



COUNCIL REPORT

Report Date: June 23, 2026
Contact: Ryan Bigelow
Contact No.: 604.673.8151
RTS No.: 19743
VanRIMS No.: 08-2000-20
Meeting Date: July 14, 2026

TO: Vancouver City Council
FROM: Deputy City Manager Amrolia
SUBJECT: Community Economic Development Hub (“the Hub”) Sublease at 188 Jackson

Recommendations

- A. THAT Council authorize the Director, Real Estate Services to negotiate and execute a sublease (the “Sublease”) with PHS Community Services Society (“PHS”) for a Community Economic Develop Hub space (“CED Hub”) to be located at 188 Jackson Avenue (formerly 525 Powell Street) (the “Property”), subject to the satisfaction of all conditions precedent outlined in the Development Management Agreement and Ground Lease for the Property (both approved by Council pursuant to RTS 15925) and substantially in the form and on the terms outlined in Appendix A.
- B. THAT the Director of Real Estate Services be authorized to amend the form of Sublease and execute all such further amendments to the Sublease and negotiate and execute such further ancillary legal documents as are consistent with the terms and conditions set out in this Report.

Purpose and Executive Summary

This report seeks Council approval to authorize staff to negotiate and execute the Sublease between the City and PHS, substantially in the form and on the terms outlined in Appendix A.

The City-owned property at 188 Jackson Avenue is proposed for redevelopment (the “Project”) as a 10-storey mixed-use building delivering 158 social housing units and two ground floor non-residential spaces for the City’s CED Hub to be subleased by the City and a new Pigeon Park Savings (“PPS”) branch to be subleased by Vancity.

The City will lease the property to PHS to design, build, finance, operate, and maintain the Project pursuant to a development agreement and ground lease previously approved by Council (RTS 15925). Upon completion, PHS will sublease the CED Hub space back to the City pursuant to the Sublease.

The City is responsible for all costs associated with the design, construction, and operation of the CED Hub a purpose-built facility to support community-led economic development initiatives and capacity building programming. The City will sublease the CED Hub for a 60-year term and will

sub-sublease the space to one or more operators. A non-profit operator(s) for the CED Hub will be selected through a request for proposal process. Staff will seek Council approval for appointment of operator(s) and associated sub-sublease.

Council Authority/Previous Decisions

2024 City of Vancouver’s Budget Report: Approving the CED Hub development budget under the 2023-26 Capital plan – Community Facilities.

In October 2023, Council authorized staff to select PHS as the non-profit housing provider and to negotiate and execute a Development Management Agreement and Ground Lease with PHS for 525 Powell Street.

In May 2023, Council, in its landowner capacity, directed staff to continue advancing affordable housing development on the 525 Powell Street site.

City Manager’s Comments

The City Manager concurs with the recommendations.

Context and Background

Project Overview

The City-owned property at 188 Jackson Avenue is proposed for redevelopment as a 10-storey mixed-use building delivering 158 social housing units and two ground floor non-residential spaces for the City’s CED Hub to be subleased by the City, and a new PPS branch to be subleased by Vancity.

The Project received Provisional Project Approval (“PPA”) under BC Housing’s Community Housing Fund in 2025. Construction is anticipated to begin in The Summer of 2026, with substantial completion and occupancy targeted for spring 2029.

The City has executed the Development Management Agreement and negotiated a draft Ground Lease and Sublease with PHS.

Background on the CED Hub

The CED Hub is envisioned as a purpose-built facility for a community-led market and maker space supporting low-barrier retail, integrated jobs training and capacity building opportunities, an incubator kitchen for low-barrier food entrepreneurs, and non-profit and economic development initiatives along with other community-driven programming. The model will be further refined with the non-profit operator(s) for the CED Hub which will be selected through a request for proposal process. Under the Development Management Agreement and Ground Lease, PHS is responsible for the design and construction of the entire Project, including the CED Hub. ACCS and REFM are working closely with PHS to finalize and approve the CED Hub design and support construction.

The City will fund the full cost of the CED Hub’s design and construction. Shared project costs will be allocated proportionally among the housing component, PPS, and the CED Hub. The CED Hub development cost is estimated at approximately \$9 million, and Council has approved up to \$10 million from the 2023–26 Capital Plan – Community Facilities.

