

"The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

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

INTRODUCTION (continued)

Statement of Competency

Yixin (Henry) Wang, MBA, AACI, P.App., the *Appraiser* responsible for this valuation, has previously provided consultation and value estimates for multiple family development land and strata titled properties in Metro Vancouver and the Province of British Columbia. The *Appraiser's* specific qualifications are included within this report and serve as evidence of his competence for the completion of this appraisal assignment in compliance with the competency provision contained in the CUSPAP of the Appraisal Institute of Canada. In this regard, the *Appraiser* has both the knowledge and experience necessary to complete this appraisal assignment competently.

EXPOSURE TIME

An estimate of exposure time is not intended to be a prediction of a date of sale or a simple one line statement. Instead, it is an integral part of the appraisal analysis and is based on one or more of the following:

- statistical information about days on the market;
- information gathered through sales verification; and
- interviews of market participants.

The reasonable exposure period is a function of price, time, and use. It is not an isolated estimate of time alone. Exposure time is different for various types of real estate and under various market conditions. Exposure time is the estimated length of time the property would have been offered prior to a hypothetical market value sale on the effective date of valuation. It is a retrospective estimate based on an analysis of past events, assuming the competitive and open market. It assumes not only adequate, sufficient, and reasonable time but also adequate, sufficient, and reasonable marketing effort. Exposure time is therefore interrelated with appraisal conclusion of value.

In consideration of these factors, we have analyzed the following:

- exposure periods of comparable sales revealed during the course of this appraisal;
- exposure time for similar properties in comparison to the subject property as published by the Greater Vancouver Real Estate Board; and
- information from knowledgeable real estate professionals.

Based on the foregoing analysis, an exposure time of 4 to 8 months is reasonable, defensible, and appropriate. *HCLG* assumes the subject would have been competitively priced and aggressively promoted regionally.

<p style="text-align: center;">ASSUMPTIONS, LIMITING CONDITIONS, DISCLAIMERS AND LIMITATIONS OF LIABILITY</p>
--

The Certification that appears in the appraisal report is subject to compliance with the Personal Information Protection and Electronics Documents Act (PIPEDA), and the Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP). The estimate(s) of value contained in the report is based on an analysis of information obtained from various sources. Some of this data has required subjective interpretation and the Terms of Reference have, in some instances, required assumptions in arriving at the value conclusions. As a result, the opinions and conclusions contained in the report are subject to the following Assumptions, Limiting Conditions, Disclaimers and Limitations of Liability:

1. The report is prepared for the *Client* and authorized users specifically identified in this report and only for the single and specific use identified herein. The *Client* may not use the report for any other purpose. No other person may rely on this report or any part of this report without first obtaining consent from the *Client*, and the *Appraiser*, subject to the qualification below. Written consent from the *Appraiser* must be obtained before any part of the appraisal report can be used for any use by anyone except the *Client* and other intended users specifically identified in the report. Draft copies of the report may not be relied on for any use. Where the *Client* is the mortgagee and the loan is insured, liability is extended to the mortgage insurer. Liability is expressly denied to any person other than the *Client* and those who obtain written consent and, accordingly, no responsibility is accepted for any damage suffered by any other person as a result of decisions made or actions based on the report. Liability is expressly denied for any unauthorized user or for anyone who uses this report for any use not specifically identified in this report. Payment of the appraisal fee has no effect on liability. Reliance on this report without authorization or for an unauthorized use is unreasonable. Diligence by all intended users is assumed.
2. Because market conditions, including economic, social and political factors, may change rapidly and, on occasion, without warning, the report and market value estimate(s) expressed as of the date of the appraisal cannot be relied upon as of any date other than the effective date specified in the report, unless specifically authorized by the *Appraiser* and confirmed in writing.
3. The report is completed on the basis that testimony or appearance in court or any other hearing concerning the appraisal is not required unless specific arrangements to do so have been made beforehand. Such arrangements will include, but not necessarily be limited to, adequate time to review the appraisal report and data related thereto and the provision of appropriate compensation.

Assumptions, Limiting Conditions, Disclaimers and Limitations of Liability (continued)

4. The *Appraiser* will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The property is appraised on the basis of it being under responsible ownership. No registry office search has been performed and the *Appraiser* assumes that the title is good and marketable and free and clear of all encumbrances including leases, unless otherwise noted in the report. Matters of a legal nature, including confirming who holds legal title to the appraised property or any portion of the appraised property, are outside the scope of work and expertise of the *Appraiser*. Any information regarding the identity of a property's owner or identifying the property owned by the listed client and/or applicant provided by the *Appraiser* is for informational purposes only and any reliance on such information is unreasonable. Any information provided by the *Appraiser* does not constitute any title confirmation. Any information provided does not negate the need to retain a real estate lawyer, surveyor or other appropriate experts to verify matters of ownership and/or title.
5. The subject property is presumed to comply with government regulations including zoning, building codes and health regulations and, if it does not comply, its non-compliance may affect market value. Verification of compliance with governmental regulations, bylaws or statutes is outside the scope of work and expertise of the *Appraiser*. Any information provided by the *Appraiser* is for informational purposes only and any reliance is unreasonable. Any information provided by the *Appraiser* does not negate the need to retain an appropriately qualified professional to determine government regulation compliance.
6. No survey of the subject property has been made or provided in conjunction with the assignment, nor was one requested or authorized by the *Client* to be commissioned in conjunction with the appraisal. The dimensions and area of the subject property have been taken from City of Vancouver's online GIS mapping system. The *Appraiser* assumes no responsibility for any errors contained therein. Areas and dimensions shown within the report are estimates only and subject to verification by a survey. It is assumed that no encroachments exist with regard to siting of the subject property improvements except as may be stated otherwise in the report.
7. Any sketch in the appraisal report shows approximate dimensions. Maps, photos, graphs, plans and other images are included only to assist the reader of the report in visualizing the subject property. Sketches are not based on a legal survey and the *Appraiser* assumes no responsibility for their accuracy. It is unreasonable to rely on this report as an alternative to a survey, and an accredited surveyor ought to be retained for such matters. If duplicated from another source, the sketches may not be reproduced to scale or original aspect ratio.

Assumptions, Limiting Conditions, Disclaimers and Limitations of Liability (continued)

8. Unless otherwise stated in the report, the *Appraiser* has no knowledge of any hidden or unapparent conditions of the subject property (including, but not limited to: its soils, invasive plants, physical structure, mechanical or other operating systems, foundation, etc.) or adverse environmental conditions of/on the subject property or of/on a neighbouring property that could affect the value of the subject property. It has been assumed that there are no such conditions. Any such conditions that were visibly apparent at the time of inspection or that became apparent during the normal research involved in completing the report have been noted in the appraisal. The report should not be construed as an environmental audit or detailed property condition report, as such reporting is beyond the scope of the report and/or the qualifications of the *Appraiser*. The *Appraiser* makes no guarantees or warranties, express or implied, regarding the condition of the subject property, and will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist.
9. The report does not constitute a technical inspection of the subject property, land or buildings, and is not to be interpreted as such. Covered, unexposed or inaccessible components have not been inspected and, although they are assumed to be sound and in good working order, their condition cannot be guaranteed. The absence of termites, carpenter ants, wood beetles, etc. is not guaranteed as this type of certification requires the services of an entomologist. The heating, drainage and drain-tile, septic and sewer, air conditioning, electrical, plumbing, and other systems have not been specifically tested but are assumed to be in good working order. It is recommended that the reader of the report retain an expert in this field if there is any doubt regarding the condition of the buildings or individual building components in question. The *Appraiser's* value estimate(s) is predicated on the assumption that all structural and building components are sound and in no need of immediate repairs as of the date of valuation.
10. No archaeological study for the subject property has been provided in conjunction with the assignment, nor was any such study or test requested or authorized by the *Client* to be commissioned in conjunction with the appraisal. The *Appraiser* is not qualified to detect archaeological deposits, the presence of which could materially affect the developable area and potentially, the value of the subject property. Archaeological material is not typically encountered until land-altering activity commences. The *Appraiser* has no knowledge of the existence of such materials in the subject property. Within the context of the report it is assumed that no archaeological deposits exist.

Assumptions, Limiting Conditions, Disclaimers and Limitations of Liability (continued)

11. No geotechnical study for the subject property has been provided in conjunction with the assignment, nor was any such study or test requested or authorized by the *Client* to be commissioned in conjunction with the appraisal. The *Appraiser* is not qualified to give engineering advice and no opinion is expressed with regard to the actual soil bearing capacity of the subject property. Within the context of the report the bearing capacity of the soil is assumed to be adequate and suitable to develop the subject property to its Highest and Best Use.
12. No planning study for the subject property has been provided, nor was any such study requested or authorized by the *Client* to be commissioned in conjunction with the appraisal. The *Appraiser* is not qualified to give planning advice. The land use designation of the subject property within the City of Vancouver's Official Community Plan, if any, has been considered in the report.
13. The term "inspection" refers to observation only as defined by CUSPAP and reporting of the general material finishing and conditions seen for the purposes of a standard appraisal inspection. The inspection scope of work includes the identification of marketable characteristics/amenities offered for comparison and valuation purposes only.
14. The analyses set out in the report relied on written and verbal information obtained from a variety of sources the *Appraiser* considered reliable. Unless otherwise stated herein, the *Appraiser* did not verify client-supplied information, which the *Appraiser* believed to be correct. The mandate for the appraisal did not require a report prepared to the standard appropriate for court purposes or for arbitration, so the *Appraiser* did not fully document or confirm by reference to primary sources all information herein. All information as presented in the report is assumed by the *Appraiser* to be correct.
15. The opinions of value and other conclusions contained herein assume satisfactory completion of any work remaining to be completed in a good and workmanlike manner. Further inspection may be required to confirm completion of such work. The *Appraiser* has not confirmed that all mandatory building inspections have been completed to date, nor has the availability/issuance of an occupancy permit been confirmed. The *Appraiser* has not evaluated the quality of construction, workmanship or materials. It should be clearly understood that this physical inspection does not imply compliance with any building code requirements as this is beyond the professional expertise of the *Appraiser*.

Assumptions, Limiting Conditions, Disclaimers and Limitations of Liability (continued)

16. The *Appraiser* is not qualified to comment on detrimental environmental, chemical or biological conditions that may affect the market value of the subject property appraised, including but not limited to pollution or contamination of land, buildings, water, groundwater or air. Environmental studies or environmental assessments of the subject property have not been provided nor has the *Appraiser* been requested or authorized to commission any such studies by the *Client*. Unless expressly stated, the subject property is assumed to be free and clear of pollutants and contaminants, including but not limited to moulds or mildews or the conditions that might give rise to either. It is an assumption of this report that the property complies with all regulatory requirements concerning environmental, chemical and biological matters, and it is assumed that the property is free of any detrimental environmental, chemical, legal and biological conditions that may affect the market value of the property appraised. Any such conditions that were visibly apparent at the time of inspection or that became apparent during the normal research involved in completing the report have been noted in the report. If a party relying on this report requires information about or an assessment of detrimental environmental, chemical or biological conditions that may impact the value conclusion herein, that party is advised to retain an expert qualified in such matters. The *Appraiser* expressly denies any legal liability related to the effect of detrimental environmental, chemical or biological matters on the market value of the subject property.
17. If transmitted electronically, the report will have been digitally signed and secured with personal passwords to lock the appraisal file. Due to the possibility of digital modification, only originally signed reports and those reports sent directly by the *Appraiser*, can be relied upon without fault.
18. The contents of the report are confidential and will not be disclosed by the *Appraiser* to any party except as provided for by the provisions of CUSPAP and/or when properly entered into evidence of a duly qualified judicial or quasi-judicial body. The *Appraiser* acknowledges that the information collected herein is personal and confidential and shall not use or disclose the contents of the report except as provided for in the provisions of CUSPAP and in accordance with the *Appraiser's* privacy policy. The *Client* agrees that in accepting the report, it shall maintain the confidentiality and privacy of any personal information contained herein and shall comply in all material respects with the contents of the *Appraiser's* privacy policy and in accordance with PIPEDA.

Assumptions, Limiting Conditions, Disclaimers and Limitations of Liability (continued)

19. The *Appraiser* has agreed to enter into the assignment as requested by the *Client* named in the report for the use specified by the *Client*, which is stated in the report. Reliance on the report is conditional on the *Client* agreeing that the Terms of Reference, Effective Date of Valuation, report date, Scope of Appraisal, Assumptions, Limiting Conditions, Disclaimers and Limitations of Liability, Extraordinary Assumptions, Extraordinary Assumptions, data collection and confirmation, the performance of this report, report format and process, the analysis and conclusions herein are appropriate for the intended use.
20. The appraisal report, its content and all attachments/addenda and their content are the property of the *Appraiser*. The *Client*, authorized users and any appraisal facilitator are prohibited, strictly forbidden and no permission is expressly or implicitly granted or deemed to be granted, to modify, alter, merge, publish (in whole or in part), screen scrape, database scrape, exploit, reproduce, decompile, reassemble or participate in any other activity intended to separate, collect, store, reorganize, scan, copy, manipulate electronically, digitally, manually or by any other means whatsoever the appraisal report, addendum, all attachments and the data contained within for any commercial, or other, use.
21. Where the intended use of this report is for financing or mortgage lending or mortgage insurance, it is a condition of reliance on this report that the authorized user has or will conduct lending, underwriting and insurance underwriting within the context of current market conditions and rigorous due diligence in accordance with the standards of a reasonable and prudent lender or insurer, including but not limited to ensuring the borrower's demonstrated willingness and capacity to service his/her debt obligations on a timely basis, and to conduct loan underwriting or insuring due diligence similar to the standards set out by the Office of the Superintendent of Financial Institutions (OSFI), even when not otherwise required by law. Liability is expressly denied to those that do not meet this condition. Any reliance on this report without satisfaction of this condition is unreasonable.
22. Where the intended use of the report is for financing or mortgage lending, it is a condition of reliance on the report that the Lender agrees that the Terms of Reference, Effective Date of Valuation, report date, Scope of Appraisal, Assumptions, Limiting Conditions, Disclaimers and Limitations of Liability, Extraordinary Assumptions, Extraordinary Assumptions, data collection and confirmation, the performance of this report, report format and process, and analysis and conclusions herein are appropriate for the intended use.

Assumptions, Limiting Conditions, Disclaimers and Limitations of Liability (continued)

23. The Appraiser does not provide an opinion and does not make any representations as to the advisability or inadvisability of the investment in a syndicated investment mortgage and the prospect of returns. The report is not a substitute for proper due diligence. The Client or authorized user must conduct their own due diligence and consult financial advisors or other appropriately qualified professionals. Reliance on this report without conducting appropriate due diligence with respect to the advisability of this investment is unreasonable and in such circumstances all liability for the Appraiser is disclaimed.
24. Values contained in this appraisal are based on market conditions as at the time of this report. This appraisal does not provide a prediction of future values. In the event of market instability and/or disruption, values may change rapidly and such potential future events have NOT been considered in this report. As this appraisal does not and cannot consider any changes to the property appraised or market conditions after the effective date of valuation, readers are cautioned in relying on the appraisal after the effective date of valuation noted herein.
25. As of the date of this report Canada and the Global Community is experiencing unprecedented measures undertaken by various levels of government to curtail health related impacts of the Covid-19 Pandemic. The duration and severity of this event is not known. While there is potential for negative impact with respect to micro and macro-economic sectors, as well as upon various real estate markets, it is not possible to predict the severity of such impact at present, or the potential impact of current and future government countermeasures. There is some risk that the Covid-19 Pandemic increases the likelihood of a national or global recession, however without knowledge of further anticipated government countermeasures at the national and global levels it is not possible to predict any impact at this point in time. Accordingly, this point-in-time valuation assumes the continuation of current market conditions, and that current longer-term market conditions remain unchanged. Given the market uncertainties of the Covid-19 pandemic, a force majeure event, we reserve the right to revise the value estimation set out in this report for a fee, with an update appraisal report under a separate appraisal engagement, incorporating market information available at that time.
26. The coronavirus pandemic is causing a significant degree of uncertainty in capital markets, and could have an effect on real estate values depending on the duration and severity of the crisis. At present, it is too early to predict how values may be affected, but it may be likely that market demand is adversely affected in the short term.

IDENTIFICATION OF THE PROPERTY

Registered Owner

Red Buffalo 8655 Holdings Ltd.

Legal Description

Parcel Identifier: 009-430-105
Lot D Block F District Lot 318 Plan VAP21521

Charges, Liens and Interests

Perusal of title information (Appendix "A": Copy of Title Information) for the subject property indicates following legal notations, charges, liens and interests are registered on the title:

Charges, Liens and Interests

Nature:	EASEMENT AND INDEMNITY AGREEMENT
Registration Number:	396603M
Registration Date and Time:	1964-12-21 12:54
Registered Owner:	CITY OF VANCOUVER
Remarks:	PART DERIVED FROM FORMER LOTS 11,12,13, AND 14 BLOCK F, PLAN 2978

Nature:	STATUTORY RIGHT OF WAY
Registration Number:	R117336
Registration Date and Time:	1987-11-16 12:40
Registered Owner:	CITY OF VANCOUVER
Remarks:	NORTH 4 METRES

Nature:	RESTRICTIVE COVENANT
Registration Number:	CA6016094
Registration Date and Time:	2017-05-25 10:42
Remarks:	APPURTENANT TO PARCEL A (REFERENCE PLAN 2891) OF PARCEL K (REFERENCE PLAN 1756) DISTRICT LOT 256 GROUP 1 NEW WESTMINSTER DISTRICT PARCEL C (REFERENCE PLAN 2360) OF DISTRICT LOT 256 GROUP 1 NEW WESTMINSTER DISTRICT PARCEL "K" (REFERENCE PLAN 1756) DISTRICT LOT 256 GROUP 1 EXCEPT: PART 13.1 ACRES (REFERENCE PLAN 2891) NEW WESTMINSTER DISTRICT PARCEL "ONE" (REFERENCE PLAN 1709) DISTRICT LOT 256 GROUP 1 EXCEPT: PARCEL "C" (REFERENCE PLAN 2360) NEW WESTMINSTER DISTRICT LOT 2 DISTRICT LOTS 219 AND 256 GROUP 1 NEW WESTMINSTER DISTRICT PLAN 18279

Identification of The Property (continued)

Charges, Liens and Interests (continued)

Nature: MORTGAGE
Registration Number: CA6653043
Registration Date and Time: 2018-02-28 14:14
Registered Owner: CANADIAN WESTERN BANK

Nature: ASSIGNMENT OF RENTS
Registration Number: CA6653044
Registration Date and Time: 2018-02-28 14:14
Registered Owner: CANADIAN WESTERN BANK

Nature: CLAIM OF BUILDERS LIEN
Registration Number: BB5006343
Registration Date and Time: 2023-04-18 14:50
Registered Owner: CORE CONCEPT CONSULTING LTD.

In conjunction with this assignment we have searched the Restrictive Covenant charge on the title and it is stated that from the date of the Restrictive Covenant that "for a period of forty years from May 25, 2017, the Servient Lands or any portion thereof shall not be used, nor shall be Transferor suffer or permit any person to use the Servient Lands or any portion therefore, for the purpose of the sale, marketing, storage, distribution or handling, in bulk or otherwise, of oil or petroleum products or derivatives thereof, including without limitation bulk quantities of gasolines and other motor fuels, diesels, lubricants, motor oils, greases and solvents".

For the purpose of this valuation, we assume that none of other registered charges has any detrimental impact upon marketability or value for the property being appraisal.

If there is any concern on the part of the reader with respect to these charges we recommend a legal opinion be obtained.

Property Sales History

CUSPAP require appraisers of real property to analyze and report prior sales of the property being appraised that occurred within three years for all property types. Any impact on the price paid under known undue stimulus must be reported.

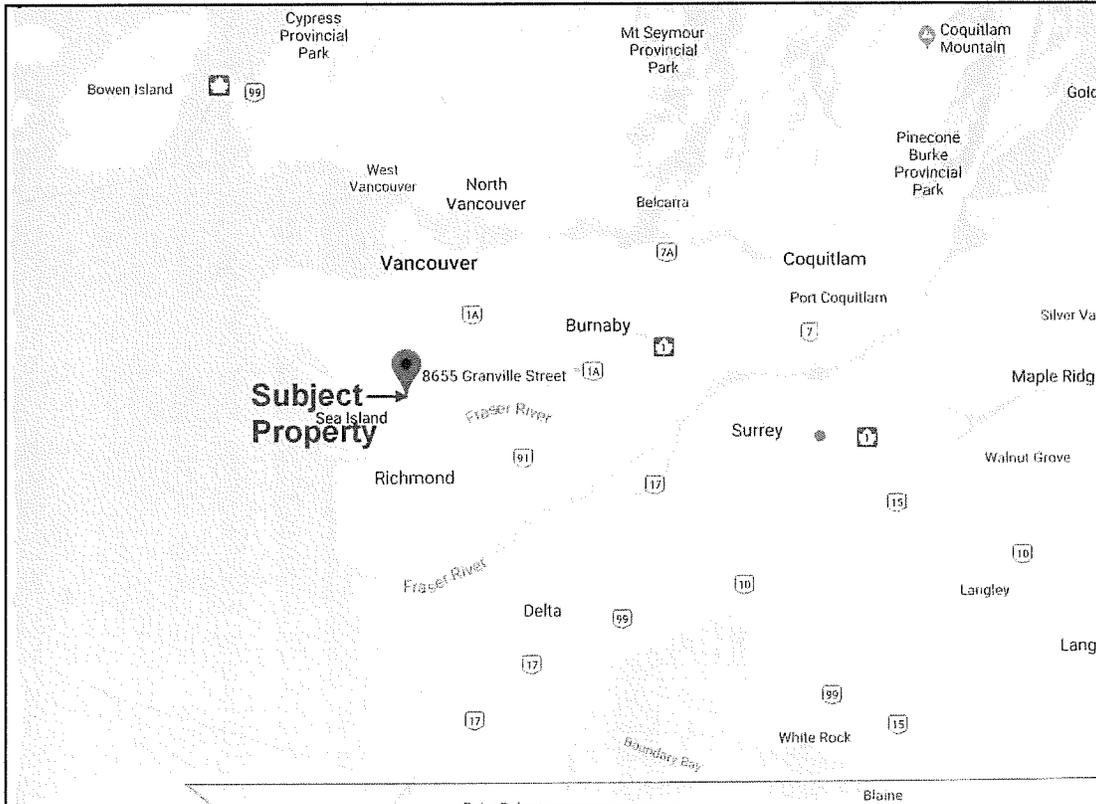
The Client purchased the subject property on February 28, 2018 for a total amount of \$20,000,000. No sales have occurred within the past three years.

Identification of The Property (continued)

Agreement for Sale/Listing

Agreements for sale and listing must be analyzed and reported if such information is available to the *Appraiser* in the normal course of business.

Active marketing program for the subject property's proposed development has not commenced as of the effective date of valuation.



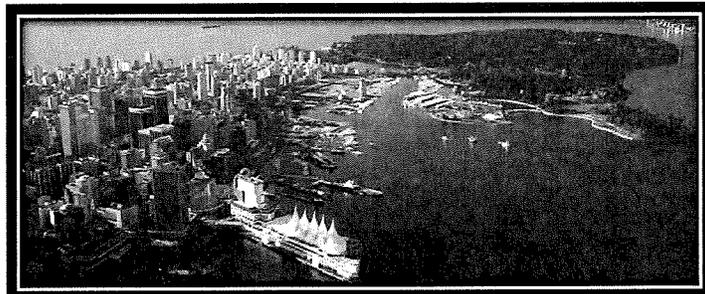
Regional Map

REGIONAL DESCRIPTION

Regional Data

The City of Vancouver is located in the “Lower Mainland” region of southwestern BC. The region encompasses ±14,017 square miles of land in the lower Fraser River valley/delta area, bounded by mountains on the north and to the east, by the Pacific Ocean on the west, and by the border with the United States to the south.

Vancouver is one of the 21 municipalities, one electoral area, and one treaty First Nation comprising Metro Vancouver (formerly known as Greater Vancouver Regional District or GVRD). Each



municipality/city maintains its own civic government but collectively, they make up Metro Vancouver. The role of Metro Vancouver is to deliver essential utility services that are regional rather than local in nature, including drinking water, sewage treatment, garbage disposal, and regional planning.

According to the 2021 Census, the Metro Vancouver population of 2,642,825 is 7.3% higher than the population of 2,463,431 in 2016. Metro Vancouver’s population is ±52.85% of the total number of people (5,000,879) in the Province of British Columbia. According to Statistics Canada, Vancouver had a population of 662,248 in 2021, which was 4.9% higher than the population of 631,486 in 2016. The 2016 population was 4.64% higher than the population of 603,502 in 2011.

City/ Municipality	Population in 2006	Population in 2011	Percentage Change 2006 to 2011	Population in 2016	Percentage Change 2011 to 2016
Canada	31,612,897	33,476,688	5.90%	35,151,728	5.00%
British Columbia	4,113,487	4,400,057	6.97%	4,648,055	5.64%
Metro Vancouver	2,116,581	2,313,328	9.30%	2,463,431	6.49%
Burnaby	202,799	223,218	10.07%	232,755	4.27%
New Westminster	58,549	65,976	12.69%	70,996	7.61%
Richmond	174,461	190,473	9.18%	198,309	4.11%
Vancouver	578,041	603,502	4.40%	631,486	4.64%

Regional Description (continued)

City Data

BC Stats estimates Vancouver's population at 658,618 in 2015, 664,156 in 2016, 669,669 in 2017 and 678,308 in 2018, 692,324 in 2019 and 697,266 in 2020. According to the BC Stats, the population decreased by 0.1% between 2020 and 2021.

Vancouver has consistently been rated one of the most livable cities in the world by international surveys. Not only is it a physically beautiful place to live, but the city also provides a wide range of services and opportunities. Many services are provided by the City of Vancouver, while others are the jurisdiction of senior levels of government or other organizations.

Vancouver is surrounded by water on three sides and overlooked by the Coast mountain range. The City is bounded on the north by the Burrard Inlet, on the west by the Strait of Georgia, on the south by the North Arm of the Fraser River, and on the east by the City of Burnaby.

The City of Vancouver is made up of 23 communities within the west and east sides of Vancouver. The west side of Vancouver comprises Arbutus Ridge, Downtown, Dunbar-Southlands, Fairview, Kerrisdale, Kitsilano, Marpole, Oakridge, Shaughnessy, South Cambie, West End, and West Point Grey. The east side of Vancouver consists of Downtown Eastside, Grandview-Woodland, Hastings-Sunrise, Kensington-Cedar Cottage, Killarney, Mount Pleasant, Renfrew-Collingwood, Riley Park-Little Mountain, Strathcona, Sunset, and Victoria-Fraserview.

Vancouver is a major port and probably leads the world in grain exports. As the main western terminus of Canada's transcontinental highway and rail routes, it is the primary city of western Canada, as well as one of the nation's largest retail centres. Vancouver's Central Area has 60% of the region's office space and is home to headquarters of forest products and mining companies as well as branches of national and international banks, accounting and law firms. In recent years, Vancouver has expanded as a centre for software development and biotechnology, while film studios and the streets provide a backdrop for the developing film industry. Two of the Port of Vancouver's container docks are located in the city. The Fraser River has barge and log traffic serving forestry and other water related industries. Around 1,800 acres of industrial land provide an important range of support services, manufacturing and wholesale premises for businesses throughout the city and region.

Regional Description (continued)

Public Transit

The transportation corridor connecting downtown Vancouver with Richmond is one of the busiest in Metro Vancouver and home to one-third of the region's jobs and 20 percent of its population. The Canada Line has 16 stations and provision for three future stations located to serve the dense and growing neighbourhoods along the corridor. The Canada Line provides a vital north-south link to the regional network. The line connects with the existing Expo and Millennium rapid transit lines, WestCoast Express and SeaBus at Waterfront Station. The Canada Line provides for a future connection with a Millennium Line extension to Broadway and Cambie Street.

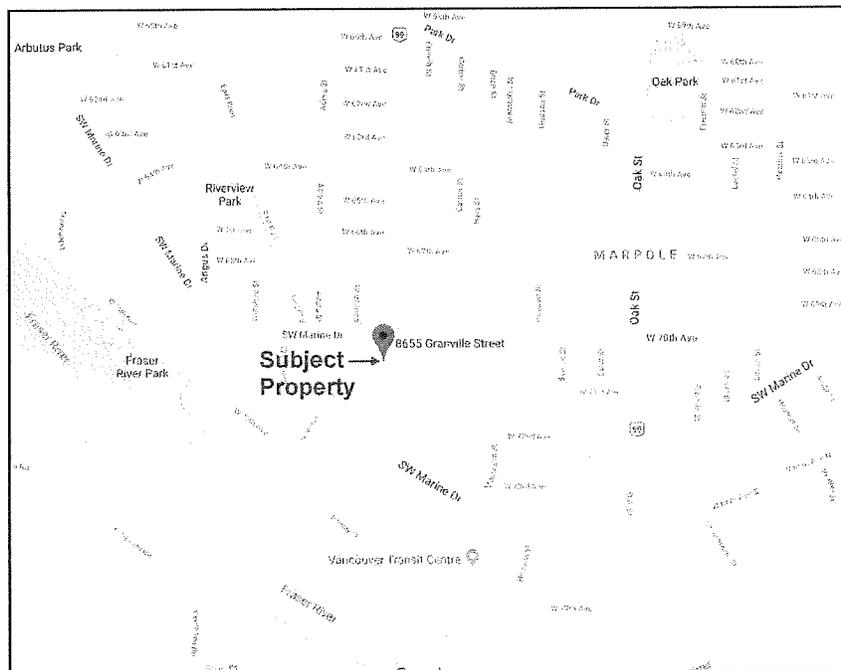
In March 2018, the Province of BC and TransLink have approved a six-km long underground SkyTrain extension of the Millennium Line under Broadway from the VCC–Clark Station to Arbutus Street. Construction on the project will begin in 2020 and finish by 2025.

Summary

In summary, the City of Vancouver is centrally located in proximity to shipping ports and Vancouver International Airport, and the Canada/USA border. Therefore, Vancouver is considered well located in the Lower Mainland for residential, commercial, and industrial development.



Aerial Neighbourhood Photograph



Neighbourhood Map

NEIGHBOURHOOD DESCRIPTION

Location of the Subject Property

Specifically, the subject property is located on the west side of Granville Street and mid-block between West 70th and W 71st Avenues in the Granville area of the Marpole neighbourhood of Vancouver's West Side.

General Vicinity

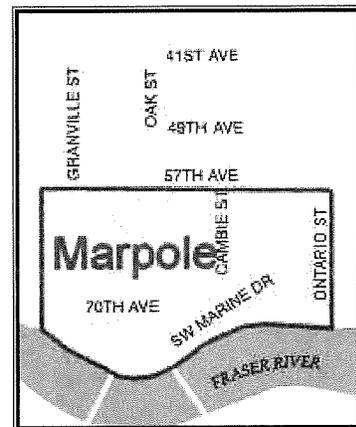
Marpole is a riverfront community located in the south of Vancouver's west side, bounded by Angus Drive, West 57th Avenue, Ontario Street, and the Fraser River. It comprises 1,386 acres, making up about 5% of Vancouver's total land area. Neighbourhoods to the north, east, and west of Marpole are Oakridge, Sunset and Kerrisdale. Marpole is generally bounded by the following:

Northern Boundary:	West 57 th Avenue
Southern Boundary:	North Arm of the Fraser River
Eastern Boundary:	Ontario Street
Western Boundary:	Angus Drive

Neighbourhood Description and Occupant Analysis

Major north/south roadways through the Marpole neighbourhood are: Granville Street, Oak Street and Cambie Street. West 57th Avenue, West 70th Avenue and Southwest Marine Drive are major east/west traffic corridors in the neighbourhood.

As the center of one of the City's earliest communities, Marpole, has gradually transformed from rich farmland to warehouses, superstores, and numerous homes all located on Vancouver's southern slope.



Neighbourhood Description and Occupant Analysis (continued)

Marpole is mostly made up of single family homes and rental apartment buildings, as well as a mix of houses divided into rental units and strata titled condominium units. Due to the southern, sloping topography a number of the homes and apartment units are afforded views of the mountains and the Fraser River.

The majority of residential zoning in the area is RS-1 which allows for a one-family dwelling with a secondary suite. A large portion of the homes are currently occupied by immigrants and working class families who share their homes with their extended families. There are no additional single family lots available so local government and planning departments are considering apartments above commercial stores, row-houses (townhomes), and low-rise apartments to meet the demand for additional housing in the area.

A notable major development in the neighbourhood is the redevelopment of the former Safeway / BCLC site at the northwest corner of West 70th Avenue and Granville Street. The site has been rezoned from C-2 to CD-1 to redevelop the site with four major building elements which includes replacement of the Safeway grocery store on Granville Street, a 24-storey rental tower, a 14- storey



market condominium tower, and a 9-storey building consisting of townhouses at street level and condominium units above. The project has been developed by Westbank Properties and is known as "Granville at 70th". It includes a total of 312 residential units.

Most of Marpole's stores are centered along the southern end of Granville Street. There are small corner shops located on Oak Street and 67th Avenue, as well as further east at Cambie at 57th Avenue. A large number of businesses, ranging from drive-through fast-food eateries to big box stores, manufacturers and distributors are also located along Marine Drive east of the Arthur Laing Bridge, with more heavy-industry type businesses are located along the banks of the Fraser River.

Neighbourhood Description and Occupant Analysis (continued)

The Marine Drive corridor provides South Vancouver with a large retail presence. The Real Canadian Superstore in the nearby Sunset neighbourhood, numerous car dealerships, and many other retailers allow South Vancouver based businesses and their employees the convenience of not having to travel outside of the area for essential goods and services.

General Market Appeal

Generally speaking, market appeal of multiple family and commercial properties within the subject neighbourhood is good. The location of the subject property offers convenient proximity to major transportation routes and commercial development. Surrounding residential uses are mixed comprising of single family residence, townhouse/apartments and commercial developments.

Transportation

SkyTrain operates the Expo and Millennium Lines through Vancouver, Burnaby, New Westminister, and Surrey as well as the Canada Line through Vancouver and Richmond. A Canada Line SkyTrain station just south of the SW Marine Drive and Cambie Street intersection runs through the eastern sector of the neighbourhood. Marpole is well-served by public transit as almost all the buses going to the southern suburbs pass through Marpole at some point. In addition, Hudson Street is a bus route for the number 100 bus.

The neighbourhood is served by two bridges that lead into Richmond, the adjacent municipality across the Fraser River to the south. The Arthur Laing Bridge connects the southern foot of Granville Street with Sea Island, and provides access to the Vancouver International Airport. The Oak Street Bridge to the east connects Oak Street with Highway 99 to the south and provides access to Lulu Island. Because of the Oak and Arthur Laing Bridges, traffic jams are common in the area, especially during peak hours.

Neighbourhood Description and Occupant Analysis (continued)

Public Amenities

The neighbourhood has a number of small and mid-sized parks scattered around the community. Just to the north is Queen Elizabeth Park with its Conservatory, Pitch and Putt, lawn bowling, curling club, swimming pool and the Nat Bailey Stadium. The Langara and Fraserview golf courses are nearby. Marpole is served by six elementary schools, and one public library.

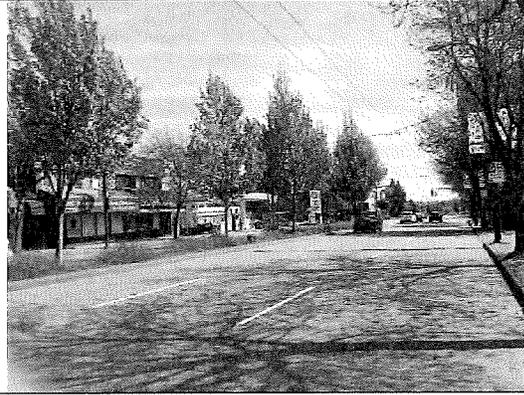
Summary and Conclusion

The Marpole neighbourhood is an established commercial, industrial, and residential neighbourhood. Residents are attracted to this area because of its close proximity to the Downtown Business District and good connection to Richmond and elsewhere. The area is well accessed via a grid of major traffic arterials. It is our opinion that the neighbourhood is favorable for urban development.

Photographs of the Neighbourhood



Facing north along Granville Street



Facing south along Granville Street



Facing north along rear lane



Facing south along rear lane



Property to the north – commercial holding property



Property to the east (across street from Granville St) – commercial holding property

SITE DESCRIPTION

The subject property includes a rectangular shaped parcel fronting Granville Street and rear lane. The site plan inserted in the previous page is obtained from a site plan provided by *Matson Peck & Topliss* and is confirmed by the City of Vancouver online GIS mapping system. We have assumed the data is correct.

Total Gross Site Area: $\pm 157.75 \text{ ft} \times \pm 95.44 \text{ ft}$
 $= \pm 15,073 \text{ ft}^2 (\pm 0.346 \text{ acre})$

Topography: The site is generally flat and at grade level.

Soil Condition: A soils analysis for the subject site has not been supplied to the *Appraiser* in conjunction with the preparation of this report. The *Appraiser* expresses no opinion with regard to actual soil conditions, as this requires the services of a qualified engineer. It is assumed that existing soil conditions are stable and suited for the proposed multi-family residential use of the land.

Geotechnical: We have not been provided with a geotechnical investigation nor have such services been commissioned by the *Appraiser*. To the best of our knowledge there are no adverse soil conditions in the immediate vicinity of the subject, nevertheless, the *Appraiser* is not qualified in such matters, and in this report, we have assumed that soil conditions are conducive to residential development.

Environmental: We have not been provided with an Environmental Assessment for the property and no such studies have been commissioned in conjunction with this appraisal.

To the best of our knowledge there are no environmental issues impacting the subject property.

Site Description (continued)

Contamination: It is assumed in this report that no special preparation resulting from the presence of toxic fill or other environmentally sensitive waste products is necessary. No opinion is expressed by the *Appraiser* with regard to the potential for the presence of hazardous materials as this requires the services of a qualified engineer.

Municipal Services:

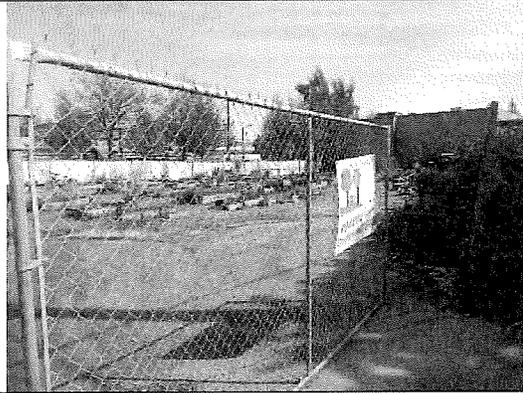
Sanitary Sewer:	Available
Municipal Water:	Available
Storm Sewer:	Available
Hydro Electricity:	Available
Natural Gas:	Available

Street Improvements:

Granville Street:	Asphalt paved in three lanes in each direction. Arterial roadway.
Rear Lane:	Asphalt paved in one lane in each direction.
Curbs:	Available
Sidewalks:	Available
Lighting:	Available

Access: Vehicle access to the subject site is available from the rear lane. Pedestrian access to the site is available from the west side of Granville Street and rear lane.

Photographs of the Subject Property



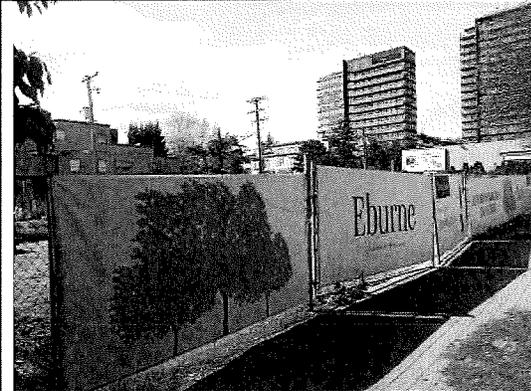
Looking southeast towards the site (from rear lane)



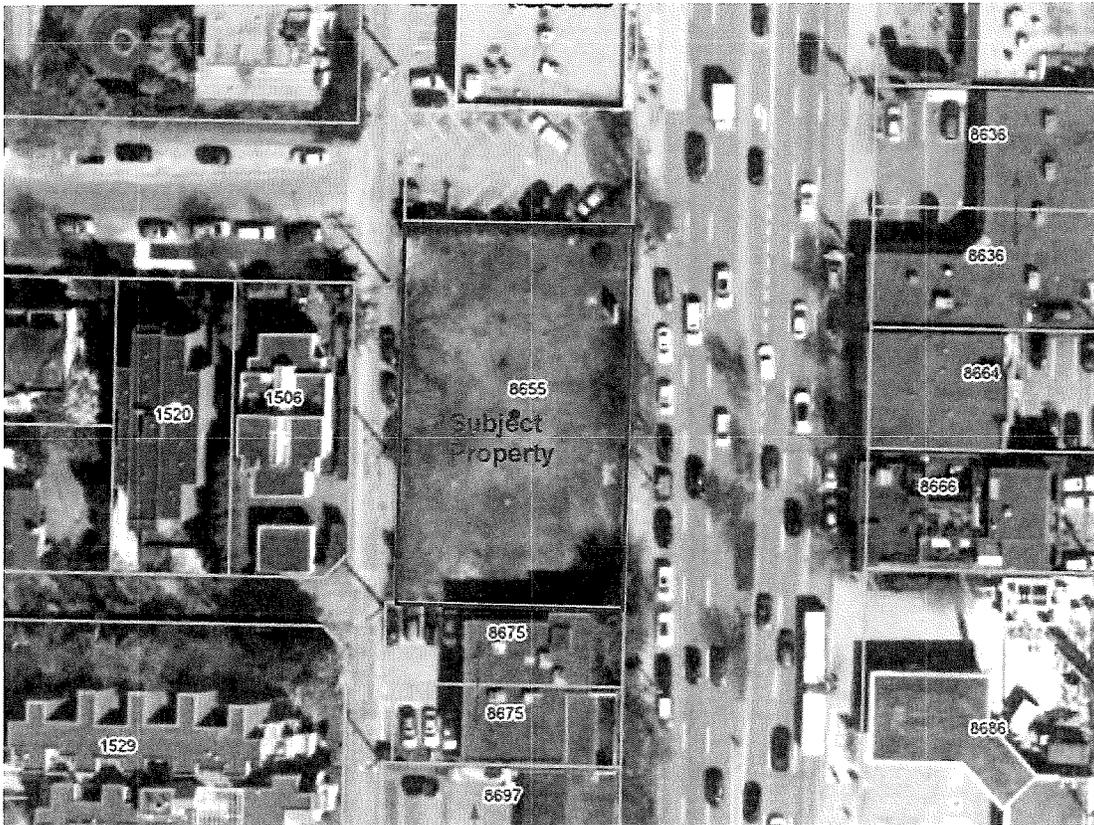
Looking southwest towards the site (from Granville Street)



Looking northeast towards the site (from rear lane)



Looking northwest towards the site (from Granville Street)



Aerial Photo of the Subject Property

ASSESSMENT AND TAXES

The subject property is located within the BC Assessment Greater Vancouver Region (Vancouver Office). Total assessment data for the year 2018 is summarized below.

