

SCHEDULE 7

LANDS

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SCHEDULE 7

LANDS

1. DEFINITIONS

In this Schedule, in addition to terms defined in Schedule 1 of this Agreement:

"Charge" means any charge, mortgage, lien, pledge, judgment, execution, security interest, restriction, claim or encumbrance of any nature whatsoever, including any claims of the Workers' Compensation Board, Canada Revenue Agency, Employment Standards Branch or other Governmental Authority;

"Encumbrances" means those Charges against title to the Building Sites described in the land title searches attached as Appendix 7A [Lands and Encumbrances] and any additional Charges against the Building Sites permitted under this Schedule.

"Building Sites" means the real property interests described in Appendix 7A [Lands and Encumbrances]; and

"Licence" has the meaning set out in Section 2.1(a) of this Schedule.

2. AUTHORITY'S OBLIGATIONS AND REPRESENTATIONS

2.1 Grant of Licence Over Site

(a) From the Effective Date until the later of:

(1) the Termination Date; and

(2) the date the Authority no longer requires Project Co to provide the transitional services described in Section 14.3(a) of the Agreement,

the Authority hereby grants, and will continuously, until the date above, grant or cause to be granted to Project Co a non-exclusive licence of use and access to, on and over the Building Sites and the Buildings to the extent required by Project Co to allow Project Co to perform the Design, the Construction and the Services (the "**Licence**").

(b) Project Co may for the same purposes described in Section 2.1(a), grant sub-licences to any Project Co Person, provided that any such grant will be subject to, and terminate upon, termination of the Licence.

2.2 Terms Affecting Licence Grant

Without limiting the other provisions of this Schedule and this Agreement, the following terms and conditions apply to the Licence:

(a) no legal demise or other interest in land, and no interest in the Buildings or any other improvements, is granted to Project Co or created by this Agreement;

- (b) the Licence is non-exclusive and no right to exclusive possession of the Building Sites or the Buildings is granted to Project Co;
- (c) Project Co's rights are subject to the Encumbrances;
- (d) Project Co's rights of access on and over those portions of the Building Sites and the Buildings that are occupied by a third party under a lease or tenancy agreement will be subject to:
 - (1) compliance with the Access Protocol;
 - (2) the terms and conditions for entry under any residential tenancy agreement entered into from time to time by the Authority, including without limitation, any restrictions on access under the *Residential Tenancy Act* (British Columbia);
 - (3) the terms and conditions for entry under any lease entered into from time to time by the Authority, including the Commercial Leases and any tenancy agreements for the Residential Rooms; and
 - (4) the requirements for access under any other applicable laws, policies or regulations in effect as of the Effective Date or brought into force from time to time from the Effective Date to the Termination Date; and
- (e) subject to Section 6.15 of Schedule 2 [Design and Construction Protocols], the Authority will be entitled at any time and from time to time to grant to Authority Persons and any other persons, including contractors and the general public, access to the Building Sites and the Buildings.

2.3 Property Taxes

The Authority will be responsible for property taxes (if any) payable in respect of the Building Sites and the Buildings, or the occupation thereof by the Authority, Project Co or any Project Contractor or Sub-Contractor.

3. PROJECT CO'S OBLIGATIONS AND ACKNOWLEDGMENTS

3.1 "As Is Where Is"

Unless otherwise expressly provided in this Agreement, Project Co accepts the Building Sites and the Licence on an "as is, where is" basis.

3.2 Encumbrances

Project Co:

- (a) acknowledges that it has reviewed the Encumbrances in effect as of the Financial Submission Date;

- (b) will fully and punctually observe and perform (to the same extent as if Project Co were the owner of the Building Sites and bound by the Encumbrances), any limitations, restrictions, obligations, liabilities and other terms and conditions set out in the Encumbrances;
- (c) will fully and punctually observe and perform all of the terms and conditions of any interest included in the Building Sites and any Encumbrance; and
- (d) Project Co assumes all risks arising therefrom,

provided that:

- (e) Project Co will not be responsible for the Authority's obligation to pay any monies due or owing, or obtain any consent required, under any financial Charge registered against title to the Building Sites as of the Financial Submission Date or from time to time; and
- (f) the Authority:
 - (1) will obtain any consent required under any financial Charge registered by the Authority against title to the Building Sites as of the Financial Submission Date or from time to time; and
 - (2) may, without restriction, modify or remove any Encumbrances or register any Charge against title to the Building Sites, provided that any such modification, removal or addition will not limit Project Co's entitlements under the Agreement if such modification, removal or addition results in a Change.

3.3 Project Co Not To Encumber

Project Co will not, without the consent of the Authority:

- (a) grant or permit any Charge affecting or against the Building Sites or the Buildings; or
- (b) do or omit to do, or cause, suffer or permit to be done or omitted to be done by any Project Co Person anything that would result in any Charge against or affecting the Building Sites, the Buildings or any asset, matter or thing that may be required to be delivered or transferred to the Authority on the Termination Date pursuant to Section 14.2 (Transfer to the Authority of Assets, Contracts, etc.) of this Agreement,

and will at its own expense promptly discharge and remove or cause to be discharged and removed any such encumbrance.