Discussion

The following outlines the sublease discussion involving the City and PHS:

CED Hub and Project Delivery

The CED Hub occupies approximately 9,000 sq. ft. (approximately 9%) of the Project, along with its associated shared areas. This space, as well as the residential and PPS space, formed part of PHS’s Community Housing Fund application and supported BC Housing’s PPA in the Spring of 2025. Final Project Approval (“FPA”) is anticipated in the summer of 2026 and is conditional on finalization of all lease and sublease terms. Following execution of the Sublease, the City will procure operator(s) to sub-sublease and operate the CED Hub space. Staff will seek Council approval for appointment of operator(s) and associated sub-sublease.

Retail continuity is a key requirement of the Downtown East Side Plan and is supported through the inclusion of the two non-residential spaces. The capital contributions associated with these spaces are a critical part of the overall funding sources, to ensure the Project’s financial viability. The City’s contribution towards development of the CED Hub represents approximately 9% of the total development cost, as such, is an essential element of the Project’s financial model and a necessary condition for securing FPA. Staff therefore recommend that Council authorize negotiations and execution of the Sublease to maintain project viability and schedule.

Financial Implications

There are no financial implications with the negotiation and execution of the sublease terms. Council has already approved up to \$10m for the CED Hub under the 2023-26 Capital plan – Community facilities.

Legal Implications

Legal Services will review and approve the Sublease to ensure it is consistent with the Ground Lease, Development Management Agreement, and the City’s standard contractual requirements. The Sublease will include all necessary terms, and insurance and indemnity provisions, and operational obligations to protect the City’s interests throughout the 60-year term. No legal rights or obligations will arise or be created by Council’s adoption of the recommendations set out in this Report unless and until any of the agreements described in this Report has been executed and delivered by the respective parties.

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APPENDIX A
DRAFT CED HUB SUBLEASE

PART 2 - Terms of Instrument

SUBLEASE AGREEMENT

188 Jackson Avenue

- A. It is agreed and understood that this instrument will be read as follows:
- (i) the transferor, PHS Community Services Society, is called the "Sublandlord"; and
 - (ii) the transferee, City of Vancouver, is called the "Subtenant";
- B. The Sublandlord leases the Lands from the City of Vancouver, as owner of the Lands, (the "Landlord") pursuant to the Head Lease;
- C. The Sublandlord has caused or will cause the Building to be constructed on the Lands; and
- D. Pursuant to the Option, the Sublandlord granted the Subtenant an option to sublease the Subleased Premises and to take a licence to use the Licenced Premises, and the Subtenant has exercised such Option.

NOW THEREFORE THIS INDENTURE WITNESSES THAT as contemplated by the Option and in consideration of the sum of Five (\$5.00) Dollars now paid by the Subtenant to the Sublandlord and other good and valuable consideration (the receipt and sufficiency of which the Sublandlord hereby acknowledges), the Sublandlord hereby subleases the Subleased Premises and grants a licence to use the Licenced Premises to the Subtenant and the Subtenant hereby takes and holds the Subleased Premises and the Licenced Premises, on the terms and conditions set out herein.

ARTICLE 1

DEFINITIONS AND INTERPRETATION

1.1. For all purposes of this Sublease Agreement the terms defined in this Section 1.1 have the meanings now given as follows:

- (a) "Access Routes" means all corridors, stairways, driving aisles, ramps and other means of access and egress on the Lands and in the Building, which are required to enable the Subtenant and its Users to reasonably and conveniently gain access to and to egress from, the Subleased Premises and the Licenced Premises;
- (b) "Additional Rent" means all sums, costs, expenses and other amounts, if any, payable by the Subtenant to the Sublandlord pursuant to this Sublease Agreement, excluding the Basic Rent;
- (c) "Basic Rent" means the amount payable pursuant to Section 3.1, namely Ten Dollars (\$10.00);
- (d) "Budget" has the meaning ascribed to that term in Section 3.6;