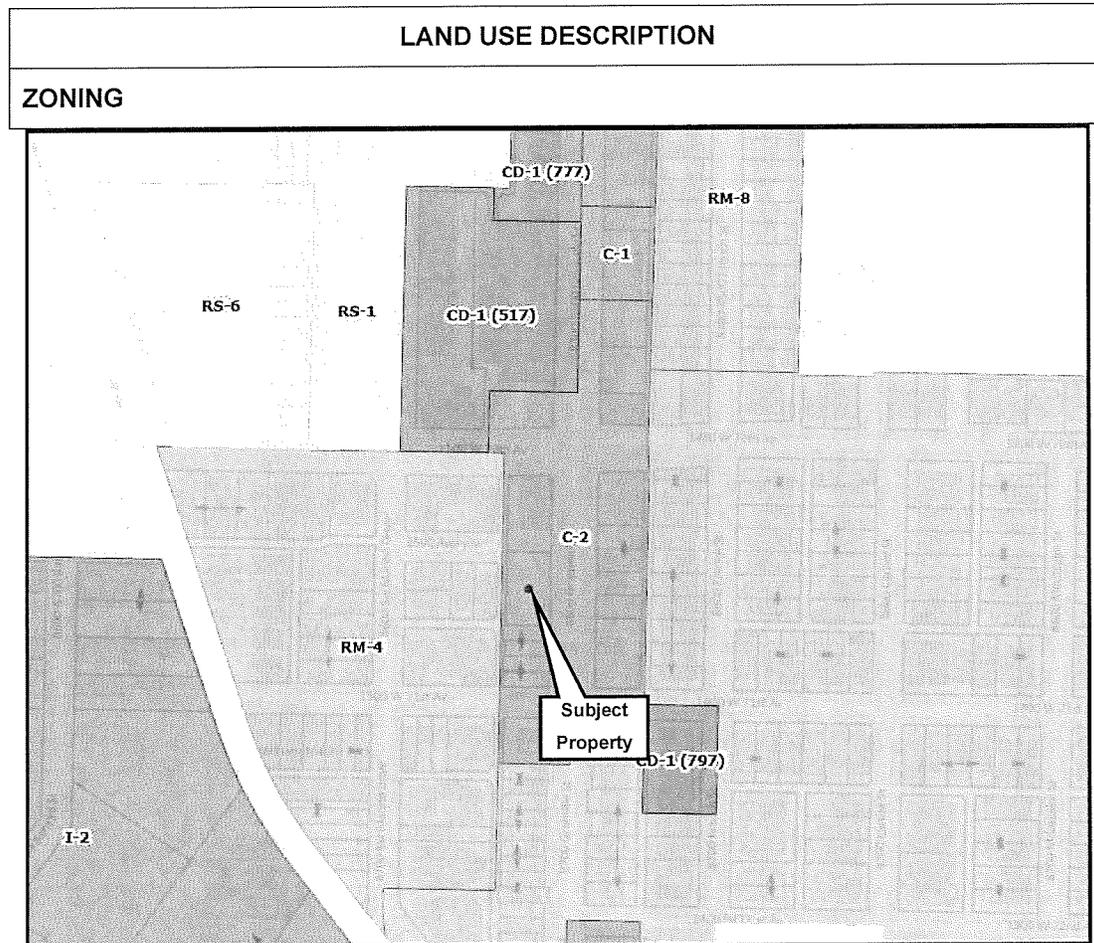
Roll Number:	012130831110000
Land:	\$20,326,000
Improvements:	<u>\$10,000</u>
2023 Actual Value:	<u>\$20,336,000</u>
2022 Assessed Value:	<u>\$20,336,000</u>

Typically, the Assessment Authority's valuations are based on mass appraisal techniques such as multiple regression analysis and we note that the BCAA's inspection data may be several years old. Accordingly, the estimate of actual value may be less precise than a full appraisal.

The "Assessed Value" is BC Assessment Authority's estimate of market value of fee simple interest in the subject property as of July 1, 2022 for the 2023 property assessment. The value reflects the physical condition of the subject property as of October 1, 2022 for the 2023 property assessment.

Property Taxes

Gross property taxes for the year 2022 are \$85,468.60.



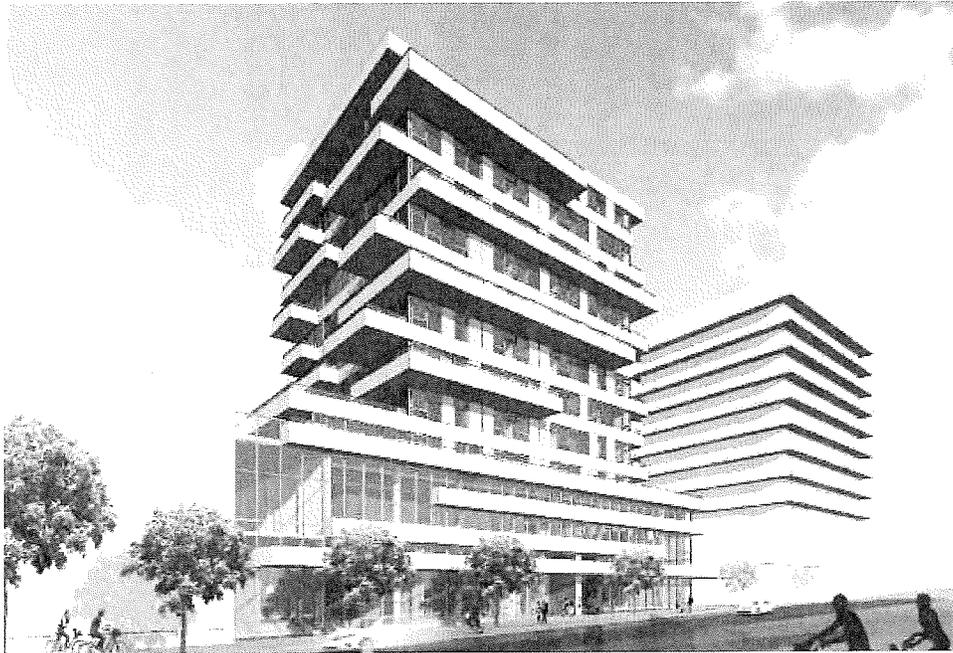
The subject site is zoned C-2 (Commercial) and the intent of this zone is to provide for a wide range of commercial uses serving both local and city-wide needs, as well as residential uses, along arterial streets. A copy of the zoning excerpt is attached to the Addenda as Appendix "B".

Land Use Description (continued)

REZONING APPLICATION

Although the subject is zoned C-2, A rezoning and development application was submitted to the City on October 16, 2019 to rezone the site to CD-1 in order to develop a 12-storey mixed use commercial residential building. The application was approved by Council at Public Hearing on May 18, 2021. The proposal includes:

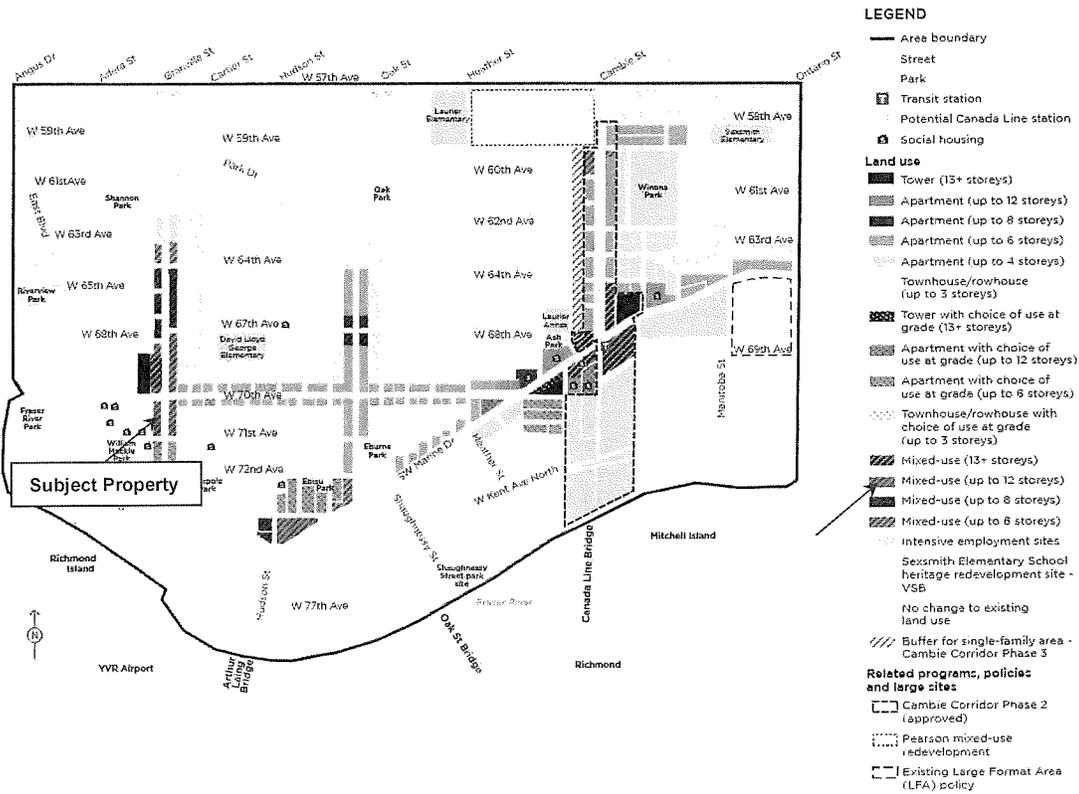
- 55 market strata residential units
- Commercial retail space at grade
- Office space on the second floor
- A floor space ratio (FSR) of 4.10
- A building height of 38.33 m (125.8 ft.)
- A floor area of 5,887 sq. m (63,365 sq. ft.)
- 73 vehicle parking spaces and 110 bicycle parking spaces



Land Use Description (continued)

MARPOLE COMMUNITY PLAN

The subject property is located in the Marpole Community Plan planning area. The community planning process spanned from April 2012 to April 2014 and was adopted in spring 2014. Review of the Marpole Community Plan indicated the subject is designated “**Mixed-Use (up to 12 storeys)**”. The permitted FSR is up to 3.5. A copy of the Marpole Community Land Use Plan is inserted below:



Land Use Description (continued)

Marpole Community Plan (continued)

Density, Use, Form of Development for Properties designated "Mixed-use (up to 12 storeys)" are summarized below:

- Height: up to 12 storeys including a 2 to 3-storey podium.
- FSR: up to 3.5* with consideration for an increase for developments that incorporate commercial/office space above the first floor. A minimum 0.5 FSR of commercial floor area above the first floor will be required to achieve additional density beyond 3.5 FSR.
- A mix of commercial uses, which may include retail, service and community serving uses, is required at the ground floor.
- Office use above the first floor level is encouraged.
- Residential and/or commercial uses permitted on upper floors.
- Provide 2 and 3 bedroom units for families (see policies in 8.0 Housing).
- Ground floor commercial units must provide a range of sizes with small street frontages and active access to the street.
- Create a sawtooth pattern of slim higher buildings over a lower podium of 2 to 3 storeys. Heights will descend towards the north and south from West 70th Avenue.
- Storeys above the podium should be located to allow light through the block and articulated to minimize shadowing.
- Provide a mid-block connection on the east side of Granville Street (see Figure 6.3).
- Provide public realm improvements that include increased sidewalk width, street trees and amenities such as feature lighting, seating, bike racks, etc.

* The proposed floor space ratio (FSR) is an estimate based on intended urban design performance with respect to site size, form/ typology, height and scale appropriate for respective locations and transition to adjacent properties. The development potential for each site may fall within, below, or, for anomalous sites, above the FSR range given and will be determined by careful analysis of individual proposals based on urban design and public realm performance and quality.

HIGHEST AND BEST USE

The definition of "Highest and Best Use" is as follows:

"the reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supportable, financially feasible, and that results in the highest value¹ ."

Many factors and appraisal principles become a consideration in the determination of "Highest and Best Use". These include: government regulations, supply, demand, anticipation, balance, surplus productivity, contribution, competition, etc. The definition also includes the presumption that the use is in keeping with the zoning and legal requirements.

The concept of "Highest and Best Use" recognizes that land use patterns can change over a given period and that the optimum use of a site is determined by need or demand at any given point in time. Elements affecting value that are dependent upon events or a combination of occurrences which, while within the realm of possibility, are not shown to be reasonably probable, and should be excluded from consideration. This is also the case if the intended use is dependent on the uncertain act of another person.

When a site is improved, the integrated unit of land and building must be continued in the use for which the improvement was designed, adapted, or could readily be converted, so long as the land and building in combination have a higher market value than the land alone, if vacant and available for a better use. It follows, therefore, that provided the subject improvements contribute value to the whole, over and above the value of the land alone, they represent the "Highest and Best Use" of the site for the remainder of their economic life.

The Land - As If Vacant

The subject property is generally located in the Marpole neighbourhood. Specifically, the site is located on the west side of Granville Street and between 70th and 71st Avenues. The immediate neighbourhood is primarily characterized by commercial, mixed use commercial development along Granville Street and single family and multi-family developments along secondary streets. It is our opinion that the subject is well situated for mixed use land uses.

¹ The Appraisal Institute. *The Appraisal of Real Estate, Canadian Edition*, Illinois Not-For-Profit Corporation, 1992.

Highest and Best Use (continued)

The Land - As If Vacant (continued)
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The subject property consists of one legal parcel which is rectangular in shape. The property has ±158 feet frontage along Granville Street and depth of ±95.5 feet. Total gross site area is ±15,073 ft². The site is fully serviced with municipal water and sewer line.

The subject property is zoned C-2 (Commercial) and designated "Mixed Use (up to 12 storey)" in the Marpole Community Plan. It is our understanding that the client intends to rezone the subject site from C-2 to CD-1 (Comprehensive Development) zone in order to develop an 11-storey mixed use commercial apartment building. The proposed building has a proposed density of ±4.10 FSR. A rezoning and development application was submitted to the City on October 16, 2019. The application was approved by Council at Public Hearing on May 18, 2021.

A number of parcels along Granville Street in the subject block have similar land use designations and have the potential to rezone or already rezoned and develop into mixed use commercial apartment complexes. Given the City of Vancouver's planning objective and existing land use patterns, it is our opinion that the subject site has the potential for mixed use commercial residential development, approval of a rezoning and developing the site into a higher density mixed use development is reasonably probable.

Therefore, if the subject site was vacant and unimproved, it is our opinion that the Highest and Best Use would be mixed use commercial apartment development in compliance with the Marpole Community Plan.

APPRAISAL METHODOLOGY

The appraisal process involves a systematic analysis of the factors that bear upon the value of real estate. In considering an appropriate method of appraisal, we have taken into account the unique characteristics of the local real estate market and our terms of reference. In estimating the Market Value of the subject property, the following conventional methods of appraisal have been considered:

Cost Approach

The Cost Approach is based on the premise that an informed purchaser will not pay more for a property than the cost of producing a substitute property. This approach involves an estimate of the cost to build a new building identical to the subject at current prices, subtracting accrued depreciation which is a measurement of the loss in value from reproduction cost new, and adding the estimate of land value as if vacant. This approach is best suited for special purpose properties or properties, which have been recently improved, and depreciation of the improvements is more easily measurable.

In accordance with our terms of reference, the Cost Approach has not been utilized in conjunction with a cost analysis for the overall project.

Income Approach

The Income Approach is a method of estimating the value of a property based on the present, or discounted worth of the anticipated income benefits that it may reasonably be expected to produce during the course of its remaining economic life. The process of converting an income stream into an estimate of present worth is known as "capitalization".

Based on our experience, the Income Approach is typically given the most weight by investors of income producing properties. The Income Approach has not been used to value the subject property's proposed development because the individual units within the proposed development is marketed to the end user and not built as an investment property.

Appraisal Methodology (continued)
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Direct Comparison Approach

The Direct Comparison Approach implies the Principle of Substitution, which states that a prudent purchaser will not pay more for a property than the price to acquire an equally desirable substitute property. The Direct Comparison Approach involves the comparison of the subject to comparable properties available under similar conditions.

This approach provides a reliable indication of value, particularly in an active market, given a reasonable availability of market data having a sufficient degree of comparability to the subject. The most appropriate method for the estimation of the individual "end unit values" for the proposed development is considered to be the Direct Comparison Approach since the units are intended for sale in the ownership market.

Furthermore, we have utilized the Direct Comparison Approach to estimate the market value of the subject's vacant land.

DIRECT COMPARISON

The appraisal process involves a systematic analysis of the factors that bear upon the value of real estate. In estimating the market value of the subject property, the Appraisal Institute of Canada has identified the following six procedures in valuing vacant land:

- | | |
|-------------------------------|--------------------------------------|
| A) Direct Comparison Approach | D) Subdivision Development Method |
| B) Abstraction Method | E) Land Residual Technique |
| C) Extraction Method | F) Ground Rent Capitalization Method |

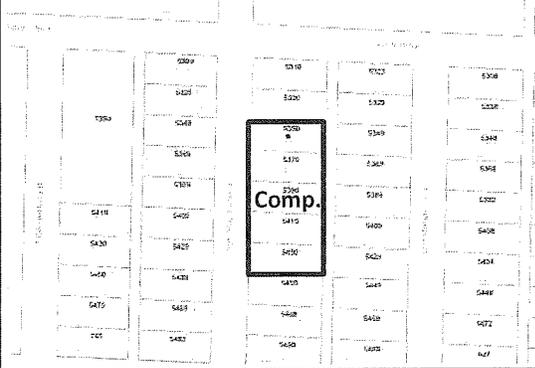
All six procedures are derived from three basic approaches to value. Direct comparison and income (i.e., ground rent capitalization) can be directly applied to land valuation. Abstraction and extraction procedures reflect the influence of the direct and cost approaches; the land residual technique is based on the income and cost approaches. Subdivision development draws on elements of all three approaches.

The Direct Comparison Approach may be used to value land that is actually vacant or land that is being considered as though vacant for appraisal purposes. The Direct comparison is the most common technique for valuing land and it is the preferred method when comparable sales are available. To apply this method, sales and other data for similar parcels of land are analyzed, compared, and adjusted to provide a value indication for the land being appraised.

Firstly, we have gathered market data on actual property sales, listings, and offers. Secondly, we have identified similarities and differences in the comparable properties. Thirdly, we have ranked the market data according to their relevance with the subject property. Next, we have adjusted the prices of the comparables to account for the dissimilar characteristics of the land being appraised. Finally, we have concluded an estimate of vacant land value for the subject property.

In this report, we have utilized the Direct Comparison Approach to estimate a value for the subject site as though vacant. The following transactions have been considered.

Direct Comparison Approach (continued)			
COMPARABLE LAND SALES			
COMPARABLE ONE			
4339, 4361 & 4387 Cambie Street			
Vancouver			
Sale Summary			
Sale Date	Zoning	Gross Site Area (Sq. Ft.)	Price Per Acre
Sale Price	OCP	Density	Price Per Buildable Sq.Ft.
30-Aug-2022	RS-1	40,500	\$839.51
\$34,000,000	Apartment (up to 6 storeys)	2.0 to 2.5 FSR	\$279.84
Property Identification			
Legal Description:			
Lots 8, 9, 10, & 11, Block 720, District Lot 526, Plan 6539			
PID: 003-650-278,007-090-536,010-871-438,010-871-471			
Purchaser:	Aria Pacific Development		
Vendor:	Prarda Developments Corporation		
Comments			
The land assembly is located at the corners of Cambie Street, W 27th Avenue and W 28th Avenue in the Cambie Corridor neighbourhood in Vancouver.			
Four lots assembly. At the time of sale, each parcel was improved with a single family dwelling. The property is zoned RS-1, a single family dwelling zone.			
The City of Vancouver designates the general land use for the property as Apartment (up to 6 storeys) within the Cambie Street: King Edward-29th Avenue Sub-Area of Phase 3 of the Cambie Corridor Plan. The density is 2.0 to 2.5 FSR. At the time of sale, no development application had been submitted to the City of Vancouver regarding the development of properties in this transaction. Per BC Assessment data, the sales were negotiated on April 3, 2022.			

Direct Comparison Approach (continued)			
Comparable Land Sales (continued)			
COMPARABLE TWO			
5350, 5370, 5390, 5410 & 5430 Heather Street			
Vancouver			
Sale Summary			
Sale Date	Zoning	Gross Site Area (Sq. Ft.)	Price Per Acre Price Per Buildable Sq.Ft.
Sale Price	OCP	Density	
10-Jan-2023	RS-1	42,258	\$1,119.31
\$47,300,000	Tower With Choice of Use (Up to 18 Storeys)	N/A	N/A
Property Identification			
Legal Description:			
Lots 3 to 7, Block 877, District lot 526, Plan 8838 PID: 007-506-953,009-918-345,009-918-353,009-918-361,009-918-370			
Purchaser:	Rize Alliance Properties Ltd. & Minto Group JV		
Vendor:	Various Owners		
Comments			
The land assembly is located on the east side of Cambie Street and between W 27 & W 28 Avenue of the Cambie Corridor area in Vancouver.			
Five lots assembly. At the time of sale, each parcel was improved with a single family dwelling. The property is zoned RS-1, a single family dwelling zone.			
The City of Vancouver designates the general land use for the property as Tower With Choice of Use (up to 18 storeys) within the Cambie Corridor Plan. At the time of sale, no development application had been submitted to the City of Vancouver regarding the development of properties in this transaction. The transaction was completed on January 10, 2023. Sale negotiation date is unknown.			

Direct Comparison Approach (continued)			
Comparable Land Sales (continued)			
COMPARABLE THREE			
8795 & 8803 Granville Street			
Vancouver			
Sale Summary			
Sale Date	Zoning	Gross Site Area (Sq. Ft.)	Price Per Acre Price Per Buildable Sq.Ft.
Sale Price	OCP	Density	
Listing	RM-3A	6,303	\$1,139.14
\$7,180,000	Apartment of Chaise of Use at Grade (Up to 6 Storeys)	2.50	\$455.66
Property Identification			
Legal Description:			
Lots 13 & 14 Block E District Lot 318 NWD Plan VAP3022 PID: 003-486-460, 008-192-006			
Purchaser:	N/A		
Vendor:	Ho Amy Lai Ngo		
Comments			
Located on the west side of Granville Street and between W 71 Avenue and SW Marine Drive in the Granville area of Marpole neighbourhood in Vancouver.			
Two adjacent parcels. At the time of sale, each site was improved with an old single family dwelling. But the value is mainly in the land. The property is zoned RM-3A, a multiple dwelling zone.			
Active listing. The City of Vancouver designates the general land use for the property as Apartment of Choice of Use at Grade (Up to 6 Storeys) within the Marpole Community Plan. At the time of sale, no development application had been submitted to the City of Vancouver regarding the development of properties in this transaction.			

Direct Comparison Approach (continued)

Comparable Land Sales (continued)

COMPARABLE FOUR			
423, 437 & 449 West 39 Avenue			
Vancouver			
Sale Summary			
Sale Date	Zoning	Gross Site Area (Sq. Ft.)	Price Per Acre
Sale Price	OCP	Density	Price Per Buildable Sq.Ft.
16-Mar-2022	RS-1	19,125	\$1,207.84
\$23,100,000	Apartment (Up to 15 or 18-storeys)	6.01	\$200.97
Property Identification			
Legal Description:			
Lots 8, 9 & 10, Block 854, District Lot 526, Plan 7240 PID: 010-681-841,010-681-876,010-681-884			
Purchaser:	Gracorp & Minto Apartment REIT JV		
Vendor:	An individual(s) acting in his/her own capacity		
Comments			
3 Lots assembly located on the north side of West 39 Avenue and east of Cambie Street in the Oakridge area of the Cambie Corridor neighbourhood in Vancouver.			
Three lots assembly. At the time of sale, each site was improved with one single family detached dwelling. But the value is in the land. The property is zoned RS-1, a single family dwelling zone.			
<p>Prior to completion of the sale, a rezoning application has been submitted to the City of Vancouver Planning Department for rezoning from RS-1 to CD-1 to allow for the development of an 18-storey residential building containing 176 dwellings, including 34 below market units. The development is proposed to be serviced by three levels of underground parking with 69 parking stalls and 337 bicycle spaces. The proposed development has a Total Gross Floor Area of +/-161,919 square feet, a Net Floor Area of +/- 114,685 square feet and a FSR of 6.01. The total consideration of \$23,100,000 represents a price per sqft of site area of \$1,208, a price per sqft buildable of \$201 and a price per unit buildable of \$131,250 based on the proposed development.</p>			

Direct Comparison Approach (continued)

Comparable Land Sales (continued)

COMPARABLE FIVE

206 E 6th Avenue, 2216 & 2218 Main Street

Vancouver

Sale Summary

Sale Date	Zoning	Gross Site Area (Sq. Ft.)	Price Per Acre
Sale Price	OCP	Density	Price Per Buildable Sq.Ft.
31-May-2021	IC-2	17,424	\$1,320.02
\$23,000,000	Mount Pleasant Centre - Area G	4.31	\$306.27

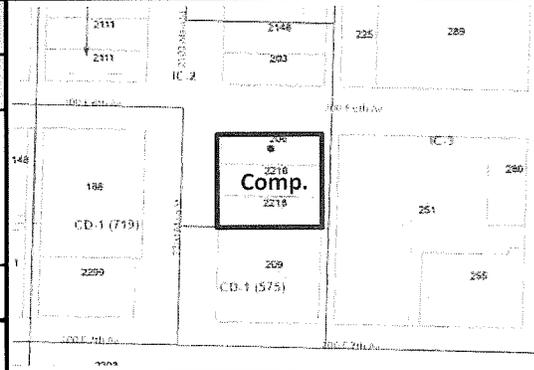
Property Identification

Legal Description:

Lots 1 to 3 Block 38 District Lot 200A Group 1 NWD
 Plan VAP197 PID: 010-136-576, 015-553-230,
 013-273-825

Purchaser: An individual(s) acting in his/her own capacity

Vendor: An individual(s) acting in his/her own capacity



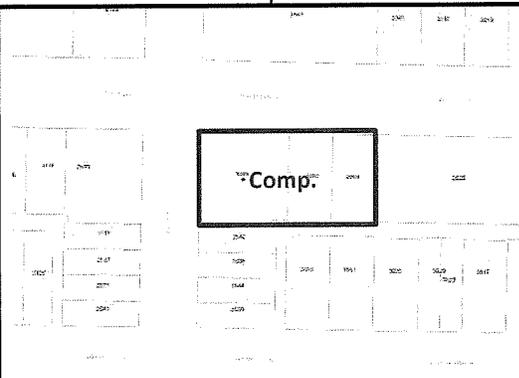
Comments

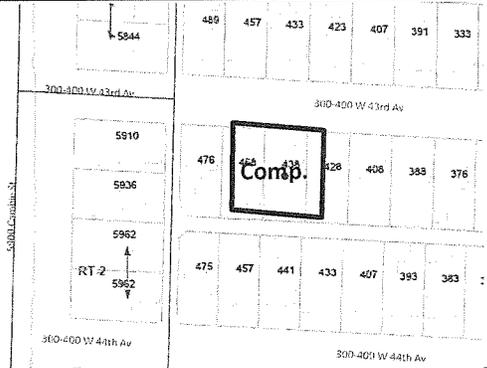
Located on the southeast corner of E 6th Avenue and Main Street in the Mount Pleasant neighbourhood in Vancouver.

3 lots assembly. At the time of sale, the site was improved with two commercial buildings. But the value is in the land. The property is zoned IC-2, an Industrial zone.

The sale was complete in May 2021. Prior to the date of sale, the City of Vancouver has received an application from Studio B Architects to rezone from IC-2 (Industrial) District to CD-1 (Comprehensive Development) District, to permit the development of a 6-storey mixed use building with retail at and below grade, strata residential units on the upper floors, and two and a half levels of underground parking accessed off the lane. The proposal includes: 63 strata residential units; A floor area of 6,988 m² (75,218 sq. ft.); A floor space ratio (FSR) of 4.31 (3.91 above ground); A height of approximately 22.6 m (74 ft); 89 parking spaces (including 1 car share space); and 2 Class B loading spaces. This application has been approved by Council at Public Hearing on May 14, 2019.

Direct Comparison Approach (continued)			
Comparable Land Sales (continued)			
COMPARABLE SIX			
5583, 5609 6 5629 Ash Street			
Vancouver			
Sale Summary			
Sale Date	Zoning	Gross Site Area (Sq. Ft.)	Price Per Acre
Sale Price	OCP	Density	Price Per Buildable Sq.Ft.
Listing	RS-1	23,268	\$1,353.79
\$31,500,000	Apartment (Up to 18-Storey Tower With Minimum Consolidation Requirement)	Up to 18 Storey	N/A
Property Identification			
Legal Description:			
Lots 8, 9 & 10, Block 873, District Lot 526, NWD Plan 8664 PID: 009-477-268, 009-873-150 & 009-973-184			
Purchaser:	N/A		
Vendor:	Various Owners		
Comments			
3 lots assembly located on the east side of Ash Street and between W 39 Avenue and W 41 Avenue in the Cambie Corridor Planning area in Vancouver.			
Current listing, At the time of listing, each site is improved with an older single family dwelling. But the value is mainly in the land. The property is zoned RS-1, a single family dwelling zone.			
The City of Vancouver designates the general land use for the property as "Apartment (Up to 18-Storey Tower With Minimum Consolidation Requirement)" within the Cambie Corridor Plan. At the time of sale, no development application had been submitted to the City of Vancouver regarding the development of properties in this transaction.			

Direct Comparison Approach (continued)			
Comparable Land Sales (continued)			
COMPARABLE SEVEN			
3048, 3062 & 3080 W Broadway			
Vancouver			
Sale Summary			
Sale Date	Zoning	Gross Site Area (Sq. Ft.)	Price Per Sq.Ft.
Sale Price	OCP	Density	Price Per Buildable Sq.Ft.
6-Dec-2021	C-2C	22,430	\$1,370.93
\$30,750,000	N/A	3.00	\$456.98
Property Identification			
Legal Description:			
Lot 1, Block 33, District Lot 192 and of Blocks 123 and 124, District Lot 540, Plan 19323 & Lot 2 and Lot A Block 33 District Lot 192 Plan 1003 PID: 007-033-168,004-565-495,015-063-160			
Purchaser:	1338575 BC Ltd. (The Jim Pattison Group)		
Vendor:	1119718 BC Ltd.		
Comments			
Located at the southeast corner of W Broadway and Balaclava Street in the Kitsilano neighbourhood of City of Vancouver.			
3-lot assembly. At the time of sale, each site was improved with an older single storey commercial building. But the value is mainly in the land. It is zoned C-2C, a mixed use commercial zoning.			
At the time sale, the buildings on the site were tenant occupied. Total GLA is 11,278 Sqft and an NOI of \$356,368 per annum. The C-2Czone permits a density of 3.0 FAR. No applications had been submitted to the City of Vancouver regarding the development of the properties in this transaction. It is our expectation that the Purchaser's investment rationale for the acquisition was based on the opportunity to redevelop the site in the future.			

Direct Comparison Approach (continued)			
Comparable Land Sales (continued)			
COMPARABLE EIGHT			
438 W 43rd Avenue			
Vancouver			
Sale Summary			
Sale Date	Zoning	Gross Site Area (Sq. Ft.)	Price Per Acre Price Per Buildable Sq.Ft.
Sale Price	OCP	Density	
Listing	RS-1	6,638	\$1,431.16
\$9,500,000	Mixed Use (4-storey podium with tower element up to 18-storeys)	N/A	N/A
Property Identification			
Legal Description:			
Lot 21 Block 860 Plan VAP7737 District Lot 526 Land District 36 PID: 010-548-009			
Purchaser:	N/A		
Vendor:	An individual(s) acting in his/her own capacity		
Comments			
Located on the south side of W 43 Avenue and east of Cambie Street in the Cambie Corridor neighbourhood in Vancouver.			
2-lot land assembly. At the time of listing, each lot was improved with older single family dwelling. The property is zoned RS-1, a single family dwelling zone.			
Active listing. At the time of listing, no rezoning and/or development application has been submitted to the City of Vancouver for the development of the site. The site is designated for development of Mixed Use (4-storey podium with tower element up to 18-storeys) in the Cambie Corridor Plan. the MLS listing comments indicates the property maybe sold with adjacent sites at 468 W 43 Avenue and more. The property was previously listed with 468 & 476 W 43rd Avenue at a total price of \$29,700,000 or \$1,490.37 per sqft.			

Direct Comparison Approach (continued)			
Comparable Land Sales (continued)			
COMPARABLE NINE			
2111 Main Street			
Vancouver			
Sale Summary			
Sale Date	Zoning	Gross Site Area (Sq. Ft.)	Price Per Acre Price Per Buildable Sq.Ft.
Sale Price	OCP	Density	
30-Nov-2021	IC-2	34,848	\$1,721.76
\$60,000,000	Mount Pleasant Centre - Area G	3.00	\$573.92
Property Identification			
Legal Description:			
Lot 6, 7, 8, 9, 10, 11 Block 30 Plan VAP197 District Lot 200A Land District 1 Land District 36 PID: 014-878-194, 014-878-208, 014-878-232, 014- 878-241, 014-878-356, 014-878-364			
Purchaser:	1333265 BC Ltd. (Nicola Wealth Real Estate)		
Vendor:	Capital (Canada) Trading Company		
Comments			
Located on the dual corners of Main Street, E 5th and E 6th Avenue in the Mount Pleasant neighbourhood in Vancouver.			
At the time of sale, the property was improved with a single storey commercial building - City Centre Motor Hotel. But the value is in the land.			
The property is zone IC-2 which has a maximum density of 3.0 FAR. The property has the potential for a higher density mixed-use development. However, no development application has been submitted to the City for redevelopment of the site. The site is located in the Main Street frequent transit area and is next to a few new higher density mixed use developments. The Broadway Community Plan which was approved in June 2022 indicates the site is located in the Mount Pleasant Centre - Area E. A mixed use development with mid to high rise development is permitted for a future development.			

McEown + Associates Ltd.
 Re: Appraisal of a Vacant Development Site
 Located at 8655 Granville Street, Vancouver, BC

HCLG File No.: 04/23/46959

Direct Comparison Approach (continued)

Comparable Land Sales – Summary

Index #	Address	City	Sale Completion Date	Zoning	Community Land Use Plan	Gross Site Area (Sq.Ft.)	Sale/Asking Price	Density	Price Per Sq. Ft. of Buildable Floor Area	Price Per Sq. Ft. of Gross Site Area
1	4339, 4351 & 4387 Cambie Street	Vancouver	Aug-22	RS-1	Apartment (up to 6 storeys)	40,500	\$34,000,000	2.0 to 2.5 FSR	\$335.80	\$839.51
2	5350, 5370, 5390, 5410 & 5430 Heather Street	Vancouver	Jan-23	RS-1	Tower With Choice of Use (Up to 18 Storeys)	42,258	\$47,300,000	Up to 18 Storey	N/A	\$1,119.31
3	8795 & 8803 Granville Street	Vancouver	Listing	RM-3A	Apartment of Choice of Use at Grade (Up to 6 Storeys)	6,303	\$7,180,000	2.5 FSR	\$455.66	\$1,139.14
4	423, 437 & 449 West 39 Avenue	Vancouver	Mar-22	RS-1	Apartment (Up to 15 or 18-storeys)	19,125	\$23,100,000	6.01	\$200.97	\$1,207.84
5	206 E 6th Avenue, 2216 & 2218 Main Street	Vancouver	May-21	IC-2	Mount Pleasant Centre - Area G	17,424	\$23,000,000	4.31	\$306.27	\$1,320.02
6	5585, 5609 & 5629 Ash Street	Vancouver	Listing	RS-1	Apartment (Up to 18-Storey) Tower With Minimum Consolidation Requirement)	23,268	\$31,500,000	Up to 18 Storey	N/A	\$1,353.79
7	3048, 3062 & 3080 W Broadway	Vancouver	Dec-21	C-2C	N/A	22,430	\$30,750,000	3.00	\$456.98	\$1,370.93
8	438 W 43rd Avenue	Vancouver	Listing	RS-1	Mixed Use (4-storey podium with lower element up to 18-storeys)	6,638	\$9,500,000	N/A	\$210.16	\$1,431.16
9	2111 Main Street	Vancouver	Nov-21	IC-2	Mount Pleasant Centre - Area G	34,848	\$60,000,000	3.00	\$573.92	\$1,721.76

Direct Comparison Approach (continued)

Analysis of Comparable Land Sales

The nine comparables outlined within the preceding chart has been selected from a broad sampling of market activity involving mixed use commercial / residential development site and mid to high-rise multiple residential development lands in Marpole, Cambie Corridor and Broadway Corridor neighbourhoods in Vancouver. The comparables are considered to establish a good bench-mark from which a reliable estimate of market value for the subject property can be reasonably developed.

On an overall site basis the comparables reflect market indices reflect a relatively wide range of values lying between \$7,180,000 and \$60,000,000 and gross site areas ranging from $\pm 6,303$ ft² to $\pm 42,258$ ft². To assist with developing an opinion of market value for the subject properties two common unit of comparison, i.e., selling price per ft² of gross site area and selling price per buildable area have been considered in our analysis. On this basis, the comparables reflect a relatively tight range of land values lying between \$839.51 per square foot and \$1,721.76 per ft² of gross site area and between \$210.16 per square foot and \$573.92 per ft² buildable floor area. The selling price per ft² of gross site area has been applied in our analysis.

In the course of completing this analysis the following aspects were considered to have the most significant impact on the unit rates suggested by the ten market indices:

- Location (i.e.: properties with superior locations tend to indicate a higher price per square foot, other factors held constant);
- Access to transit, major arterial roadways, tunnels, and bridges (i.e.: properties located in close proximity to major transportation routes tend to suggest a higher price per square foot, other factors held constant);
- Site area (i.e.: properties with a larger site area tend to sell for a lower price per square foot than smaller sites, other factors held constant);
- Density (i.e.: properties with higher potential densities (U.P.A.) tend to sell for a higher price per square foot than properties with lower densities, other factors held constant);
- Site shape (i.e.: properties with a rectangular shape tend to indicate a higher price per square foot than an irregular shaped parcel, other factors held constant); and
- Site orientation and frontage (i.e.: properties with corner orientation and significant street frontage tend to suggest a higher price per square foot, other factors held constant).

Direct Comparison Approach (continued)

Analysis of Comparable Land Sales (continued)

- Development Application Status (i.e. properties with rezoning and development applications that have been submitted to the City or have been approved will tend to sell for a higher price per square foot than properties without submitted applications, other factors held constant).

Prior to discussing the characteristics of the market the *Appraiser* would like to emphasize excerpts from items #24 from the Assumptions, Limiting Conditions, Disclaimers and Limitations of Liability, primarily:

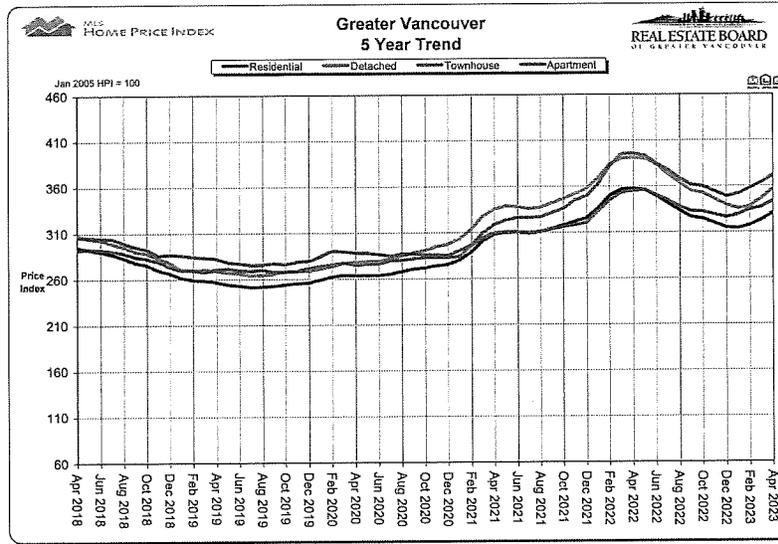
- Values contained in this appraisal are based on market conditions as at the time of this report. This appraisal does not provide a prediction of future values. In the event of market instability and/or disruption, values may change rapidly and such potential future events have NOT been considered in this report.

The April 2023 Monthly Statistics Package published by the Real Estate Board of Greater Vancouver (REBGV) indicates the Housing Price Index (HPI) for Residential/Composite (including Detached, Townhouse & Apartment) within the Board area has shown an increase of 2.4% over March 2023, a 5.3% increase over the last 3 months, a 1.9% increase over the last 6 months, a 7.4% decrease over the last 12 months and a 25.5% increase within the last 3 years. While the Housing Price Index (HPI) for Apartment within the Board area has shown a increase of 2.0% over March 2023, a 4.4% increase over the last 3 months, a 3.5% increase over the last 6 months, a 3.1% decrease over the last 12 months and a 19.3% increase within the last 3 years.

The adjoining graph reproduced from the April 2023 Monthly Statistics Package published by the REBGV provides a good overview of current market conditions, price levels, and historical trends in Greater Vancouver reflected by the three dwelling classifications of the HPI. The decrease in HPI for detached homes within the past year has outpaced townhouses and apartments.

Direct Comparison Approach (continued)

Analysis of Comparable Land Sales (continued)



Source: Real Estate Board of Greater Vancouver

REBGV reports that residential home sales in the region totalled 2,741 in April, 2023, a 16.5 per cent decrease from the 3,281 sales recorded in April 2022. The April's sales were 15.6% below the 10-year April sales average.

For all property types, the sales-to-active listings ratio for April 2023 is 32.7 per cent.

More specifically regarding attached apartment in Vancouver West Side, the HPI has shown an increase of 2.5% over March 2023, a 4.1% increase over the last 3 months, a 2.4% increase over the last 6 months, a 3.6% decrease over the last 12 months and a 11.6% increase within the last 3 years.

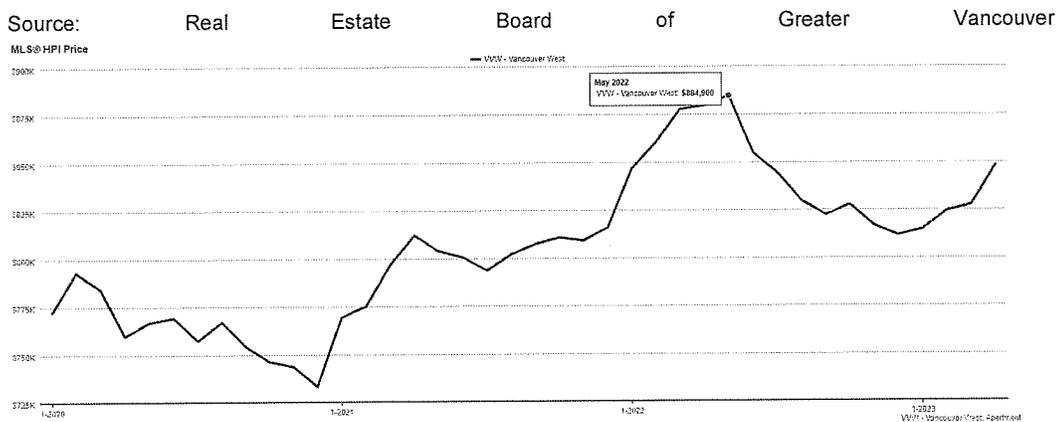
The April 2023 REBGV statistics packages indicates there were 339 attached sales in Vancouver West Side recorded in April 2023, which was an 8.65% increase in March 2022, respectively, and a ±37.17% decrease from 465 Apartment sales in April 2022.

The median selling price for apartment homes in Vancouver West Side in April 2023 was recorded at \$828,000 which was a ±1% decrease from the benchmark selling price of \$835,000 recorded in March 2023, and a ±7.19% decrease from \$887,500 recorded in April 2022.

Direct Comparison Approach (continued)

Analysis of Comparable Land Sales (continued)

The following graph compiled from data published by the REBGV provides a visual representation of benchmark prices and volume of sales for apartment homes in the Vancouver West Side market area since January 2020.