3.4 No Restriction on Authority Use or Development

Project Co acknowledges that the Authority may from time to time without restriction use, develop or re-develop, or permit the use, development or re-development of, the Building Sites, the Buildings or any portion thereof (including by way of subdivision) for any purpose and by any Person. To the extent such use, development or re-development adversely interferes with the Licence or adversely interferes with Project Co's ability to carry out the Design, the Construction and the Services, the Authority will, to

address such interference, initiate a Change. Notwithstanding the foregoing, the Authority's entry into a residential tenancy or lease agreement for the Building Sites and Buildings from time to time will not for the purposes of this Section 3.4 adversely interfere with Project Co's ability to carry out the Design, the Construction and the Services and the Authority will not be required to initiate a Change in connection with the entry to any residential tenancy or lease agreement provided that the occupation and use of the premises which are the subject to such tenancy or lease are consistent with the uses for such premises contemplated in this Agreement or otherwise in buildings similar to the Buildings. .

3.5 No Registration

Project Co will not register in any land title office this Agreement, the Licence or any instrument, claim or notice in respect of the Licence or any other rights of Project Co under this Agreement.

3.6 Builders Liens

Project Co will, at its own cost and expense, cause any and all builders liens and other liens and claims of lien for labour, services or materials furnished or alleged to have been furnished with respect to the Design, the Construction or the Services that are registered against or otherwise affect the Building Sites or the Buildings or any part thereof, to be paid, satisfied, released or vacated forthwith after the Authority has sent Project Co written notice of any such lien or claim. If there is a bona fide dispute of the validity or correctness of any such lien or claim, Project Co will be entitled to defend against the lien or claim in any proceedings if Project Co first:

- (a) pays into Court, or provides sufficient security for, the amount claimed and costs as the Court may direct, as may be required to obtain a Court Order for the discharge of such lien or claim from title to the Building Sites, and obtains such discharge and registers such discharge in the Land Title Office to cancel such lien; or
- (b) provides such other reasonable security in respect of such claim as the Authority may in writing, and in its discretion, approve.

3.7 Title to Improvements

Project Co will not acquire any property interest in or title to the Buildings or any other improvements to the Building Sites. As between Project Co and the Authority, title to and ownership of the Buildings and all other improvements to the Building Sites will at all times be vested in the Authority.

APPENDIX 7A

DESCRIPTION OF LANDS AND ENCUMBRANCES

1. Any lease or residential tenancy agreement for the Site and Buildings in place as of the Effective Date or entered into by the Authority from time to time from the Effective Date to the Termination Date.

[See Description of Building Sites and Encumbrances in separate document.]

APPENDIX 7B

COMMERCIAL LEASES

Building	Address	Parties	Lease Date
Beacon Hotel	9 West Hastings Street Vancouver, BC	Provincial Rental Housing Corporation and PHS Community Services Society	March 30, 2011
Beacon Hotel	11 West Hastings Street Vancouver, BC	Provincial Rental Housing Corporation and Blue Shell Services Inc.	February 8, 2011
Cordova Residence	56 E. Cordova Street Vancouver, BC	BC Housing Management Commission and Atira Women's Resource Society	January 31, 2009
Dominion Hotel	210/216 Abbott Street Vancouver, BC	Provincial Rental Housing Corporation and KKBL N0.546 Ventures Ltd.	September 13, 2007
Dominion Hotel	101/102 Abbott Street Vancouver, BC	Provincial Rental Housing Corporation and Lamplighter Enterprises Ltd.	August 26, 2010
Dominion Hotel	210/216 Abbott Street Vancouver, BC	Provincial Rental Housing Corporation and L'Ami Jules Holdings Ltd.	November 9, 2007
Hazelwood Hotel	342 E. Hastings Street Vancouver, BC	Provincial Rental Housing Corp. and Providence Health Care Society	September 1, 2011
Marr Hotel	403 Powell Street Vancouver, BC	Provincial Rental Housing Corporation and ATIRA Property Management Inc.	January 28, 2009
Orange Hall	289 Hastings Street Vancouver, BC	Provincial Rental Housing Corporation and Nooruddin Jelali.	December 16, 2003
Sunrise Hotel	101 East Hastings Street Vancouver, BC	Provincial Rental Housing Corporation and Vancouver Co-operative Radio	July 14, 2010

Building	Address	Parties	Lease Date
Tamura House	215-217 Dunlevy Street Vancouver, BC	Provincial Rental Housing Corporation and City of Vancouver	February 1, 2009
Tamura House	390 Powell Street Vancouver, BC	Provincial Rental Housing Corporation and Syed Arab Shah dba Powell Convenience Store	January 1, 2009
Tamura House	392 and 394 Powell Street Vancouver, BC	Provincial Rental Housing Corporation and The Elizabeth Fry Society of Greater Vancouver	May 15, 2009
Tamura House	398 Powell Street, Vancouver, BC	Provincial Rental Housing Corporation and New World Confectionary	Month to month (no governing lease)
Washington Hotel	179 East Hastings Street Vancouver, BC	Provincial Rental Housing Corporation and Portland Hotel Society (Operator Agreement allows the Society to establish community facilities within Non-Residential Areas)	August 1, 2003 (Operator Agreement)
Marble Arch	516- 520 Richards Street, Vancouver, BC	Provincial Rental Housing Corporation and the Native Courtworker and Counselling Association of BC	September 25, 2010