- (e) "Building" means the 10-storey mixed-use and multi-residential building with a commercial or social purpose space and Community Economic Development hub, pursuant to the City's DTES Economic Development Strategy (Phase II), on floors L1 and L2 and the Parking Spaces, having vehicular access from 188 Jackson Avenue, the development of which was authorized by Development Permit No. DP-2023-00931 and contemplated by the Head Lease, and includes the Subleased Premises and the Licenced Premises;
- (f) "Commencement Date" means [REDACTED];
- (g) "Common Areas", "Common Facilities" and "Common Services" whether such terms are used individually or collectively, mean all areas, facilities and services, respectively, provided by the Sublandlord which serve or are for the benefit of the whole of the Building or Lands or are for the common or joint use and benefit of the Subtenant and other occupants of the Building and their respective invitees, licencees, customers, servants, agents, permittees and employees, and may include without limitation, as applicable, electrical, heating, air conditioning, ventilating, water, telephone, internet, television, fire alarm, fire-fighting, plumbing and drainage equipment and systems, the roof, exterior wall assemblies, weather walls, exterior and interior structural elements and bearing walls of the Building, parking areas, driveways, driving aisles and ramps, retaining walls, loading bays, garbage and recycling facilities and services, Access Routes, landscaped areas, sidewalks, washrooms, floors, walls and ceilings, BUT DOES NOT MEAN any Common Areas, Common Facilities and/or Common Services, including in part, heating, ventilating and air conditioning, electricity, or any other services and systems such as telephone, internet or television, which: (A) primarily serve the Subleased Premises, and/or are separately invoiced to or in respect of the Subleased Premises, and is payable directly by the Subtenant pursuant to Section 3.5; or (B) which primarily serve the Other Part, and/or are separately invoiced to or in respect of the Other Part, and would otherwise be used to calculate amounts payable by the Subtenant pursuant to Section 3.6(a), including the capital or replacement reserves referred to therein;
- (h) "Fixturing Period" has the meaning set out in Section 2.2;
- (i) "Garbage and Recycling Area" means the garbage and recycling collection and storage area adjacent to the Loading Bay and identified as "Commercial Waste" on the diagram attached as Schedule "A" hereto;
- (j) "Head Lease" means the 60-year ground lease of the Lands by the City of Vancouver, as "Lessor", to PHS Community Services Society, as "Lessee", registered in the Land Title Office under number [x];
- (k) "Lands" means the lands with a civic address of 188 Jackson Avenue, Vancouver, B.C., legally know and described as set forth in Item 2 of the Form C attached;
- (l) "Licenced Premises" means:
- (i) the Loading Bay;
 - (ii) the Garbage and Recycling Area; and

- (iii) all Access Routes applicable to the above described Licenced Premises and to the Subleased Premises;
- (m) "Loading Bay" means the shared loading bay on the main/ground floor of the Building, as described in the Development Permit and identified as "Residential and Commercial Loading" on the diagram attached as Schedule "A" hereto;
- (n) "Option" means the Subtenant's option to sublease the Subleased Premises and to take a licence to use the Licenced Premises;
- (o) "Other Part" means all parts of the Building other than the Subleased Premises and the Licenced Premises;
- (p) "Parking Spaces" means the parking spaces located in P1 shown on Schedule "A";
- (q) "Prime Rate" means at any time the per annum rate of interest published by the main branch in the City of Vancouver of the Bank of Montreal or its successor as its reference rate for setting rates of interest on loans of Canadian dollars to customers in Canada and referred to by such bank as its "prime rate"; PROVIDED, HOWEVER, THAT if such bank publishes more than one such reference rate at any time, the Prime Rate will be the highest thereof; and PROVIDED, FURTHER, THAT if a court holds that this definition of Prime Rate is vague, uncertain or otherwise defective, then the Prime Rate will be three percent (3%) greater than the per annum rate of interest established by the Bank of Canada as the rate payable on overnight loans by Schedule I Canadian Chartered Banks;
- (r) "Proportionate Share", as it relates to the Subtenant, means the Subtenant's proportionate share based on the relative floor area of the Subleased Premises in proportion to the floor area of the Building, which for the purposes of this Sublease Agreement shall be deemed to be %;
- (s) "Realty Taxes" means all taxes, rates, duties, charges, levies and assessments and all other charges for services used in or supplied to the Lands and the Building (including penalties and interest) that now are or will or may be levied, rated, charged or assessed against the Lands, the Building and all other structures, machinery, equipment, facilities and other property of any nature whatsoever located thereon or therein, by any municipal, parliamentary, legislative, regional, school or other authority during the Term (including school taxes, local improvement rates and other charges levied pursuant to the *Hospital District Finance Act* (British Columbia), the *Municipal Finance Authority Act* (British Columbia) or otherwise), BUT DOES NOT MEAN any such amount as is separately included within, and payable as, Subtenant's Taxes;
- (t) "Signage Areas" means the signage areas on the exterior of the Building shown on Schedule C hereto;
- (u) "Sublease Agreement" means this Terms of Instrument - Part 2 Sublease Agreement together with all Schedules, Priority Agreements and *Land Title Act* Forms attached;
- (v) "Subleased Premises" means the area and premises comprised of approximately 837.21 square metres of floor area within the Building, as shown in bold outline on