The data for benchmark prices of townhouse in the Vancouver West Side market area indicates the price increased month-to-month from January 2020 to April 2022, at which point it peaked and subsequently declined to the end of January 2023, then picked up since February 2023.

This data illustrates the benchmark price of apartment in Vancouver West side increased from \$772,200 to \$848,000 or $\pm 9.82\%$ from January 2020 to April 2023, or $\pm 0.27\%$ per month on a linear basis. The price decreased $\pm 4.4\%$ from the peak of the market in April 2022 at \$884,900 or $\pm 0.37\%$ per month.

Based on the above data, the downward trend coursed by the high inflation rate, uncertain economic situation and the rising interest rates appeared to be weakened during the past 3 months, the market appears to have been recovered and is shifting towards historical averages and typical seasonal norms. Whether these trends continue will depend on looming economic factors and forthcoming housing policy measures on the horizon, which hold the potential to reignite uncertainty in our market.

Direct Comparison Approach (continued)

Analysis of Comparable Land Sales (continued)

As can be expected, none of the market comparables involves a property identical to the subject site. Accordingly, to facilitate development of an opinion of market value a qualitative ranking analysis has been applied to the data. Briefly this has included sorting the transactions in ascending price order on a selling price per acre (gross site area) basis, followed by a qualitative ranking of the property and suggested acre rate in comparison to the subject (i.e.: *INFERIOR, SIMILAR or SUPERIOR*). From the qualitative inferior and superior sales grouping a probable range of market value can be developed for the subject property. A discussion of the transactions and noted value-related differences are as follows.

Comparable One (4339, 4361 & 4387 Cambie Street) sold in August 2022 (sale was negotiated in April 2022) for a total price of \$34,000,000 or \$839.51 per ft² of gross site area. The property is located on the dual corner of Cambie Street, W 27 Avenue and West 28 Avenue, within a short distance to King Edward Skytrain Station in the Cambie Corridor area. The overall location is considered superior to the subject property. Therefore, a negative adjustment is needed for location. Comp. #1 consists of four legal parcels with a total gross site area of ±40,500 ft². The land is rectangular in shape. At the time of sale, each parcel was improved with an older single family dwelling. The Comparable is zoned RS-1 and designated "Apartment (up to 6 storeys) 2 to 2.5 FSR" in the Cambie Corridor Plan. At the time of sale, no development application is in place. While downward adjustment may need for the Comparable's superior sale time, heavier weight has been placed on upward adjustments for the subject's much superior land use density, mixed use development potential and much advanced development stage (ready to develop site). I am of the opinion that the comparable is inferior to the subject property. Therefore, I have concluded that a price much higher than \$839.51 per ft² is warranted for the subject property.

Direct Comparison Approach (continued)

Analysis of Comparable Land Sales (continued)

Comparable Two (5350, 5370, 5390, 5410 & 5430 Heather Street) sold in January 2023 for a total price of \$47,300,000 or \$1,119.31 per ft² of gross site area. The property is located on the east side of Heather Street, between W 37 Avenue and W 39 Avenue in the Oakridge Area of the Cambie Corridor Planning area. The comparable has quiet location. However, the subject property has superior mixed use development potential. Comp. #2 consists of five contiguous legal parcels with a total gross site area of ±42,258 ft². The land is rectangular in shape. At the time of sale, each parcel was improved with an older single family dwelling. The Comparable is zoned RS-1 and designated "Tower With Choice of Use (Up to 18 Storeys)" in the Cambie Corridor Plan. At the time of the sale, no development application was in place. Although downward adjustment is needed for the comparable's superior higher potential development density, heavier weight has been placed on upward adjustment for the subject's superior much advanced development stage and mixed use development potential. It is my opinion that the comparable is superior to the subject property. Therefore, a price higher than \$1,119.31 per ft² is suggested for the subject property.

Comparable Three (8795 & 8803 Granville Street) is listed for sale at a total price of \$7,180,000 or \$1,139.14 per ft² of gross site area. The Comparable is located on the west side of Granville Street and south of W 71 Avenue in the subject neighbourhood. The location is considered somewhat inferior to the subject property as the comparable is away from core commercial area in the neighbourhood. Therefore, upward adjustment is needed for location. Comp. #3 consists of two adjacent parcels with a total gross site area of ±6,303 ft². The land is rectangular in shape. At the time of listing, each parcel is improved with an older single family dwelling. The land is zoned RS-1 and is designated "Apartment of Choice of Use at Grade (Up to 6 Storeys)" with FSR up to 2.5 in the Marpole Community Plan. No development application is currently in place. Development of the property to its highest and best use may require a larger land assembly for a better development sale. Therefore, upward adjustments are needed for the subject's superior land use density and much advanced development stage/ready to develop site.

Direct Comparison Approach (continued)

Analysis of Comparable Land Sales (continued)

Although downward adjustment may need for the Comp's listing status, more weight has been placed on upward adjustment. I am of the opinion that the comparable is much inferior to the subject property. Therefore, I have concluded that a price much higher than \$1,139.14 per ft² is warranted for the subject property.

Comparable Four (427, 437 & 449 W 39th Avenue) sold in March 2022 (sale was negotiated on April 29, 2021) for a total price of \$23,100,000 or \$1,207.84 per ft² of gross site area. The land assembly is located on the north side of W 39 Avenue and east of Cambie Street in the Oakridge area of the Cambie Corridor Planning area. The comparable has a quiet location. However, its overall location is considered somewhat inferior to the subject on Granville Street with mixed use development potential. Therefore, a positive adjustment is needed for location. Comp. #4 consists of three legal parcels with a total gross site area of ±19,151 ft². The land is rectangular in shape. At the time of listing, each parcel was improved with an older single family dwelling. The Comparable is zoned RS-1 and designated "High Density Residential (Up to 15 or 18 Storeys)" in the Cambie Corridor Plan. Prior to completion of the sale, a rezoning application has been submitted to the City of Vancouver Planning Department for rezoning from RS-1 to CD-1 to allow for the development of an 18-storey residential building containing 176 dwellings, including 34 below market units. The development is proposed to be serviced by three levels of underground parking with 69 parking stalls and 337 bicycle spaces. The proposed development has a Total Gross Floor Area of approximately 161,919 square feet, a Net Floor Area of /- 114,685 square feet and a FSR of 6.01. While downward adjustments are required for the comparable's superior land use density, upward adjustment is required for the Comp's early 2021 sale negotiation date as the real estate market has gained its strength since then. Upon balance, it is my opinion that the comparable is inferior to the subject property. Therefore, a price higher than \$1,207.84 per ft² is suggested for the subject property.

Direct Comparison Approach (continued)

Analysis of Comparable Land Sales (continued)

Comparable Five (206 E 6th Avenue, 2216 & 2218 Main Street) sold on May 31, 2021 for a total price of \$23,000,000 or \$1,320.02 per ft² of gross site area. The property is located on the southeast corner of E 6th Avenue and Main Street in Mount Pleasant. The corner location is somewhat superior to the subject property on Granville Street in the Marpole neighbourhood. A negative adjustment is needed for location. Comp. #5 comprises 3 legal parcels and a total of ±17,424 ft² gross site area. The land is rectangular in shape with an extensive corner lot street frontages. At the time of sale, the site was improved with two older commercial buildings. Prior to the date of sale, a rezoning and development application has been approved by Council at Public Hearing on May 14, 2019 to rezone from IC-2 (Industrial) District to CD-1 District in order to develop a 6-storey mixed use building with retail at and below grade, strata residential units on the upper floors, and two and a half levels of underground parkade. The proposal includes: 63 strata residential units; A floor area of 6,988 m² (75,218 ft²); A floor space ratio (FSR) of 4.31 (3.91 above ground). While a downward adjustment is necessary for the comparable's location, an upward adjustment is necessary for the comparable's inferior below-grade retail uses and May 2021 sale time. The comparable is considered inferior to the subject property. Therefore, I have concluded that a price higher than \$1,320.02 per ft² is suggested for the subject property.

Comparable Six (5583, 5609 & 5629 Ash Street) is currently listed for sale for a total price of \$31,500,000 (each parcel is listed at \$10,500,000) or \$1,353.79 per ft² of gross site area. The property is located on the west side of Ash Street, between W 39 Avenue and W 41 Avenue in the Oakridge Area of the Cambie Corridor Planning area. The comparable has a quiet location. However, the subject property has superior mixed use development potential. Comp. #6 consists of three contiguous legal parcels with a total gross site area of ±23,268 ft². The land is rectangular in shape. At the time of sale, each parcel was improved with an older single family dwelling. The Comparable is zoned RS-1 and designated "Apartment (Up to 18-Storey Tower)" in the Cambie Corridor Plan. At the time of the sale, no development application was in place.

Direct Comparison Approach (continued)

Analysis of Comparable Land Sales (continued)

Although downward adjustment is needed for the comparable's superior potential development density and listing status, heavier weight has been placed on upward adjustment for the subject's superior much advanced development stage and mixed use development potential. It is my opinion that the comparable is superior to the subject property. Therefore, a price higher than \$1,353.79 per ft² is suggested for the subject property.

Comparable Seven (3080 W Broadway) sold in December 2021 for a total price of \$30,750,000 or \$1,370.93 per ft² of gross site area. The property is located at the southeast corner of Broadway and Balaclava Street in the Kitsilano neighbourhood. The location is considered superior to the subject property on Granville Street in the Marple neighbourhood. Therefore, negative adjustment is needed for location. Comp. #7 consists of three adjacent parcels with a total site area of ±22,430 ft². The land is rectangular in shape. At the time of listing, each site was improved with an older commercial building which were tenants occupied and generating a NOI of ±\$356,369. The sites are zoned C-2C. The site has wide frontage on West Broadway. The property has mixed use development potential. However, the no development application was in place at the time of sale. Although downward adjustment may need for location and the buildings' rental income, more weight has been placed on time, the subject's superior land use density and development stage. Therefore, I am of the opinion that the comparable is inferior to the subject property and a price above \$1,369.59 per ft² is suggested for the subject property.

Comparable Eight (438 West 43rd Avenue) is listed for sale at \$9,500,000 or \$1,431.16 per ft² of gross site area. However, the MLS listing comments indicates the property will be sold with adjacent sites at 468 W 43 Avenue and more. The property is located on the south side of W 43 Avenue and east of Cambie Street in the Oakridge area of the Cambie Corridor area. The location close to Oakridge Mall is considered superior to the subject property on Granville Street in the Marple neighbourhood. Therefore, negative adjustment is needed for location.

Direct Comparison Approach (continued)

Analysis of Comparable Land Sales (continued)

Comp. #8 consists of a parcel with a total site area of $\pm 6,638$ ft², however, the area for a potential land assembly could be much larger. The land is rectangular in shape. At the time of listing, the property was improved with an older single family dwelling. The site is zoned RS-1. But it is designated "Mixed Use (4-storey podium with tower element up to 18 storeys)" with a maximum potential density up to 6.81 in the Cambie Corridor Plan. At the time of listing, no rezoning and development application was in place. The potential land use is considered superior to the subject property. Although the subject has advanced development stage, given the comparable has superior higher density land use potential and it is a listing, more weight has been placed on downward adjustment. I am of the opinion that the comparable is superior to the subject property and a price below \$1,430.15 per ft² is appropriate for the subject property.

Comparable Nine (2111 Main Street) sold in November 2021 (sale completion date) for a total price of \$60,000,000 or \$1,721.76 per ft² of gross site area. The property is located on dual corners of Main Street, E 5th and E 6th Avenues in the Mount Pleasant neighbourhood. The dual corner location is considered somewhat superior to the subject property on Granville Street in the Marpole neighbourhood. Therefore, a downward adjustment is required for the comparable's superior exposure. Comp. #9 comprises a total gross site area of $\pm 38,848$ ft². The land is rectangular in shape with an extensive corner lot frontages. At the time of sale, the property was improved with an older hotel building (City Centre Motor Hotel). It is zoned IC-2 (Industrial district) with a density of 3.0 FSR. However, the property has the potential for a higher density mixed use commercial residential redevelopment potential. At the time of sale, no development application was in place. Placing a heavier weight on downward adjustments for corner exposure with a higher density mixed use development potential, I am of the opinion that a price below \$1,721.76 per ft² is appropriate for the subject property.

Direct Comparison Approach (continued)

ESTIMATE OF VACANT LAND VALUE

In estimating vacant land value for the subject site, we have analyzed the preceding comparable properties with consideration to the following items:

- The subject property is located on the west side of Granville Street and between W 70 & 71 Avenues in the Marpole neighbourhood.
- The subject site is rectangular in shape and has a total of ±15,073 ft² of gross site area.
- The subject property is zoned C-2 and designated “Mixed-use (up to 12 storeys)” with FSR up to 3.5 in the Marpole Community Plan.
- A rezoning and development application has been submitted to the City of Vancouver Planning Department for rezone the site from C-2 to CD-1 zone in order to develop an 11-storey mixed use commercial apartment building. The proposed building has a proposed density of ±4.10 FSR. The application was submitted on October 16, 2019. The application was approved by Council at Public Hearing on May 18, 2021.

After careful consideration of the above factors and adjusting the comparable market data, it is our opinion that an estimate of market value for the subject site (as though vacant), as of the effective date of valuation, would range between \$1,370 and \$1,430.00 per square foot. Given the subject property has an advanced development stage, at the upper end of the value range, I have selected **\$1,430.00** per ft², as a single point of value estimate for the subject property as if vacant and unimproved. Therefore, the estimated land value for the subject site is calculated as follows:

Site Area (Square Feet)	X	Price Per Sq.Ft.	=	Estimate of Market Value
15,073	x	\$1,430	=	\$21,554,390

ROUNDED TO:

TWENTY ONE MILLION FIVE HUNDRED FIFTY THOUSAND DOLLARS

(\$21,550,000)

CERTIFICATION

I certify that, to the best of my knowledge and belief that:

- The statements of fact contained in this report are true and correct;
- The reported analyses, opinions and conclusions are limited only by the reported assumptions, limiting conditions, disclaimers and limitations of liability and are my impartial and unbiased professional analyses, opinions and conclusions;
- I have no past, present or prospective interest in the property that is the subject of this report and no personal and/or professional interest or conflict with respect to the parties involved with this assignment;
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment;
- My engagement in and compensation is not contingent upon developing or reporting predetermined results, the amount of value estimate, a conclusion favouring the client, or the occurrence of a subsequent event;
- My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the CUSPAP;
- I have the knowledge and experience to complete this assignment competently, and where applicable this report is co-signed in compliance with CUSPAP;
- As of the date of this report the undersigned has fulfilled the requirements of the AIC's Continuing Professional Development Program; and
- The undersigned is a member in good standing of the Appraisal Institute of Canada.

CERTIFICATION (continued)

Property Identification:

Address: 8655 Granville Street, Vancouver, BC V6P 5A3

Legal Description: Parcel Identifier: 009-430-105
Lot D Block F Lot District 318 Plan 21521

The market value for the subject property as though vacant and unimproved, within the context of our stated terms of reference and subject to the assumptions limiting conditions, disclaimers and limitations of liability herein, as of May 10, 2023, is estimated at \$21,550,000.

As set out elsewhere in this report, this report is subject to certain assumptions and limiting conditions, the verification of which is outside the scope of this report.

HOOKER CRAIG LUM GROUP LTD.



Yixin (Henry) Wang

AIC Designation/Status: AACI, P.App

Membership #: 904530

Date of Report/Date Signed: May 19, 2023

Personally Inspected the Subject Property: Yes

Date of Inspection: May 10, 2023

Source of Digital Signature Security: Adobe Acrobat document password security

Note: For this appraisal to be valid, an original or a password protected digital signature is required.

APPENDIX "A"

Copy of Title Certificate

TITLE SEARCH PRINT

2023-05-11, 11:23:52
Requestor: Henry Wang

File Reference:
Declared Value \$20000000

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

Land Title District
Land Title Office

VANCOUVER
VANCOUVER

Title Number
From Title Number

CA6653042
CA6639468

Application Received

2018-02-28

Application Entered

2018-03-06

Registered Owner in Fee Simple

Registered Owner/Mailing Address:

RED BUFFALO 8655 HOLDINGS LTD., INC.NO. BC1149162
780 WEST 54TH AVENUE
VANCOUVER, BC
V6P 1M5

Taxation Authority

Vancouver, City of

Description of Land

Parcel Identifier:

009-430-105

Legal Description:

LOT D BLOCK F DISTRICT LOT 318 PLAN 21521

Legal Notations

NONE

Charges, Liens and Interests

Nature:

EASEMENT AND INDEMNITY AGREEMENT

Registration Number:

396603M

Registration Date and Time:

1964-12-21 12:54

Registered Owner:

CITY OF VANCOUVER

Remarks:

PART DERIVED FROM FORMER LOTS 11,12,13, AND 14
BLOCK F, PLAN 2978

Nature:

STATUTORY RIGHT OF WAY

Registration Number:

R117336

Registration Date and Time:

1987-11-16 12:40

Registered Owner:

CITY OF VANCOUVER

Remarks:

NORTH 4 METRES

TITLE SEARCH PRINT

2023-05-11, 11:23:52

File Reference:

Requestor: Henry Wang

Declared Value \$20000000

Nature:	RESTRICTIVE COVENANT
Registration Number:	CA6016094
Registration Date and Time:	2017-05-25 10:42
Remarks:	APPURTENANT TO PARCEL A (REFERENCE PLAN 2891) OF PARCEL K (REFERENCE PLAN 1756) DISTRICT LOT 256 GROUP 1 NEW WESTMINSTER DISTRICT PARCEL C (REFERENCE PLAN 2360) OF DISTRICT LOT 256 GROUP 1 NEW WESTMINSTER DISTRICT PARCEL "K" (REFERENCE PLAN 1756) DISTRICT LOT 256 GROUP 1 EXCEPT: PART 13.1 ACRES (REFERENCE PLAN 2891) NEW WESTMINSTER DISTRICT PARCEL "ONE" (REFERENCE PLAN 1709) DISTRICT LOT 256 GROUP 1 EXCEPT: PARCEL "C" (REFERENCE PLAN 2360) NEW WESTMINSTER DISTRICT LOT 2 DISTRICT LOTS 219 AND 256 GROUP 1 NEW WESTMINSTER DISTRICT PLAN 18279

Nature:	MORTGAGE
Registration Number:	CA6653043
Registration Date and Time:	2018-02-28 14:14
Registered Owner:	CANADIAN WESTERN BANK

Nature:	ASSIGNMENT OF RENTS
Registration Number:	CA6653044
Registration Date and Time:	2018-02-28 14:14
Registered Owner:	CANADIAN WESTERN BANK

Nature:	CLAIM OF BUILDERS LIEN
Registration Number:	BB5006343
Registration Date and Time:	2023-04-18 14:50
Registered Owner:	CORE CONCEPT CONSULTING LTD.

Duplicate Infeasible Title NONE OUTSTANDING

Transfers NONE

Pending Applications NONE

APPENDIX "B"

Copy of C-2 Zoning Bylaw

C-2

District Schedule

1 INTENT AND OVERVIEW

1.1 Intent

The intent of this schedule is to provide for a wide range of commercial uses serving both local and city-wide needs, as well as dwelling uses along arterial streets. This schedule emphasizes building design that promotes compatibility among uses, ensures liveability, limits impact on adjacent residential sites, and contributes to pedestrian interest and amenity. In addition, this schedule encourages mixed-use residential buildings that contain secure rental housing by including provisions for residential rental tenure buildings. Acoustic regulations in Section 10 of this by-law apply to dwelling units.

Without limitation, applicable Council policies and guidelines for consideration include the C-2 Guidelines, Fraser Street C-2 Guidelines and C-2, C-2B, C-2C, and C-2C1 Guidelines for Residential Rental Tenure Buildings.

1.2 Overview

The table below provides an overview of outright and conditional approval uses in the C-2 district, categorized by the minimum site area required, where applicable. Applicable density, form and placement regulations in section 3 of this schedule are cross-referenced in the third column.

Minimum Site Area	Use	Density, Form and Placement Regulations
--	Mixed-Use Residential Building that is a residential rental tenure building	3.1
	Other uses in section 2.1 of this schedule	3.2

2 USE REGULATIONS

2.1 Outright and Conditional Approval Uses

All outright and conditional approval uses are subject to all other provisions of this by-law, including Section 2, Section 10 and Section 11, and compliance with the regulations of this schedule including section 2.2.

The uses identified in the table below as outright approval uses are permitted in this district and will be issued a permit.

The uses identified in the table below as conditional approval uses may be approved in this district by the Director of Planning or Development Permit Board, with or without conditions, if the Director of Planning or Development Permit Board considers:

- (a) the intent of this schedule and all applicable Council policies and guidelines; and
- (b) the submission of any advisory group, property owner or tenant.

Uses are listed under their general land use category. Applicable use-specific regulations in section 2.2 of this schedule are cross-referenced in the third column. Cross-references to applicable use-specific regulations are provided for information purposes only and do not form part of this by-law.

Use	Approval	Use-Specific Regulations
Agricultural Uses		
Urban Farm - Class B	Conditional	
Cultural and Recreational Uses		
Arcade	Conditional	2.2.1
Artist Studio	Conditional	2.2.1
Arts and Culture Indoor Event	Outright	2.2.1
Billiard Hall	Conditional	2.2.1
Bowling Alley	Outright	2.2.1
Club	Conditional	2.2.1
Community Centre or Neighbourhood House	Conditional	2.2.1
Fitness Centre	Outright	2.2.1
Hall	Conditional	2.2.1
Library	Outright	2.2.1
Museum or Archives	Outright	2.2.1
Park or Playground	Conditional	
Rink	Outright	2.2.1
Swimming Pool	Outright	2.2.1
Theatre	Conditional	2.2.1
Zoo or Botanical Garden	Conditional	2.2.1
Dwelling Uses		
Mixed-Use Residential Building	Conditional	2.2.2, 2.2.3, 2.2.4
Multiple Conversion Dwelling, resulting from the conversion of a building existing prior to June 18, 1956	Conditional	2.2.4, 2.2.5

Use	Approval	Use-Specific Regulations
Multiple Dwelling	Conditional	2.2.4, 2.2.6
Principal Dwelling Unit with Lock-Off Unit	Conditional	2.2.7
Residential Unit associated with and forming an integral part of an Artist Studio	Conditional	
Seniors Supportive or Assisted Housing	Conditional	
Institutional Uses		
Ambulance Station	Conditional	2.2.1
Child Day Care Facility	Conditional	2.2.1
Church	Conditional	2.2.1
Community Care Facility – Class B	Conditional	2.2.1
Detoxification Centre	Conditional	2.2.1
Group Residence	Conditional	2.2.1
Hospital	Conditional	2.2.1
Public Authority Use	Conditional	2.2.1
School - Elementary or Secondary	Conditional	2.2.1
School - University or College	Conditional	2.2.1
Social Service Centre	Conditional	2.2.1
Manufacturing Uses		
Jewellery Manufacturing	Conditional	2.2.1
Printing and Publishing	Conditional	2.2.1
Office Uses		
Financial Institution	Outright	2.2.1
General Office	Outright	2.2.1
Health Care Office	Outright	2.2.1
Health Enhancement Centre	Conditional	2.2.1
Parking Uses		
Parking Uses	Conditional	
Retail Uses		
Adult Retail Store	Conditional	2.2.1
Cannabis Store	Conditional	2.2.1
Farmers' Market	Conditional	2.2.8
Furniture or Appliance Store	Conditional	2.2.1
Gasoline Station - Full Serve	Conditional	
Gasoline Station - Split Island	Conditional	

Use	Approval	Use-Specific Regulations
Grocery or Drug Store, except for Small-Scale Pharmacy	Outright	2.2.1
Grocery Store with Liquor Store	Conditional	2.2.1
Liquor Store	Conditional	2.2.1
Pawnshop	Conditional	2.2.1
Public Bike Share	Conditional	
Retail Store	Outright	2.2.1
Secondhand Store	Conditional	2.2.1
Small-Scale Pharmacy	Conditional	2.2.1
Vehicle Dealer	Conditional	
Service Uses		
Animal Clinic	Conditional	2.2.1
Auction Hall	Outright	2.2.1
Barber Shop or Beauty Salon	Outright	2.2.1
Beauty and Wellness Centre	Outright	2.2.1
Bed and Breakfast Accommodation	Conditional	2.2.1
Cabaret	Conditional	2.2.1
Catering Establishment	Outright	2.2.1
Drive-Through Service	Conditional	
Funeral Home	Conditional	2.2.1
Hotel	Conditional	2.2.1
Laundromat or Dry Cleaning Establishment	Outright	2.2.1
Motor Vehicle Repair Shop	Conditional	2.2.1
Motor Vehicle Wash	Conditional	2.2.1
Neighbourhood Public House	Conditional	
Photofinishing or Photography Laboratory	Conditional	2.2.1
Photofinishing or Photography Studio	Outright	2.2.1
Print Shop	Outright	2.2.1
Repair Shop - Class A	Conditional	2.2.1
Repair Shop - Class B	Outright	2.2.1
Restaurant - Class 1	Outright	
Restaurant - Class 2	Conditional	2.2.1
Restaurant - Drive-In	Conditional	
School - Arts or Self-Improvement	Conditional	2.2.1
School - Business	Outright	2.2.1

Use	Approval	Use-Specific Regulations
School - Vocational or Trade	Conditional	2.2.1
Short Term Rental Accommodation	Conditional	2.2.1
Sign Painting Shop	Conditional	2.2.1
Wedding Chapel	Conditional	2.2.1
Transportation and Storage Uses		
Taxicab or Limousine Station	Conditional	
Utility and Communication Uses		
Public Utility	Conditional	2.2.1
Radiocommunication Station	Conditional	2.2.1
Recycling Depot	Conditional	2.2.1
Wholesale Uses		
Lumber and Building Materials Establishment	Conditional	
Wholesaling - Class A	Conditional	2.2.1
Wholesaling - Class B	Conditional	2.2.1
uncategorized		
Accessory Buildings, customarily ancillary to any use listed in this section 2.1	Outright	2.2.1, 2.2.9
Accessory Uses, customarily ancillary to any outright approval use listed in this section 2.1	Outright	2.2.1, 2.2.10
Accessory Uses, customarily ancillary to any use listed in this section 2.1	Conditional	2.2.1, 2.2.11
Any other use that is not specifically listed and defined as a use in Section 2 of this by-law	Conditional	2.2.1, 2.2.12
Deposition or extraction of material, which alters the configuration of the land	Conditional	

2.2 Use-Specific Regulations

2.2.1 All commercial uses listed in section 2.1 of this schedule must be carried on wholly within a completely enclosed building, other than the following:

- (a) display of flowers, plants, fruits and vegetables;
- (b) drive-through service;
- (c) farmers' market;
- (d) gasoline station - full serve;

- (e) gasoline station - split island;
- (f) lumber and buildings material establishment;
- (g) neighbourhood public house;
- (h) outdoor eating area in combination with a cabaret, club, grocery or drug store, restaurant - class 2, or retail store, subject to any conditions that the Director of Planning considers necessary, having regard to the area and location of the eating area with respect to adjoining sites, the hours of operation and the intent of this schedule;
- (i) parking and loading facilities;
- (j) public bike share;
- (k) restaurant - class 1;
- (l) restaurant - drive-in;
- (m) taxicab or limousine station;
- (n) urban farm - class B; and
- (o) vehicle dealer,

except that the Director of Planning may vary this regulation to permit the outdoor display of retail goods and the Director of Planning may impose any conditions that the Director of Planning considers necessary, having regard to the types of merchandise, the area and location of the display with respect to adjoining sites, the hours of operation and the intent of this schedule.

- 2.2.2 Any of the non-dwelling uses listed in section 2.1 of this schedule are permitted in a mixed-use residential building.
- 2.2.3 No portion of the first storey of a mixed-use residential building, to a depth of 10.7 m from the front wall of the building and extending across its full width, may be used for residential purposes except for entrances to the residential portion.
- 2.2.4 Development on any site consisting of 3 or more dwelling units that:
- (a) requires the demolition, or change of use or occupancy of a rental housing unit on that site; or
 - (b) would have required such demolition, or change of use or occupancy had a person, during the 3 years preceding the date of application for a development permit, not demolished 1 or more rental housing units or changed their use or occupancy,
- is subject to the **Rental Housing Stock Official Development Plan**.
- 2.2.5 Multiple conversion dwelling, resulting from the conversion of a building existing prior to June 18, 1956, may be permitted if:
- (a) the Director of Planning considers:

- (i) the quality and liveability of the resulting units,
 - (ii) the suitability of the building for conversion in terms of age and size, and
 - (iii) the impact of the conversion on adjacent properties and the character of the area; and
- (b) there are no additions to the building.

2.2.6 Multiple dwelling may be permitted if the Director of Planning considers the site suitable for dwelling use.

2.2.7 Principal dwelling unit with lock-off unit is permitted only in a multiple dwelling or mixed-use residential building.

2.2.8 Farmers' market may be permitted if the Director of Planning considers the appropriateness of the use with respect to compatibility with nearby sites, parking, traffic, noise, hours of operation, size of facility and pedestrian amenity.

2.2.9 Accessory buildings customarily ancillary to any use listed in section 2.1 of this schedule are permitted as an outright approval use if:

- (a) no accessory building exceeds 3.7 m in height measured to:
 - (i) the highest point of a flat roof,
 - (ii) the deck line of a mansard roof, or
 - (iii) the mean height between the eaves and the ridge of a gable, hip or gambrel roof,
 provided that no portion of an accessory building exceeds 4.6 m in building height;
- (b) all accessory buildings are located:
 - (i) in the rear yard, and
 - (ii) at least 3.1 m from the ultimate centre line of any rear or flanking lane; and
- (c) the total floor area of all accessory buildings, measured to the extreme outer limits of the building, does not exceed 15% of the total site area,

except that the Director of Planning may vary the maximum height, the location regulations, and the floor area regulations to a maximum total floor area not exceeding 33.3% of the gross floor area of the principal use.

2.2.10 Accessory uses customarily ancillary to any outright approval use listed in section 2.1 of this schedule are permitted provided that the total floor area of all accessory uses does not exceed 25% of the gross floor area of the principal use, unless permitted as an outright approval use pursuant to section 2.1 of this schedule, except that the Director of Planning may vary the floor area regulations to a total floor area not exceeding 33.3% of the gross floor area of the principal use.

- 2.2.11 Accessory uses customarily ancillary to any conditional approval use listed in section 2.1 of this schedule must comply with the provisions in section 2.2.10 above.
- 2.2.12 Any other use that is not specifically listed and defined as a use in Section 2 of this by-law may be permitted if the Director of Planning considers the use to be comparable in nature to the uses listed in this schedule, having regard to the intent of this schedule.

3 DENSITY, FORM AND PLACEMENT REGULATIONS

This section contains density, form and placement regulations organized by use.

3.1 Mixed-Use Residential Building that is a Residential Rental Tenure Building

Mixed-use residential building that is a residential rental tenure building is subject to the following regulations. For the purposes of this schedule, "residential rental tenure building" means a building:

- (a) that is located outside of sub-area A, which is illustrated in Map 1: Sub-Area A at the end of this schedule;
- (b) that is a mixed-use residential building and contains at least 3 dwelling units;
- (c) where all of the dwelling units are non-stratified and secured as residential rental tenure;
- (d) where at least 35% of the total dwelling units have 2 or more bedrooms; and
- (e) where the third storey and above, measured from the front property line, is limited to dwelling use only.

3.1.1 Density and Floor Area

3.1.1.1 The maximum floor space ratio is 3.50 for all uses combined, provided that the floor space ratio for non-dwelling uses on the first storey facing the street is at least 0.35.

3.1.1.2 Despite section 3.1.1.1 above, for a corner site, the maximum floor space ratio is 3.70 for all uses combined, provided that:

- (a) the floor space ratio for non-dwelling uses on the first storey facing the street is at least 0.35;
- (b) the length of the front property line facing the street is at least 45.7 m; and
- (c) the site has a minimum site area of 1,672 m².

3.1.1.3 Despite sections 3.1.1.1 and 3.1.1.2 above, the Director of Planning may increase the permitted floor space ratio by up to 0.05 for exterior circulation located above the first storey.

3.1.2 Building Form and Placement

Regulations	C-2
3.1.2.1 Maximum building height:	
(a) where the floor-to-floor height for non-dwelling uses located on the first storey, facing the street is:	
(i) 5.2 m or greater	22.0 m and 6 storeys
(ii) less than 5.2 m	19.8 m and 6 storeys
(b) for portions of a building located within 4.6 m of the ultimate rear property line	6.1 m
3.1.2.2 Minimum front yard depth for:	
(a) buildings located in sub-area B on Map 3: Sub-Area B at the end of this schedule	4.6 m
(b) all other buildings	2.5 m
3.1.2.3 Minimum side yard width or setback for a side yard that:	
(a) adjoins a site located in any R district, without the intervention of a lane, for portions of a building below the fourth storey	3.7 m
(b) adjoins a site located in any R district, without the intervention of a lane, for portions of a building at or above the fourth storey	10.7 m
(c) does not adjoin a site located in an R district	not required
3.1.2.4 Minimum rear yard depth and rear setback for portions of a building:	
(a) containing non-dwelling uses only, and less than 6.1 m in height	1.5 m
(b) containing non-dwelling uses only, and 6.1 m or more in height	4.6 m
(c) containing dwelling uses	4.6 m

Building Height

3.1.2.5 Building height in section 3.1.2.1(a) above is measured from a plane formed by lines extending horizontally back from the officially established building grades at the front property line.

3.1.2.6 The maximum building height in section 3.1.2.1(b) above does not apply to portions of buildings where the rear yard has been decreased under section 3.1.2.13 below.

3.1.2.7 Despite the maximum building height in sections 3.1.2.1 and 3.1.2.6 above, no portion of the building may extend above an envelope formed by a vertical line measuring 15.3 m in height at the front property line and a plane formed by an angle of 135 degrees measured from the vertical, except where:

- (a) the site frontage faces a street:
 - (i) with a total width measuring 24.4 m or greater, measured from property line to property line or, where any building lines exist, measured from the building line or lines, and
 - (ii) generally running north-south; or
- (b) the site frontage faces a street with a total width measuring more than 27.5 m, measured from property line to property line or, where any building lines exist, measured from the building line or lines.

3.1.2.8 The Director of Planning or Development Permit Board may increase the maximum building height if the Director of Planning or Development Permit Board considers the intent of this schedule and all applicable Council policies and guidelines.

Diagram: Maximum building height for residential rental tenure building

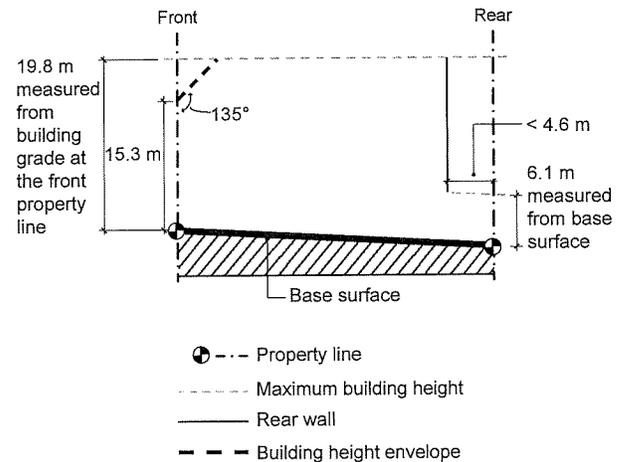
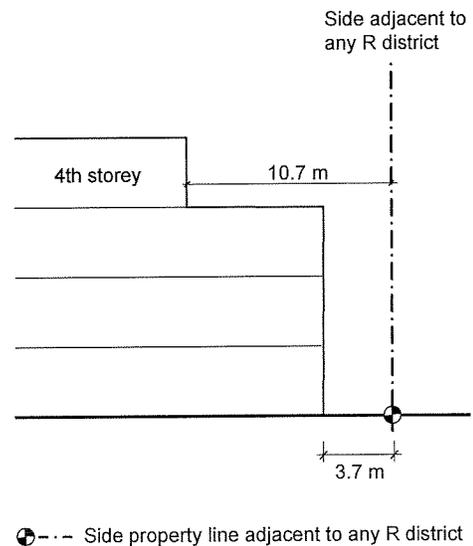


Diagram: Side yard and side setback for residential rental tenure buildings



Front Yard

3.1.2.9 The Director of Planning may decrease the minimum front yard depth if the Director of Planning considers the intent of this schedule and all applicable Council policies and guidelines.

Side Yard and Side Setback

3.1.2.10 Despite the minimum side yard width in section 3.1.2.3(c) above, where a side yard is provided, although not required, the minimum side yard width is 0.9 m.

3.1.2.11 Despite the minimum yard width in sections 3.1.2.3 and 3.1.2.10 above, in the case of a corner site, the exterior side yard requirements are the same as the front yard requirements in section 3.1.2.2 above.

3.1.2.12 The Director of Planning may decrease the side yard width or side setback in sections 3.1.2.3(a) and 3.1.2.1(b) above if the Director of Planning considers the intent of this schedule and all applicable Council policies and guidelines.

Rear Yard and Rear Setback

3.1.2.13 Despite the minimum rear yard depth and rear setback in section 3.1.2.4(a) above, if the rear of the site adjoins the side yard of a site located in an R district, without the intervention of a lane, the minimum rear yard depth and rear setback is 3.1 m.

3.1.2.14 Despite the minimum rear yard depth and rear setback in sections 3.1.2.4(b) and 3.1.2.4(c) above, in the case of a corner site, the rear yard depth and rear setback may be decreased to a minimum of 1.5 m if the portion of the building for which the rear yard is decreased:

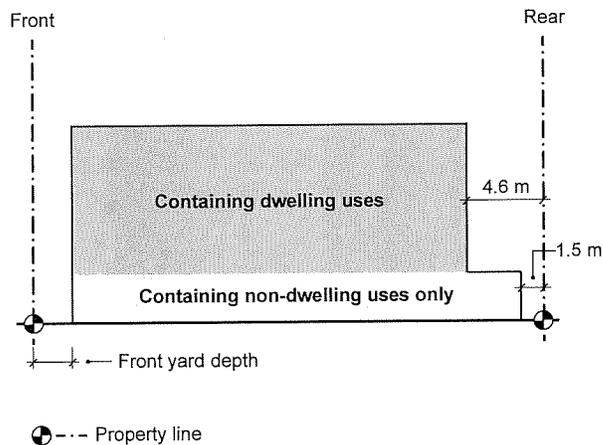
- (a) is located at least 22.8 m from an adjoining site; and
- (b) does not exceed 25.3 m in width, measured from the ultimate exterior side property line,

except that if the rear of the site adjoins the side yard of a site located in an R district, without the intervention of a lane, the minimum rear yard depth and rear setback may not be decreased.

3.1.2.15 Despite the minimum rear yard depth and rear setback in section 3.1.2.4(c) above, roof decks and balconies may project into the setback.

3.1.2.16 The Director of Planning may decrease the minimum rear yard depth or rear setback if the Director of Planning considers the intent of this schedule and all applicable Council policies and guidelines.

Diagram: Front yard, rear yard and rear setback for a building where the first floor contains non-dwelling uses only



3.2 Other Uses

Uses not regulated by section 3.1 of this schedule are subject to the following regulations.

3.2.1 Density and Floor Area

3.2.1.1 The maximum floor space ratio is 0.75, except that if the Director of Planning considers the intent of this schedule and all applicable Council policies and guidelines, the Director of Planning may increase the permitted floor space ratio to a maximum of:

- (a) 2.15 for multiple dwelling; and
- (b) 2.50 for all uses combined, provided that the floor space ratio for non-dwelling uses on the first storey facing the street is at least 0.35.

3.2.1.2 For the purposes of section 3.2.1.1 above, where there is a residential unit associated with and forming an integral part of an artist studio, the artist studio is also considered a dwelling use.

3.2.2 Building Form and Placement

Regulations	C-2
3.2.2.1 Maximum unit frontage for any commercial use in buildings located in the area shown on Map 2: Nanaimo Street C-2 Areas with Maximum Commercial Frontages and Land Dedications at the end of this schedule	15.3 m
3.2.2.2 Maximum building height:	
(a) where the floor-to-floor height for non-dwelling uses located at the first storey facing the street is:	
(i) 5.2 m or greater	15.3 m
(ii) less than 5.2 m	13.8 m
(b) for portions of a building located within 6.1 m of the ultimate rear property line	6.1 m
3.2.2.3 Minimum front yard depth for:	
(a) buildings located in sub-area B on Map 3: Sub-Area B at the end of this schedule	4.6 m
(b) all other buildings	2.5 m
3.2.2.4 Minimum side yard width or setback for a side yard that:	
(a) adjoins a site located in an R district, without the intervention of a lane, for portions of a building below the fourth storey	3.7 m

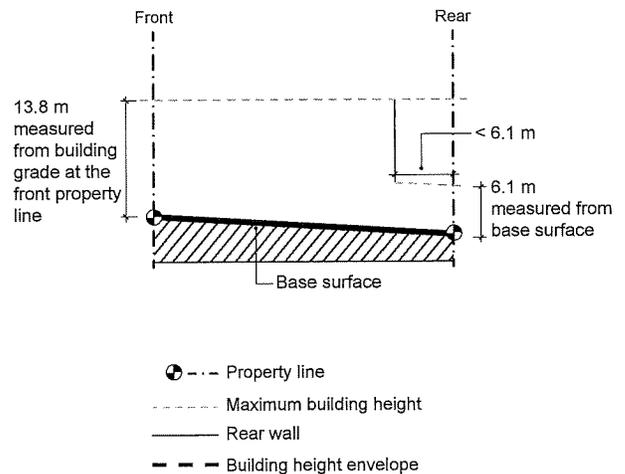
Regulations	C-2
(b) adjoins a site located in an R district, without the intervention of a lane, for portions of a building at or above the fourth storey	10.7 m
(c) does not adjoin a site located in an R district	not required
3.2.2.5 Minimum rear yard depth and rear setback for portions of a building:	
(a) containing non-dwelling uses only	1.5 m
(b) containing dwelling uses	6.1 m

Building Height

3.2.2.6 Building height in section 3.2.2.2(a) above is measured from a plane formed by lines extending horizontally back from the officially established building grades at the front property line.

3.2.2.7 The Director of Planning or Development Permit Board may increase the maximum building height if the Director of Planning or Development Permit Board considers the intent of this schedule, all applicable Council policies and guidelines, and the submission of any advisory group, property owner or tenant.

Diagram: Building height



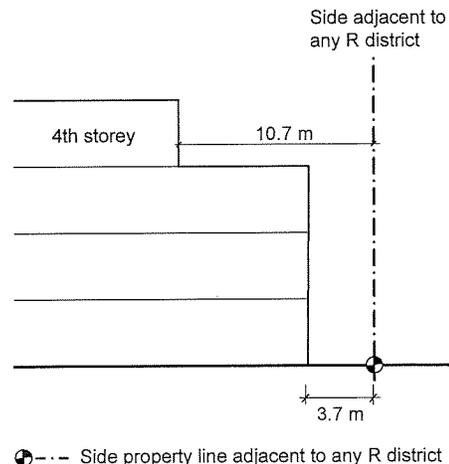
Side Yard and Side Setback

3.2.2.8 Despite the minimum side yard width in section 3.2.2.4(c) above, where a side yard is provided, although not required, the minimum side yard width is 0.9 m.

3.2.2.9 Despite the minimum yard width in sections 3.2.2.4 and 3.2.2.8 above, in the case of a corner site, the exterior side yard requirements are the same as the front yard requirements in section 3.2.2.3 above.

3.2.2.10 The Director of Planning may decrease the side yard width or side setback in 3.2.2.4(a) and 3.2.2.4(b) above if the Director of

Diagram: Side yard and side setback



Planning considers the intent of this schedule and all applicable Council policies and guidelines.