Explanatory Plan , a reduced copy of which is attached as Schedule B hereto;

- (w) "Subtenant's Taxes" means all taxes, rates, duties, levies, charges and assessments imposed, levied, charged or assessed by any lawful authority during the Term relating to or in respect of any business or activity conducted within the Subleased Premises assessed against, relating to or in respect of personal property, equipment, machinery or fixtures brought therein by or belonging to the Subtenant or any one occupying the Subleased Premises from time to time which is not used for the operation of the Lands or the Building generally;
- (x) "Subtenant's Work" means such work as the Subtenant deems necessary or desirable to make the Subleased Premises suitable for occupancy and use in accordance with this Sublease;
- (y) "Term" means the term of this Sublease Agreement, which term will begin on the Commencement Date and end, subject to section 6.1, at 11:59 p.m. on the day before the expiry of the term of the Head Lease, including any extensions thereto; and
- (z) "Users" means:
 - (i) in respect of the Subtenant, the sub-subtenants and sublicencees of the Subtenant in respect of all or part of the Subleased Premises and/or Licenced Premises, and the respective employees, agents, invitees, permittees and contractors of the Subtenant and any such sub-subtenants and sublicencees; and "User" means any one of them; and
 - (ii) in respect of the Sublandlord, (A) the employees, agents, invitees, permittees and contractors of the Sublandlord; and (B) the residents of the Other Part and their respective invitees; and "User" means any one of them.

1.2. Headings. The division of this Sublease Agreement into Articles, Sections and Paragraphs and the insertion of headings is for the convenience of reference only and will not affect the construction or interpretation of this Sublease Agreement. The terms "this Agreement", "hereof", "hereunder" and similar expressions refer to this Sublease Agreement and not to any particular Article or other portion hereof and include any agreement or instrument supplemental or ancillary hereto. Unless the subject matter or context is clearly inconsistent therewith, references herein to Recitals, Articles, Sections, Paragraphs or Schedules are to Recitals, Articles, Sections, Paragraphs or Schedules of this Sublease Agreement.

1.3. Number and Gender. Words importing the singular number only will include the plural and vice versa, words importing the masculine gender will include the feminine and neuter genders and vice versa and words importing persons will include individuals, partnerships, associations, trusts, unincorporated organizations and corporations and vice versa whenever the context requires.

1.4. Severability. All the obligations and covenants contained in this Sublease Agreement are severable, so that if any one or more of the obligations or covenants are held by or declared by a

court of competent jurisdiction to be void or unenforceable, the balance of the obligations and covenants will remain and be binding.

ARTICLE 2

THE DEMISE AND LICENCE

2.1. Demise and Licence. In consideration of the rents, covenants and conditions to be paid or performed by the Subtenant pursuant to this Sublease Agreement, and subject to the terms and conditions set forth herein, the Sublandlord hereby:

- (a) subleases the Subleased Premises;
- (b) grants a non-exclusive right and licence to use the Licensed Premises; and
- (c) grants an exclusive right and licence to use the Signage Areas and the Parking Spaces;

unto the Subtenant, and those claiming through the Subtenant (including the Users, as applicable), to have and to hold the same for and during the Term, subject to Article 6. Notwithstanding the foregoing, if the Head Lease terminates prior to the expiration of its term, this Sublease Agreement will also then automatically terminate, and the parties will thereupon be relieved of any further liability or obligation under this Sublease Agreement, except in respect of any such liability or obligation which has accrued but not yet been fulfilled as of the time of such termination.

2.2. Fixturing Period. So long as (i) Subtenant has executed and unconditionally delivered this Sublease Agreement, (ii) Sublandlord has given Subtenant notice that the Sublandlord's Work has been completed, (iii) all separately metered utilities have been registered in the name of Subtenant, (iv) Sublandlord has received from Subtenant evidence of insurance as required under this Sublease Agreement, and (v) Subtenant has obtained all consents, permits, and approvals required pursuant to the terms of this Sublease and applicable laws to carry out the Subtenant's Work, Sublandlord shall grant to Subtenant non-exclusive access to the Subleased Premises, subject to the terms hereof, commencing on a date specified by Sublandlord, acting reasonably, and expiring on the Commencement Date (the "Fixturing Period"), for the purpose of allowing Subtenant to commence Subtenant's Work in the Subleased Premises. The Subtenant must coordinate all work carried out during the Fixturing Period with contractors and consultants engaged by the Sublandlord, so as to cause no disruption in work being carried out on the Lands by the Sublandlord's contractors.

2.3. Parking Spaces.

- (a) The Parking Spaces are reserved twenty-four (24) hours a day, seven (7) days a week for the use of, and the Subtenant covenants that they shall only be used by, the Subtenant and its Users.
- (b) The Subtenant will ensure that signage is installed which identifies the usage restrictions described in Section 2.3(a). Such signage will be maintained in accordance with the Service Level Agreement.

ARTICLE 3

SUBTENANT'S COVENANTS CONCERNING PAYMENT

3.1. Basic Rent. The Basic Rent payable for the entire Term is Ten Dollars (\$10.00), which rent is payable in advance on the Commencement Date, and which the Sublandlord hereby acknowledges receiving.

3.2. Realty Taxes. In addition to the Basic Rent, the Subtenant will:

- (a) if the Subleased Premises are not exempt from Realty Taxes, promptly pay the Subtenant's Proportionate Share of Realty Taxes (or such other amount as the parties hereto may agree in writing from time to time, if the foregoing percentage is jointly determined not to be equitable and appropriate), as they become due. Should the Sublandlord so require, the Subtenant will make monthly instalments on account of the Subtenant's Proportionate Share of Realty Taxes based on the Sublandlord's bona fide estimate thereof, and the parties will make such adjustment as will be necessary when the Sublandlord finally determines the Proportionate Share of Realty Taxes payable by the Subtenant. If instalments on account of Realty Taxes are required by the taxing authority, the Subtenant will promptly pay the Subtenant's Proportionate Share of same as they become due. At its own cost, the Subtenant will have the right from time to time to appeal any assessment for Realty Taxes insofar as it concerns the value attributed to the Subleased Premises. If the Subtenant is unable to take such appeal except in the name of the Sublandlord, then at its own cost the Subtenant will have the right to appeal in the name of the Sublandlord; or
- (b) if the assessment authority provides a separate assessment in respect of the Subleased Premises (or any portion thereof), which the Sublandlord and the Subtenant will, throughout the Term make reasonable efforts to obtain, then the Subtenant will promptly pay Realty Taxes payable as a result of such separate assessment as they become due, and in that event will only be obligated to pay such portion, if any, of the Subtenant's Proportionate Share of Realty Taxes pursuant to paragraph (a) above that are not included within this separate assessment,

and for greater certainty, if the Subleased Premises are exempt from Realty Taxes, the Subtenant will not be required to pay an amount in lieu of Realty Taxes;

3.3. Pro Rata Payments for Partial Years. If the Term commences at any time other than at the beginning of a calendar year, or terminates at any time other than at the end of a calendar year, the Subtenant's obligation for payment of amounts which are calculated and charged on an annual basis will be adjusted pro rata with the intent and purpose that the Subtenant will bear the burden thereof referable to the Term or any period of holding over and not before or afterwards;

3.4. Subtenant's Taxes. The Subtenant will promptly pay, as they become due, the Subtenant's Taxes.

3.5. Utilities and Services. The Subtenant will promptly pay, as they become due, all charges, rates and levies on account of the provision to the Subleased Premises of all utilities and services including, without limitation, as applicable, water, gas, sewer, electricity, telephone, television and internet and the storage or removal of garbage and recycling materials, which are calculated and payable by way of separate metres or billing arrangements with the service provider.

- 3.6. Operating Costs. Subject to Section 3.7, the Subtenant will pay to the Sublandlord:
- (a) its Proportionate Share of the Sublandlord's cost of: (i) operating, maintaining and repairing the Common Areas and Common Facilities; (ii) providing the Common Services; and (iii) creating capital or replacement reserves in accordance with the Sublandlord's long term capital plan in effect from time to time, insofar as those reserves relate to the Common Areas and Common Facilities; all such payments to be made promptly following presentation of the Sublandlord's invoice evidencing the same; and
 - (b) so much of the insurance premiums paid by the Sublandlord for the insurance required under Section 5.6 which are incremental to the premiums otherwise payable if the Building did not include the Subleased Premises, or provide for the uses carried on therein. The Subtenant will reimburse the Sublandlord within ninety (90) days of demand therefor, any deductible amount paid by the Sublandlord following the repair or restoration of insured damage to the extent commensurate with the repair or restoration of the Subleased Premises.