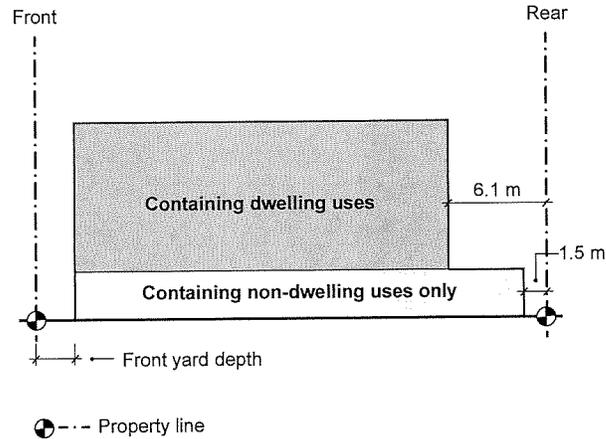
Rear Yard and Rear Setback

- 3.2.2.11 Despite the minimum rear yard depth and rear setback in section 3.2.2.5(a), without the intervention of a lane, the minimum depth of the rear yard or rear setback is 3.1 m.
- 3.2.2.12 Despite the minimum rear yard depth and rear setback in section 3.2.2.5(b) above, roof decks and balconies may project into the setback.
- 3.2.2.13 The Director of Planning may decrease the minimum rear yard depth or rear setback if the Director of Planning considers the intent of this schedule and all applicable Council policies and guidelines.

Discretion to Vary Other Regulations

- 3.2.2.14 If the Director of Planning considers the intent of this schedule and all applicable Council policies and guidelines, the Director of Planning may vary:
 - (a) the maximum unit frontage; and
 - (b) the minimum front yard depth.

Diagram: Front yard, rear yard and rear setback for a building where the first floor contains non-dwelling uses only



4 GENERAL REGULATIONS

All uses in this district are subject to the following regulations.

4.1 Computation of Floor Area

- 4.1.1 Computation of floor area must include all floors of all buildings, including accessory buildings, both above and below ground level, measured to the extreme outer limits of the building.
- 4.1.2 Computation of floor area must exclude:
- (a) balconies and decks, and any other appurtenances that the Director of Planning considers similar to the foregoing, provided that the total area of these exclusions does not exceed 8% of the permitted floor area;
 - (b) patios and roof decks, if the Director of Planning considers the impact on privacy and overlook;
 - (c) where floors are used for off-street parking and loading, the taking on or discharging of passengers, bicycle storage, heating and mechanical equipment, or uses that the Director of Planning considers similar to the foregoing, those floors or portions thereof, which are located:
 - (i) at or below the base surface, provided that the maximum exclusion for a parking space does not exceed 7.3 m in length, or
 - (ii) above the base surface and where developed as off-street parking are located in an accessory building situated in the rear yard, provided that the maximum exclusion for parking space does not exceed 7.3 m in length;
 - (d) amenity areas, including child day care facilities, recreational facilities and meeting rooms accessory to a dwelling use, to a maximum floor area of 10% of the total permitted floor area if, in the case of child day care facilities, the Director of Planning is satisfied that there is a need for a child day care facility in the immediate neighbourhood; and
 - (e) all residential storage area above or below base surface, except that if the residential storage area above base surface exceeds 3.7 m² per dwelling unit, there will be no exclusion for any of the residential storage area above base surface for that unit.
- 4.1.3 For buildings other than residential rental tenure buildings, the Director of Planning may permit enclosed residential balconies to be excluded in the computation of floor area, if the Director of Planning considers all applicable Council policies and guidelines and approves the design of any balcony enclosure, except that:
- (a) the total area of all open and enclosed balcony or deck exclusions may not exceed 8% of the permitted residential floor area; and
 - (b) no more than 50% of the excluded balcony floor area may be enclosed.

4.2 Horizontal Angle of Daylight

- 4.2.1 Each habitable room must have at least 1 window on an exterior wall of a building.
- 4.2.2 For the purposes of section 4.2.1 above, habitable room means any room except a bathroom or kitchen.
- 4.2.3 Each exterior window must be located so that a plane or planes extending from the window and formed by an angle of 50 degrees, or 2 angles with a sum of 70 degrees, will encounter no obstruction over a distance of 24.0 m.
- 4.2.4 The plane or planes referred to in section 4.2.3 above must be measured horizontally from the centre of the bottom of each window.
- 4.2.5 An obstruction referred to in section 4.2.3 above means:
- (a) any part of the same building excluding permitted projections; or
 - (b) the largest building permitted on any adjoining site.
- 4.2.6 The Director of Planning may vary the horizontal angle of daylight requirement if:
- (a) the Director of Planning considers all applicable Council policies and guidelines; and
 - (b) the minimum distance of unobstructed view is at least 3.7 m.

4.3 Dedication of Land

4.3.1 Dedication for Lane Purposes

- 4.3.1.1 For development sites located in sub-area A shown on **Map 1: Sub-Area A** at the end of this schedule, where a site does not abut a lane, or abuts a lane that is less than 6.1 m in width, a portion of the site, as determined by the City Engineer, to a maximum of 3.1 m, must be dedicated for lane purposes.
- 4.3.1.2 Where a dedication is made, it will be deemed not to reduce the site area for the purpose of calculating floor space ratio.

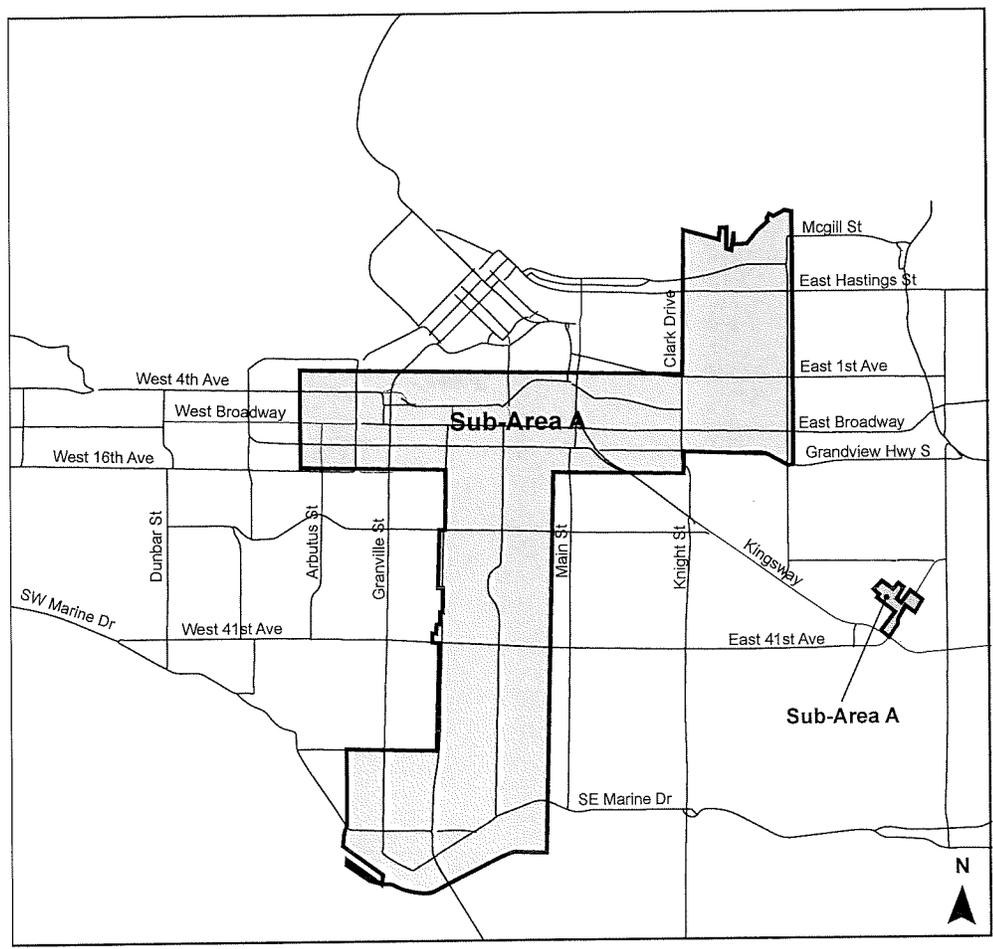
4.3.2 Dedication of Land and Statutory Right of Way for Sidewalk and Boulevard Purposes

- 4.3.2.1 For development sites located in sub-area A shown on **Map 1: Sub-Area A** that adjoin the streets identified below, a portion of the site must be dedicated for sidewalk and boulevard improvements to achieve a distance from the centre line of the street to the property line of the development site, measured at right angles of:
- (a) 15.1 m on Nanaimo Street, from William Street to Graveley Street; or
 - (b) 16.1 m on Nanaimo Street, from East 6th Avenue to East 11th Avenue.

- 4.3.2.2 Where a dedication is made, it will be deemed not to reduce the site area for the purpose of calculating floor space ratio.
- 4.3.2.3 For all new buildings, a surface statutory right of way on a portion of the site must be provided to the City for sidewalk and boulevard improvements to achieve a distance of 2.5 m from the front property line.
- 4.3.2.4 Despite section 4.3.2.3 above, the Director of Planning or Development Permit Board may permit a reduced surface statutory right of way if the Director of Planning or Development Permit Board considers the intent of this schedule and all applicable Council policies and guidelines.

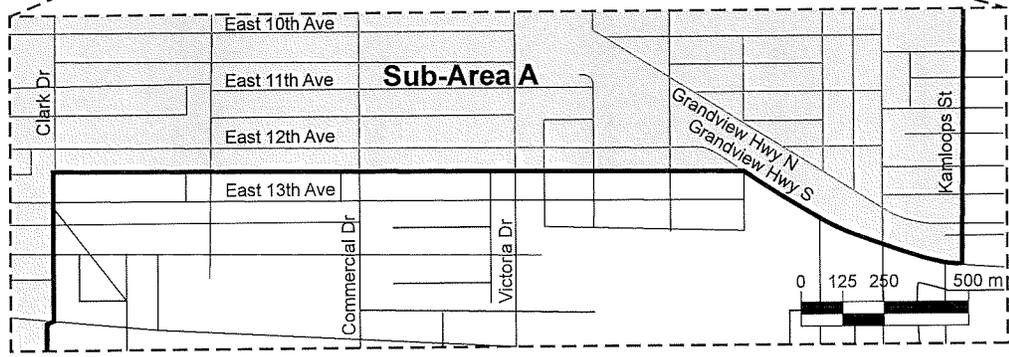
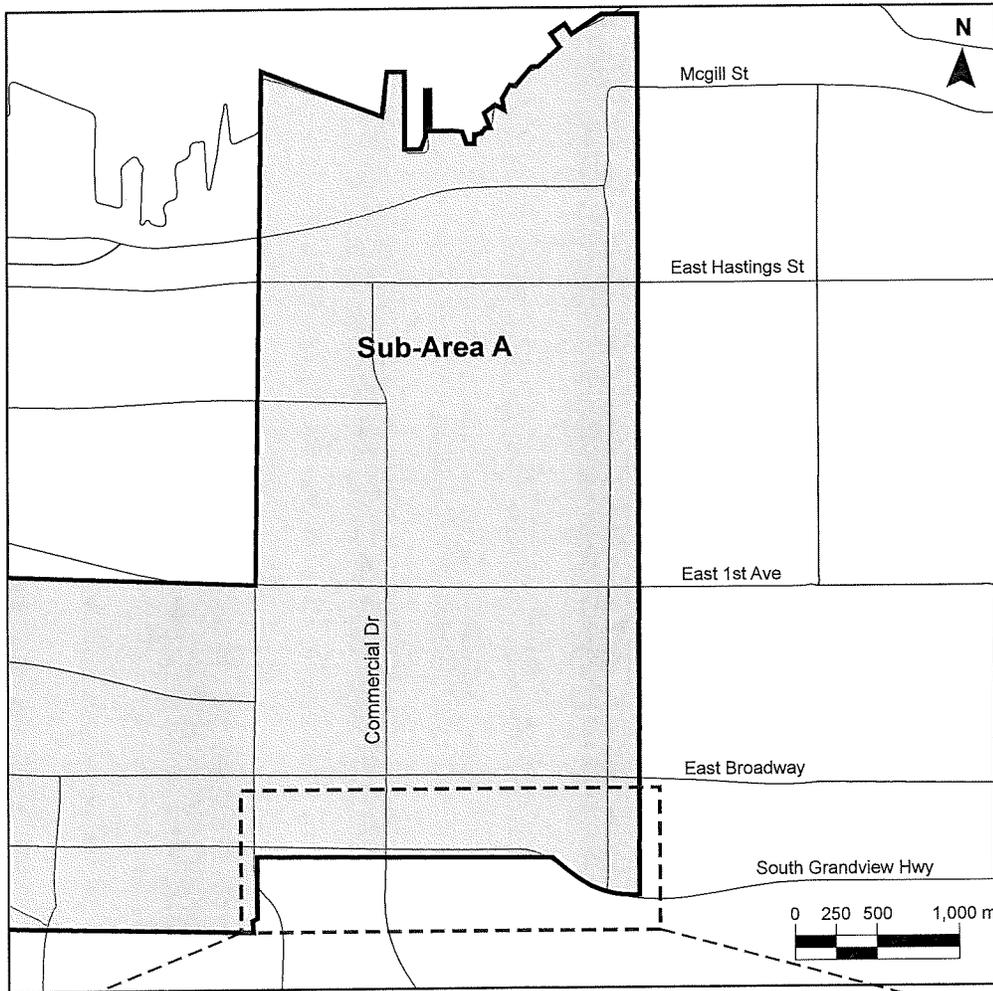
Map 1: Sub-Area A

Sub-area A, as shown in Map 1 below, is further illustrated by Maps 1A, 1B, 1C, 1D and 1E.



LEGEND
Sub-Area A

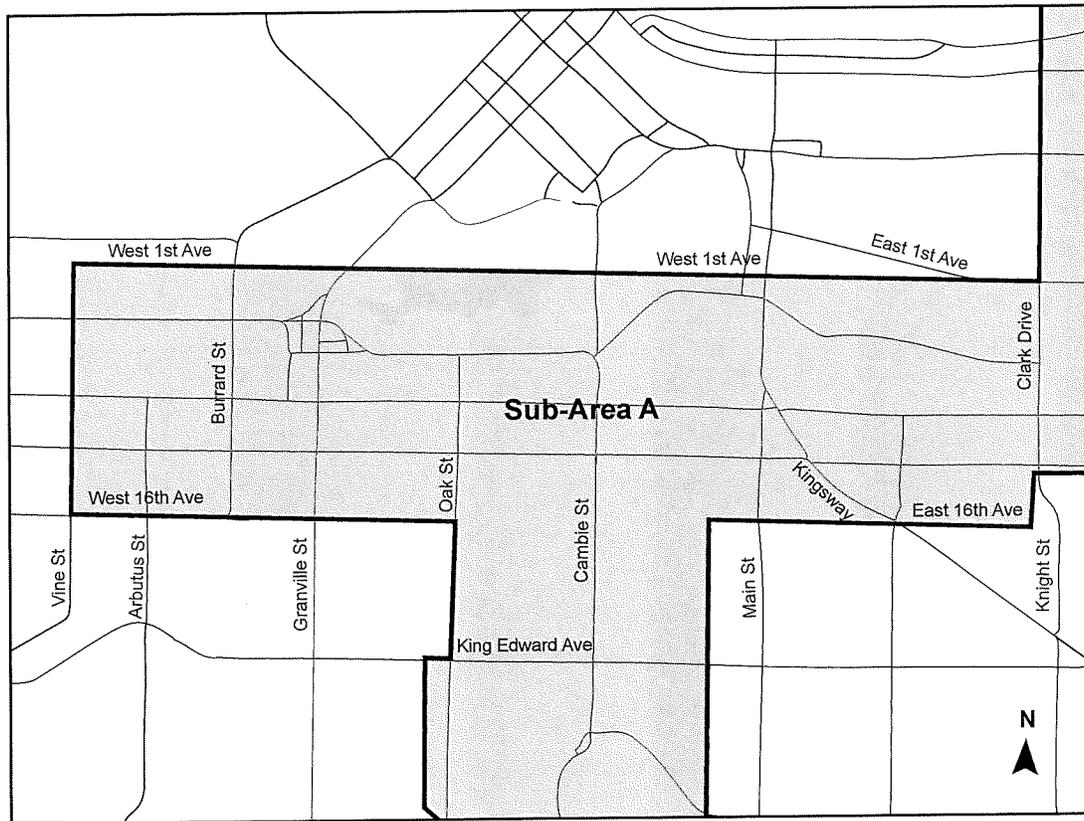
Map 1A: Sub-Area A



LEGEND

Sub-Area A

Map 1B: Sub-Area A

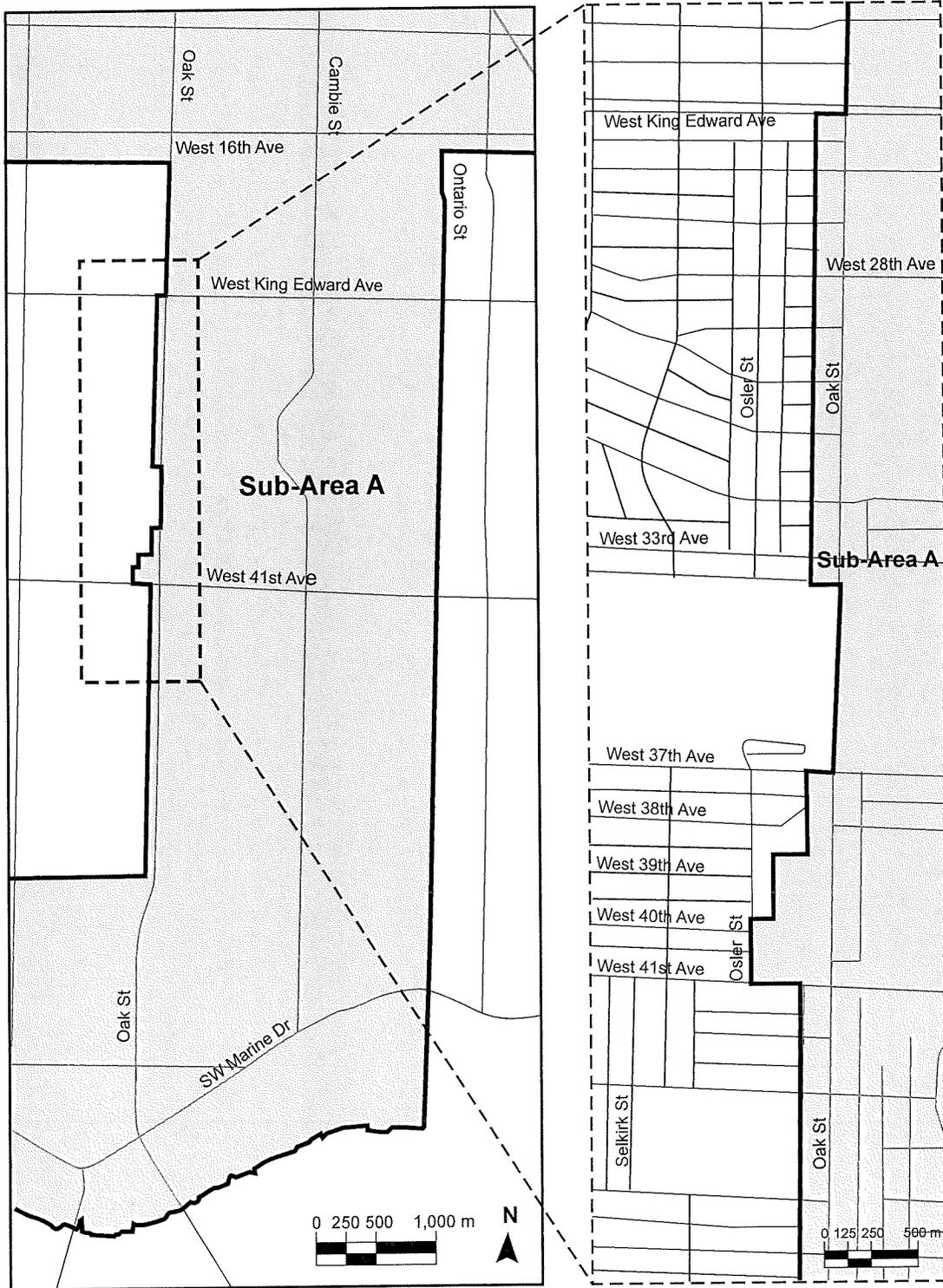


LEGEND

Sub-Area A

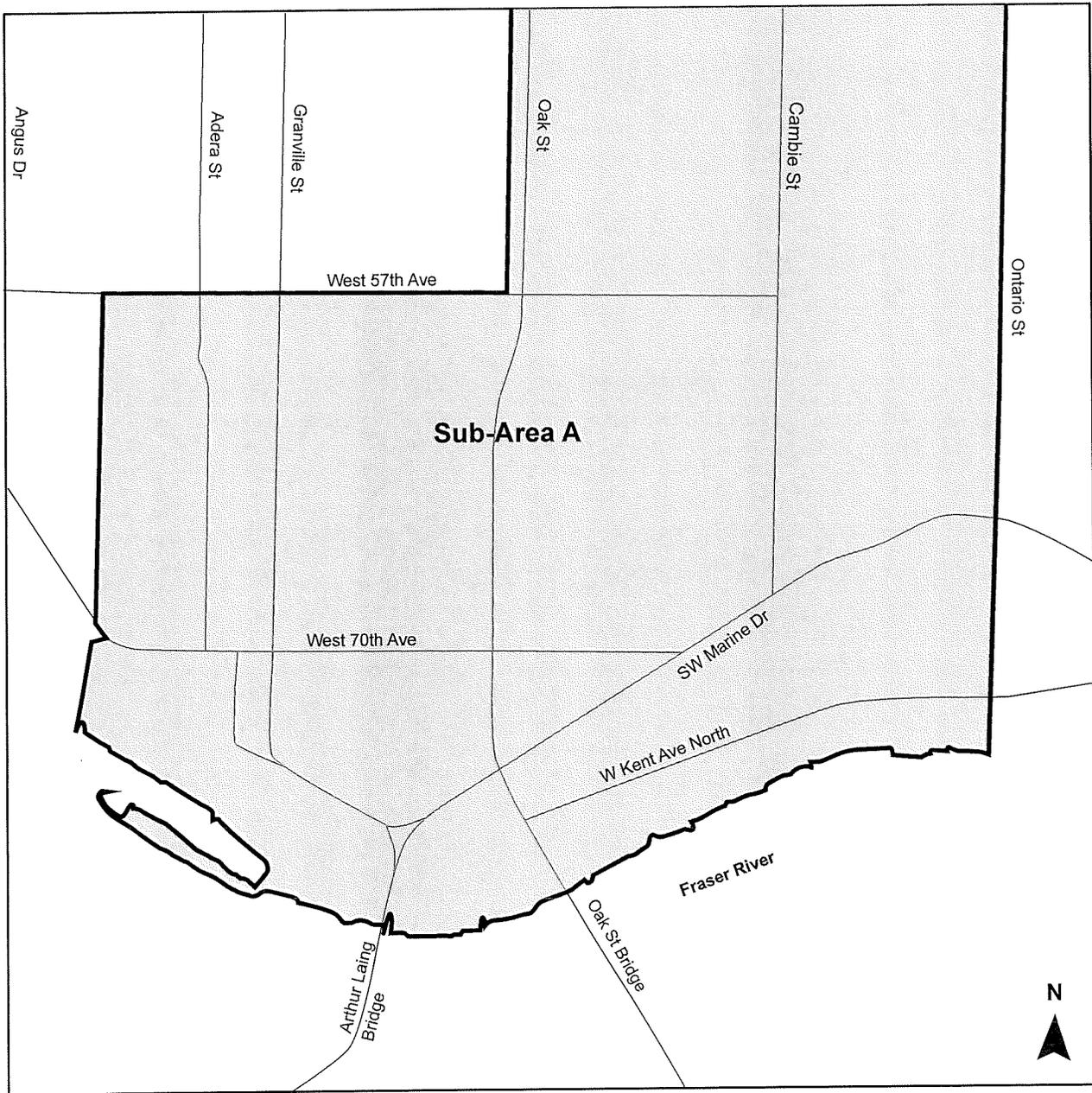


Map 1C: Sub-Area A



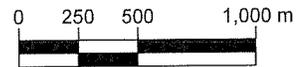
LEGEND
Sub-Area A

Map 1D: Sub-Area A

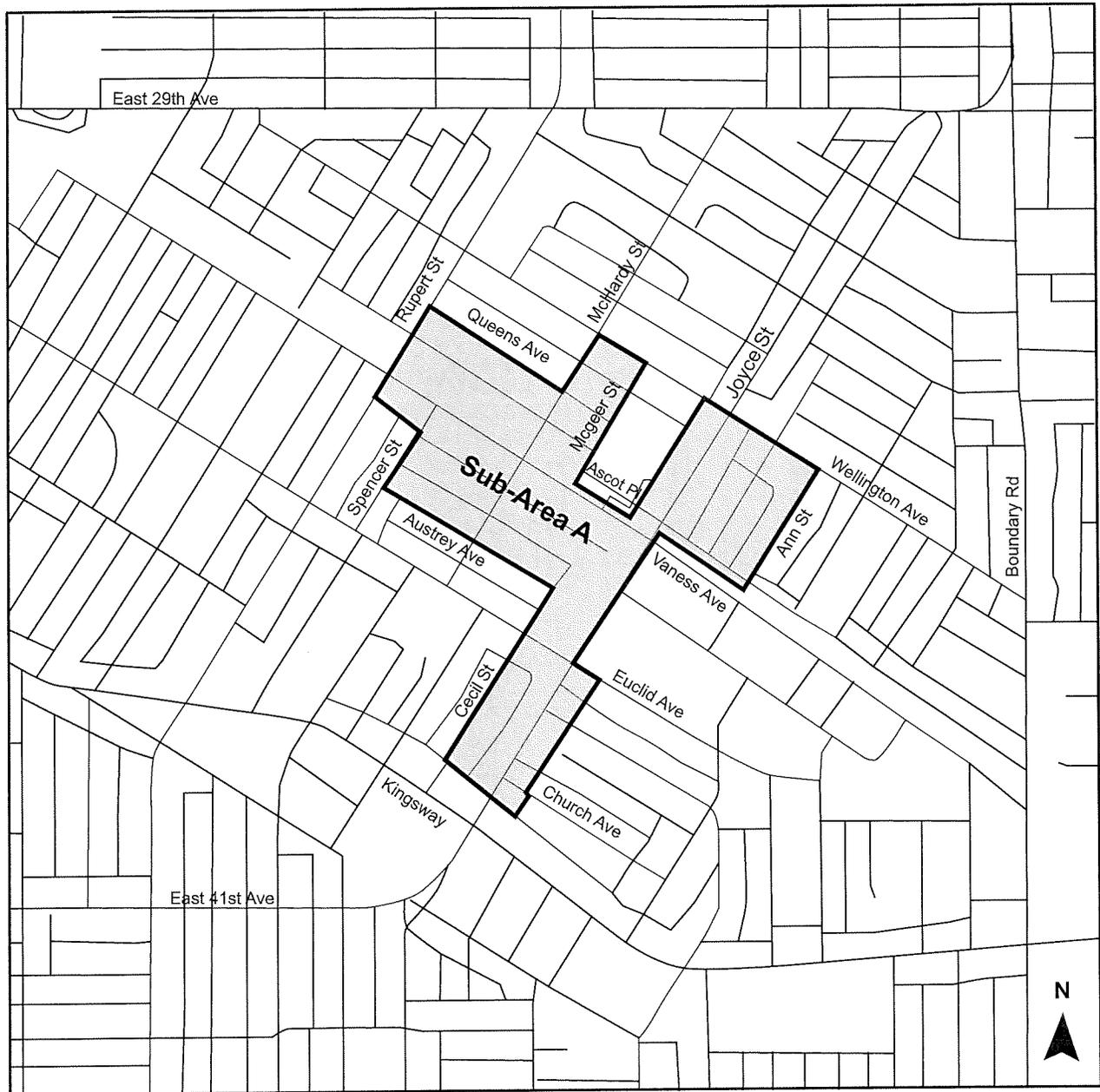


LEGEND

Sub-Area A

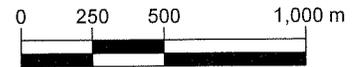


Map 1E: Sub-Area A

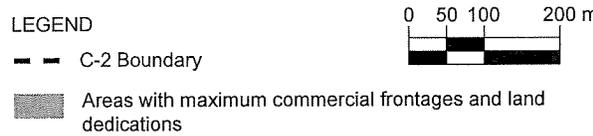
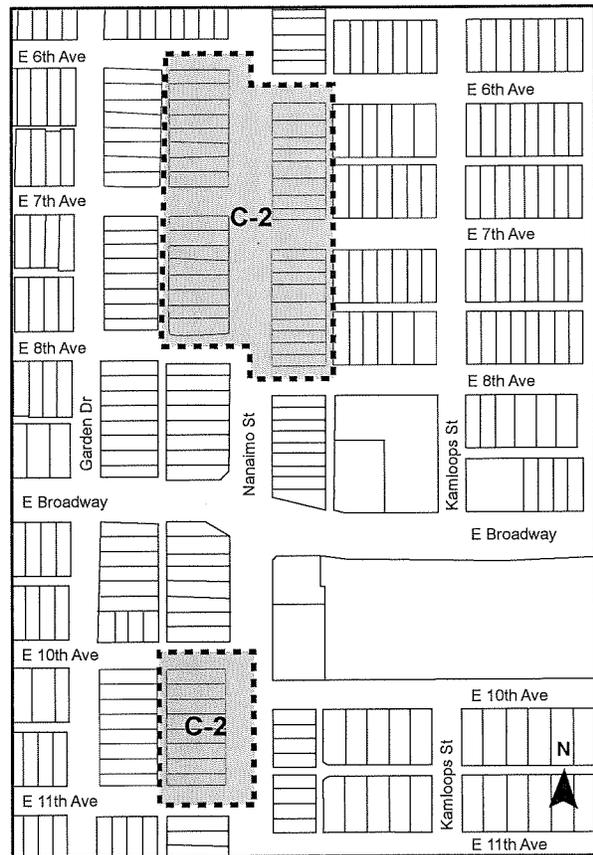
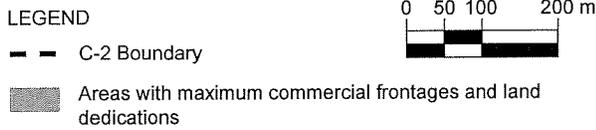
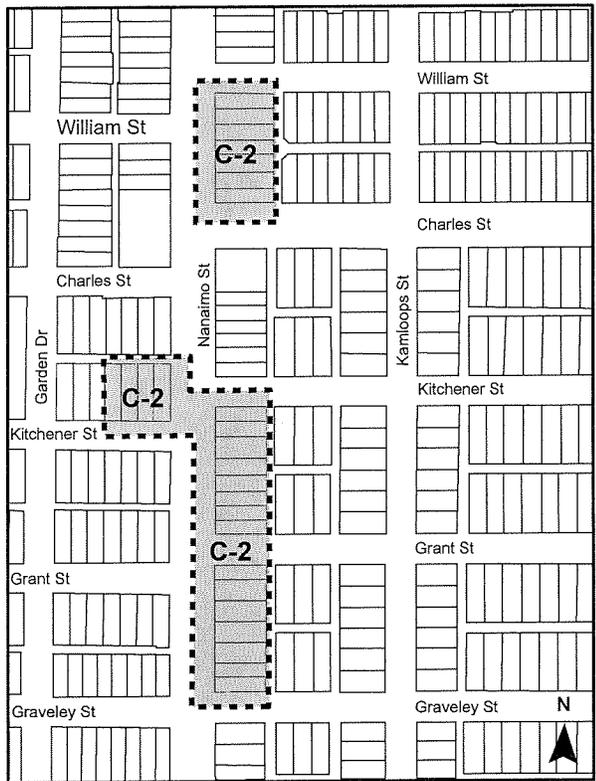


LEGEND

 Sub-Area A



Map 2: Nanaimo Street C-2 Areas with Maximum Commercial Frontages and Land Dedications



Map 3: Sub-Area B



LEGEND

 Sub-Area B



APPENDIX "C"

Qualifications of the Appraiser

QUALIFICATIONS OF THE APPRAISER

Yixin (Henry) Wang, MBA, AACI, P. App.

PROFESSIONAL QUALIFICATIONS AND MEMBERSHIPS

- October, 2009 Awarded use of the professional designation AACI (Accredited Appraiser Canadian Institute) of Appraisal Institute of Canada.
- September, 2009 Member of the British Columbia Expropriation Association
- April, 2007 Candidate member of Appraisal Institute of Canada
- Jul 2001-Jul 2006 Member of the National Association of Realtors.
Member of the Texas Association of Realtors
Member of the Greater Dallas & Collin County Association of Realtors.

EDUCATION

- May, 2008 University of British Columbia: Post Graduate Certificate in Real Property Valuation (PGCV)
- May, 2007 Appraisal Institute of Canada: Completed "Professional Practice" Seminar
- April, 2007 Appraisal Institute of Canada: Completed "We Value Canada" Workshop
- February, 2005 CCIM Institute: Completed Financial Analysis for Commercial Investment Real Estate and Market Analysis for Commercial Investment Real Estate courses
- May, 2001 Baylor University: Master of Business Administration (MBA)
- July, 1990 Naikai University: Bachelor degree - Majored in International Business

EXPERIENCE

January 2006 to Present: *Hooker Craig Lum Group Ltd.*: Company name change in May 2012 (former company name: *Hooker Craig Lum Garnett Real Estate Advisors Ltd.*) - Appraisal Consultant/Research assisting in all aspects of real estate appraisal and consulting assignments in Metro Vancouver and Fraser Valley.

April 2002 – August 2005: *Pentagon Group dba Pentagon Realtors Ltd.*: Marketing Analyst involved in residential and commercial real estate marketing and sales, real estate investment analysis, due diligence and feasibility studies in the Greater Dallas and neighbouring counties.

PARTIAL LIST OF CLIENTS

Financial Institutions

RBC Royal Bank	HSBC Bank Canada
Coast Capital Savings Credit Union	Industrial & Commercial Bank of China (Canada)
CTC Bank of Canada	VanCity Savings Credit Union
TD Canada Trust	Scotia Bank
Westminster Savings Credit Union	Canadian Western Bank
BMO Bank of Montreal	Dominion Lending Centre
Business Development Bank of Canada	

Government Clients

City of Richmond	Canada Revenue Agency
City of Surrey	TransLink
Metro Vancouver	Ministry of Transportation & Infrastructure

Private Companies

Aspac Developments Ltd.	Qualico Homes
Woodbridge Homes Ltd.	IKOR Development Inc.
Elgin Corners Land Corp	Wanson Developments Ltd.
Iknonic Homes Ltd.	Grandview Homes Ltd.
Maskeen Homes Ltd.	iFortune Homes Inc.
Mortise Group Ltd.	GRD Mitchell Homes & RBD Mitchell Homes

Pension Funds, Professional Firms, Insurance Companies

Morguard Investments Limited	Virk Law Group
Martha D Metzner Law Corp.	



Formerly BCS Real Estate – Burgess, Cawley, Sullivan

APPRAISAL REPORT

**Current Market Valuation of
Mixed Use Development Land**

**8655 Granville Street, Vancouver,
BC**

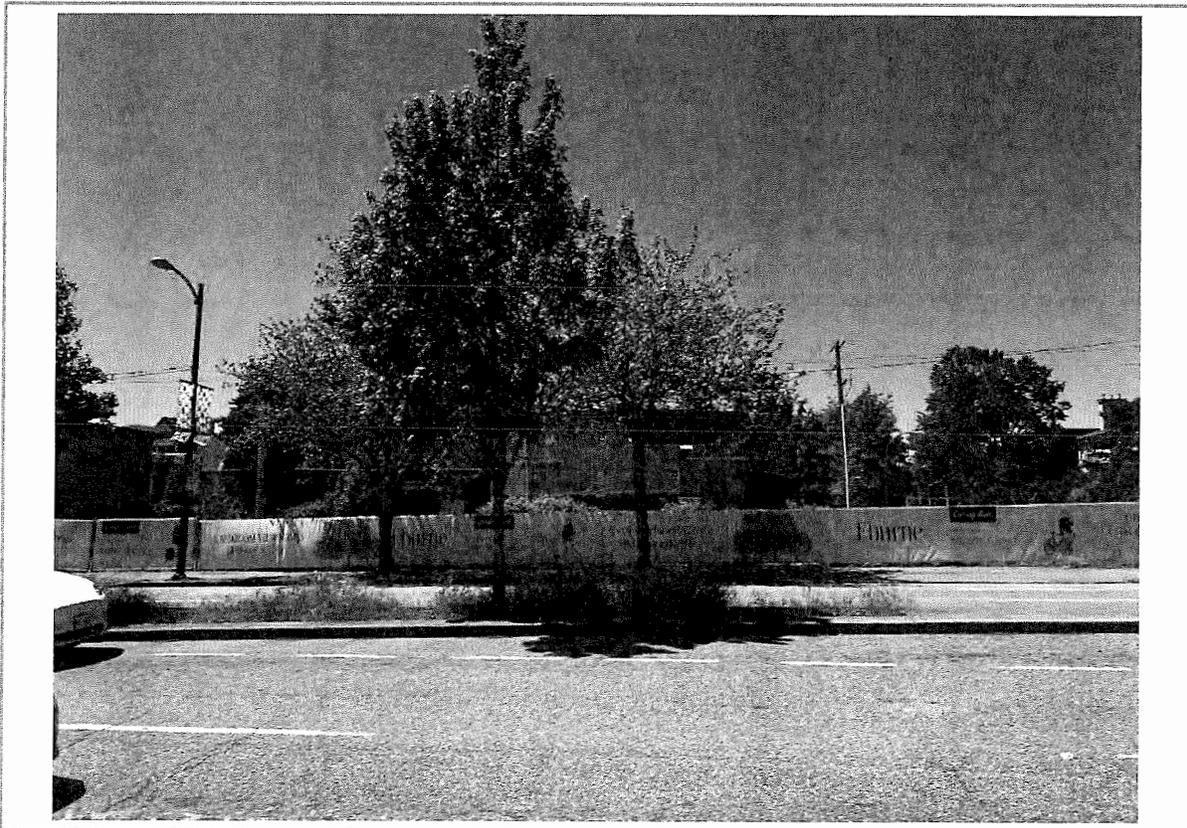
PREPARED FOR

**Gerald Chiang
1146503 BC Ltd.**

**205-8877 Odlin Crescent
Richmond, BC
V6X 3Z7**

Valuation Date: June 11, 2023

Publication Date: June 26, 2023





Our Reference: A2306-7361AA

June 26, 2023

1146503 BC Ltd.
205-8877 Odlin Crescent
Richmond, BC
V6X 3Z7

Attention: Gerald Chiang

**Re: Current Market Value of Mixed Use Development Land
8655 Granville Street, Vancouver, BC**

In response to your instructions, we have undertaken a valuation analysis on the above property in order to provide an estimate of current market value of the fee simple interest as at June 11, 2023.

On the basis as set out in the Narrative Report, it is our opinion that the current market value, subject to the assumptions and contingent and limiting conditions contained in the report, is:

**Twenty Four Million Four Hundred Thousand Dollars
\$24,400,000**

This appraisal report has been prepared exclusively for 1146503 BC Ltd. for litigation purposes. We are not aware of any third parties that are likely to see or rely on the report; liability in this respect or for any other use is expressly denied.

- The subject is in the process of being rezoned to a CD-1 designation where a development permit has been filed and approved by Council prior to final enactment. The subject's underlying land has been valued based on this rezoned density where the proposed uses (retail, office, and residential) and their respective densities have been relied upon within this report. The rezoned density that is proposed is 4.10 FSR.
- We have relied upon the architectural plans prepared by GBL Architect, dated March 28, 2022, which indicates the proposed project on the subject property based on the rezoning.

The data, conclusions, assumptions and limiting conditions upon which this value is based are contained within the accompanying report which should be read in conjunction with this letter. Our value estimate is free and clear of mortgage financing and other encumbrances unless otherwise indicated.

If you have any questions or comments, please do not hesitate to contact the under-signed.

Respectfully submitted,

Nicholas Tan
B.Comm, AACI, P.App
Senior Consultant, Valuation

Direct Line: (604) 331-7350
Email: nicholas.tan@ryan.com

Ryan H. Wong
B.Comm, AACI, P.App
Director, Valuation

Direct Line: (604) 331-7316
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EXECUTIVE SUMMARY

This summary forms part of a full appraisal report and should be read in conjunction with it.

CIVIC ADDRESS: 8655 Granville Street, Vancouver, BC.
TYPE OF PROPERTY: Mixed use commercial and residential strata redevelopment land.
SITE AREA: 15,076 sq.ft. according to architectural plans.
ZONING CLASSIFICATION: Commercial (C-2).
LAND USE DESIGNATION: Mixed Use (up to 12 storeys).
REGISTERED OWNER: Red Buffalo 8655 Holdings Ltd., Inc. No. Bc1149162.
VALUE SUMMARY:

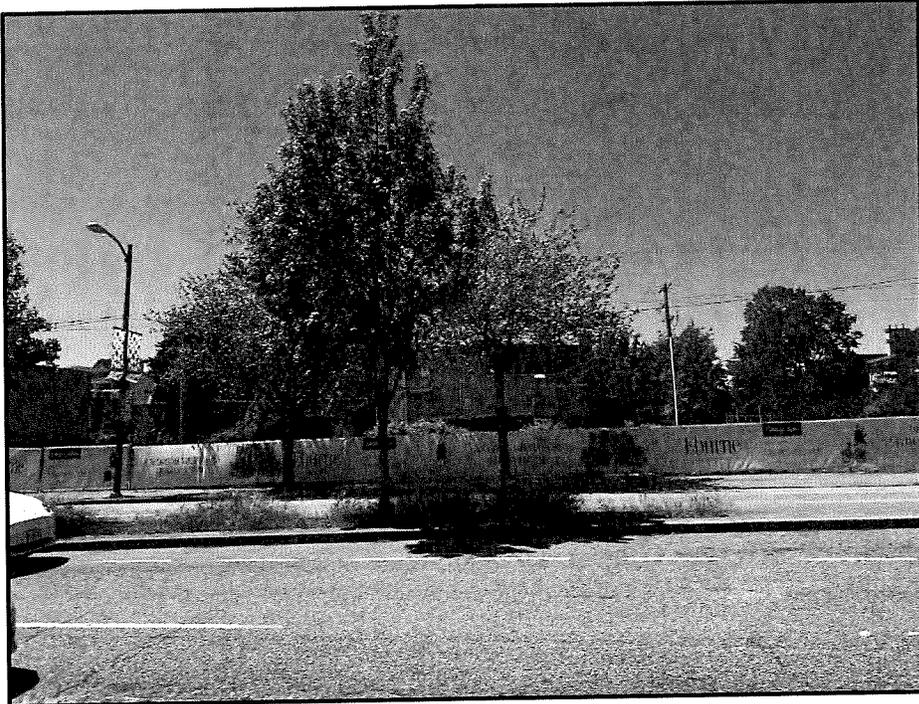
Value Summary 8655 Granville Street	
Site Area	15,076 sq.ft.
Rezoned Density	4.10 FSR
Market Value	\$395 per sq.ft. buildable
Total Value	\$24,404,423
Rounded to	\$24,400,000

FINAL VALUE CONCLUSION: \$24,400,000.
EFFECTIVE DATE OF VALUE: June 11, 2023.
DATE OF REPORT: June 26, 2023.
DATE OF VIEWING: June 11, 2023.