In the first month of the Term and in January of each subsequent year the Sublandlord will prepare for that calendar year a budget of the anticipated costs and expenses to be incurred in respect of the items described in paragraphs (a) and (b) immediately above (for the purposes of Sections 3.6 and 3.7, the "Budget"). A copy of the Budget will be given to the Subtenant as soon as it is settled. In accordance with the Sublandlord's annual Budget for the Building, the Subtenant will pay to the Sublandlord equal monthly instalments on account of the Subtenant's obligations in this Section 3.6. Within six (6) months of the end of each Budget/calendar year the Sublandlord will prepare a final statement of the actual costs and expenses incurred in owning and operating the Building for the immediately preceding budget year. This final statement will be certified as accurate by the Sublandlord and given to the Subtenant forthwith. Based on the certified statement, the Subtenant will make such further payment or the Sublandlord will make such refund, as the case will require. The Subtenant may disagree with the certified statement, and if the result is an amended statement, adjustments will be made accordingly. None of the costs and expenses borne by the Subtenant pursuant to Section 4.6 will be a credit on the Subtenant's obligations under this Section 3.6.

3.7. Responsibility for Repair and Maintenance. The parties agree that arrangements concerning the utilities, janitorial, maintenance and repairs in connection with the Subleased Premises and Licensed Premises are as set out in Schedule D attached hereto (the "Service Level Agreement"). The Service Level Agreement may be amended in writing from time to time by the Sublandlord and the Subtenant by mutual agreement.

3.8. Subtenant's Pre-Approval Required in Certain Instances. If payments required to be made by the Subtenant pursuant to Section 3.6 exceed the Budget for the applicable year by ten percent (10%) or more in total or by \$5,000 for any one item, the Sublandlord will obtain the written consent of the Subtenant before incurring any such expense or requesting reimbursement or payment by the Subtenant in respect of the same.

3.9. Interest on Arrears. Whenever any amounts of money owing under this Sublease Agreement by the Subtenant to the Sublandlord are not paid within thirty (30) days following delivery by the Sublandlord to the Subtenant of a written request for payment, such amounts will

be considered to be in arrears and will bear interest at the rate of three percent (3%) above the Prime Rate per annum, calculated monthly not in advance, from the date due until paid. Notwithstanding the foregoing, this section will not apply to defaults under section 3.2.

ARTICLE 4

ADDITIONAL SUBTENANT'S COVENANTS

The Subtenant further covenants and agrees with the Sublandlord:

4.1 Substantial Alterations, Repairs or Improvements. To not make any substantial alterations, repairs or improvements (including structural alterations, repairs or improvements) to any part of the Subleased Premises without the Sublandlord's approval, which approval will not be unreasonably refused, delayed or conditioned and the Landlord's approval; PROVIDED, THAT the Subtenant will, in any case, first submit to the Sublandlord:

- (a) details of the proposed work, including drawings and specifications conforming to good construction practice, which details shall be approved by the Sublandlord or consultants designated by the Sublandlord, acting reasonably; and
- (b) evidence satisfactory to the Sublandlord that the Subtenant has obtained, at its expense, all necessary consents, permits, licenses and inspections from all governmental and regulatory authorities having jurisdiction, and

PROVIDED, FURTHER, THAT all such work will be performed:

- (c) at the sole cost of the Subtenant;
- (d) in a good and workmanlike manner;
- (e) in accordance with the drawings and specifications approved by the Sublandlord or its consultants, acting reasonably;
- (f) subject to the reasonable regulations, controls and inspection of the Sublandlord; and
- (g) so as not to cause any unreasonable interference with the lawful use by any other person of the Building or any part thereof.

4.2 Activities Adversely Affecting Sublandlord's Insurance. Not to do, or permit to be done, or to continue, any activity or condition which would, or could reasonably be expected to, cause the Sublandlord's insurance as required by Section 5.6, to be cancelled or the cost thereof to be materially increased and, without waiving the foregoing prohibitions, the Sublandlord may demand, and the Subtenant will comply with the Sublandlord's demand, that the Subtenant cease or cause to be ceased any such activity or condition, and if the Sublandlord's insurance is materially increased will pay to the Sublandlord on demand, the amount of any such increase in costs caused by such activity or condition.