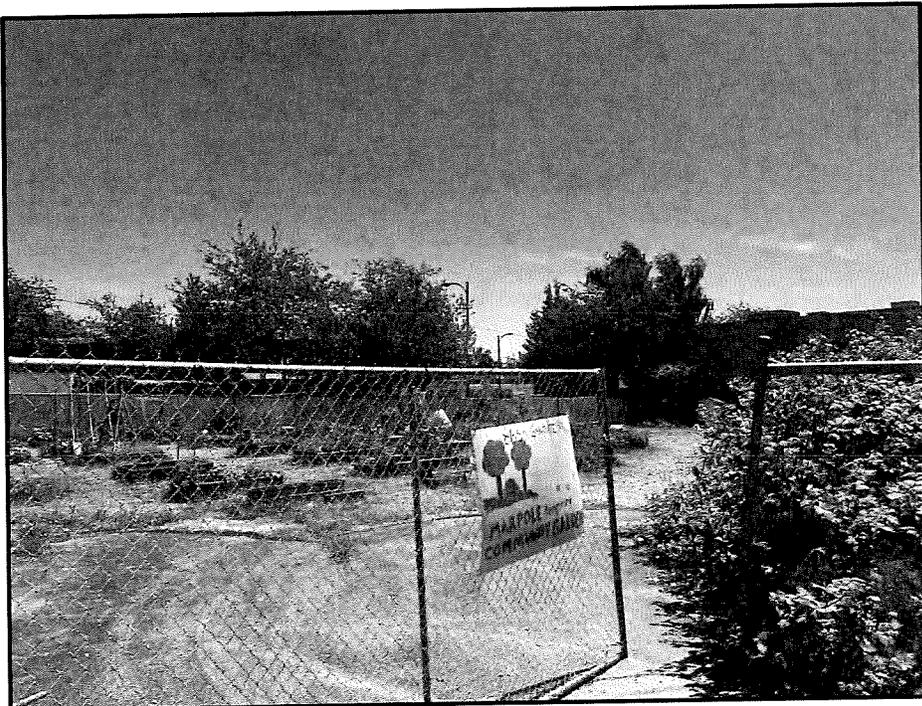
CRITICAL ASSUMPTIONS & LIMITING CONDITIONS

- We have relied upon the information provided by the commissioner, Mr. Gerald Ching, of this report. Information regarding paid costs towards development have been provided from a general ledger and relied upon within this report.
- The subject is in the process of being rezoned to a CD-1 designation where a development permit has been filed and approved by Council prior-to final enactment. The subject's underlying land has been valued based on this rezoned density where the proposed uses (retail, office, and residential) and their respective densities have been relied upon within this report. The rezoned density is indicated to be 4.10 FSR.
- We have relied upon the architectural plans prepared by GBL Architect, dated March 28, 2022, which indicates the proposed project on the subject property based on the rezoning.
- The Provincial Government has implemented various taxes with a goal of creating housing affordability. These taxes include the Speculation Tax, the Empty Homes Tax (City of Vancouver) and the Foreign Entity Tax. As the qualifications for exemption from these taxes are often tied to the property owner's circumstances (i.e. citizenship, residency, use and occupancy of the property) it is not possible to accurately quantify said taxes for a fee simple or leased-fee valuation exercise.
- The report assumes that there is no change in the physical or leasable status of the subject property between the valuation date, viewing date and date of this report.
- It is assumed that there are no existing leases or financial encumbrances affecting the subject property as of the effective date of appraisal unless expressly noted within this report.
- The subject photos were taken on the date of viewing, unless otherwise noted, and are assumed to reflect the condition of the subject property as of the effective date of appraisal.
- The author is not a qualified surveyor and no legal survey concerning the subject property has been provided. Site dimensions, areas, diagrams and photographs, etc., are presented in this report for the limited purpose of illustration and are not to be relied upon in themselves.
- No investigation has been undertaken with the local zoning office, the fire department, the building inspector, the health department or any other government regulatory agency unless such investigations are expressly represented to have been made in this report. The subject property must comply with such government regulations and, if it does not comply, its non-compliance may affect market value. To be certain of compliance, further investigation may be necessary.
- The analysis set out in this report relied upon written and verbal information of market transactions, data and statistics obtained from a variety of sources we considered reliable. A concerted effort was made to verify the accuracy of the information herein contained. Since this appraisal is not intended to be used for court purposes or arbitration, some of the information set out in this report may not have been fully documented or confirmed by reference to primary sources.

SUBJECT PHOTOS



SUBJECT PROPERTY

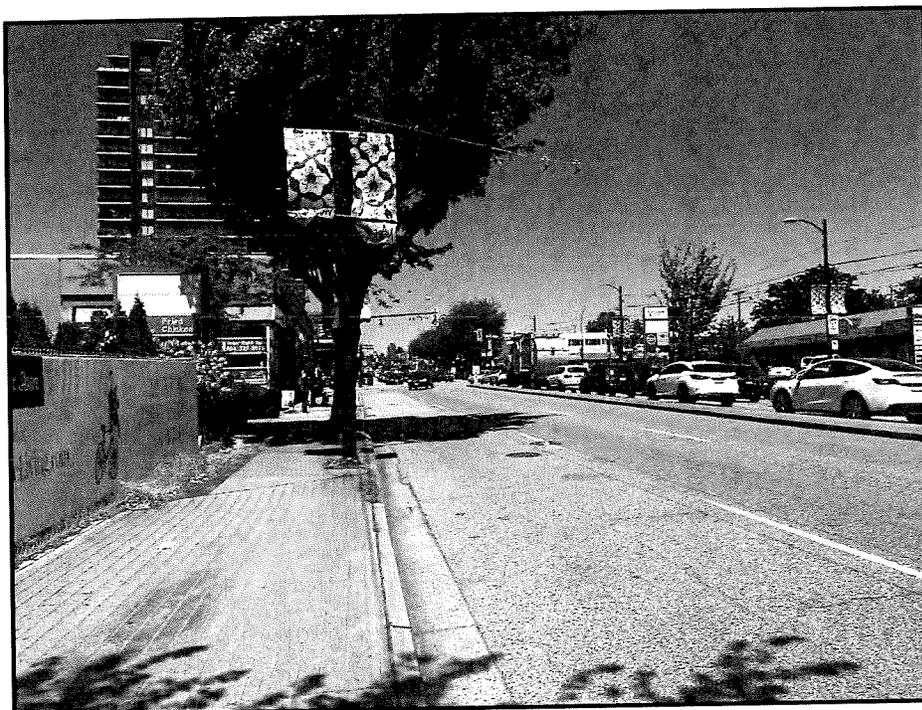


REAR VIEW OF SUBJECT PROPERTY

SUBJECT PHOTOS



VIEW SOUTH ALONG GRANVILLE STREET



VIEW NORTH ALONG GRANVILLE STREET

SUBJECT PHOTOS



VIEW SOUTH ALONG REAR MUNICIPAL LANE



VIEW NORTH ALONG REAR MUNICIPAL LANE

SECTION 1

Property Analysis



APPRAISAL ASSIGNMENT

PROPERTY APPRAISED

DESCRIPTION OF SUBJECT PROPERTY	The subject property represents a redevelopment site immediately adjacent to the southwest corner of Granville Street and West 70 th Avenue, in the Marpole neighbourhood of the City of Vancouver. The subject property is currently vacant and unimproved.
CIVIC ADDRESS	8655 Granville Street, Vancouver, BC.
LEGAL DESCRIPTION	Lot D Block F District Lot 318 Plan 21521. PID #009-430-105.

RELEVANT DATES

DATE OF VALUATION: June 11, 2023.

DATE OF REPORT: June 26, 2023.

DATE OF VIEWING: June 11, 2023.

The value estimate within this report assumes an exposure period of three to six months.

PURPOSE & INTENDED USE OF REPORT

The purpose of the report is to determine the current market land value of the fee simple in the subject property as of the valuation date.

The property rights being appraised in this report are those which accrue to the owner of the property described herein. This encompasses the rights normally attached to the freehold (or fee simple) interest in the property, subject to the lease agreements outlined in this report (if applicable). The property has been appraised on a debt-free basis.

The report is intended to be used for the purposes of establishing the fair market value of the subject lands for litigation purposes.

Intended User of Report

The report has been prepared on the condition that the only intended user of the appraisal is 1146503 BC Ltd. Reliance on this report is limited to 1146503 BC Ltd. using the report for a single time, only for purpose of the report, and any other use is strictly unauthorized.

NATURE OF INTEREST

CURRENT OWNER OF RECORD	Red Buffalo 8655 Holdings Ltd., Inc. No. Bc1149162.
-------------------------	---

Title Information

The current title document is registered as CA6653042. A copy of the title document is included in Addendum B.

Nothing in this report is intended as a legal opinion as to the state of the title. This report is prepared on the premise that the property is free and clear of all liens or encumbrances, except as shown on the title search and interpreted herein, and on the assumption that the improvements do not encroach onto adjacent lands.

Charges researched and reviewed relate to the following:

Restrictive Covenant (CA6016094): pertaining to a covenant that restricts the subject's land use, or any portion thereof, for the purpose of the sale, marketing, storage, distribution or handling, in bulk, of oil or petroleum products.

All other charges, including any pertaining to mortgages, have not been reviewed. For the purposes of this appraisal report, we have assumed that the subject property is free and clear of any encumbrances that would have a material effect upon value, and the excluded areas noted above. If the reader has questions regarding the impact of these charges against the subject's title, legal advice should be obtained.

Sales History

Based upon our review of available sources and our discussions with the property owner's representative, it is our understanding that the subject property has not sold within the last three years. We are also not aware of any agreements for sale, options, leases or listings of the subject property within the past year.

SCOPE OF THE ASSIGNMENT

The scope of the appraisal encompasses the necessary research and analysis to prepare an appraisal report in accordance with the intended use, the Ethics and Standard of Professional Practice, and the Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP) of the Appraisal Institute of Canada (AIC). CUSPAP was adopted on January 1, 2001 (amended effective January 1, 2022) by the AIC and is required to be followed by all members of the AIC for all appraisals.

In regard to the subject property, this involved the following steps:

1. The property was viewed by the appraiser on June 11, 2023 and all photographs of the subject property were taken on that date. Together with any pertinent information supplied by the client, the site and property description forms the basis for the property description contained herein.
2. The subject property legal description and ownership profile was confirmed by way of an on-line title search at BC Land Titles Registry.
3. Regional, City, District and Neighbourhood site data, zoning details, property tax, building and development data were based on information supplied by the subject Municipality, Statistics Canada and other relevant sources. Additionally, the Neighbourhood and Location Description section of this report is based upon a physical viewing of the area by the appraiser.
4. Statistical data has also been reviewed from the Land Registry, Canada Mortgage and Housing, the Multiple Listing Service (Paragon) and information available from the British Columbia Assessment Authority.
5. In estimating the highest and best use of the subject property, an analysis was made of the data contained in all the steps noted in the Scope Section of this report.
6. The six procedures used to value land are:

- a.) Direct comparison;
- b.) Abstraction;
- c.) Extraction;
- d.) Subdivision development;
- e.) Land residual;
- f.) Ground rent capitalization.

The Direct Comparison Approach was used to estimate the value of the subject property. This Approach included the collection of data obtained from discussions with owners, managers and agents, municipal officials and others knowledgeable with properties similar to the subject or this sector of the market.

7. Subsequent to the assembly and analysis of the data collected and defined in the Scope of the Appraisal, a final estimate of market value was made, subject to the Assumptions and Limiting Conditions of the Appraisal.
8. This appraisal did NOT include the completion of technical surveys or investigations, such as:
 - a survey of the site;
 - investigations into the load-bearing qualities of the soils;
 - an environmental review of the property;
 - environmental assessment of the land.
9. This appraisal excludes all sub-surface (mineral, oil, etc.) rights, as well as timber rights, if any exist.

LOCATIONAL DATA

BRITISH COLUMBIA ECONOMIC OVERVIEW

The data provided below describes the general condition of the BC economy at this time. The statistics used are the latest data available on each segment of the economy as of June 9, 2023.

The first quarter of 2023 indicated a 5.1% increase in non-residential construction investment from one year earlier, with an increase in commercial investment outweighing reductions in industrial and institutional investment. Residential construction investment increased by 3.5% from the previous year. The first quarter of 2023 also saw year-over-year manufacturing shipments decrease by 5.8%, wholesale sales decrease by 0.9% and retail sales increase by 1.0%. The provincial economy increased by 6.2% in 2021, driven by a recovery in consumer spending as COVID cases fell and restrictions were lifted. Economic growth between 2.8% and 3.6% is anticipated for 2022, with current forecasts anticipating economic growth of up to 1.2% in 2023. Current estimates anticipate a provincial budget deficit of \$4.2 billion in the 2023/2024 fiscal year.

CONSUMER PRICE INDEX	Apr 22 to Apr 23	5-yr Avg.
British Columbia	4.3%	3.3%
Canada	4.4%	3.3%
LABOUR FORCE	May 22	10-year Avg.
Unemployment Rate (British Columbia)	5.0%	5.9%
Unemployment Rate (Canada)	5.2%	6.7%
INTEREST RATES	Jun 01 to Jun 23	10-year Avg.
Bank of Canada	4.75%	1.15%
Prime Rate (Royal Bank)	6.95%	3.31%
5-Year Closed (Top 5 Banks)	5.64%	3.46%*
5-Yr Gov't Benchmark Bond Yield (Prev. Day Close)	3.70%	1.50%
US \$ per Cdn. \$	\$0.734	\$0.772

*Five-Year Average

PROVINCIAL ECONOMIC TRENDS

Population

British Columbia is the westernmost province in Canada, strategically situated on the Pacific Rim, comprising 14% of Canada's total population and 10% of Canada's total land area. It is the third most populous province, with 5,399,118 residents as of January 1, 2023, up 2.8% from January, 2022.

Employment

As of June 1, 2023, 2,780,800 persons were employed in British Columbia, 61.8% of the working-age population. 81.9% of employed British Columbians work in the service-producing sector, including trade (15.7%), health care and social assistance (13.2%), professional and technical services (9.8%) and education (7.9%). 18.1% are employed in the goods-producing sector, including construction (8.6%), manufacturing (6.1%), natural resources (1.7%) and agriculture (1.0%). Approximately 20% of jobs in BC were part-time.

Migration

In the fourth quarter of 2022, BC saw net immigration of 32,729 persons, up 131.4% from one year earlier due to increased international immigration outweighing net interprovincial

	BC COMPENSATION BY SOURCE		
	Inter-Provincial Immigrants	International Immigrants	Total Net Migration
2021 Total	27,225 (29%)	67,561 (71%)	94,786
5-yr Avg.	17,762 (26%)	51,055 (74%)	68,816
2022 Total	481 (0%)	150,783 (100%)	151,264
5-yr Avg.	14,799 (17%)	70,188 (83%)	84,987

emigration. The largest net interprovincial inflow was from Ontario (999 persons), while the largest net interprovincial outflow was to Alberta (3,591 persons).

Tourism

In April, 2023, the RevPAR (revenue per available room) of BC hotels was \$141.69, up 14.2% from the same period one year earlier, while the RevPAR of Vancouver hotels was \$180.63, up 17.4% from the same period one year earlier. BC hotel occupancy was 69.1% in April, 2023, up 1.1 percentage points from the same period one year earlier, while Vancouver hotel occupancy was 79.5%, up 2.8 percentage points from the same period one year earlier. Overall in 2022, BC hotels achieved a RevPAR of \$143.89 (up 79.6% from 2021) and an occupancy of 67.6% (up 17.8 percentage points from 2021), while Vancouver hotels achieved a RevPAR of \$174.61 (up 118.0% from 2021) and an occupancy of 73.6% (up 25.6 percentage points from 2021). In 2023, per recent forecasts, BC hotels are expected to achieve a RevPAR of \$156 and an occupancy of 70%, while Vancouver hotels are expected to achieve a RevPAR of \$193 and an occupancy of 78%.¹ During the 2022 cruise season, Vancouver received 307 calls carrying over 810,000 passengers, down 24.4% from 2019. Recent forecasts call for an estimated 334 calls carrying 1,300,000 passengers in 2023.

Trade

The total value of provincial exports to all countries during April, 2023 was approximately \$4.9 billion, down 13.8% from one year earlier. 2022 exports totalled \$64.9 billion, up 20.4% from 2021; the annual average over the past five years has been \$50.1 billion. British Columbia is more diversified than the nation as an exporter, given its West Coast proximity to major importing countries. While Canada sent some 77.0% of its exports to the US in 2022, only 56.7% of BC's exports went to the US. 13.1% of BC's exports in 2022 went to China, BC's second-largest export market. In 2022, Port Metro Vancouver saw total cargos decrease by 3.5% from one year earlier, due to continuing supply chain issues and lingering effects of the previous year's poor grain harvest.

Retail

Retail sales in BC in March, 2023 totalled approximately \$8.9 billion, up 7.2% from one year earlier. Retail sales totalled \$103.5 billion in 2022, up 5.0% from 2021. Total retail sales have averaged \$92.6 billion over the last five years.

Interest Rates

In June, 2023, the Bank of Canada raised its overnight interest rate by 25 basis points, to 4.75%, in an attempt to slow the continued rise in inflation; previous increases had occurred in the eight consecutive meetings between March, 2022 and January, 2023. The current prime interest rate is 6.95%. The most competitive posted rate for a five-year fixed mortgage from the top five banks is currently 5.64%.

¹ Source: CBRE Hotels' Trends in the Hotel Industry National Market/Operations Report with reproduction and use of information subject to CBRE Limited Disclaimer / Terms of Use as detailed at: <https://www.cbre.ca/services/invest-finance-and-value/valuation-and-advisory/hotels#disclaimer>.

Bank of Canada 2013-2023 Interest Rate Announcements		
Announcement Date	Target Overnight Rate	Change
July 13, 2022	2.50%	+1.00%
September 7, 2022	3.25%	+0.75%
October 26, 2022	3.75%	+0.50%
December 7, 2022	4.25%	+0.50%
January 25, 2023	4.50%	+0.25%
March 8, 2023	4.50%	-
April 12, 2023	4.50%	-
June 7, 2023	4.75%	+0.25%

Source: Bank of Canada

Housing Starts

In the first quarter of 2023, both Vancouver CMA and provincial housing starts were above the same quarter one year earlier and above the five-year average. Overall in 2022, Vancouver CMA housing starts decreased by 0.1% from the previous year, while provincial housing starts decreased by 0.6% from the previous year. Recent forecasts call for an estimated 37,000 housing starts in BC in 2023.

	Housing Starts		
	2022 Total	2023 Q1	2023 YTD Total
Vancouver CMA	25,983	7,118	7,118
5-yr Avg.	25,183	5,780	5,780
British Columbia	43,106	10,531	10,531
5-yr Avg.	40,601	9,081	9,081

Major Projects

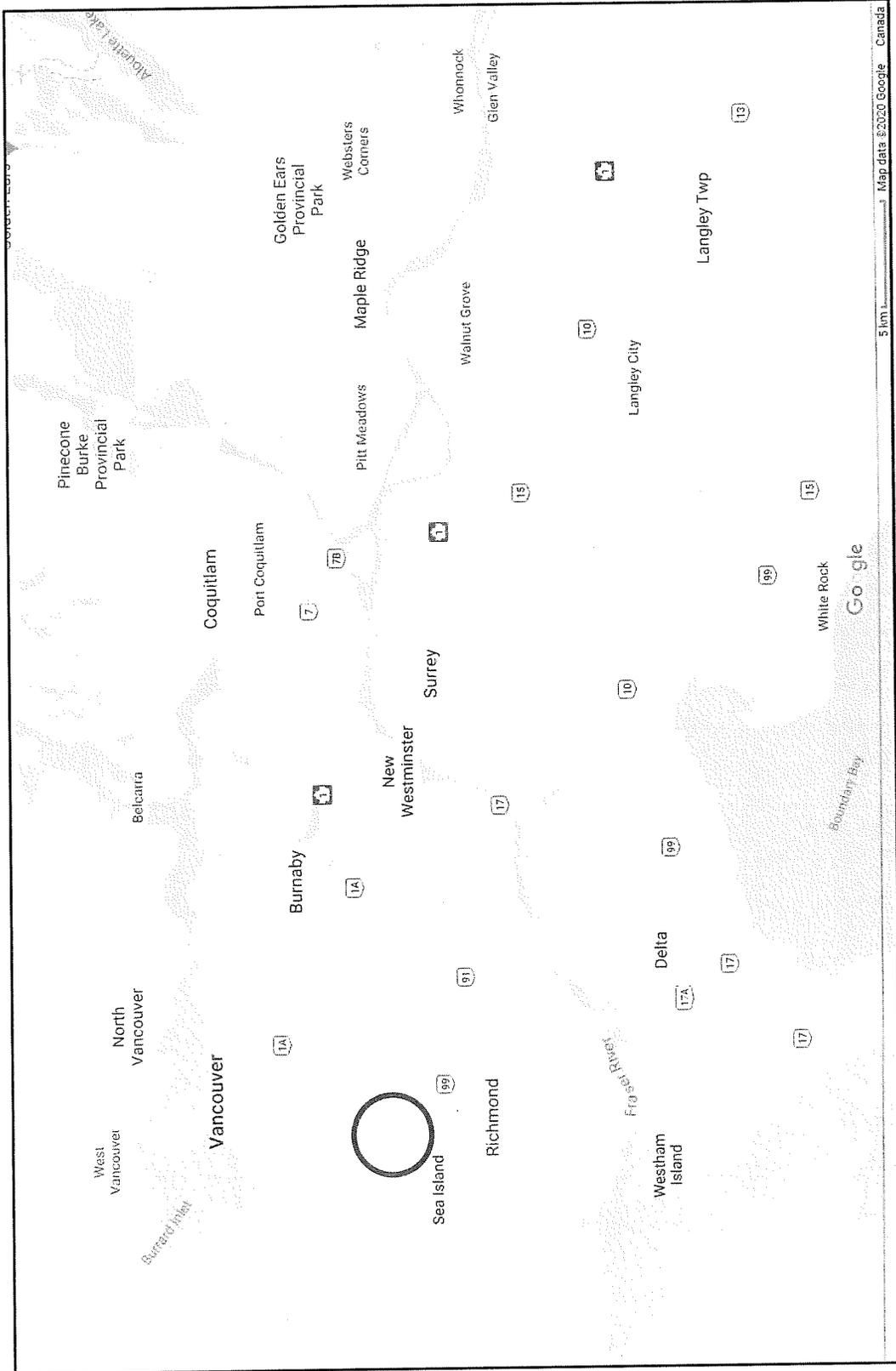
As of the fourth quarter of 2022, the estimated capital cost of all major projects valued at over \$15 million currently under construction in BC is \$137.8 billion; the larger projects (those with an estimated capital cost over \$2 billion) are listed below.

Municipality	Projects Currently Under Construction (>\$2 billion)	Est. Cost (\$ mill)
Kitimat	LNG Canada Facility	\$36,000
Fort St. John	Site C Project	\$16,000
Burnaby	Lougheed Town Centre Redevelopment	\$7,000
Dawson Creek	Coastal GasLink Pipeline Project	\$6,200
Burnaby	Trans Mountain Pipeline Expansion	\$4,500
Vancouver	River District (formerly East Fraserlands) Development	\$4,000
Vancouver	Senakw Housing Project	\$3,000
Vancouver	Broadway Subway Project	\$2,827
Vancouver	St. Paul's Hospital Replacement	\$2,174
Kelowna	Wilden Development	\$2,100
All Other	361 projects	\$54,002
Total	All 371 projects currently under construction	\$137,803

Included in this figure are the 35 major projects that commenced construction during the fourth quarter at an estimated value of \$1.8 billion. The total capital cost of proposed projects that have not yet been approved for construction is estimated at \$217.7 billion. There are approximately \$30.2 billion worth of projects judged to be "on hold" for the time being. The capital cost of 21 new projects proposed in the fourth quarter of 2022 was approximately \$1.0 billion. The larger projects are listed below.

Municipality	New Proposed Projects Oct-Dec 2022 (>\$50 million)	Est. Cost (\$ mill)
New Westminster	Student Housing	\$293
Kelowna	George Pringle Secondary School	\$106
Burnaby	South Yards Condominiums	\$95
Burnaby	Citizen Highrise Condominium	\$66
Burnaby	Slate Condominiums	\$64
Burnaby	Perla Condominiums	\$62
All Other	15 projects	\$346
Total	All 21 new proposed projects in BC Oct-Dec 2022	\$1,012

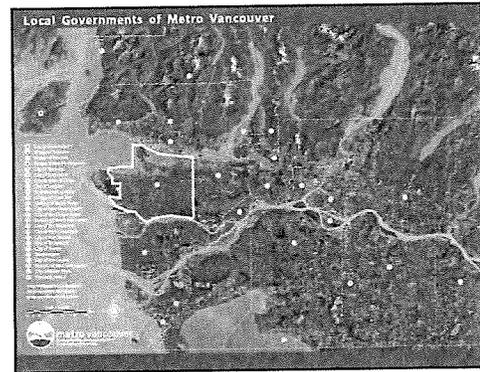
Sources: Statistics Canada, BC Stats, Bank of Canada, Royal Bank of Canada, CMHC, Industry Canada.



REGIONAL/CITY PROFILE

Metro Vancouver

The City of Vancouver is part of Metro Vancouver, the third-largest metropolitan area in Canada. Comprising 21 municipalities, one electoral area and one treaty First Nation, Metro Vancouver has a population of 2,842,720 persons as of July 1, 2022 (BC Stats, 2022). Metro Vancouver's total land area is approximately 2,879 square kilometres, bordered by the Strait of Georgia to the west, the US border to the south, the Valley of the Fraser River to the east and the Coastal Mountains to the north.



The region is serviced by significant transportation infrastructure, including the Vancouver International (YVR) and Abbotsford Airports, Horseshoe Bay and Tsawwassen Ferry Terminals, highways (Trans-Canada/Highway 1, Lougheed/Highway 7, Highway 17, Highway 91 and Highway 99), SkyTrain Rapid Transit (the Expo Line, the Millennium Line and Evergreen Extension, and the Canada Line, with the Broadway Subway line and the Surrey-Langley SkyTrain extension opening in the coming years), over 2,200 kilometres of major roadways, 20 major bridges and two major tunnels. Port Metro Vancouver, the fourth-largest (by tonnage) port in North America, offers 29 deep sea and domestic marine terminals that service five business sectors: automobiles, break bulk, bulk, containers and cruise. Three Class 1 railways service the port terminals: CN Rail and Canadian Pacific Railway, both transcontinental railways, and the Burlington Northern Santa Fe Railway.

City of Vancouver

Vancouver is the eighth-largest city in Canada, covering approximately 112 square kilometres and home to a population of 706,012 (BC Stats, 2022). It is bordered by Burrard Inlet to the north, the Fraser River to the south, the Strait of Georgia to the west and the City of Burnaby to the east. With water restricting development on three sides, there is pressure on land use to create a higher density city.

Vancouver and Burnaby are linked by Hastings Street and Kingsway, which connect to downtown Vancouver, and Marine Drive, which follows the Fraser River to UBC. Vancouver is linked to the North Shore by the Lions Gate Bridge at the tip of Stanley Park in Downtown Vancouver and by Highway 1 via the Second Narrows Bridge in East Vancouver. The Knight Street, Oak Street and Arthur Laing Bridges link Vancouver to Richmond and YVR to the south. Waterfront Station, in downtown Vancouver, is Metro Vancouver's main transit hub, allowing connections between the Expo and Millennium lines to Burnaby and points east, the Canada Line to Richmond and YVR, the SeaBus commuter ferry to North Vancouver and the West Coast Express commuter train to the Fraser Valley. Construction has begun on the Broadway Subway, the first phase of an extension of the Millennium SkyTrain Line along Broadway to UBC; completion of this phase is anticipated in 2026. Vancouver features two of TransLink's high-frequency RapidBus routes, linking Waterfront with the Simon Fraser University campus in Burnaby and the University of British Columbia campus with Joyce-Collingwood SkyTrain Station.

Vancouver is divided into three distinct areas: the East Side, the West Side and the downtown peninsula. The East Side, between Ontario Street and Boundary Road, offers generally less expensive housing, while the West Side, between Ontario Street and UBC, comprises middle- and upper-income neighbourhoods. Throughout the city, multi-family housing and commercial uses line the major transportation corridors, with recent development concentrated along the Canada Line. The downtown peninsula largely comprises apartment & commercial buildings. The city has, in recent years, approved new neighbourhood plans for several areas, calling for

increased density around rapid transit stations and increased access to affordable and social housing. A new area plan for Northeast False Creek was approved in early 2018, calling for mixed use development on the vacant lands around the Plaza of Nations and BC Place Stadium and on the Main Street lands occupied by the Georgia and Dunsmuir Viaducts. An area plan for the Broadway Corridor was approved in May, 2022, calling for increased residential (particularly rental) and mixed use density along Broadway and the neighbouring streets. Additionally, initial consultations have begun regarding development of the Jericho Lands on West 4th Avenue and the creation of a new plan for the area around the Rupert and Renfrew SkyTrain stations.

Vancouver's Central Business District is located on the downtown peninsula and comprises high density commercial and hotel buildings, with lower density retail uses throughout and extending into the West End and Yaletown neighbourhoods. Commercial uses line the major transportation arteries through the city, especially the Broadway Corridor, the third-largest concentration of office space in Metro Vancouver. Vancouver's two largest shopping centres are Pacific Centre, located downtown, and Oakridge Centre, located on the Canada Line and being redeveloped as an urban mixed use community comprising 3,500 residential units, more than 1,950,000 sq.ft. of retail and office space, a ten-acre park and a variety of civic amenities. Most of the city's industrial land is located on the East Side, primarily in the False Creek Flats and around Burrard Inlet, with some industrial uses located along the Fraser River. Light industrial, technology and office uses, including Vancouver Film Studios, are also located at Boundary Road and Grandview Highway and in Mount Pleasant.

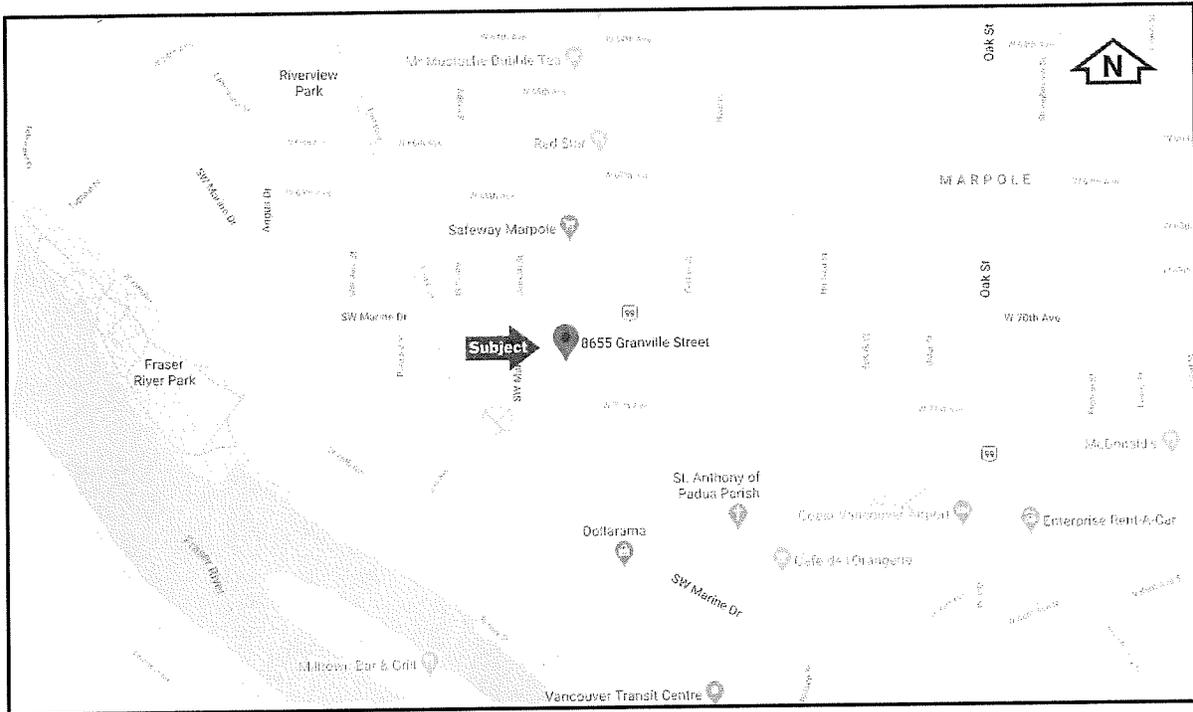
Vancouver is a thriving business centre, supported by an economy traditionally driven by the head office operations of resource companies in addition to broad-based diversification in areas of digital media, information technology, green technology, biotechnology and film production. Vancouver's proximity to Asia makes the city an important trade centre. Tourism is another major contributor to the Vancouver economy, particularly the cruise industry, with stunning scenery, parks, beaches and nearby mountains that generate an avid draw among tourists. UBC, located just west of Vancouver, hosts a daily population of over 76,000 students and faculty and is a major influence on the city's economy.

Population by Neighbourhood					Population by Age Group				
Neighbourhood	Population	Ann. Growth (10 Years)	Area (ha)	Pop./ha	Age Group	Vancouver	City Pop.	Metro Vancouver	% of Metro
City of Vancouver (2021 Census)	662,248	0.9%	11,199	59.1	0 to 9	46,910	7.1%	240,070	9.1%
Metro Vancouver (2021 Census)	2,642,825	1.4%	287,893	9.2	10 to 19	49,975	7.5%	269,395	10.2%
% of Metro Van.	25.1%		3.9%		20 to 29	110,445	16.7%	375,520	14.2%
Population by Age Group					30 to 39	126,535	19.1%	409,435	15.5%
					40 to 49	87,120	13.2%	350,990	13.3%
					50 to 59	89,200	13.5%	368,170	13.9%
					60 and over	152,045	23.0%	629,240	23.8%
(2021 Census)						662,250		2,642,820	

Census, CMHC & MLS Stats					Major Project Inventory Q3 2022 (\$ millions)						
	Vancouver	%	Metro Vancouver		Vancouver	%	BC				
Population Estimate (2022)	706,012	24.8%	2,842,720	Proposed	\$8,188	3.7%	\$220,702				
Household Units (2021 Census)	305,335	29.3%	1,043,320	On Hold	\$80	0.3%	\$30,970				
CMHC Housing Starts (2022)	6,053*	23.3%	25,983	Construction Started	\$17,285	12.7%	\$136,534				
CMHC Rental Inventory (2022)	63,293*	52.5%	120,472	Completed	\$51	6.6%	\$775				
CMHC Rental Vacancy (2022)	0.9%*		0.9%	Broker Stats							
MLS Home Sales (2022)	8,599	29.7%	28,989						Vancouver	%	Metro Vancouver
MLS HPI (2022)	\$1,271,075	106.0%	\$1,199,250	Downtown	\$3,830,552						
2022 Building Permit Stats (\$000s)					Broadway Corridor	\$,399,359					
	Residential	Commercial	Industrial	Vancouver Periphery	\$,587,081						
Vancouver	\$3,183,644	\$1,282,194	\$113,474	Office Space (sq.ft.) - Q1 2023	45,816,992	61.5%	74,479,522				
Metro Vancouver	\$10,485,857	\$2,905,892	\$356,147	Industrial Space (sq.ft.) - Q1 2023	21,232,176	9.5%	222,808,334				
% of Metro Vancouver	30.4%	44.1%	31.9%	<i>(Colliers International)</i>							

Sources: Stats Canada, BC Stats, City of Vancouver, Real Estate Board of Greater Vancouver, Colliers International, CMHC
 *CMHC data includes University Endowment lands.

AREA MAP



NEIGHBOURHOOD PROFILE

The subject property is situated in the Marpole neighbourhood of the City of Vancouver, immediately adjacent to the southwest corner of Granville Street and West 70th Avenue. The subject property is located within a commercial node, in close proximity to multi-family residential nodes to the east and west and single-family residential nodes to the northeast and northwest.

Property Uses in the Surrounding Area:

NORTH	David Lloyd George Elementary School (northeast), Multi-family Residential, Office, Retail, Single-family Residential (northeast/northwest);
SOUTH	Marpole Park (southeast), Office, Retail, William Mackie Park (southwest);
EAST	Multi-family and Single-Family Residential, Retail;
WEST	Multi-family and Single-Family Residential.

Recent Development Activity:

- North of the subject property is W68, a ten-storey concrete building which is being developed by Westland Properties. The project relates to a mixed use building comprising of 64 residential units, at-grade retail and above grade office units. Excavation is well underway with the project anticipated to be completed in 2024.
- Framing is underway for The Row on French, a 24-unit rowhouse complex located north of the subject property. The project is being constructed by Vanwell Homes and is expected to be completed in 2024.

Transportation and Access:

ROAD NETWORK	Granville and Oak Streets to the east; West 70th Avenue to the north; Arthur Laing Bridge and Oak Street Bridge to the southeast.
PUBLIC TRANSIT	Bus service running north/south along Granville Street; Bus service running east/west along West 70th Avenue.

Summary:

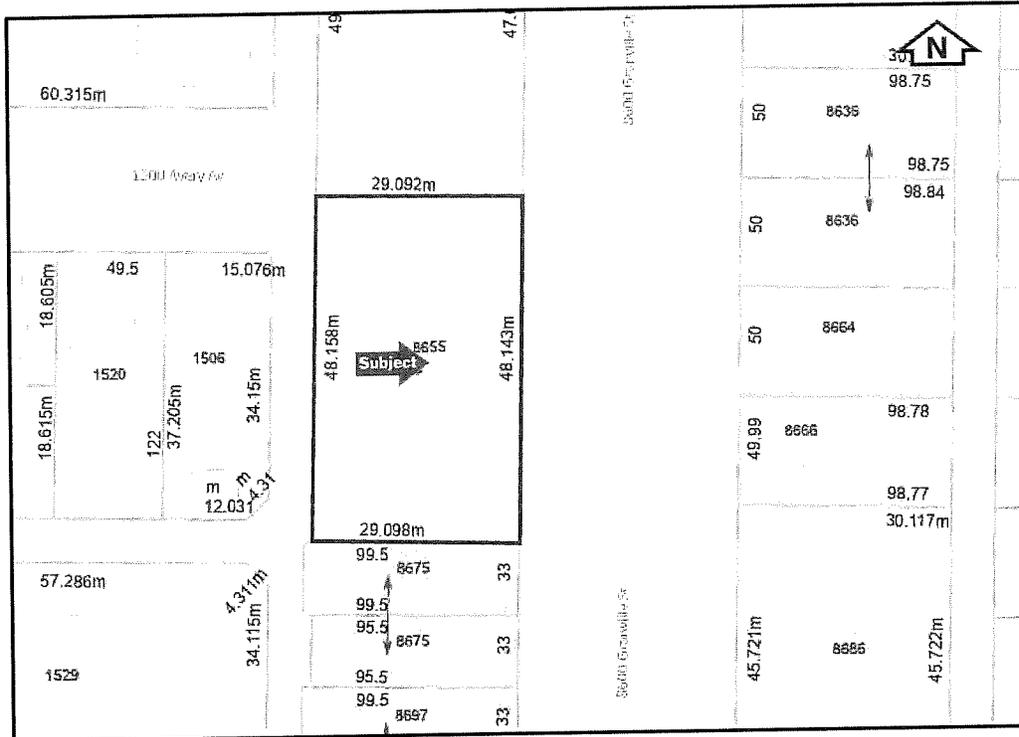
The subject property is featured along a commercial node, in close proximity to multi-family residential nodes to the east and west and single-family residential nodes to the northeast and northwest. The subject fronts Granville Street, a busy arterial in the City of Vancouver. The close proximity to David Lloyd George Elementary School, Marpole Park and William Mackie Park provide convenience to area residents.

PROPERTY DATA

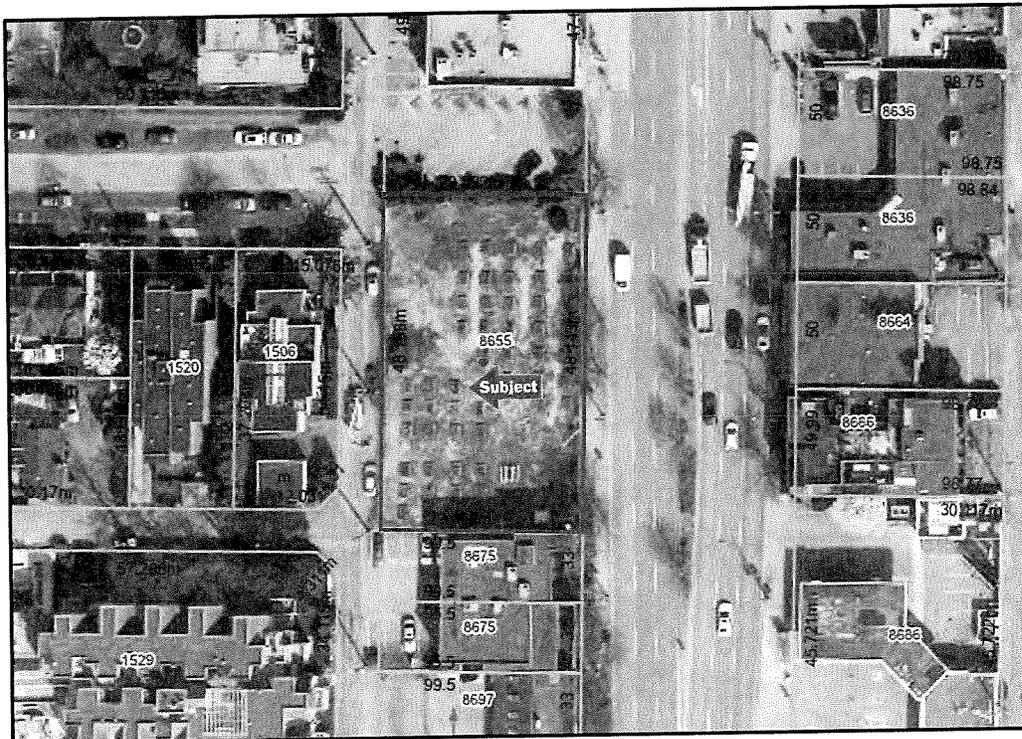
SITE

SITE AREA	15,076 sq.ft. according to architectural plans.
CONFIGURATION	See site plan.
UTILITIES	Access to the following municipal services: potable water, storm and sanitary sewer, hydro, natural gas, telephone, cablevision, ambulance, police and fire protection.
TOPOGRAPHY	Slight downward slope from the north to the south.
SOIL CONDITIONS	We are not environmental consultants or geotechnical engineers and have not been provided with any soils surveys or other environmental studies on the subject property. As such, we do not know if the subject property is free of soil contamination and environmental problems. For the purpose of this report, it is assumed that the property does not suffer from any environmental or geotechnical problems. The reader is cautioned that if such a problem were to exist, it could have an impact on value.

SITE PLAN



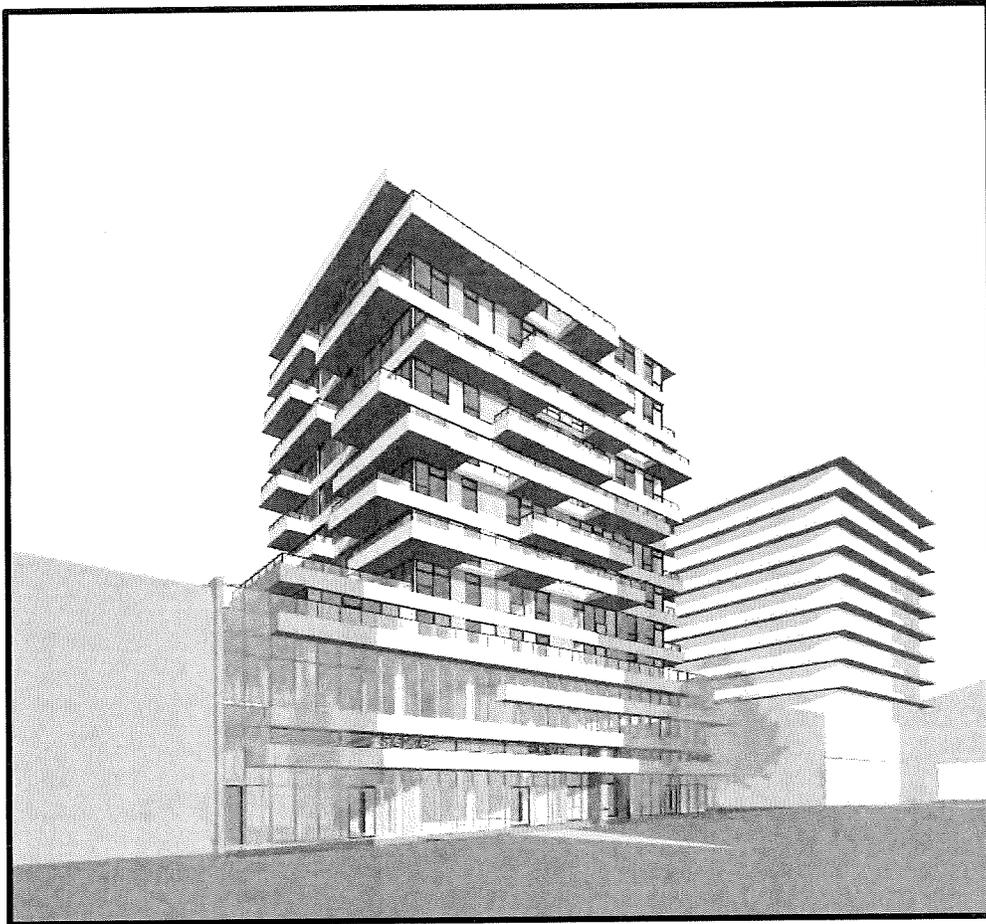
AERIAL PHOTO OF SUBJECT SITE AND IMPROVEMENTS



IMPROVEMENTS

The subject property is currently vacant and unimproved, thus no descriptions have been provided.

However, a development permit application was approved (DP-2021-00906) on February, 2022 for the subject property, subject to conditions, allowing the development of a 12-storey, mixed use building. The project was branded as *Eburne*, however, all marketing material, including the sales centre, is on hold. The status of the project remains unknown. Renderings of the project are attached below.



ASSESSMENTS & TAXES

The 2023 assessed value is the Assessor’s opinion of value for assessment purposes and is not necessarily reflective of market value. The assessment is based upon the value as at July 1, 2022. The value is based upon the physical condition of the subject property as of October 31, 2022.

Roll # 012130831110000.

Land:	\$	20,326,000
Improvements:		0
Total:	\$	<u>20,326,000</u>

The gross taxes for 2023 are \$78,349.62.

ZONING AND LAND USE CONSIDERATIONS

INTRODUCTION	<p>The intent of the Commercial (C-2) zoning bylaw is to provide for a wide range of commercial uses serving both local and city wide needs, as well as residential uses, along arterial streets. This bylaw emphasizes building design that furthers compatibility among uses, ensures liveability, limits impact on adjacent residential sites, and contributes to pedestrian interest and amenity.</p> <p>Further details of this zoning are available in the City of Vancouver Official Bylaws.</p>
ZONING CLASSIFICATION	Commercial (C-2).
MAXIMUM DENSITY:	<p>0.75 FSR; the Director of Planning may permit to a maximum of 2.50 FSR.</p> <p>Mixed use Residential building that is a Residential Tenure: 3.50 FSR, providing that the FSR for non-dwelling uses on the first storey facing the street is at least 0.35 FSR.</p>
MAXIMUM HEIGHT:	15.3 m where the floor-to-floor height for non-dwelling uses located at the first storey facing the street is 5.2m or greater and 13.8 meters if the first storey is less than 5.2 meters.
PERMITTED USES:	Outright uses include Cultural and Recreational, Office, Retail, and service uses. Conditional uses include Agricultural, Dwelling, Institutional, Manufacturing, Parking, Transportation and Storage, Utility and Communication, and Wholesale uses.
DCP OR FUTURE REZONING:	The subject is designated as Mixed use (Up to 12 storeys) within the Marpole Community Plan. An excerpt summarizing the designation is attached below.
REZONING AND DEVELOPMENT PERMIT	<p>A rezoning application was approved by Council at Public Hearing on May 18, 2021. The application relates to the subject being rezoned from C-2 to CD-1 to permit the development of a 12-storey mixed use building with at-grade commercial space, office space, and 55-strata-titled residential units. A height of 38.4 metres (126 feet) and a floor space ratio of 4.10 are proposed. The public hearing report is attached as Addendum C within this report. The official enactment of such rezoning as yet to be made with the commissioner of this report indicating that there are still conditions that have yet to be made with the Community Amenity Contributions (CACs) also yet to be paid. According to the document, the negotiated CACs are some \$1.9M or \$81 per sq.ft. buildable on the increase in density. Further to this rezoning, a development permit application was also filed and approved on February 7, 2022. Prior to the final issuance of the Development Permit, revised digital drawings shall be submitted to the satisfaction of the Director of Planning which are indicated in the prior-to letter dated February 7, 2022. The land value that is concluded within this report is based on the application noted within this section and the proposed overall density of 4.10 FSR.</p>

Density, Use, Form of Development

6.1.1 Mixed-use (up to 12 storeys)

- Height: up to 12 storeys including a 2 to 3 storey podium
- FSR: up to 3.5¹ with consideration for an increase for developments that incorporate commercial/office space above the first floor. A minimum 0.5 FSR of commercial floor area above the first floor will be required to achieve additional density beyond 3.5 FSR
- A mix of commercial uses, which may include retail, service and community serving uses, is required at the ground floor
- Office use above the first floor level is encouraged
- Residential and/or commercial uses permitted on upper floors
- Provide 2 and 3 bedroom units for families (see policies in 8.0 Housing)
- Ground floor commercial units must provide a range of sizes with small street frontages and active access to the street
- Create a sawtooth pattern of slim higher buildings over a lower podium of 2 to 3 storeys. Heights will descend towards the north and south from West 70th Avenue
- Storeys above the podium should be located to allow light through the block, and articulated to minimize shadowing.
- Provide a mid-block connection on the east side of Granville Street (see Figure 6.3)
- Provide public realm improvements that include increased sidewalk width, street trees and amenities such as feature lighting, seating, bike racks, etc

¹ The proposed floor space ratio (FSR) is an estimate based on intended urban design performance with respect to site mass, form, technology, height and scale appropriate for respective locations, and transition to adjacent properties. The development potential for each site may fall within, below, or above the FSR range given and will be determined by careful analysis of individual proposals based on urban design and public realm performance and quality.



Figure 6.1: 12 storey mixed-use building with podium and 2nd podium



Figure 6.2: 12 storey mixed-use building with podium

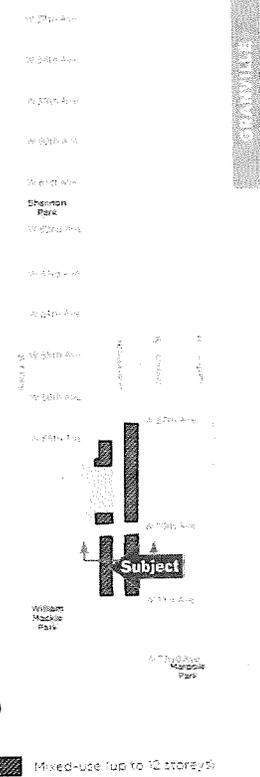
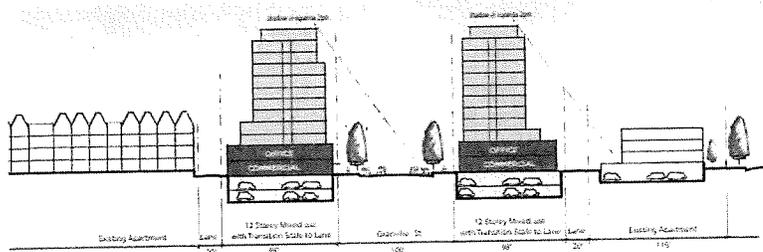



Figure 6.3: Cross-section diagram showing building heights and setbacks. The diagram illustrates a 12-story mixed-use building with a podium, situated between West 68th Ave and West 70th Ave. The building has a 2-story podium at the base and a 10-story tower above. The setbacks from the street are 20' on the west side and 10' on the east side. The diagram also shows existing adjacent buildings and a mid-block connection on the east side of Granville St.

Figure 6.4: Site plan map showing the subject property location on Granville St between West 68th Ave and West 70th Ave. The map includes a north arrow and a legend for Mixed-use (up to 12 storeys).

EFFECT OF AN ASSEMBLAGE

When relevant to the assignment, an appraiser must analyse the effect of an assemblage on value. Assemblage is the merging of adjacent properties into one common ownership or use. The value of the whole may be less than, equal to, or more than the sum of the components of the various estates or parcels. Assemblage establishes the effect on value, if any, of the “larger parcel”.

The subject property is a stand-alone potential development site. Assemblage is not considered relevant to this assignment.

HIGHEST & BEST USE

DEFINITION

Real Estate is valued in terms of its optimum or “highest and best use”. Highest and best use is defined as:

“The reasonably probable use of a property that is physically possible, legally permissible, financially feasible and maximally productive, and that results in the highest value”.

CRITERIA

The four criteria the Highest and Best Use must meet are:

Legal Permissibility

- This considers public restrictions, including zoning guidelines, utility right-of-way, etc., and private restrictions such as easements.
- The subject property is currently zoned C-2, which permits mixed use development up to 2.50 FSR (with permission from the Development Permit Board); however, the subject has been designated as a 12- storey mixed use site and if developed with a two to three-storey commercial podium, a density beyond 3.50 FSR can be achieved based on the Marpole Community Plan (amended May, 2017). The existing improvements conform in height, uses and density, thus reflecting a legal, conforming use. A development permit application was approved by Council at Public Hearing on May 18, 2021. A height of 38.4 metres (126 feet) and a floor space ratio of 4.10 are proposed. Based on the approval of Council to rezone, with a development permit also approved, the proposed project is thereby legally permitted, subject to the conditions and remarks outlined in the application.

Physically Possible

- This considers site area, configuration, topography, availability of utilities, street improvements and accessibility.
- The subject property offers a large and efficient development site in a desirable West Side location. The subject offers a rectangular shaped parcel. It is fully serviced and fully accessible to pedestrians, motorists and transit vehicles. The full range of emergency services, including police, fire and ambulance, are available. Based on the architectural plans that are relied upon within this report, it does appear physically possible to redevelop the subject property to a development that is based on the subject’s approved rezoning application.

Financially Feasible

- This considers marketability in terms of supply/demand characteristics, profitability as it relates to return on cost, market rent levels, etc., and the availability and cost of capital.
- The real estate market has been negatively impacted by seven interest rate hikes since March, 2022; however, there are signs of an improving market going into Spring of 2023 with stronger demand for multi-family apartments, due in part to pent-up demand and optimism that the Fed’s are at the end of their fiscal tightening policy. Market participants feel that the Fall of 2023 will see renewed growth in

real estate, particularly for presale developments that are well located and close to public amenities and mass transit. The chart below summarizes presale activity in other concrete builds in Vancouver West.

Project	Neighbourhood	Height	Avg. Size (Sq.Ft.)	Avg. Price Per Sq.Ft.	Total Units	Units Sold	Marketing Start	Marketing End	No. of Months	Units Per Month
Subject Property W68	Marpole	10-storeys	671		58					
Oakmont Vancouver Oku	Marpole	6-storeys	785	\$1,430	42	25	Jun-21	ongoing	21.0	2.2
Gryphon Nova	Marpole	6-storeys	693	\$1,414	132	85	Aug-21	ongoing	19.0	1.3
8888 Osler	Marpole	6-storeys	871	\$1,564	43	26	Sep-21	ongoing	18.0	4.7
Park Langara	Marpole	9-storeys	871	\$1,564	43	26	Nov-21	ongoing	16.0	1.6
	Marpole	6-storeys	638	\$1,214	76	76	May-18	Feb-22	45.0	1.7
	Cambie Corridor	6-storeys	712	\$1,514	71	59	Feb-22	ongoing	13.0	4.5

- Presales within Vancouver West are well within the \$1,500 per sq.ft. region with resales of comparable product upwards of \$1,400 per sq.ft.

Maximum Profitability

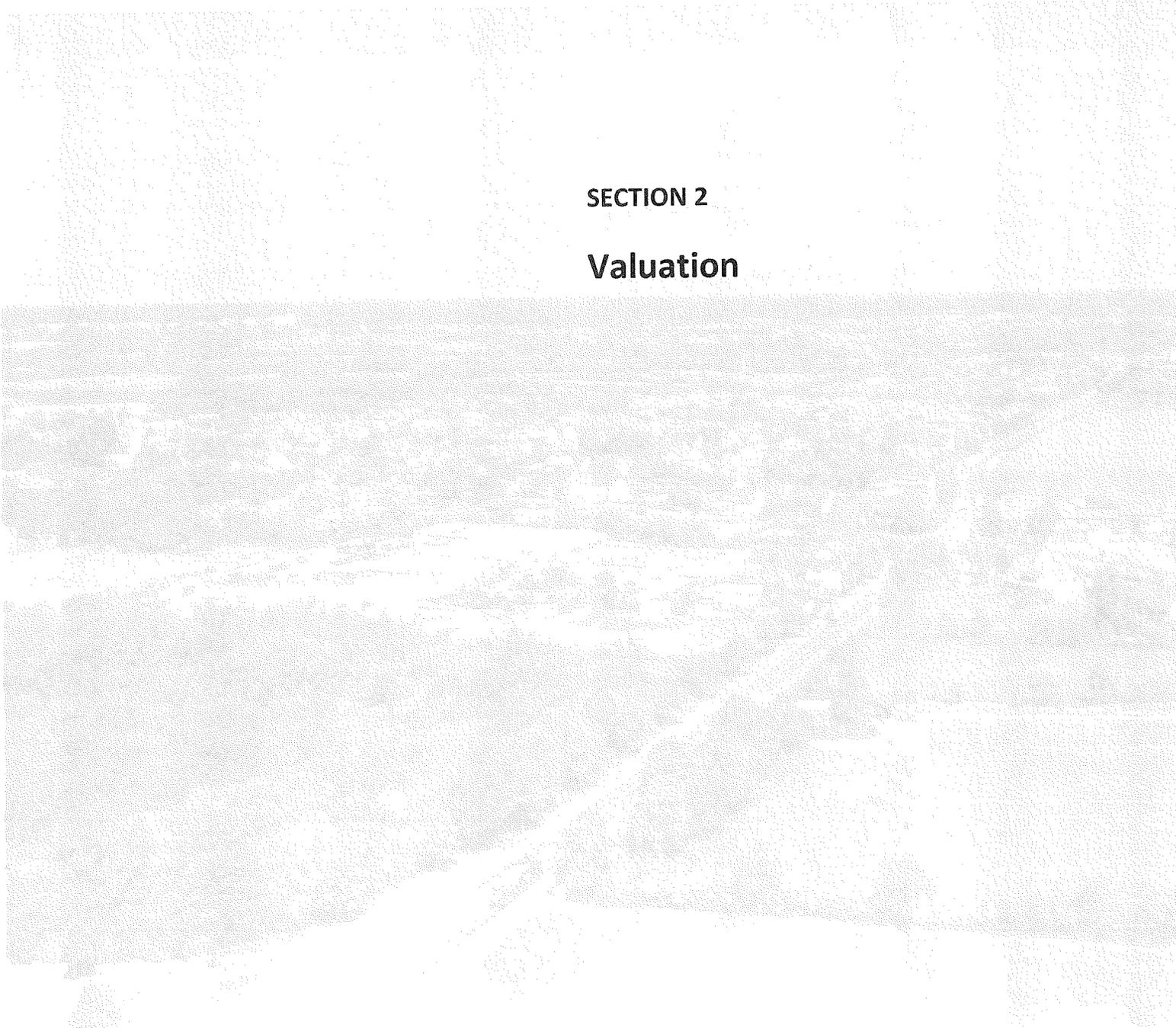
- This considers use that produces the highest residual land value consistent with the rate of return warranted by the market for that use.
- The subject property is located within an area with a favourable community plan which permits an increase in the allowable density. Redevelopment is fully supported by the City of Vancouver based on the recent rezoning and development permit approvals. The greatest economic use of the land is to redevelop to maximize the possible allowable density.

CONCLUSION

Having regard to the discussion above, the subject lands is currently vacant and unimproved, thus reflects a legal, conforming use according to the applicable Commercial (C-2) zoning guidelines. Given the subject's location, Marpole Community Plan to encourage higher density and surrounding developments, we are of the opinion that the current use as a vacant and unimproved development lot will not deliver the greatest net return to the property.

HIGHEST AND BEST USE AS IF VACANT

If the subject property was able to be developed in today's market, it is our opinion that its highest and best use would be a mixed use commercial and residential development up to 12 storeys with a two to three-storey commercial podium similar to what is currently proposed to be developed on the subject property. The ownership structure would most likely be strata in nature to capitalize on the highest return to a developer.



SECTION 2

Valuation

VALUATION PROCESS

METHODS OF VALUATION

Generally, appraisers rely upon three basic approaches to estimate value: the Direct Comparison Approach, the Cost Approach, and the Income Approach. The decision to apply any one or all of these approaches is determined by the type of property being appraised.

- a.) Direct Comparison;
- b.) Extraction;
- c.) Allocation;
- d.) Land Residual;
- e.) Ground Rent Capitalization;
- f.) Subdivision Approach.

Direct Comparison Approach:

- Sales of similar, vacant parcels are analysed, compared, and adjusted to provide a value indication for the subject land being appraised. Direct comparison is the most common technique for valuing land, and it is the preferred method when comparable sales are available.

Extraction:

- An estimate of the depreciated cost of the improvements is deducted from the total sale price of the property to arrive at the land value. This technique is applicable when the buildings contributory value is small and relatively easy to identify (the technique is frequently used in rural areas).

Allocation:

- A ratio of land value to property value is extracted from comparable sales and applied to the sale price of the subject property to arrive at the land value. This technique is applicable when the number of vacant land sales is inadequate and is typically used as a check for reasonableness rather than a formal opinion of land value.

Land Residual:

- The gross revenue of hypothetical improvements is determined and all costs associated with construction are deducted (hard costs, soft costs and developers profit). The remainder in the calculation is attributable to the land. This technique is only applicable in testing the feasibility of alternative uses of a particular site in highest and best use analysis or when land sales are not available.

Ground Rent Capitalization

- A market-derived capitalization rate is applied to the ground rent of the subject. This method is useful when comparable rents, rates, and factors can be development from an analysis of sales of leased land.

Subdivision Approach

- Direct and indirect costs and entrepreneurial profit are deducted from an estimate of the anticipated gross sales price of the finished lots, and the net sales proceeds are discounted to present value at a market-derived rate over the development and absorption period. This technique is applicable when vacant land that has the potential for development as a subdivision represents the likely highest and best use of the land.

The final step in the appraisal process is to reconcile the one or more value indications. In this reconciliation to provide one final estimate of market value, the purpose of the appraisal, the type of property, and the adequacy and reliability of the data studies, all influence the weight attributed to each of the approaches.

APPROACH TO ESTIMATING VALUE

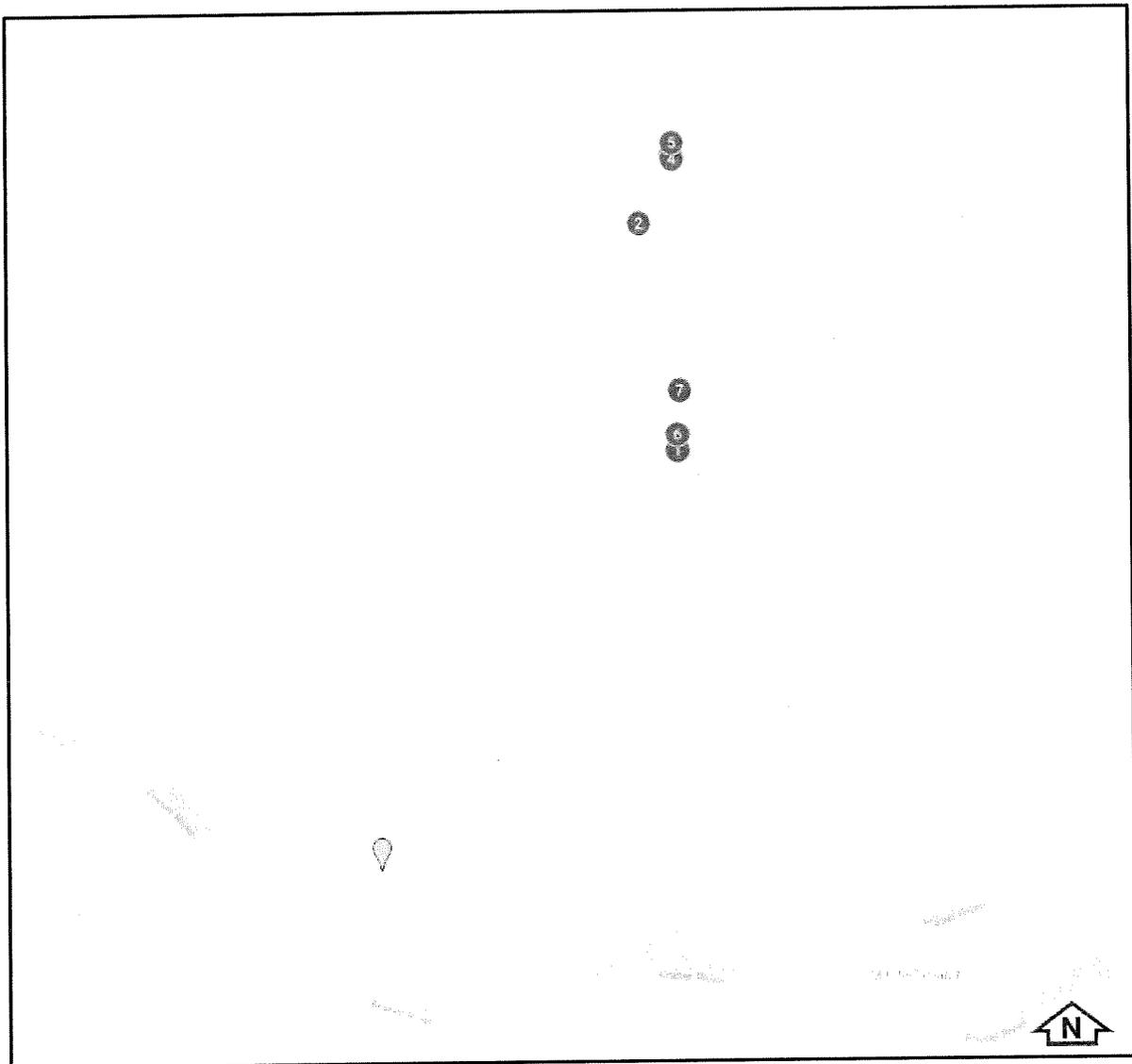
Land value is typically determined using the Direct Comparison Approach with the price per sq.ft. buildable being the main unit of value. This is calculated by taking the sale price divided by the total Floor Space Ratio (FSR) area or buildable area that is approved or contemplated to be developed on the site (site area x FSR = buildable area). There have been numerous sales in the area to support this approach. In our analysis, we have applied a gross density of 4.10 FSR based on the rezoned density that has been pre-approved by Council. Income and Cost Approaches are not used for development sites.

COMPARABLE SALES

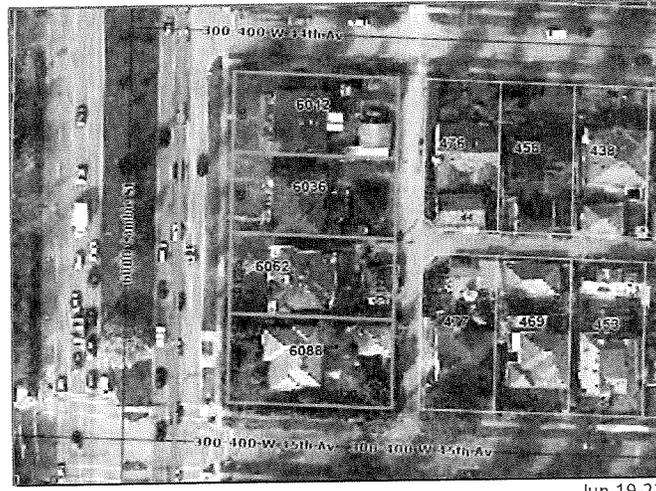
INTRODUCTION

We have examined a number of land sales over the past two years and have undertaken discussions with agents with respect to investor expectations for properties such as the subject in the current market. The following sales have been selected as they represent the most relevant transactions.

Map of Comparable Sales



Comparable No. 1

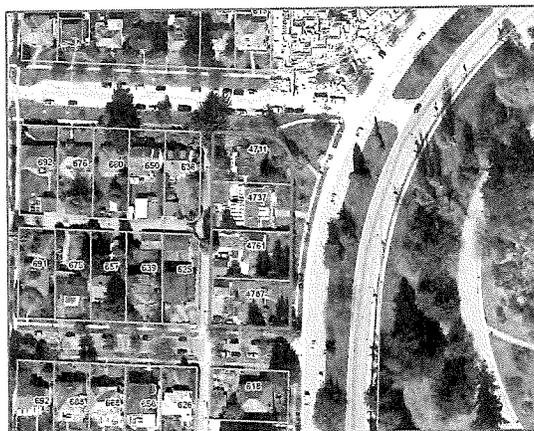


Jun-19-23

Address	6012-6088 Cambie Street, Vancouver
Zoning	RT-2
Land Use Plan	Cambie Corridor Plan - Oakridge Municipal Town Centre
Land Use Designation	Mixed Use, Oakridge MTC
Vendor	KY Ventures V1802 Ltd.
Purchaser	Coromandel Properties
Closing Date	Nov-21
Negotiation Date	Apr-21
Sale Price	\$94,500,000
Site Size	32,361 sq.ft.
Proposed FSR/FAR	8.66
Proposed Buildable	253,062 sq.ft. (market density)
Price/Prop. Buildable	\$414 (strata density cost, including CACs)

- The property represents a whole block assembly situated on the east side of Cambie Street, between West 44th and West 45th Avenues, located in the Oakridge neighbourhood of the City of Vancouver.
- Improved with a single-family home, two non-stratified duplexes and a stratified duplex constructed between 1950 to 1989.
- Located within the Cambie Corridor Plan Phase 3 area and is designated for mixed use development.
- The purchaser intends to build a 20-storey residential tower and 12-storey office tower with an office podium and retail at grade with an anticipated density of 8.66 FSR.

Comparable No. 2



Jun-19-23

Address	4711-4787 Cambie Street, Vancouver
Zoning	RS-1
Land Use Plan	Cambie Corridor Plan
Land Use Designation	Apartment (Up to 6 Storeys)
Vendor	Multiple owners
Purchaser	Mosaic Homes
Closing Date	Mar-22
Negotiation Date	Dec-21
Sale Price	\$32,550,000
Site Size	37,059 sq.ft.
Proposed FSR/FAR	2.50
Proposed Buildable	92,647 sq.ft.
Price/Prop. Buildable	\$426 (including CACs)

- Bounded to the north by West 31st Avenue, the east by Cambie Street and the south by West 32nd Avenue. At the time of sale, the site was improved with four older single-family dwellings.
- The purchaser has indicated that the anticipated development density is slightly above 2.50 FSR.

Comparable No. 3



Jun-19-23

Address	4339 Cambie Street & 506 West 27th Avenue, Vancouver
Zoning	RS1
Land Use Plan	Cambie Corridor Plan
Land Use Designation	Apartment (Up to 6 Storeys)
Vendor	Prada Developments Corporation
Purchaser	Aria Pacific Development
Closing Date	Aug-22
Negotiation Date	Sep-21
Sale Price	\$17,000,000
Site Size	20,250 sq.ft.
Proposed FSR/FAR	2.79
Proposed Buildable	56,498 sq.ft.
Price/Prop. Buildable	\$377 (including CACs)

- Located west of Cambie Street, on the south side of West 27th Avenue, in the City of Vancouver.
- Under Cambie Corridor Plan, designated for apartment up to six storeys.
- The property is eligible for redevelopment up to 2.50 FSR, potentially increased to approximately 2.79 FSR.

Comparable No. 4



Jun-19-23

Address	4361-4387 Cambie Street, Vancouver
Zoning	RS1
Land Use Plan	Cambie Corridor Plan
Land Use Designation	Apartment (Up to 6 Storeys)
Purchaser	Aria Pacific
Closing Date	Aug-22
Negotiation Date	Sep-21
Sale Price	\$17,000,000
Site Size	20,250 sq.ft.
Proposed FSR/FAR	2.79
Proposed Buildable	56,498 sq.ft.
Price/Prop. Buildable	\$377 (including CACs)

- Located west of Cambie Street, on the north side of West 28th Avenue, in the City of Vancouver.
- Under Cambie Corridor Plan, designated for apartment up to six storeys.
- The property is eligible for redevelopment up to 2.50 FSR, potentially increased to approximately 2.79 FSR.

Comparable No. 5

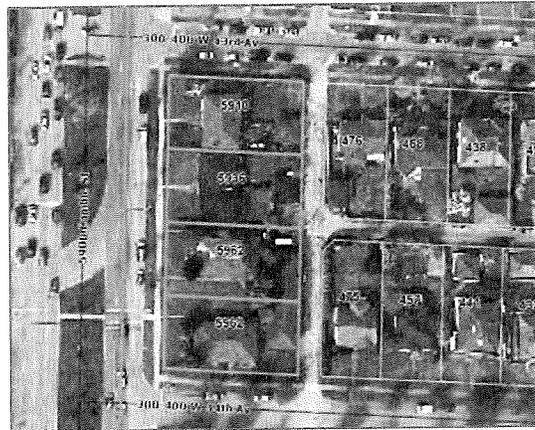


Jun-19-23

Address	4261 Cambie Street and 503 West 27th Avenue, Vancouver
Zoning	RS1
Land Use Plan	Cambie Corridor Plan
Land Use Designation	Apartment (Up To 6 Storeys)
Vendor	Multiple owners
Purchaser	Aria Pacific Development
Closing Date	Feb-22
Negotiation Date	Aug-21
Sale Price	\$17,000,000
Site Size	20,237 sq.ft.
Proposed FSR/FAR	2.79
Proposed Buildable	56,461 sq.ft.
Price/Prop. Buildable	\$379 (including CACs)

- Development site located at the northwest corner of West 27th Avenue and Cambie Street
- Purchaser is proposing a density of 2.79 FSR. Blended CACs of \$78 per sq.ft. are therefore indicated.

Comparable No. 6



Address	5910-5998 Cambie Street, Vancouver
Zoning	CD
Land Use Plan	Cambie Corridor Plan - Oakridge MTC
Land Use Designation	Mixed Use, Oakridge MTC
Vendor	Wall Financial
Purchaser	Peterson Group & Coromandel Properties
Closing Date	Mar-22
Negotiation Date	Apr-21
Sale Price	\$86,500,000
Site Size	31,604 sq.ft.
Current Zone FSR/FAR	10.86
Current Zone Buildable	343,219 sq.ft.
Price/Curr. Zone Buildable	\$310 (including CACs)

- A rezoning application to permit a mixed use development comprising a 29-storey condo tower, a 15-storey hotel, ten artist live/work units and at grade retail at a density of 10.86 FSR was approved in March 2021.
- CACs of \$19.8M comprised of a \$13.68M cash contribution and artist live/work in-kind contribution are applicable.

Comparable No. 7



Address	495 West 41st Avenue, Vancouver
Zoning	C-2
Land Use Plan	Cambie Corridor Plan - Oakridge Municipal Town Centre
Land Use Designation	Mixed Use, Oakridge MTC
Vendor	CM Bay Cambie Developments Ltd.
Purchaser	PCI Group
Closing Date	Sep-20
Sale Price	\$40,000,000
Site Size	15,860 sq.ft.
Proposed FSR/FAR	6.59
Proposed Buildable	104,517 sq.ft.
Price/Prop. Buildable	\$383

- Vacant and unimproved site at the time of sale.
- Assembly with 488 West 40th Avenue is required for redevelopment as designated by the Cambie Corridor Phase 3 Plan; however, the Purchaser is anticipating to rezone the site as a stand alone development.
- The purchaser is anticipating a 14-storey market rental tower with office and retail uses at the podium at a proposed density of 6.37 FSR.
- Additional CACs are not anticipated given the secured market rental nature of the residential component.
- A parking reduction is sought given the proximity to rapid transit.

ANALYSIS OF COMPARABLE SALES

The Direct Comparison Approach considers each of the comparables on a price per sq.ft. buildable basis. We have researched land sales in various neighbourhoods of Vancouver that would relate to the subject property given the dearth of land sales. We will be comparing the subject property to other multi-family development sites that are designated for a similar overall density. The following chart provides a summary of the particulars of each comparable sale.

Wkt	Address	Sale Date	Sale Price	Area (sq. ft.)	Land Use Designation	Yield	ADU/UR	Price per Sq. Ft. Buildable	Density Bonus Sanctionation	Price Per Sq. Ft. Buildable (Inc. Density Bonus)	
Cambie Corridor											
1	6012-6088 Cambie Street	Nov-21 neg. Apr-21	\$94,500,000	31,604	Cambie Corridor Phase 2	Market Density Total Density	8.01 8.87	CD	\$373	\$40	\$414
2	4711-4787 Cambie Street	Dec-21	\$32,550,000	37,059	Cambie Corridor Phase 2	Six-Storey Residential	2.50	RS-1	\$351	\$74	\$426
3	4339 Cambie Street & 506 West 27th Ave	Aug-22 Neg. Sep-21	\$17,000,000	20,250	Cambie Corridor Phase 3	Six-Storey Residential	2.79 (proposed)	RS-1	\$301	\$77	\$378
4	4361-4387 Cambie Street	Aug-22 Neg. Sep-21	\$17,000,000	20,250	Cambie Corridor Phase 2	Six-Storey Residential	2.79 (proposed)	RS-1	\$301	\$77	\$378
5	4261 Cambie Street 503 West 27th Avenue	Feb-22 Neg. Aug-21	\$17,000,000	20,237	Cambie Corridor Phase 3	Six-Storey Residential	2.79 (proposed)	RS-1	\$301	\$77	\$379
6	5910-5998 Cambie Street	Mar-22 Neg. Apr-21	\$86,500,000	31,604	Cambie Corridor Phase 3	Market Density	10.86 (proposed)	CD	\$252	\$58 <i>Anticipated</i>	\$310
7	495 West 41st Avenue	Sep-20	\$40,000,000	15,860	Cambie Corridor Phase 3	Market Density	6.59 (proposed)	CD	\$383	\$0 <i>Rental</i>	\$383
	Subject Property 8655 Granville Street			15,080	Marpole CP	Rezoning: 10-storey Residential	4.10	C-2		\$81 <i>As per Rez. Doc</i>	

The comparable sales indicate a range of values between \$310 to \$426 per sq.ft. buildable, inclusive of CACs, and based on varying FSRs. The comparables offer varying densities and are anticipated to be built of various build-forms. It would be noted that although varying build-forms are anticipated, it would likely be similar to the subject in that it would be constructed in concrete form, considering the anticipated end-unit revenues that are associated with these land values.

There is much uncertainty in the development space today due to risks associated with rising interest rate and construction cost. At the valuation date, the Bank of Canada has increased the prime rate by 425 basis points since March 2022 to combat inflation which had a direct impact on the cost of borrowing. The latest increase coming just in the beginning of June, raising the overall prime rate to 4.75%. Previous to this increase, there were discussions that inflation levels were returning to some normalcy with two back to back no-increases to the overall prime rate announced in the second quarter of 2023. However, the latest increase provides insight on the Bank of Canada's current and forecasted view of inflation. While construction costs in BC have seen steady escalations in the 2% to 3% range in previous years, the number has reported to be in the double digits territory since 2021, based on a recent report by Metro Vancouver Housing Corporation (MVHC). Major global and local impacts including supply chain issues, material and labour shortages, led to increases in both material costs and labour. The competitive set represents transactions that were negotiated in the second half of 2021 and thus an adjustment is warranted for time.

Land sale activity on the West Side has been sparse for strata residential use since the second quarter of 2022. The majority of activity in the past year has focused on purpose-built rental land along major corridors under the City's Secured Rental Policy and rental sites where the developer envisions both market and non-market rental use within the recently approved Broadway Plan. The above comparables were selected due to their similar Cambie Corridor Locations and similar overall OCP designations.

The comparables relate to development sites along the Cambie Corridor. We have included their anticipated CAC payment at the time of negotiation where all but one are subject to a fixed CAC. Comparable No. 1 relates to a large development site where the purchaser is envisioning a 20-storey luxury tower and 12-storey office. The site was negotiated in much more favourable marketing conditions, further supporting a value below this comparable. Similarly, Comparable Nos. 4 and 5 were negotiated during similar times where the Bank of Canada's overnight rate was below 1.0% even as low as 0.25%. Today, this rate is 4.75%, representing a spread of over 400 basis points, bringing interest rates to a level not seen since 2001. Comparable No. 6 represents a large development site where the purchasers are envisioning a 29-storey condo tower, 15-storey hotel, artist live/workspace, and an at-grade retail uses. A rezoning application was approved in March, 2021. We understand that there were other parties interested in the deal, however, were deterred due to the hotel component and its metrics. A value above this comparable is anticipated.

There are costs that are saved for the subject property as it has been approved for rezoning and development permit with some associated softs have already been paid for. These costs savings would benefit a purchaser from both a financial perspective and in terms of risk and timing. This is discussed in greater detail at the end of this section. Therefore, there is some merit that these costs would offset some adjustment for changing market conditions.

Overall, considering the financial implications that have affected the marketplace, we would estimate a value between \$310 and \$414 per sq.ft. buildable, inclusive of CACs. In order to provide additional support on the market land value, a cursory land residual is undertaken, where estimated revenues for the proposed project are determined and associated development costs are then deducted to arrive at the residual land value.

Residual Analysis

Development land is ultimately driven by the achievable revenue for the end product. In similar markets where there is a dearth of recent comparable land sales to draw from, greater reliance is placed upon the residual land approach to evaluate potential land values. With respect to the subject property, a mixed use development comprising a high-rise condominium atop a commercial podium is anticipated. In our residual analysis, we have relied upon the architectural plans prepared by GBL Architect, dated March 28, 2022, which indicates the following areas for each use:

MULTI-FAMILY RESIDENTIAL STRATA PRO-FORMA							
Address: 8655 Granville Street						A2306-7361	
Site Area: 15,076 sq.ft.							
Rezoning Designation: CD-1							
	FAR Sq.ft.	FAR	GBA Sq.ft.	Saleable	Efficiency***	# Units***	Avg. Unit Size***
Retail	6,581	0.44	6,581	6,201	94%	4	1,550
Office	8,947	0.59	8,947	6,593	74%	1	6,593
Market Strata	46,255	3.07	48,472	38,898	80%	58	671
Total	61,783	4.10	64,000	51,693	81%	63	U/A

An overall efficiency of 81% is noted from the architectural plans. We would note that the office areas represent an efficiency of 74% which is lower than a typical efficiency ratio in the range between 85% and 90%. At a rate of say 90%, the efficiency of the overall building relates to some 83%.

No.	Address	Type	Sale Date	Sale Price	Area (Sq.Ft.)	Price Per Sq.Ft.
1	Forum				Avg:	\$1,301
	110-750 SW Marine Drive	Retail	Mar-23	\$3,360,900	2,321	\$1,448
		Retail	Active	\$4,990,900	4,322	\$1,155
2	8888 Osler				Avg:	\$1,255
	1099 SW Marine Drive	Office/Retail	Active	\$1,835,000	1,391	\$1,319
	1087 SW Marine Drive	Office/Retail	Active	\$848,000	657	\$1,291
		Retail	Active	\$4,990,900	4,322	\$1,155
3	Riverworks					
	440 9123 Bentley Street	Office	Active	\$1,746,900	1,588	\$1,100
4	W68					
	CRU 4 - 8415 Granville Street	Retail	Active	\$1,875,000	797	\$2,353
	CRU 5 - 8415 Granville Street	Retail	Active	\$2,750,000	1,227	\$2,241
					Avg:	\$2,297
	200 - 8415 Granville Street	Office	Active	\$1,307,000	797	\$1,640
	210 - 8415 Granville Street	Office	Active	\$1,632,140	1,033	\$1,580
	220 - 8415 Granville Street	Office	Active	\$2,483,740	1,582	\$1,570
	230 - 8415 Granville Street	Office	Active	\$3,091,150	2,110	\$1,465
	240 - 8415 Granville Street	Office	Active	\$1,717,460	1,087	\$1,580
	250 - 8415 Granville Street	Office	Active	\$1,167,950	710	\$1,645
	270 - 8415 Granville Street	Office	Active	\$3,800,000	2,616	\$1,453
	280 - 8415 Granville Street	Office	Active	\$2,357,500	1,496	\$1,576
					Avg:	\$1,564
5	4430 Dunbar Street				Avg:	\$1,723
	CRU 2 - 4430 Dunbar Street	Retail	Active	\$6,830,000	3,747	\$1,823
	CRU 3 - 4480 Dunbar Street	Retail	Active	\$5,688,000	3,259	\$1,745
	CRU 4 - 4480 Dunbar Street	Retail	Active	\$1,900,000	1,187	\$1,601
6	Burrard Place				Avg:	\$1,385
	536 - 1281 Hornby Street	Office	Apr-23	\$1,098,000	788	\$1,393
	538 - 1281 Hornby Street	Office	Apr-23	\$918,000	656	\$1,399
	632 - 1281 Hornby Street	Office	Sep-22	\$2,130,000	1,468	\$1,451
	548 - 1281 Hornby Street	Office	Sep-22	\$1,795,900	1,386	\$1,296
7	The Yukon				Avg:	\$2,123
	410 - 2238 Yukon Street	Office	Jun-22	\$4,100,000	1,931	\$2,123
8	HOUSS - 63 W 6th Avenue				Avg:	\$1,477
	501 - 63 W 6th Avenue	Office	Jan-22	\$2,019,000	1,199	\$1,684
	505 - 63 W 6th Avenue	Office	Apr-22	\$3,838,000	2,438	\$1,574
	405 - 63 W 6th Avenue	Office	Feb-22	\$3,104,640	2,298	\$1,351
	315 - 63 W 6th Avenue	Office	Apr-22	\$1,719,000	1,322	\$1,300

Retail

The subject's first level will be constructed with retail units. It is unknown if the retail space will be made available for lease or strata, however, as the residential units will be stratified, we have thus assumed the same for both the retail and office units. The architectural plans also indicate saleable area for the commercial space which further supports this assumption.

Retail strata units currently in the marketplace indicate list prices in the region of \$1,500+ per sq.ft. Comparable Nos. 1 and 2 relate to units with inferior frontage with the subject offering frontage in a more retail dense area, although Comparable No. 1 is near SkyTrain but away from the main retail node.

We understand that all five of the retail units at Gryphon Nova, located at 57th and Oak Street, were purchased near the end of 2022 at an average value of \$2,600 per sq.ft. The retail units are demised into smaller units relative to the subject, supporting a value below this comparable, noting the subject's superior exposure/location. A value below this comparable would be expected to account for the subject's larger average size.