4.3 Keep Tidy. Not to permit or cause the Subleased Premises or the Licenced Premises to become untidy, unsightly or hazardous or permit or cause waste or refuse to accumulate therein, except in refuse or recycling bins located in the refuse storage area assigned to the Subleased Premises and at its own expense to have such bins emptied at regular timely intervals.

4.4 Avoidance of Dangerous Conditions. To advise the Sublandlord of the presence of, and do all things reasonably necessary to remove, any dangerous condition existing on the Subleased Premises or the Licenced Premises and arising as a result of the act or omission of the Subtenant or anyone for whom it is responsible in law.

4.5 Compliance With Laws. To comply, at its own expense, with all municipal, federal and provincial laws, by-laws, regulations and requirements pertaining to or arising in consequence of the use of and activities in the Subleased Premises and the Licenced Premises, the installation by or at the request of the Subtenant or those claiming through the Subtenant of any fixtures, furniture or equipment or the making by or at the request of the Subtenant or those claiming through the Subtenant of any repairs (but not including repairs required of the Sublandlord), changes or improvements to the Subleased Premises or the Licenced Premises.

4.6 Obligations Concerning Repair and Maintenance. The Subtenant, at its cost, will repair and maintain all components of the Subleased Premises (EXCEPTING any damage to or destruction of the Subleased Premises caused by the Sublandlord or any party for whom the Sublandlord is responsible in law, AND FURTHER EXCEPTING any repair and maintenance that is the Sublandlord's responsibility to perform and provide pursuant to Article 5) in good order and condition, such repair and maintenance will be in all respects to the standard which would be maintained by a reasonable and prudent owner of premises similar in size, quality, construction and age situated on a similar site, except reasonable wear and tear, damage by fire and the other perils referred to in Section 5.6, including the perils from time to time embraced by or defined in the commercial building form of insurance coverage applicable to similar properties, structural defects, and defects in design, workmanship and/or materials, however this exception will not apply to defects in design, workmanship or materials if such defects appear in work carried out by the Subtenant. Notwithstanding the foregoing, this covenant will not have any force or effect if this Sublease Agreement is terminated pursuant to Article 6.

4.7 Entry by Sublandlord. That the Sublandlord, upon reasonable notice, may enter the Subleased Premises to view its state of repair; PROVIDED, HOWEVER, THAT in an emergency where notice cannot reasonably be given, the Sublandlord may enter the Subleased Premises without notice (and may, in that event, itself do what is reasonably necessary to abate the emergency).

4.8 Subtenant's Insurance. To obtain and keep, or cause to be obtained and kept, in force during the Term with respect to the Subleased Premises, at the Subtenant's (or its sub-subtenant(s) and/or sub-sublicensee(s), if applicable) sole cost:

- (a) subject as set forth below, commercial general liability insurance having a limit of at least Five Million Dollars (\$5,000,000) or such other sum as the Sublandlord may reasonably prescribe from time to time, against claims for personal injury, death or property damage, which insurance will name the Sublandlord as additional insured;
- (b) all risk (broad form) tenant's legal liability insurance for an amount not less than One Million Dollars (\$1,000,000), such coverage to include the activities and operations conducted by the Subtenant and third parties in the Subleased Premises; and
- (c) "all-risks" property insurance in an amount of not less than the full replacement cost for all property owned by the Subtenant, or for which the Subtenant is legally liable, or installed by or on behalf of the Subtenant or by sub-subtenants and/or sublicensees, in each case in or on the Subleased Premises, including without

limitation, stock-in-trade inventory if appropriate, equipment, furniture, fixtures, fittings, plate glass if appropriate, and tenant improvements, including, without limitation coverage for sprinkler leakages, earthquake, flood and collapse. This insurance must include a waiver of subrogation and a waiver, as respects the interests of the Sublandlord, of any provision in any of the Subtenant's insurance policies with respect to any breach of any warranties, representations, declarations or conditions contained in the said policies. The Subtenant agrees that in the event of damage or destruction to the Subtenant's improvements, the Subtenant will use, or cause the use of, the proceeds of this insurance for the purpose of repairing or restoring the Subtenant's improvements, unless otherwise agreed by the Sublandlord and the Subtenant,

and to furnish (or cause to be furnished) to the Sublandlord certificates or other evidence that such insurance is in force, if requested to do so.

Notwithstanding the foregoing, so long as the Subtenant is the City of Vancouver and so long as the City of Vancouver is self-insuring the risks of personal injury, death and property damage, it will not be required to provide the policy of commercial general liability insurance.