Comparable No. 4 relates to the presale activity just north of the subject at W68, which is under construction. The retail units are marketed for approximately \$2,300 per sq.ft. CRU 4 from the comparable relates to a narrower retail unit more fitted for specialty realty such as medical related business while CRU 5 offers a wider frontage in a more retail-store like configuration. The subject offers a wider frontage onto Granville Street but is also one block away from the Grocery anchored retail plaza, which also serves as the main hub for the immediate neighbourhood. A value below the average of \$2,300 per sq.ft. is indicated.

Overall, values in the range of \$2,175 to \$2,200 per sq.ft. is adopted for the subject property, considering the retail listing activity in our chart and our conversations with market participants.

Office

The subject's second level will be constructed as office where the plans indicate one full level of office space. This can be further demised into smaller units, however, it is assumed that the office space will be brought and occupied as one full floor owner/tenant.

At Gryphon Nova, all but one office unit sold in the region of \$1,900 per sq.ft. at the end of 2022, beginning of 2023. The office space is further demised into smaller units, which would warrant a significant downward adjustment to the subject. This would establish a clear upper limit for the subject property.

W68 lists their office units at an average of \$1,500 per sq.ft. The office units are similarly located on the second level but are all demised into units spanning from 700 to 2,000 sq.ft. Therefore, we would expect a value below this comparable, given its list condition and smaller size.

A lower limit is established from the listed unit at Riverworks. The project relates to a waterfront strata office and industrial building. Office space within this building offer more of a non-traditional office space, with higher ceiling heights, larger open spaces, and industrial warehouses at-grade. The building is also located in a predominate industrial node near Southwest Marine Drive. Upward adjustments are considered for its construction and overall location, establishing a lower limit at \$1,100 per sq.ft.

Overall, values in the range of \$1,200 to \$1,500 per sq.ft. are estimated for the subject property with a value adopted from \$1,475 to \$1,500 per sq.ft.

Residential

Project	Neighbourhood	Height	Avg. Size (Sq. Ft.)	Avg. Price Per Sq. Ft.	Total Units	Units Sold	Marketing Start	Marketing End	No. of Months	Units Per Month
Subject Property	Marpole	10-storeys	671		58					
W68	Marpole	10-storeys	616	\$1,254	64	47	Jun-21	ongoing	21.0	2.2
Oakmont Vancouver	Marpole	6-storeys	785	\$1,430	42	25	Aug-21	ongoing	19.0	1.3
Oku	Marpole	6-storeys	693	\$1,414	132	85	Sep-21	ongoing	18.0	4.7
Gryphon Nova	Marpole	9-storeys	871	\$1,564	43	26	Nov-21	ongoing	16.0	1.6
8888 Osler	Marpole	6-storeys	638	\$1,214	76	76	May-18	Feb-22	45.0	1.7
Park Langara	Cambie Corridor	6-storeys	712	\$1,514	71	59	Feb-22	ongoing	13.0	4.5

According to the Real Estate Board of Greater Vancouver, as of May, 2023, apartment product in Vancouver West reflects a Home Price Index Price of \$849,800, up 1.2% from the month prior but down 2.7% from the same time last year. The REGBV reports a peak of residential end unit pricing in the summer of 2022, when interest rates were at an all-time low as a recovery method from the pandemic. However, interest rates have dramatically increased, from 0.25% to 4.75% in the two years, which has predominantly quieted the market. There is still healthy demand within the marketplace with much of the buyer pool waiting for interest rates to become stable. Market participants feel that the Fall of 2023 will see renewed growth in real estate, particularly for presale developments that are well located and close to public amenities and mass transit. In addition, the relatively low supply continues to be a predominant factor in increasing pricing and while we expect pricing to be relatively stable to the end of 2023 as the market “cools down” from interest rate hikes, the robust pent-up demand from buyers will soon dominate the market. All things being equal, we would expect some downward adjustment for time for presales negotiated before the beginning of 2022, similar in our land value discussion, to account for current market values.

Projects along Oak Street relate to Oakmont Vancouver, Oku and Gryphon Nova where pricing is in the region of \$1,400 to \$1,500 per sq.ft. These projects offer lower built form, albeit Gryphon Nova, and are along the inferior Oak Street.

Park Langara is one of the recent launches along the Cambie Corridor and has achieved an average price of \$1,514 per sq.ft. thus far. The project is located near rapid transit but is of a lower build-form.

There have also been three reported sales at 8888 Osler (located south of the subject along Southwest Marine Drive) recorded on MLS. These sales are summarized below:

Unit Number	Sale Date	Sale Price	Size (sq.ft.)	Bd	Ba	Price Per Sq.ft.
8888 Osler - 8888 Osler Street (Constructed Q1,2022)						
205	Feb-23	\$625,000	445	1	1	\$1,404
507	Jan-23	\$628,000	476	1	1	\$1,319
601	Mar-23	\$1,199,000	1,100	3	2	\$1,090
					Avg:	\$1,271

The 8888 Osler Street project relates to one of the recently completed concrete buildings in the Marpole neighbourhood. The table above indicates an average sale price of \$1,271 per sq.ft., although it includes an upper level unit where the price per sq.ft. averages down the overall price per sq.ft. This comparable establishes a clear lower limit as the subject offers a higher build-form in a superior location.

Residential end unit pricing is estimated to be between say \$1,300 and \$1,600 per sq.ft. The subject offers a 12-storey build-form in a location that offers an array of commercial and community amenities. Overall, a range of \$1,525 to \$1,550 per sq.ft. is estimated for the subject property.

RESIDUAL VALUATION - STRATA

For the purpose of residual land value calculation, we have assumed that the site is buildable, that the proposed development has the approval of the municipality, that all necessary permits and approvals are completed prior to the commencement of construction and that no environmental clean-up needs to be undertaken. It is noted our Client had discussed an internal pro-forma for this analysis, however, this was reviewed and the documents included outdated numbers that would not be in-line with market expectations. Therefore, relied upon our experience in analysing similar developments in the municipality.

The assumptions contained in our analysis of the subject strata development are provided as follows:

- The revenue is included based upon the conclusions determined in the previous sections.
- We have applied pre-construction costs relating to servicing, demolition and site preparation based on a rate of 0.5% of the total hard costs. This is when the lower end of the expected range but is reasonable considering the site is vacant and unimproved.
- A blended hard construction cost of some \$525 per sq.ft. is estimated, based on the buildable area of 64,000 sq.ft. as indicated in the architectural plans. This assumes a rate of \$450 per sq.ft. applied for the commercial space and \$550 per sq.ft. applied for the residential space.
- Developers will typically factor in a contingency allowance of 3.0% to 5.0% of the hard costs. We have been provided with a contingency allowance of 5.0%, which is within the typical range.
- Municipal costs associated with development are charged based on the negotiated rates as per the pre-application rezoning approval document dated March 30, 2021. As previously discussed, the subject has made progress in its rezoning with a draft rezoning by-law approved by the City. The public benefits indicated in this document total \$3,557,971 which includes Development Cost Levies calculated with the September, 2020 rates and the negotiated CAC that equates to \$81 per sq.ft. on the increase in density.
- Architect's fees typically range between 1.0% and 3.0% of hard costs, depending upon the size of the project, while engineer's fees are at 1.5% to 2.0% of hard costs. Architect's fees have been estimated at 2.0%, while engineering fees have been estimated at 2.0%. The engineering-related fees include structural, mechanical, electrical, geotechnical, environmental, civil, landscape and building envelope engineers. Fees for other consultants, including environmental consultants, interior designers, appraisers, code consultants, etc., have been estimated at 1.0% of hard costs.
- A development management fee of 4.0% of hard costs has been entered.
- Miscellaneous soft costs at 1.50% of hard cost has been applied in our analysis.
- Marketing costs and sales commissions have been estimated at 5.0% of revenue which is based on 2.5% sales commission and 2.5% marketing.
- Our analysis is based upon 6 months of pre-construction and a construction period of 24 months.
- An interest rate of 8.0% and 7.5% is estimated for the land and construction loan, respectively. A commitment fee of 0.75% is estimated based on the total loan amount.

MULTIFAMILY RESIDENTIAL STRATA PRO-FORMA

Address: 8655 Granville Street
 Site Area: 15,076 sq.ft.

A2306-7361

Rezoning Designation: CD-1

	FAR Sq.ft.	FAR	GBA Sq.ft.	Saleable	Efficiency***	# Units***	Avg. Unit Size***
Retail	6,581	0.44	6,581	6,201	94%	4	1,550
Office	8,947	0.59	8,947	6,593	74%	1	6,593
Market Strata	46,255	3.07	48,472	38,898	80%	58	671
Total	61,783	4.10	64,000	51,692	81%	63	U/A

				Lower	Upper
Revenue					
Revenue - Retail	psf - net	6,201 sq.ft. @		\$2,175	\$13,487,893
Revenue - Office	psf - net	6,593 sq.ft. @		\$1,475	\$9,724,675
Revenue - Market Strata	psf - net	38,898 sq.ft. @		\$1,525	\$59,318,947
Total Revenue					\$82,531,515
Hard Costs					
Hard Costs - Commercial		15,528 sq.ft. @	\$450 psf	(\$6,987,600)	\$450 psf
Hard Costs - Strata		48,472 sq.ft. @	\$550 psf	(\$26,659,600)	\$550 psf
Contingency - Hard Costs		5.0%		(\$1,682,360)	
		64,000	\$552 psf	(\$35,329,560)	\$552 psf
Servicing Costs					
Demo, Site Servicing & Miscellaneous Costs		0.5% of HC incl cont.		(\$176,648)	(\$176,648)
Professional Fees					
Architect		2.0% of HC incl cont.		(\$706,591)	(\$706,591)
Engineer		2.0% of HC incl cont.		(\$706,591)	(\$706,591)
Other Professionals		1.0% of HC incl cont.		(\$353,296)	(\$353,296)
Management Costs					
Development Management Fee		4.0% of HC incl cont.		(\$1,413,182)	(\$1,413,182)
Municipal Fees					
Permits and Fees (% of Construction Costs)		0.5% of HC incl cont.		(\$176,648)	(\$176,648)
Total DCLs (as per Summary Report - 2020 DCL Rates)		\$25.24 per sq.ft. of GFA		(\$1,615,171)	(\$1,615,171)
Negotiated CACs (as per Summary Report)		\$30.36 per sq.ft. of GFA		(\$1,942,800)	(\$1,942,800)
GVSD - Residential		\$1,988 /unit		(\$115,304)	(\$115,304)
GVSD - Commercial		15,528 sq.ft. @ \$1.63 psf		(\$25,311)	(\$25,311)
Transit DCC - Residential		\$1,545 /unit		(\$89,610)	(\$89,610)
Transit DCC - Retail		6,581 sq.ft. @ \$1.26 psf		(\$8,292)	(\$8,292)
Transit DCC - Office		8,947 sq.ft. @ \$1.01 psf		(\$9,036)	(\$9,036)
Misc Soft Costs		1.50% of HC incl cont.		(\$529,943)	(\$529,943)
Marketing and Sales					
Marketing and Commissions - Commercial		1.0% of revenue		(\$232,126)	(\$235,324)
Marketing and Commissions - Strata		5.0% of revenue		(\$2,965,947)	(\$3,014,569)
Property Transfer Tax		4.6% of Land Value		(\$844,205)	(\$890,298)
Finance Costs					
			Factor	L/V	
Land Loan (lead-in)	6 months @	8.00%	1.0	50%	\$18,524,108
Construction**	24 months @	7.50%	0.5	75%	\$64,920,165
Finance Fee (0.5% commitment + 0.25% other fees)		0.75%	(of borrowed \$)		\$48,690,123
					(\$370,482)
					\$19,445,966
					(\$388,919)
					(\$3,706,529)
					(\$370,653)
Profit					
Profit - Strata & Commercial		15.0% of revenue		(\$12,379,727)	(\$12,573,572)
		17.9% of cost			
Land Value	On Maximum Density	4.1 FAR		\$300	\$18,524,108
				Soft Cost %	\$315
					\$19,445,966
					47%

* Hard cost assume include construction management
 ** Construction finance includes land cost
 *** Estimated

This residual analysis results in a land value in the region of \$300 to \$315 per sq.ft. buildable. A value near the upper end of the range of \$310 per sq.ft. buildable is concluded for the subject property. This reflects a value net of CACs.

We have also considered the costs that have been incurred to the valuation date for the subject property which reflects the subject's progress towards construction. We have been provided with a general ledger which indicates costs associated with marketing, rezoning, and preliminary site preparation for the subject property. These costs add value to the subject property as they are not to be incurred if purchased by a new entity. The costs associated with the subject property are summarized overleaf.

Total Fees Paid Associated to Development	
Construction	\$ 54,032
Environmental	\$ 17,876
Consultants	\$ 1,357,670
Management	\$ 368,092
Marketing	\$ 918,484
Rezoning and Municipal Costs	\$ 121,858
Survey Costs	\$ 10,500
Total	\$ 2,794,479
Total Developer's Profit (12% to 15%)	\$ 2,514,714
Total Costs Saved	\$ 5,309,193
Per sq.ft. buildable	\$ 85.93

Environmental costs relate to the contamination inspection and all environmental work done on the subject property as of the valuation date of this report. It is noted that the subject has been largely vacant for a number of years. It is unknown if there are any environmental concerns on the subject property nor has any information been provided to us regarding any environmental contamination.

Consultant fees relate to preliminary engineering fees for the proposed development on the subject property. Engineering fees such as building development/envelope, green building, and landscaping consulting was conducted. The consultant fees also include all architectural fees that have been charged for the proposed development on the subject property. The fees include all design work done from GBL Architects along with associated design work for marketing materials.

Marketing fees relate to all preliminary preparation material for the subject property including the sales centre and advertising. It is noted that the sales centre was constructed in 2018-2019 with costs relating to building, renovation, and rental payments.

Rezoning and municipal costs total \$121,858 which include all associated municipal costs, development permit application and all rezoning fees. The subject has yet to be rezoned nor has received development permit approval as of the valuation date of this report. We understand there are few items that are left to be completed after two reviews completed from the City prior to final enacted rezoning.

Survey costs include land and quantity surveys for the subject property.

Overall, the total costs that have been paid by the owner which would benefit any potential purchaser sum \$2.8M. We have also included the savings in developer's profit as much of the risk associated with development has been mitigated due to the progress made towards development. Typical developer's profit range from 12% to 15% with our residual utilizing a rate of 15%. As the subject has made progress in rezoning and redevelopment, a lower profit is merited, which would result in a savings of some \$2.5M.

The total costs saved are indicated to be \$5.3M or \$86 per sq.ft. buildable. At a land rate of \$310 per sq.ft. buildable, this would indicate an overall value of \$396 per sq.ft. buildable which reflects the subject's prevailing

land rate and all costs associated with redevelopment which any potential purchaser would find benefit in. Overall, a figure of \$395 per sq.ft. buildable is concluded for the subject property.

Based on a review of these sales and consideration of the local investment market for properties similar to the subject, we would expect that the subject would need to be exposed to the market for a period of three to six months prior to a sale being completed.

FINAL RECONCILIATION

Value Summary 8655 Granville Street	
Site Area	15,076 sq.ft.
Rezoned Density	4.10 FSR
Market Value	\$395 per sq.ft. buildable
Total Value	\$24,404,423
Rounded to	\$24,400,000

Based on a viewing of the property and the investigation and analyses undertaken herein, we have formed the opinion that, as of June 11, 2023, the market value of the subject property, in Fee Simple Estate, assuming an exposure period of three to six months is estimated to be:

Twenty Four Million Four Hundred Thousand Dollars
\$24,400,000

CERTIFICATION

I certify that, to the best of my knowledge and belief that:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are my impartial and unbiased professional analyses, opinions and conclusions.
3. I have no past, present or prospective interest in the property that is the subject of this report and no personal and/or professional interest or conflict with respect to the parties involved with this assignment.
4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. My engagement in and compensation is not contingent upon developing or reporting predetermined results, the amount of value estimate, a conclusion favouring the client, or the occurrence of a subsequent event.
6. My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the CUSPAP.
7. I have the knowledge and experience to complete this assignment competently, and where applicable this report is co-signed in compliance with CUSPAP.
8. Except as herein disclosed, no one has provided significant professional assistance to the person(s) signing this report.
9. As of the date of this report the undersigned has fulfilled the requirements of the AIC's Continuing Professional Development Program.
10. The undersigned is (are all) members in good standing of the Appraisal Institute of Canada.

CO-SIGNING AIC APPRAISER'S CERTIFICATION: If an AIC appraiser has co-signed this appraisal report, he or she certifies and agrees that "I directly supervised the appraiser who prepared this appraisal report and, having reviewed the report, agree with the statements and conclusions of the appraiser, agree to be bound by the appraiser's certification and am taking full responsibility for the appraisal and the appraisal report."

PROPERTY IDENTIFICATION

CIVIC ADDRESS	8655 Granville Street, Vancouver, BC.
LEGAL DESCRIPTION	Lot D Block F District Lot 318 Plan 21521. PID #009-430-105.

Based upon the data, analyses and conclusions contained herein, the market value of the interest in the property described.

As at June 11, 2023, is estimated at \$24,400,000

As set out elsewhere in this report, this report is subject to certain assumptions and limiting conditions, the verification of which is outside the scope of this report.

APPRAISER:



Nicholas Tan
B.Comm, AACI, P.App
Senior Consultant, Valuation
AIC Membership # 910695

SUPERVISORY APPRAISER:



Ryan H. Wong
B.Comm, AACI, P.App
Director, Valuation
AIC Membership # 901127

Viewed Property: Yes
Date of Viewing: June 11, 2023.
Date Signed: June 26, 2023.

Viewed Property: No

NOTE: For this appraisal to be valid, an original or a password protected digital signature is required.

EXTRAORDINARY & LIMITING CONDITIONS

1. Any third party intending to rely upon the conclusions of this report should not do so without prior reference to **Ryan ULC**. This report must be presented in its full context. No responsibility is accepted for any partial presentation of a portion of the report.
2. Information contained within this report is from sources considered reliable and believed to be correct. No responsibility is accepted for the accuracy of information supplied by others.
3. It is assumed that the title to the subject property is good and marketable and capable of providing security for typical market financing. Unless otherwise stipulated in this report, the title documents for the subject property have not been inspected and are assumed to be free and clear of any financial encumbrances which would have a material effect on value.
4. No legal survey has been made on the subject property as a part of this report and it is assumed that all legally described boundaries and registered plans are correct. The sketches (if any) contained within this report are intended to assist the reader to visualize the subject property and are not necessarily based on legal survey.
5. We have not conducted a site survey of the subject property and have assumed that the measurements indicated on the plan attached are correct. For proper verification of the site area, it is recommended that the property be surveyed by a qualified professional.
6. No responsibility is assumed for the legal locations of any improvements as described within this report but it would appear that all improvements, if any, are located within the legal boundaries of the subject site except as may otherwise be specified herein.
7. The buildings (if any) were viewed to provide a building description and to ascertain their general condition and a detailed structural survey was not undertaken. We have not inspected woodwork or other parts of the structure which are covered, unexposed or inaccessible and we are unable, therefore, to report that such parts of the property are free of rot, beetle or other defects. Unless otherwise stipulated herein, the buildings are assumed to be in sound structural condition.
8. This appraisal does not carry with it the rights to Court testimony. If this service is required, specific arrangements must be agreed upon in advance.
9. As per our letter of instructions, it is assumed that there are no structural or soil problems which materially affect value.

ASSUMPTIONS, LIMITING CONDITIONS, DISCLAIMERS AND LIMITATIONS OF LIABILITY

The certification that appears in this report is subject to compliance with the Personal Information and Electronics Documents Act (PIPEDA), Canadian Uniform Standards of Professional Appraisal Practice (“CUSPAP”) and the following conditions:

1. This report is prepared only for the client and authorized users specifically identified in this report and only for the specific use identified herein. No other person may rely on this report or any part of this report without first obtaining consent from the client and written authorization from the authors. Liability is expressly denied to any other person and, accordingly, no responsibility is accepted for any damage suffered by any other person as a result of decisions made or actions taken based on this report. Liability is expressly denied for any unauthorized user or for anyone who uses this report for any use not specifically identified in this report. Payment of the appraisal fee has no effect on liability. Reliance on this report without authorization or for an unauthorized use is unreasonable.
2. Because market conditions, including economic, social and political factors, may change rapidly and, on occasion, without warning, this report cannot be relied upon as of any date other than the effective date specified in this report unless specifically authorized by the author(s).
3. The author will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The property is appraised on the basis of it being under responsible ownership. No registry office search has been performed and the author assumes that the title is good and marketable and free and clear of all encumbrances. Matters of a legal nature, including confirming who holds legal title to the appraised property or any portion of the appraised property, are outside the scope of work and expertise of the appraiser. Any information regarding the identity of a property’s owner or identifying the property owned by the listed client and/or applicant provided by the appraiser is for informational purposes only and any reliance on such information is unreasonable. Any information provided by the appraiser does not constitute any title confirmation. Any information provided does not negate the need to retain a real estate lawyer, surveyor or other appropriate experts to verify matters of ownership and/or title.
4. Verification of compliance with governmental regulations, bylaws or statutes is outside the scope of work and expertise of the appraiser. Any information provided by the appraiser is for informational purposes only and any reliance is unreasonable. Any information provided by the appraiser does not negate the need to retain an appropriately qualified professional to determine government regulation compliance.
5. No survey of the property has been made. Any sketch in this report shows approximate dimensions and is included only to assist the reader of this report in visualizing the property. It is unreasonable to rely on this report as an alternative to a survey, and an accredited surveyor ought to be retained for such matters.
6. This report is completed on the basis that testimony or appearance in court concerning this report is not required unless specific arrangements to do so have been made beforehand. Such arrangements will include, but not necessarily be limited to: adequate time to review the report and related data, and the provision of appropriate compensation.

7. Unless otherwise stated in this report, the author has no knowledge of any hidden or unapparent conditions (including, but not limited to: its soils, physical structure, mechanical or other operating systems, foundation, etc.) of/on the subject property or of/on a neighbouring property that could affect the value of the subject property. It has been assumed that there are no such conditions. Any such conditions that were visibly apparent at the time of inspection or that became apparent during the normal research involved in completing the report have been noted in the report. This report should not be construed as an environmental audit or detailed property condition report, as such reporting is beyond the scope of this report and/or the qualifications of the author. The author makes no guarantees or warranties, express or implied, regarding the condition of the property, and will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. The bearing capacity of the soil is assumed to be adequate.

8. The author is not qualified to comment on detrimental environmental, chemical or biological conditions that may affect the market value of the property appraised, including but not limited to pollution or contamination of land, buildings, water, groundwater or air which may include but are not limited to moulds and mildews or the conditions that may give rise to either. Any such conditions that were visibly apparent at the time of inspection or that became apparent during the normal research involved in completing the report have been noted in the report. It is an assumption of this report that the property complies with all regulatory requirements concerning environmental, chemical and biological matters, and it is assumed that the property is free of any detrimental environmental, chemical, legal and biological conditions that may affect the market value of the property appraised. If a party relying on this report requires information about or an assessment of detrimental environmental, chemical or biological conditions that may impact the value conclusion herein, that party is advised to retain an expert qualified in such matters. The author expressly denies any legal liability related to the effect of detrimental environmental, chemical or biological matters on the market value of the property.

9. The analyses set out in this report relied on written and verbal information obtained from a variety of sources the author considered reliable. Unless otherwise stated herein, the author did not verify client-supplied information, which the author believed to be correct.

10. The term "inspection" refers to observation only as defined by CUSPAP and reporting of the general material finishing and conditions observed for the purposes of a standard appraisal inspection. The inspection scope of work includes the identification of marketable characteristics/amenities offered for comparison and valuation purposes only.

11. The opinions of value and other conclusions contained herein assume satisfactory completion of any work remaining to be completed in a good and workmanlike manner. Further inspection may be required to confirm completion of such work. The author has not confirmed that all mandatory building inspections have been completed to date, nor has the availability/issuance of an occupancy permit been confirmed. The author has not evaluated the quality of construction, workmanship or materials. It should be clearly understood that this visual inspection does not imply compliance with any building code requirements as this is beyond the professional expertise of the author.

12. The contents of this report are confidential and will not be disclosed by the author to any party except as provided for by the provisions of the CUSPAP and/or when properly entered into evidence of a duly qualified judicial or quasi-judicial body. The author acknowledges that the information collected herein is personal and confidential and shall not use or disclose the contents of this report except as provided for in

the provisions of the CUSPAP and in accordance with the author's privacy policy. The client agrees that in accepting this report, it shall maintain the confidentiality and privacy of any personal information contained herein and shall comply in all material respects with the contents of the author's privacy policy and in accordance with the PIPEDA.

13. The author has agreed to enter into the assignment as requested by the client named in this report for the use specified by the client, which is stated in this report. The client has agreed that the performance of this report and the format are appropriate for the intended use.

14. This report, its content and all attachments/addendums and their content are the property of the author. The client, authorized users and any appraisal facilitator are prohibited, strictly forbidden, and no permission is expressly or implicitly granted or deemed to be granted, to modify, alter, merge, publish (in whole or in part) screen scrape, database scrape, exploit, reproduce, decompile, reassemble or participate in any other activity intended to separate, collect, store, reorganize, scan, copy, manipulate electronically, digitally, manually or by any other means whatsoever this appraisal report, addendum, all attachments and the data contained within for any commercial, or other, use.

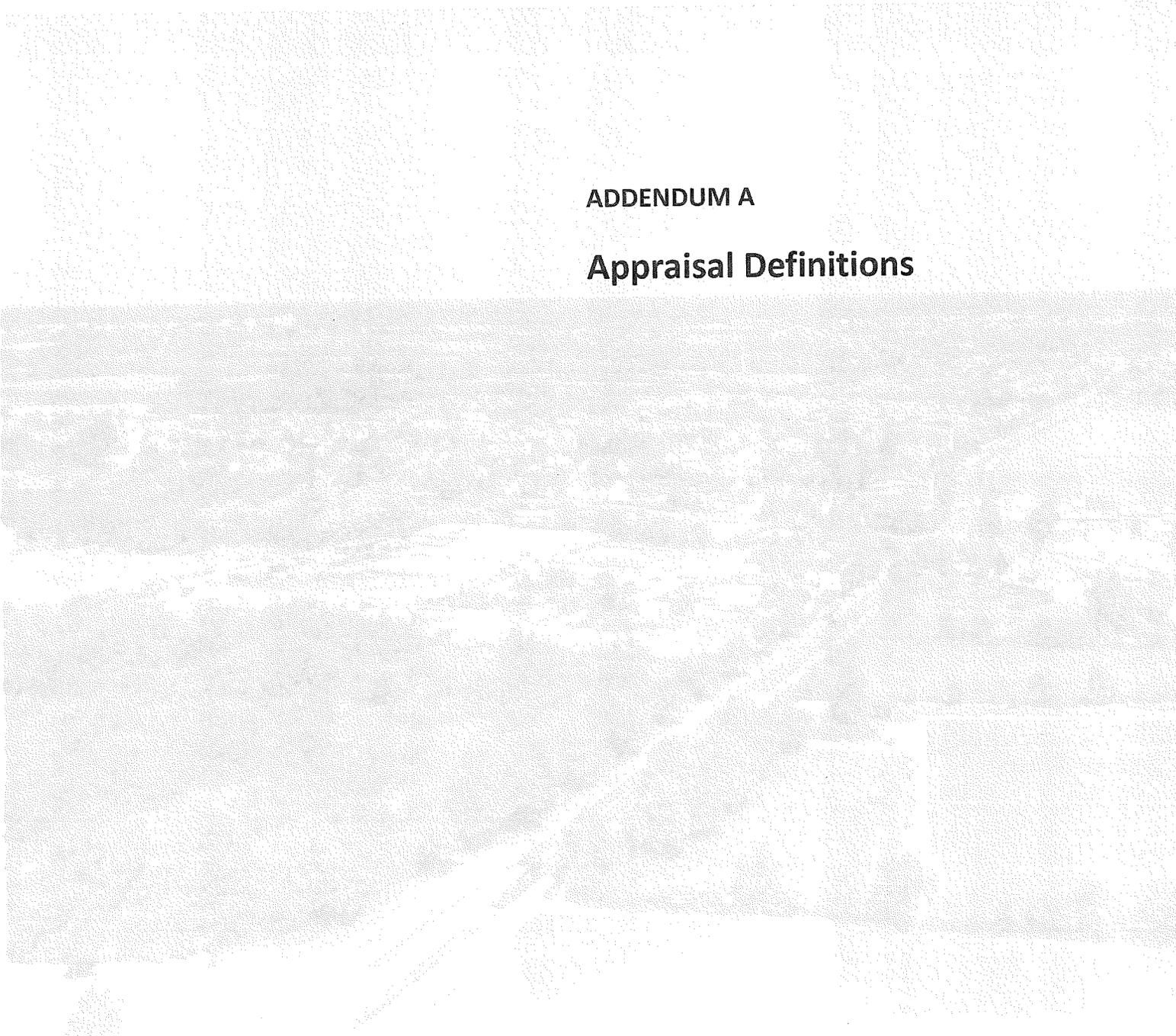
15. If transmitted electronically, this report will have been digitally signed and secured with personal passwords to lock the appraisal file. Due to the possibility of digital modification, only originally signed reports and those reports sent directly by the author can be reasonably relied upon.

16. This report form is the property of the Appraisal Institute of Canada (AIC) and for use only by AIC members in good standing. Use by any other person is a violation of AIC copyright.

17. Where the intended use of this report is for financing or mortgage lending or mortgage insurance, it is a condition of reliance on this report that the authorized user has or will conduct lending, underwriting and insurance underwriting and rigorous due diligence in accordance with the standards of a reasonable and prudent lender or insurer, including but not limited to ensuring the borrower's demonstrated willingness and capacity to service his/her debt obligations on a timely basis, and to conduct loan underwriting or insuring due diligence similar to the standards set out by the Office of the Superintendent of Financial Institutions (OSFI), even when not otherwise required by law. Liability is expressly denied to those that do not meet this condition. Any reliance on this report without satisfaction of this condition is unreasonable.

ADDENDUM A

Appraisal Definitions



Definitions form an integral part of The Canadian Uniform Standards of Professional Appraisal Practice.² These and other definitions can be found in the Standards and the Appraisal of Real Estate Second Canadian Edition.³ For the purpose of this report, only the relevant definitions are replicated here.

AACI: Accredited Appraiser Canadian Institute designation.

AIC: Appraisal Institute of Canada

ACCEPTED APPRAISAL STANDARDS: This is a level of professional practice qualifications that affect current appraisal teachings, experience and work performance that reasonable appraisers would believe to be justified.

APPRAISAL: A formal opinion of value: prepared as a result of a retainer; intended for reliance by identified parties, and for which the appraiser assumes responsibility.

APPRAISAL REPORT:

Types include:

- Narrative - Comprehensive and detailed;
- Short Narrative - Concise and briefly descriptive;
- Form - A standardized format combining check-off boxes and narrative comments.

ASSIGNMENT: A professional service provided as a result of a retainer or agreement between an appraiser and client.

ASSUMPTION: That which is taken to be true.

BIAS: A preference or inclination used in the development or communication of an appraisal, review, consulting, or reserve fund planning assignment that precludes an appraiser's impartiality.

CLIENT: The party or parties who engages an appraiser in a specific assignment.

COMPETENCE: Having the required or adequate knowledge and experience to perform the specific assignment.

CONFIDENTIAL INFORMATION: Information, not otherwise publicly available, provided in the trust that the recipient will not disclose it to another.

CO-SIGNATURE: Personalized evidence indicating authentication of the work performed by the members as joint authors, where each is responsible for content, analyses, and the conclusions in the report; a member cannot co-sign a report with a student or non-member.

² Canadian Uniform Standards of Professional Appraisal Practice Effective April 1, 2014, Section 2, Pages 2 – 8.

³ The Appraisal of Real Estate Second Canadian Edition, The Appraisal Institute of Canada (UBC Commerce Real Estate Division, Vancouver, 2002) - Glossary.14.

EFFECTIVE DATE: The date at which the analyses, opinions and advice in an assignment apply.

EXPOSURE TIME: Is the estimated length of time the subject property (property interest being appraised) would have been offered on the market before the hypothetical consummation of a sale at market value on the effective date of the appraisal. This is a retrospective estimate based upon an analysis of past events, assuming a competitive and open market. The overall concept of reasonable exposure time encompasses not only adequate, sufficient and reasonable time but also adequate, sufficient and reasonable marketing effort.

EXTRAORDINARY ASSUMPTION: An assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions.

EXTRAORDINARY LIMITING CONDITION: A necessary modification or exclusion of a Standard Rule. May diminish the reliability of the report.

FEE SIMPLE INTEREST: The absolute ownership unencumbered by any other interest or estate.

HAZARDOUS SUBSTANCE: Any material within, around or near the property in question that has sufficient form or quantity and exhibits any hazardous characteristics as defined by, or identified on, a list of hazardous substances issued by or pursuant to the Canadian Environmental Protection Act, 1999, c.33, the United States of America Environmental Protection Agency or any federal, provincial, territorial, state, county, municipal or local counterpart thereof, that can create a negative impact on value. Such substances shall include, but are not limited to, solids, liquids, gaseous or thermal irritants, contaminants or smoke, vapour, soot, fumes, acids, alkalis, chemicals or waste materials.

HIGHEST AND BEST USE: The reasonably probable use of a property that is physically possible, legally permissible, financially feasible and maximally productive, and that results in the highest value.

HYPOTHETICAL CONDITION: That which is contrary to what exists but is supposed for the purpose of analysis.

INTENDED USE: The use or uses of an appraiser's reported appraisal, review, consulting or reserve fund planning assignment opinions and conclusions, as identified by the appraiser, based on communication with the client at the time of the assignment.

INTENDED USER: The client and any other party as identified by name or type, as users of the appraisal, consulting, review report, or reserve fund study by the appraiser based on communication with the client at the time of the assignment.

LEASE: A legal agreement which grants the right to use, occupy or control all or part of a property to another party for a stated period of time at a stated rental.

LEASED FEE INTEREST: Is an ownership interest held by a landlord with the right of use and occupancy conveyed by lease to others; the rights of the lessor (the leased fee owner) and the leased fee are specified by contract terms contained within the lease. In the appraisal of income producing property, the leased fee is the most frequently valued property interest.

LIMITING CONDITION: A statement in the appraisal identifying conditions that impact the value conclusion.

MARKET ANALYSIS: A study of real estate market conditions for a specific type of property.

MARKET VALUE: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

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

P.APP: Professional Appraiser designation. This designation can only be used by AACI designated members.

PERSONAL PROPERTY: Identifiable portable, tangible or intangible objects which are considered by the general public as being "personal," e.g. furnishings, artwork, antiques, gems and jewellery, collectibles, machinery and equipment; all property, tangible and intangible, that are not classified as real property.

PROFESSIONAL ASSISTANCE: Professional assistance involves support to the member that has a direct and significant bearing on the outcome of his or her assignment. A member may rely on significant professional, appraisal, review, consulting or reserve fund planning assistance of an employee. Such assistance would generally be provided by insured members of the Institute or other professionals. Viewing of a property is professional assistance as it forms part of the analysis leading to an opinion.

PROFESSIONAL PRACTICE PEER GROUP: Committees authorized under the Bylaws of the Institute to administer Canadian Uniform Standards.

REAL ESTATE: Land, buildings and other affixed improvements as a tangible entity.

REAL PROPERTY: The interests, benefits and rights inherent in the ownership of real estate. Comment: In some jurisdictions, the terms real estate and real property have the same legal meaning. The separate definitions recognize the traditional distinction between the two concepts in appraisal theory.

REASONABLE APPRAISER: Means an appraiser that provides appraisal, review, consulting and reserve fund planning services within an acceptable standard of skill and expertise, and based on rational assumptions.

RECERTIFICATION OF VALUE: A viewing performed to confirm whether or not the hypothetical conditions in the appraisal have been met.

REPORT: Any communication, written or oral, of an appraisal, review, consulting or reserve fund planning service that is transmitted to the client as a result of an assignment.

SCOPE OF WORK: The type and extent of research and analysis in an assignment. Scope of work includes, but is not limited to, the following:

- the degree to which the property is viewed or identified;
- the extent of research into physical or economic factors that could affect the property;
- the extent of data research; and
- the type and extent of analysis applied to arrive at opinions or conclusions.

TECHNICAL ASSISTANCE: Technical assistance involves support to the member in the preparation of a report, such as collecting property data and other factual information but does not, in itself, include interpretation or analysis. A member may rely on technical assistance from student members of the Institute or others, keeping in mind that the responsibility for the finished product rests with the member signing the report.

VALUE: The monetary relationship between properties and those who buy, sell or use those properties.

Comment: Value expresses an economic concept. As such, it is never a fact but always an opinion of the worth of a property at a given time in accordance with a specific definition of value. In appraisal practice, value must always be qualified, e.g. market value, liquidation value, investment value, rental value, or other.

ADDENDUM B

Title Search

TITLE SEARCH PRINT

File Reference: A2306-7361

Declared Value \$20000000

2023-06-08, 12:14:12

Requestor: Nicholas Tan

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

Land Title District
Land Title Office

VANCOUVER
VANCOUVER

Title Number
From Title Number

CA6653042
CA6639468

Application Received

2018-02-28

Application Entered

2018-03-06

Registered Owner in Fee Simple

Registered Owner/Mailing Address:

RED BUFFALO 8655 HOLDINGS LTD., INC.NO. BC1149162
780 WEST 54TH AVENUE
VANCOUVER, BC
V6P 1M5

Taxation Authority

Vancouver, City of

Description of Land

Parcel Identifier:

009-430-105

Legal Description:

LOT D BLOCK F DISTRICT LOT 318 PLAN 21521

Legal Notations

NONE

Charges, Liens and Interests

Nature:

EASEMENT AND INDEMNITY AGREEMENT

Registration Number:

396603M

Registration Date and Time:

1964-12-21 12:54

Registered Owner:

CITY OF VANCOUVER

Remarks:

PART DERIVED FROM FORMER LOTS 11,12,13, AND 14
BLOCK F, PLAN 2978

Nature:

STATUTORY RIGHT OF WAY

Registration Number:

R117336

Registration Date and Time:

1987-11-16 12:40

Registered Owner:

CITY OF VANCOUVER

Remarks:

NORTH 4 METRES

TITLE SEARCH PRINT

File Reference: A2306-7361
Declared Value \$20000000

2023-06-08, 12:14:12
Requestor: Nicholas Tan

Nature: RESTRICTIVE COVENANT
Registration Number: CA6016094
Registration Date and Time: 2017-05-25 10:42
Remarks: APPURTENANT TO
PARCEL A (REFERENCE PLAN 2891) OF PARCEL K
(REFERENCE PLAN 1756) DISTRICT LOT 256 GROUP 1 NEW
WESTMINSTER DISTRICT
PARCEL C (REFERENCE PLAN 2360) OF DISTRICT LOT 256
GROUP 1 NEW WESTMINSTER DISTRICT
PARCEL "K" (REFERENCE PLAN 1756) DISTRICT LOT 256
GROUP 1 EXCEPT: PART 13.1 ACRES (REFERENCE PLAN
2891) NEW WESTMINSTER DISTRICT
PARCEL "ONE" (REFERENCE PLAN 1709) DISTRICT LOT
256 GROUP 1 EXCEPT: PARCEL "C" (REFERENCE PLAN
2360) NEW WESTMINSTER DISTRICT
LOT 2 DISTRICT LOTS 219 AND 256 GROUP 1 NEW
WESTMINSTER DISTRICT PLAN 18279

Nature: MORTGAGE
Registration Number: CA6653043
Registration Date and Time: 2018-02-28 14:14
Registered Owner: CANADIAN WESTERN BANK

Nature: ASSIGNMENT OF RENTS
Registration Number: CA6653044
Registration Date and Time: 2018-02-28 14:14
Registered Owner: CANADIAN WESTERN BANK

Nature: CLAIM OF BUILDERS LIEN
Registration Number: BB5006343
Registration Date and Time: 2023-04-18 14:50
Registered Owner: CORE CONCEPT CONSULTING LTD.

Nature: CERTIFICATE OF PENDING LITIGATION
Registration Number: CB631232
Registration Date and Time: 2023-05-18 15:23
Registered Owner: CANADIAN WESTERN BANK

Duplicate Infeasible Title NONE OUTSTANDING

Transfers NONE

Pending Applications NONE

ADDENDUM C

Zoning Bylaws

BY-LAW NO. _____

**A By-law to amend
Zoning and Development By-law No. 3575
to rezone an area to CD-1**

THE COUNCIL OF THE CITY OF VANCOUVER, in public meeting, enacts as follows:

Zoning District Plan Amendment

1. This By-law amends the Zoning District Plan attached as Schedule D to By-law No. 3575, and amends or substitutes the boundaries and districts shown on it, according to the amendments, substitutions, explanatory legends, notations, and references shown on the plan marginally numbered Z-791 (e) attached as Schedule A to this By-law, and incorporates Schedule A into Schedule D of By-law No. 3575.

Designation of CD-1 District

2. The area shown within the heavy black outline on Schedule A is hereby designated CD-1 (____).

Uses

3. Subject to approval by Council of the form of development, to all conditions, guidelines and policies adopted by Council, and to the conditions set out in the By-law or in a development permit, the only uses permitted within CD-1 (____) and the only uses for which the Director of Planning or Development Permit Board will issue development permits are:

- (a) Cultural and Recreational Uses;
- (b) Dwelling Uses, limited to Dwelling Units in conjunction with any of the uses listed in this By-law;
- (c) Office Uses;
- (d) Retail Uses;
- (e) Service Uses;
- (f) Institutional Uses; and
- (g) Accessory uses customarily ancillary to the uses permitted in this section.

Conditions of Use

4.1 All commercial uses and accessory uses must be carried on wholly within a completely enclosed building except for the following:

- (a) Farmers' Market;
- (b) Neighbourhood Public House;
- (c) Public Bike Share;
- (d) Restaurant; and
- (e) Display of flowers, plants, fruits and vegetables in conjunction with a permitted use.

4.2 The design and layout of at least 35% of the dwelling units must:

- (a) be suitable for family housing;
- (b) include two or more bedrooms, of which:
 - (i) at least 25% of the total dwelling units must be two-bedroom units; and
 - (ii) at least 10% of the total dwelling units must be three-bedroom units; and
- (c) comply with Council's "High Density Housing for Families with Children Guidelines".

Floor Area and Density

5.1 Computation of floor space ratio must assume that the site consists of 1,400.6 m², being the site size at the time of the application for the rezoning evidenced by this By-law, prior to any dedications.

5.2 The floor space ratio for all uses combined must not exceed 4.10.

5.3 The total floor area for commercial uses must not be less than the minimum floor area of 1,442.6 m².

5.4 Computation of floor area must include all floors of all buildings, having a minimum ceiling height of 1.2 m, including earthen floors and accessory buildings, both above and below ground level, measured to the extreme outer limits of the buildings.

5.5 Computation of floor area must exclude:

- (a) open residential balconies or sundecks and any other appurtenances which, in the opinion of the Director of Planning, are similar to the foregoing, except that:
 - (i) the total area of all such exclusions must not exceed 12% of the permitted floor area for dwelling units; and
 - (ii) the balconies must not be enclosed for the life of the building;
- (b) patios and roof gardens only if the Director of Planning first approves the design of sunroofs and walls;

- (c) where floors are used for off-street parking and loading, the taking on or discharging of passengers, bicycle storage, heating and mechanical equipment, or uses which in the opinion of the Director of Planning are similar to the foregoing, those floors or portions thereof so used, which are at or below base surface, except that the minimum exclusion for a parking space must not exceed 7.3 m in length; and
- (d) all residential storage area above or below base surface, except that if the residential storage area above base surface exceeds 3.7 m² per dwelling unit, there will be no exclusion for any of the residential storage area above base surface for that unit.

5.6 Computation of floor area may exclude amenity areas, except that the total exclusion for amenity areas must not exceed 10% of permitted floor area.

5.7 The use of floor area excluded under sections 5.5 or 5.6 must not include any use other than that which justified the exclusion.

Building Height

6.1 Building height, measured from base surface, must not exceed 38.4 m.

Horizontal Angle of Daylight

7.1 Each habitable room must have at least one window on an exterior wall of a building.

7.2 The location of each such exterior window must allow a plane or planes extending from the window and formed by an angle of 50 degrees, or two angles with a sum of 70 degrees, to encounter no obstruction over a distance of 24.0 m.

7.3 Measurement of the plane or planes referred to in section 7.2 must be horizontally from the centre of the bottom of each window.

7.4 The Director of Planning or Development Permit Board may relax the horizontal angle of daylight requirement, if:

- (a) the Director of Planning or Development Permit Board first considers all the applicable policies and guidelines adopted by Council; and
- (b) the minimum distance of unobstructed view is not less than 3.7 m.

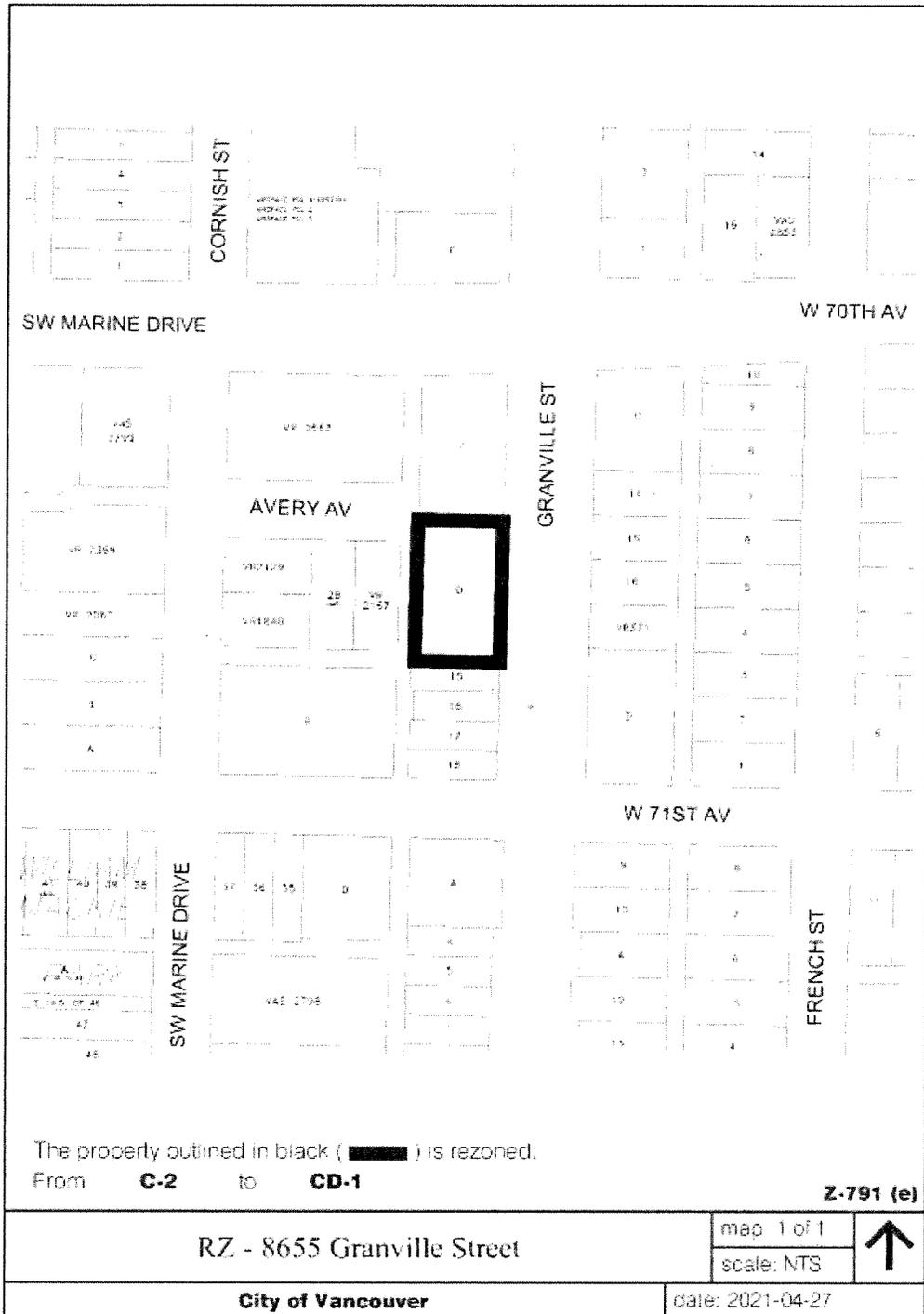
7.5 An obstruction referred to in section 7.2 means:

- (a) any part of the same building including permitted projections; or
- (b) the largest building permitted under the zoning on any site adjoining CD-1 (___).

7.6 A habitable room referred to in section 7.1 does not include:

- (a) a bathroom; or

Schedule A



**OFFER TO PURCHASE
8655 GRANVILLE STREET, VANCOUVER BC**

DATE: October 23, 2023

**BETWEEN: 8655 K CUBE PROJECT LIMITED PARTNERSHIP, BY ITS (the "Purchaser")
GENERAL PARTNER, 1383990 B.C. LTD.**

**AND: MCEOWN AND ASSOCIATES LTD. SOLELY IN ITS (the "Vendor")
CAPACITY AS RECEIVER FOR 8655 GRANVILLE LIMITED
PARTNERSHIP APPOINTED BY EXTRA-ORDINARY
RESOLUTION AND IN ITS CAPACITY AS COURT APPOINTED
RECEIVER OF RED BUFFALO 8655 HOLDINGS LTD., AND
NOT IN ITS PERSONAL OR ANY OTHER CAPACITY**

1. BASIC TERMS

The basic terms of this Offer to Purchase are:

- (a) **Address of Purchaser:** Suite 700 – 595 Burrard Street
Vancouver, BC V7X 1S8

Attention: Liping Wang
Email Address:
daniel.wu@incandevolutions.ca;
tiger.wang@incandevolutions.ca;
lyen@boughtonlaw.com.
- (b) **Address of Vendor:** c/o McEown and Associates
110-744 W Hastings St. Vancouver BC
Attention: John McEown
Email Address: jm@mceownassociates.ca
- (c) **Cushman:** Cushman & Wakefield ULC
Address of Cushman: P.O. Box 10023, Pacific Centre
Suite 700, 700 West Georgia Street
Vancouver, B.C. V7Y 1A1
Attention: Kyle Wilson
Email Address: Kyle.Wilson@ca.cushwake.com

231891-0009/01752407 Cushman & Wakefield ULC
Pacific Centre, PO Box 10023
Suite 700, 700 West Georgia Street
Vancouver, BC V7Y 1A1
(604) 683 3111 Tel
(604) 683 0432 Fax
www.cushmanwakefield.com
Error! Unknown document property name.

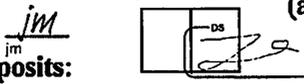


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(d) **Co-Brokerage:** CAH Realty Inc.
Address of Co-Brokerage: P.O. Box 10023, Pacific Centre
Suite 700, 700 West Georgia Street
Vancouver, B.C. V7Y 1A1
Attention: Craig Haziza
Email Address: Craig.Haziza@ca.cushwake.com

(e) **Lands:**
Municipal Address: 8655 Granville Street, Vancouver BC
Legal Description: Parcel Identifier: 009-430-105
LOT D BLOCK F DISTRICT LOT 318 PLAN 21521

(f) **Purchase Price:** ~~Nineteen Million Three Hundred Thousand Dollars (\$19,300,000)~~ **EIGHTEEN MILLION AND EIGHT HUNDRED THOUSAND DOLLARS** ^{JM}
~~Nineteen Million Three Hundred Thousand Dollars (\$19,300,000)~~ **HUNDRED THOUSAND DOLLARS** ^{JM}
Eighteen Million and Eight Hundred Thousand Dollars (\$18,800,000) **(\$18,800,000)** being the total price for the Property
(as defined in section 2)

(g) **Deposits:** 
INITIALS
Initial Deposit: \$1,000,000
Additional Deposit: N/A

(the Initial Deposit and the Additional Deposit are together referred to as the "Deposit")

(h) **Deposit To Be Paid In Trust To:** Watson Goepel LLP (the "Deposit Holder")
(i) **Completion Date:** Such date that is within 30 days following the Court approves this Contract of Purchase and Sale.
(j) **Acceptance Date:** October 31, 2023
(k) **Purchaser's Condition Waiver Date:** October 31, 2023

The foregoing basic terms are approved by the parties. Any reference in this Offer to Purchase to a basic term shall be construed to include the provision set forth above as well as any additional terms and conditions of this Offer to Purchase where the basic term is more fully set forth.

2. AGENCY DISCLOSURE

A. The Vendor acknowledges having received, read and understood the BC Financial Services Authority ("BCFSA") form entitled

JM	
JM	

INITIALS

“Disclosure of Representation in Trading Services” and hereby confirms that the Vendor has an agency relationship with Craig Haziza and Kyle Wilson as designated agents/licenses who are licensed in relation to CAH Realty Inc. and Cushman & Wakefield ULC respectively as the brokerage.

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INITIALS

B. The Purchaser acknowledges having received, read and understood BCFS form entitled “Disclosure of Representation in Trading Services” and hereby confirms that the Purchaser has an agency relationship with _____ as designated agent/licensee who is licensed in relation to _____ as the brokerage.

C. If only (A) above has been completed, the Purchaser acknowledges having received, read and understood BCFS form “Disclosure of Representation in Trading Services” & “Disclosure of Risks to Unrepresented Parties” from the Vendor’s agent listed in (A) above and hereby confirms that the Purchaser has no agency relationship.

3. OFFER

The Purchaser hereby offers to purchase from the Vendor all of the Vendor’s right, title and interest in the Lands, including all of the Vendor’s right, title and interest in all buildings, structures and improvements thereon (collectively the “**Building**”), free and clear of all liens, charges, encumbrances, save and except for the charges and encumbrances listed in Schedule A attached hereto (the “**Permitted Encumbrances**”), for the Purchase Price and upon the terms and conditions herein set forth. The Lands and the Building, are herein collectively called the “**Property**”.

4. PAYMENT OF PURCHASE PRICE

The Purchase Price for the Property will be paid by the Purchaser to the Vendor as follows:

(a) by payment of the Initial Deposit by the Purchaser to the Deposit Holder forthwith upon acceptance by the Vendor of this Offer to Purchase, to be deposited and held by the Deposit Holder in trust in an interest bearing account as a stakeholder on behalf of the parties, pending completion of the sale and purchase of the Property or other termination of this Offer to Purchase;

~~(b) by payment of the Additional Deposit by the Purchaser to the Deposit Holder forthwith upon the satisfaction or waiver of all of the Purchaser’s Conditions (as defined in Error! Reference source not found.), to be deposited and held by the Deposit Holder in trust in an interest bearing account as a stakeholder on behalf of the parties, pending completion of the sale and purchase of the Property or other termination of this Offer to Purchase;~~

(c) by the delivery of a non interest-bearing demand promissory note (the “**Promissory Note**”) by the Purchaser to the Vendor in the amount of \$5,340,000; and

- (d) by payment of the balance of the Purchase Price, subject to adjustment as provided in section 11, by payment of such amount by the Purchaser to the Vendor on the Completion Date in accordance with the provisions of this Offer to Purchase.

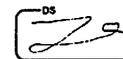
The Deposit will be credited to the Purchase Price and will be paid to the Vendor if the sale and purchase is completed in accordance with the terms hereof. The Deposit paid, together with all interest accrued thereon, will be forfeited to the Vendor if the Purchaser is in default of its obligation to complete the sale and purchase of the Property hereunder as liquidated damages (the parties hereby agreeing that such amount constitutes a genuine pre-estimate of damages) and as the Vendor's sole and exclusive remedy, or will be paid in full to the Purchaser, without prejudice to any other right or remedy of the Purchaser, in the event that the Purchaser elects to terminate this Offer to Purchase due to the Vendor being in default of its obligation to complete the sale and purchase of the Property hereunder.

The Deposit Holder is authorized to pay all or any portion of the Deposit to the Purchaser's or the Vendor's conveyancer (the "Conveyancer") without further written direction from the Purchaser or the Vendor, provided that (a) the Conveyancer is a lawyer or notary public and (b) such money is paid to the Conveyancer on the condition that (i) it be held in trust by the Conveyancer as a stakeholder in accordance with applicable laws pending the completion of the transaction and not on behalf of any of the principals to the transaction and (ii) if the sale does not complete, the money will be returned to the Deposit Holder or paid into Court. The parties acknowledge and agree that the Deposit Holder will be entitled to rely on the provisions set out in this paragraph notwithstanding that it is not a party to this Offer to Purchase.

5. COURT ORDERED SALE SCHEDULE

Schedule B

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The Offer to Purchase is subject to the terms set out in ~~Error! Reference source not found.~~ attached hereto. In the event of conflict between the Offer to Purchase and Schedule B the terms of Schedule B shall prevail.

6. PURCHASER'S OPTION

The Purchaser may elect to purchase the shares of the nominee owner of the Property and the beneficial interest in the Property pursuant to the terms set out in Schedule C attached hereto.

7. PURCHASER'S DUE DILIGENCE

The Purchaser acknowledges having received access to a data room and has been given the opportunity to view the following documents in the data room:

- Tax Report – 8655 Granville Street
- Autoprop – R-8655 Granville Street
- Order Made After Application – August 3, 2023
- Schedule A to Contract of Purchase and Sale

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- Site Condition Report Keystone Environmental 2019-06-26
- DP Drawings -DS_store
- DP Drawings -8655 Granville_IF DP_Landscape
- DP Drawings -8655 Granville_IF_DP_Arch
- DP Drawings -19013_8655 Granville_DP Final
- Payment – DP Payment Receipt

- Payment- DS_Store

- 2023 Property Tax

- Site Survey

- Rezoning-Permitting-Correspondence – Correspondence with COV

- Rezoning-Permitting-Correspondence – DP Prior to Response No. 2
- Rezoning-Permitting-Correspondence – Rezoning Referral Report
- Geotch Report
- Renderings -Rear View
- Renderings – Front View

8. SITE DISCLOSURE STATEMENT

The Purchaser hereby waives any requirement for the Vendor to provide to the Purchaser a “Site Disclosure Statement” for the Property under the *Environmental Management Act* (British Columbia) or any regulation in respect thereto.

9. GOODS AND SERVICES TAX

The Purchaser confirms that it will be registered on the Completion Date with Canada Revenue Agency or any successor thereto (“CRA”) in compliance with Part IX of the *Excise Tax Act* (Canada) relating to the federal goods and services tax (the “GST”). The Purchase Price does not include GST and the Purchaser confirms that it will be responsible for any GST payable with respect to the subject transaction, will account directly to CRA with respect thereto and will confirm its GST registration number to the Vendor on the Completion Date by providing a signed certificate in the customary form.

The Purchaser will indemnify and save harmless the Vendor from and against any and all GST, penalties, costs and/or interest which may become payable by or assessed against the Vendor as a result of any failure by the Purchaser to comply with the foregoing and such indemnity will survive and not merge upon closing of the sale of the Property contemplated herein.

10. COMPLETION DATE

The sale and purchase of the Property will be completed on the Completion Date.

11. ADJUSTMENTS

- (a) Adjustment Date. Adjustments for the Property will be made as of the Completion Date and the payment due pursuant to section 4(d) will be adjusted accordingly.

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Except as otherwise provided in this Offer to Purchase, the Vendor will be responsible for all expenses and will be entitled to all revenues accrued with respect to the Property for the period ending on the day before the Completion Date and, for the period from and including the Completion Date, the Purchaser will be responsible for all expenses and will be entitled to all revenues accruing with respect to the Property.

- (b) Adjustment Items. The adjustments with respect to the Leases will include all current rents (including current basic rent, current additional rent, current percentage rent and other current charges), and all other items normally adjusted between a vendor and purchaser in respect of the sale of property similar to the Property unless noted on the attached Schedule B. The amount payable by a tenant in respect of percentage rent will be adjusted between the Vendor and the Purchaser based on a pro rata sharing of the Sales for the full calendar year in which the Completion Date occurs calculated when the appropriate information is available ~~as part of the readjustment provided for in accordance with section Error!~~ ~~Reference source not found.~~ "Sales" means the sale proceeds and/or revenue referred to in the respective Leases as the basis for the calculation of percentage rent.

- (c) Statement of Adjustments. A Statement of Adjustments will be delivered to the Purchaser by the Vendor at least five (5) business days prior to the Completion Date and shall have annexed to it details of the calculations used to arrive at all debits and credits on the Statement of Adjustments. The Vendor will give the Purchaser and its representatives reasonable access to all working papers and back-up materials in order to verify the Statement of Adjustments.

12. RISK

The Property will be and remain at the Vendor's risk until the Transfer (as defined in section 14(a)(i)) is filed for registration in the applicable Land Title Office, and the Vendor will hold all insurance policies and the proceeds thereof in trust for the parties as their respective interest may appear pending the Completion Date. Notwithstanding the foregoing, if the Property or any material part thereof is destroyed or expropriated prior to the Completion Date, the Purchaser will have the option in its sole discretion of completing the sale and purchase and accepting from the Vendor an assignment of the proceeds of insurance (and an adjustment to the Purchase Price in an amount equal to the deductible under the relevant insurance policy) or expropriation award or other compensation as well as the balance of the Property, or of not completing the sale and purchase (in which case the Deposit paid, together with all accrued interest thereon, will be returned to the Purchaser forthwith and the parties will have no further obligations hereunder except for the obligation of the Purchaser to maintain the confidentiality of all disclosed documents and instruments delivered to it, to return all copies of such documents and instruments and to indemnify the Vendor and/or tenants of the Property as contemplated in section 7).

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13. VACANT POSSESSION

The Purchaser will have vacant possession of the Lands and Building free and clear of all charges, liens and encumbrances save for the Permitted Encumbrances immediately upon completion of the sale and purchase of the Property.

14. DELIVERY OF CLOSING DOCUMENTS

(a) On or before the Completion Date, the Vendor will cause the Vendor's solicitors to deliver to the Purchaser's solicitors the following items, duly executed by the Vendor and in registrable form whenever appropriate, to be dealt with in accordance with section 15:

(i) a Form A - Freehold Transfer(s), conveying the Lands to the Purchaser (the "Transfer"), executed by the Vendor or any other person which holds registered title to the Lands on behalf of the Vendor;

(ii) a Vendor's Statement of Adjustments;

(iii) such further deeds, acts, things, certificates and assurances as may be requisite in the reasonable opinion of the Purchaser's solicitors and the Vendor's solicitors for more perfectly and absolutely assigning, transferring, conveying and assuring to and vesting in the Purchaser, title to the Property free and clear of any lien, charge, encumbrance or legal notation other than the Permitted Encumbrances as contemplated herein.

(b) All documents referred to in section 14(a) will be prepared by the Purchaser's solicitors to the extent that preparation is required (except for the Vendor's Statement of Adjustments, which will be prepared by the Vendor or its solicitors pursuant to section 11(c)), in a form reasonably satisfactory to the Purchaser and the Vendor and, where applicable, in a form suitable for registration in the appropriate offices of public record. The Vendor and the Purchaser will each deliver to or cause to be delivered to the other all such further documents and assurances as may be reasonably required to give full effect to the intent and meaning hereof. On the Completion Date, the Purchaser will deliver a duly executed copy of the Promissory Note to the Vendor, and the amount thereof will be reflected on the Vendor's Statement of Adjustments.

15. CLOSING PROCEDURE

(a) On or before the Completion Date, the Purchaser will pay to the Purchaser's solicitors in trust the amount provided for in section 4(d) of this Offer to Purchase, less the amount to be advanced to the Purchaser on the Completion Date under any mortgage financing arranged by the Purchaser.

(b) Forthwith following receipt by the Purchaser's solicitors of the payment pursuant to section 15(a) and the documents and items referred to in section 14(a), the Purchaser will cause the Purchaser's solicitors to file the Transfer in the appropriate Land Title Office on the Completion Date concurrently with any security

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documents applicable to any mortgage financing arranged by the Purchaser in connection with the purchase of the Property.

- (c) Forthwith following the filing referred to in section 15(b) and upon the Purchaser's solicitors being satisfied as to the Purchaser's pending title to the Lands after conducting a post filing registration check of the property index disclosing only the following:
- (i) the existing title number(s) to the Lands;
 - (ii) the Permitted Encumbrances;
 - (iii) pending number(s) assigned to the Transfer;
 - (iv) pending numbers assigned to any charges granted by the Purchaser including any security documents applicable to any mortgage financing arranged by the Purchaser in connection with the purchase of the Property; and
 - (v) any charges with respect to which the Vendor's solicitors have extended satisfactory undertakings regarding the discharge and release of the same;

the Purchaser will cause the Purchaser's solicitors, forthwith upon receipt by them of the proceeds of any mortgage financing arranged by the Purchaser in connection with the sale and purchase of the Property, to deliver to the Vendor's solicitors on the Completion Date, any document referred to in section 14(a) which has not previously been provided to the Vendor in a form executed by the Purchaser, executed by the Purchaser, and a trust cheque for the balance due to the Vendor pursuant to section 4(d) (plus the amount of the Deposit or the portion thereof that was paid to the Purchaser's solicitors pursuant to the last paragraph of section 4, if applicable) and, subject to any prior release pursuant to the last paragraph of section 4, to instruct the Deposit Holder to release the Deposit to the Vendor or the Vendor's solicitors and all accrued interest on the Deposit to the Purchaser.

16. DISCHARGE OF VENDOR'S ENCUMBRANCES

The Purchaser acknowledges and agrees that if the Vendor's title to the Property is subject to any financial encumbrance which the Vendor is required to discharge pursuant to this Offer to Purchase, the Vendor will not be required to clear title prior to the receipt of the net sales proceeds but will be obligated to do so within a reasonable time following closing and the Purchaser will pay, or cause its solicitors to pay the balance of the adjusted Purchase Price to the Vendor's solicitors in trust on their undertaking to discharge any such financial encumbrance from the adjusted Purchase Price and obtain and register a discharge thereof within a reasonable time.

17. FEES AND EXPENSES

All documents as are necessary to complete the sale and purchase of the Property including the Transfer will be prepared at the expense of, and registered at the expense of, the Purchaser and all documents required to clear title to the Property of any of the Vendor's

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financial encumbrances will be prepared and registered by and at the expense of the Vendor. The Purchaser will pay the expense of registering the Transfer and any property transfer tax due in respect of the transfer of the Property to the Purchaser.

18. TENDER

Any tender of documents or money pursuant to this Offer to Purchase may be made upon the solicitor or notary public acting for the party on whom tender is desired, and it will be sufficient that a certified or trust account cheque is tendered instead of cash.

19. ENTIRE AGREEMENT

This Offer to Purchase (including the Schedules attached hereto) constitutes the entire agreement between the parties in respect of the Property, and it is understood and agreed that there are no representations, warranties or guarantees or promises affecting the Property or this Offer to Purchase except for those contained herein. It is further understood and agreed that there are no covenants, agreements, collateral agreements or conditions affecting the Property or this Offer to Purchase other than as expressed in writing in this Offer to Purchase.

20. TIME

Time shall be of the essence hereof.

21. NOTICES

Any notices, requests or demands which may or are required to be given or made hereunder will be in writing and served personally, faxed or e-mailed as follows:

- (a) if to the Purchaser, to the address, or e-mail address and to the person set out in section 1(a);
- (b) and if to the Vendor, to the address, or e-mail address and to the person set out in section 1(b);
- (c) with copies to Cushman and the Co-Brokerage at the address, or e-mail address and to the person set out in section 1(c) and 1(d);

provided that either party may change its address, fax number or e-mail address by written notice to the other and in such event this section will be deemed to be amended accordingly. Any notice, request or demand given or made hereunder by personal delivery, fax or e-mail will be conclusively deemed to have been given or made on the day it is actually delivered, faxed or e-mailed unless it is delivered, faxed or e-mailed after 5:00 p.m. (Vancouver time) or on a day other than a business day, in which case it will be deemed to have been given or made on the next business day.

22. INDEPENDENT EXPERT ADVICE

Each of the Purchaser and the Vendor acknowledges and agrees that the real estate agents and brokerages involved in the transaction contemplated in this Offer to Purchase have been retained solely to provide real estate services and not as lawyers, tax advisors, lenders, certified appraisers, surveyors, structural engineers, building inspectors or other

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professional service providers and that it has been afforded the opportunity to seek other independent expert advice prior to its execution of this Offer to Purchase.

23. GOVERNING LAW

This Offer to Purchase and the agreement resulting therefrom will be construed according to and governed by the laws of the Province of British Columbia.

24. BINDING EFFECT

This Offer to Purchase will enure to the benefit of and be binding upon the Vendor and the Purchaser and their representative administrators, successors and permitted assigns.

25. BUSINESS DAY

- (a) In this Offer to Purchase, “business day” means a day other than a Saturday, Sunday or statutory holiday in British Columbia.
- (b) If the date for the performance of any act or thing falls on a day which is a Saturday, Sunday or statutory holiday in British Columbia, then the date for the performance of such act or thing will be extended to the next business day.

26. JOINT AND SEVERAL

If either the Vendor or the Purchaser is comprised of more than one party, then all of the covenants, agreements, representations and warranties of each of the parties comprising the Vendor or the Purchaser, as the case may be, will be joint and several covenants, agreements, representations and warranties.

27. EXECUTION BY ELECTRONIC MEANS

This Offer to Purchase may be executed by the parties and transmitted by fax or other electronic means and if so executed and transmitted this Offer to Purchase will be for all purposes as effective as if the parties had delivered an executed original Offer to Purchase.

28. EXECUTION IN COUNTERPARTS

This Offer to Purchase may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same instrument.

30. NO ASSIGNMENT

This Offer to Purchase cannot be assigned by the Purchaser.

31. OFFER

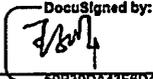
This Offer to Purchase is irrevocable and open for acceptance by the Vendor, in the manner indicated below, until but not after 11:00 p.m. Vancouver local time on the Acceptance Date, and if not accepted on or before such time and date will be absolutely null and void. This Offer to Purchase may be accepted by the Vendor executing this Offer to Purchase and returning same to the Purchaser, and when accepted, this Offer to Purchase will

constitute a binding agreement of sale and purchase of the Property in accordance with the terms hereof.

The Purchaser has executed this Offer to Purchase this 23rd day of October, 2023.

PURCHASER:

**8655 K CUBE PROJECT LIMITED PARTNERSHIP,
BY ITS GENERAL PARTNER, 1383990 B.C. LTD.**

Per: 

50B30DA43F802DF...
(Authorized Signatory)

Liping Wang, Director
(Name & Title)

VENDOR'S ACCEPTANCE

In consideration of the Purchaser paying the Initial Deposit to the Deposit Holder as provided in section 4(a), and in further consideration of the covenants and agreements of the Purchaser contained in this Offer to Purchase, the Vendor hereby accepts the Purchaser's offer herein and agrees to sell the Property to the Purchaser in accordance with the terms of this Offer to Purchase.

IN WITNESS WHEREOF the Vendor has executed this Offer to Purchase this day of October, 2023.

VENDOR:

MCEOWN AND ASSOCIATES LTD. SOLELY IN ITS CAPACITY AS RECEIVER OF 8655 GRANVILLE LIMITED PARTNERSHIP BY EXTRAORDINARY RESOLUTION DATED APRIL 18, 2023 AND IN ITS CAPACITY AS COURT-APPOINTED RECEIVER OF RED BUFFALO 8655 HOLDINGS LTD.

Per: JOHN MCEOWN
JOHN MCEOWN (Oct 25, 2023 13:34 PDT)
(Authorized Signatory)

(Name & Title)

SCHEDULE A

PERMITTED ENCUMBRANCES

The Property is subject to the following Permitted Encumbrances:

1. the subsisting exceptions or reservations or other rights contained or reserved to the Crown in the original grant from the Crown;
2. all legal notations, charges, liens and interests which appear on the title search of the Lands attached to this Schedule A other than any financial encumbrances, which financial encumbrances are to be discharged by the Vendor on closing or pursuant to section 16 of this Offer to Purchase.

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TITLE SEARCH PRINT

2023-10-10, 13:35:16

File Reference:

Requestor: Jayden Hamilton

Declared Value \$20000000

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

Land Title District	VANCOUVER
Land Title Office	VANCOUVER
Title Number	CA6653042
From Title Number	CA6639468
Application Received	2018-02-28
Application Entered	2018-03-06
Registered Owner in Fee Simple	
Registered Owner/Mailing Address:	RED BUFFALO 8655 HOLDINGS LTD., INC.NO. BC1149162 780 WEST 54TH AVENUE VANCOUVER, BC V6P 1M5
Taxation Authority	Vancouver, City of
Description of Land	
Parcel Identifier:	009-430-105
Legal Description:	LOT D BLOCK F DISTRICT LOT 318 PLAN 21521
Legal Notations	NONE
Charges, Liens and Interests	
Nature:	EASEMENT AND INDEMNITY AGREEMENT
Registration Number:	396603M
Registration Date and Time:	1964-12-21 12:54
Registered Owner:	CITY OF VANCOUVER
Remarks:	PART DERIVED FROM FORMER LOTS 11,12,13, AND 14 BLOCK F, PLAN 2978
Nature:	STATUTORY RIGHT OF WAY
Registration Number:	R117336
Registration Date and Time:	1987-11-16 12:40
Registered Owner:	CITY OF VANCOUVER
Remarks:	NORTH 4 METRES

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TITLE SEARCH PRINT

2023-10-10, 13:35:16

File Reference:

Requestor: Jayden Hamilton

Declared Value \$20000000

Nature:	RESTRICTIVE COVENANT
Registration Number:	CA6016094
Registration Date and Time:	2017-05-25 10:42
Remarks:	APPURTENANT TO PARCEL A (REFERENCE PLAN 2891) OF PARCEL K (REFERENCE PLAN 1756) DISTRICT LOT 256 GROUP 1 NEW WESTMINSTER DISTRICT PARCEL C (REFERENCE PLAN 2360) OF DISTRICT LOT 256 GROUP 1 NEW WESTMINSTER DISTRICT PARCEL "K" (REFERENCE PLAN 1756) DISTRICT LOT 256 GROUP 1 EXCEPT: PART 13.1 ACRES (REFERENCE PLAN 2891) NEW WESTMINSTER DISTRICT PARCEL "ONE" (REFERENCE PLAN 1709) DISTRICT LOT 256 GROUP 1 EXCEPT: PARCEL "C" (REFERENCE PLAN 2360) NEW WESTMINSTER DISTRICT LOT 2 DISTRICT LOTS 219 AND 256 GROUP 1 NEW WESTMINSTER DISTRICT PLAN 18279

Nature:	MORTGAGE
Registration Number:	CA6653043
Registration Date and Time:	2018-02-28 14:14
Registered Owner:	CANADIAN WESTERN BANK

Nature:	ASSIGNMENT OF RENTS
Registration Number:	CA6653044
Registration Date and Time:	2018-02-28 14:14
Registered Owner:	CANADIAN WESTERN BANK

Nature:	CLAIM OF BUILDERS LIEN
Registration Number:	BB5006343
Registration Date and Time:	2023-04-18 14:50
Registered Owner:	CORE CONCEPT CONSULTING LTD.

Nature:	CERTIFICATE OF PENDING LITIGATION
Registration Number:	CB631232
Registration Date and Time:	2023-05-18 15:23
Registered Owner:	CANADIAN WESTERN BANK

Duplicate Indefeasible Title NONE OUTSTANDING

Transfers NONE

Pending Applications NONE

SCHEDULE "B"
(SALE BY MCEOWN AND ASSOCIATES LTD., SOLELY IN ITS CAPACITY AS RECEIVER FOR 8655 GRANVILLE LIMITED PARTNERSHIP APPOINTED BY EXTRA-ORDINARY RESOLUTION AND IN ITS CAPACITY AS COURT-APPOINTED RECEIVER OF RED BUFFALO 8655 HOLDINGS LTD., AND NOT IN ITS PERSONAL OR ANY OTHER CAPACITY)

DATE: _____

CONTRACT OF PURCHASE AND SALE RE:

8655 Granville Street, Vancouver, British Columbia, with a legal description of:

Parcel Identifier 009-430-105
Lot D Block F District Lot 318 Plan 21521

(the "Property")

The following terms replace, modify and where applicable override the terms of the attached Contract of Purchase and Sale. Where a conflict arises between the terms of this Schedule and the Contract of Purchase and Sale, the terms of this Schedule shall apply. Notwithstanding any term or condition to this Contract of Purchase and Sale whether contained herein or otherwise, on accepting this Contract of Purchase and Sale the parties hereto agree as follows:

1. All references to the Vendor/Seller in the Contract of Purchase and Sale and in this Schedule mean MCEOWN AND ASSOCIATES LTD. solely in its capacity as Receiver of 8655 Granville Limited Partnership appointed by extra-ordinary resolution and in its capacity as Court-Appointed Receiver of Red Buffalo 8655 Holdings Ltd. The Purchaser acknowledges and agrees that the Receiver acts pursuant to its appointment as receiver of 8655 Granville Limited Partnership and Red Buffalo 8655 Holdings Ltd., and not in its personal or any other capacity (the "Receiver").
2. The Receiver agrees, subject to the other terms of this Contract of Purchase and Sale, to present this Contract of Purchase and Sale to Court for approval and in so doing is not contractually or otherwise liable to any party in any way.
3. The Purchaser accepts the Property "as is, where is" as of the Possession Date and saves the Receiver harmless from all claims resulting from or relating to the age, fitness, condition, zoning, lawful use, environmental condition or circumstances and location of the Property, and agrees to accept the Property subject to any outstanding work orders or notices or infractions as to the date of closing and subject to the existing municipal or other governmental by-laws, restrictions or orders affecting its use, including subdivision agreement and easements.
4. The Purchaser acknowledges and agrees that the Receiver makes no representations or warranties whatsoever with respect to the Property. The Purchaser acknowledges and agrees that the Purchaser has relied entirely upon the Purchaser's own inspection and investigation with respect to quantity, quality and value of the Property.

5. With respect to all environmental matters, and without limiting the generality of the foregoing, the Purchaser agrees that the Purchaser is responsible to satisfy himself/herself/itself, and is relying on the Purchaser's own investigations to verify that the level of Contaminants, as hereinafter defined, on or migrating to or from the Property is satisfactory to the Purchaser and the environmental condition of the Property is otherwise acceptable. "**Contaminants**" include, without limitation, any contaminant, pollutant, underground or aboveground tank, asbestos material, urea formaldehyde, deleterious substances, dangerous substance or good, hazardous, corrosive or toxic substance, special waste, waste or any other substance which is now or hereafter regulated under any laws, regulations, bylaws, order or other lawful requirements of any governmental authority having jurisdiction over the Property.
6. The Purchaser acknowledges and agrees that the assets to be purchased under the Contract of Purchase and Sale do not include any personal property or chattels and that any personal property or chattels remaining in the premises on the Property which are taken by the Purchaser are taken at the Purchaser's own risk completely, without representation or warranty of any kind from the Receiver as to the ownership or state of repair of any such personal property or chattels.
7. The Purchaser acknowledges and agrees that there will be no adjustments, including but not limited to adjustments for rents or security deposits, made to the purchase price on account of any tenancies assumed by the Purchaser.
8. The Receiver is not and will not be liable to the Purchaser nor to anyone claiming by, through or under the Purchaser for any damages, costs or expenses for damage caused to the Property by the registered owner of the Property or their tenants, guests, assigns, agents or by persons unknown.
9. The acceptance of this offer by the Receiver is pursuant to its appointment as receiver of 8655 Granville Limited Partnership by extra-ordinary resolution and in its capacity as Court-Appointed Receiver of Red Buffalo 8655 Holdings Ltd., and not as owner of the Property.
10. This Contract of Purchase and Sale is subject to approval by the Supreme Court of British Columbia with the real estate commission in respect of this Contract of Purchase and Sale to be paid only if the sale completes pursuant to an order of the Court. This condition is for the sole benefit of the Receiver.
11. The Purchaser acknowledges and agrees that other prospective purchasers may attend in Court in person, virtually, by phone, or by agent at the hearing of the motion to approve this Contract of Purchase and Sale and such prospective purchasers may make competing offers which may be approved by the Court. The Receiver may be compelled to advocate that the Court consider other offers in order to obtain the highest price for the Property. The Receiver gives no undertaking to advocate the acceptance of this offer. To protect the Purchaser's interest in purchasing the Property, the Purchaser acknowledges and agrees that the Purchaser should attend at the Court hearing in person or by agent and be prepared

there to make such amended or increased offer to purchase the Property as the Court may permit or direct.

12. This Contract of Purchase and Sale may be terminated at the Receiver's sole option if at any time prior to Court approval:

(a) the Court orders that the Receiver is not entitled to sell the Property and/or another party, person, or corporation obtains conduct of sale of the Property by order of the Court;

(b) McEown & Associates' appointment as receiver of 48655 Granville Limited Partnership is terminated for any reason or is found to be invalid; or

(c) the Receiver determines it is not advisable to present this Contract of Purchase and Sale to the Court,

and in any such event the Receiver shall have no further obligations or liability to the Purchaser under this Contract of Purchase and Sale or otherwise. This condition is for the sole benefit of the Receiver.

13. The Purchaser acknowledges and agrees that the Purchaser is purchasing title in the Property free and clear of all encumbrances except:

a. subsisting conditions, provisos, restrictions, exceptions and reservations, including royalties contained in the original grant or contained in any other grant or disposition from the Crown;

b. registered or pending restrictive covenants and rights-of-way in favor of utilities and public authorities;

c. existing tenancies, if any; and

d. as otherwise set out herein.

14. The Purchaser acknowledges and agrees that time will be of the essence hereof, and unless the balance of the cash payment provided for in section 4(d) of this Offer to Purchase is paid, or such formal agreement to pay such balance as may be necessary is entered into on or before the Completion Date, the Receiver may at its option either terminate or reaffirm this Contract of Purchase and Sale, and in either event the amount paid by the Purchaser, including without limitation the deposit will be absolutely forfeited to the Receiver on account of damages, and not in substitution therefore, without prejudice to the Receiver's other remedies. In accordance with s. 30(i)(g) and 30(2)(b) of the *Real Estate Services Act*, the Purchaser and the Receiver hereby agree to the release of the Deposit and accrued interest thereon to the Receiver, and the Purchaser hereby instructs the party holding the Deposit to so release the Deposit together with accrued interest thereon to the Receiver, upon written demand from the Receiver or their counsel

confirming that the Purchaser has failed or refused to complete the purchase and sale herein contemplated despite the Purchaser's conditions having been satisfied or waived.

- 15. No property condition disclosure statement concerning the Property forms part of this Contract of Purchase and Sale whether or not such a statement is attached to it.
- 16. The Purchase Price does not include Good and Services Tax or Harmonized Sale Tax, if any. The Purchaser is responsible for paying GST or HST (if any).
- 17. The Receiver may, at its sole discretion, extend the Completion Date by up to 30 days.
- 18. All funds payable in connection with this Contract of Purchase and Sale will be by wire transfer, bank draft, cash or certified Lawyer's/Notary's trust cheque, and shall be delivered by prepaid courier to the solicitor acting for the Receiver.
- 19. If the Court approves this Contract of Purchase and Sale, the Order will describe the Purchaser exactly as the purchaser appears at the top of the first page of the Contract of Purchase and Sale, so the Purchaser as described at the top of the first page of the Contract of Purchase and Sale will appear as the owner of the Property after completion of the sale. The Receiver will not be bound by any term in the Contract of Purchase and Sale describing the Purchaser otherwise, or allowing the Purchaser to complete the sale with a different name.

Witness Purchaser

Witness Purchaser

MCEOWN AND ASSOCIATES LTD., solely in its capacity as receiver of 8655 Granville Limited Partnership by extraordinary resolution dated April 18, 2023 and in its capacity as Court-Appointed Receiver of Red Buffalo 8655 Holdings Ltd. by its authorized signatory

Witness Signature

Print name

SCHEDULE "C"

1. OPTION TO ACQUIRE NOMINEE.

- (a) Registered title to the Lands is held by Red Buffalo 8655 Holdings Ltd. (the "Nominee") as a bare trustee on behalf of 8655 Granville Limited Partnership. The Vendor agrees with the Purchaser that the Purchaser will have the right upon notifying the Vendor at least 10 days prior to the Completion Date to purchase from the Vendor:
- (i) all of the issued and outstanding shares (the "Shares") in the capital stock of the Nominee for \$1.00; and
 - (ii) all of the interest of the Vendor in the Lands for the Purchase Price less \$1.00.
- (b) The Vendor will, within three business days after the Vendor accepts this Offer to Purchase, deliver to the Purchaser the following:
- (i) true and complete copies of all documents, records, tax returns and financial information pertaining to the Nominee (including the minute book for the Nominee) that are in the Vendor's possession or control; and
 - (ii) a true and complete copy of the trust declaration pursuant to which the Nominee holds legal title to the Lands in trust for the Vendor.

The Purchaser agrees to maintain the confidentiality of all material so delivered, and to return all copies of the same to the Vendor forthwith if the Purchaser fails to complete its purchase of the Property for any reason.

- (c) If the Purchaser exercises its option under paragraph (a) above, then the following terms of this section of this Schedule "C" will apply and, to the extent any such terms are inconsistent with any terms elsewhere in this Offer to Purchase, the provisions of this section will prevail.
- (d) Closing Documents:

The Vendor will execute and provide to the Purchaser together with the other closing documents required in this Offer to Purchase, the following:

- (i) an unregistered beneficial transfer conveying the beneficial interest in the Lands to the Purchaser subject only to the Permitted Encumbrances;
- (ii) a written direction from the Vendor to the Nominee that from and after the Completion Date, the Nominee will hold legal title to the Lands in trust for the Purchaser or as directed by the Purchaser; and

- (iii) a transfer of all of the Shares together with all resolutions, certificates and acknowledgements as may be reasonably required by the Purchaser to effectively transfer the Shares.

In the event the Purchaser exercises the option to buy the Shares, the Transfer will not be executed or registered.

- (e) Risk:

The Property will be and remain at the Vendor's risk until the Purchaser has paid or caused to be paid to the Vendor the amount referred to in section 1(f) of this Offer to Purchase.

- (f) Purchaser's Financing:

If, as part of any mortgage financing arranged by the Purchaser in connection with its purchase of the Property, it is necessary for the Nominee to execute any mortgage financing documents, the Vendor will co-operate with the Purchaser and will cause the Nominee to execute such mortgage financing documents and grant such charges over the Property as the Purchaser's lender may require the Nominee to execute or grant in connection with the transactions contemplated herein, provided that the Purchaser's lender agrees with the Vendor to execute full discharges of such documents and charges if the transactions contemplated in this Offer to Purchase are not completed on the Completion Date. In addition, the Vendor will cause any directors resolutions and any special resolutions of the Nominee which may be required in connection with any such mortgage financing to be executed and delivered to the Purchaser prior to the Completion Date.

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Host : BL-WZHANG

Date : 2023/10/26

Time : 10:30