4.9 Observance of Sublandlord's Rules and Regulations. So far as such rules and regulations are reasonably applicable to the Subtenant, the Subleased Premises or the Licenced Premises, to observe such reasonable rules and regulations as may be reasonably prescribed by the Sublandlord from time to time, and such rules and regulations will be deemed to be incorporated into and form part of this Sublease Agreement; PROVIDED, HOWEVER, THAT no such rules or regulations will discriminate against the Subtenant.

4.10 Subtenant's Indemnity. The Subtenant agrees to indemnify and save harmless, or to cause to be indemnified and saved harmless, the Sublandlord and its directors, officers, employees, servants, agents and contractors from and against all losses which the Sublandlord or its directors, officers, employees, servants, agents or contractors may suffer or incur arising out of, or in any way connected with, or that would not, or could not have been suffered or incurred but for this Sublease Agreement; PROVIDED, HOWEVER, THAT such indemnity will not apply to the extent, if any, to which such losses result from the respective act or omission of the Sublandlord or its directors, officers, employees, servants, agents or contractors, as the case may be, or consequential or indirect losses. Without derogating from the generality of the foregoing, but subject to the foregoing exclusions and limitations, the Subtenant agrees to indemnify and save harmless, or to cause to be indemnified and saved harmless, the Sublandlord and its directors, officers, employees, servants, agents and contractors in respect of all losses:

- (a) as a result of bodily injury or death, property damage or other damage arising from the conduct of any work by or any act or omission of or relating to or arising from the occupation or possession of the Subleased Premises by the Subtenant, or any assignee, sub-subtenant, contractor, invitee or licensee of the Subtenant; or
- (b) suffered or incurred by the Sublandlord or its elected officials and directors, officers, employees, servants, agents and contractors that arise from any breach by the Subtenant, its elected officials and directors, officers, employees, servants, agents, contractors or any other person for whom the Subtenant is responsible in law, of any of its covenants and obligations under this Sublease Agreement.

SUBLANDLORD'S COVENANTS

The Sublandlord covenants and agrees with the Subtenant:

5.1 Sublandlord's Work. The Sublandlord will complete the following work ("Sublandlord's Work") within the Subleased Premises as early as possible:

(a) [x]; and

(b) Clean up: Remove all refuse from the Subleased Premises leaving same in clean condition.

5.2 Peaceful Possession. That if the Subtenant pays the rent and the other charges as herein provided and performs all of its covenants as herein contained, the Subtenant will peaceably enjoy and possess the Subleased Premises and the Licenced Premises, on and subject to the terms and conditions of this Sublease Agreement, for the Term without any interference or interruption from the Sublandlord or from any other person or persons lawfully claiming by, from or under it, subject only to Section 9.3, and subject to the further proviso that in respect of the Licenced Premises, the Subtenant's licence regarding the use and enjoyment of which areas is non-exclusive, the Sublandlord will use and exert all reasonable efforts to ensure that the Subtenant's licence is not interfered with or impeded by other users of the Licenced Premises or any part thereof.

5.3 Provision of Services. To use reasonable commercial efforts to provide without interruption to the Subleased Premises and the Licenced Premises, and to the Building as the same apply to the foregoing, all the Common Facilities and Common Services.

5.4 Keep in Good Repair. Subject to the Subtenant's obligations in Section 4.6 in respect of the same, to keep the Common Facilities and Common Services in a safe condition and in good repair and to keep the Common Areas and the Licenced Premises in a safe, neat and tidy condition and in good repair.

5.5 Removal of Fixtures by Subtenant. To allow the Subtenant to remove from time to time trade fixtures including those affixed; PROVIDED, HOWEVER, THAT the Subtenant will repair any damage so caused.

5.6 Insurance. To effect and keep in force insurance in accordance with its covenants under the Head Lease, and the Sublandlord hereby releases the Subtenant from any and all liability or responsibility to the Sublandlord or anyone claiming through or under the Sublandlord by way of subrogation or otherwise for any loss or damage to the Subleased Premises or the Building caused by fire or any of the perils now or hereafter from time to time embraced by or defined in the form of insurance coverage required under the Head Lease; PROVIDED, THAT this release will not apply to the extent that such loss or damage is covered by the insurance to be taken out and kept in force by the Subtenant pursuant to the terms of Section 4.8.

5.7 Installation of Telecommunications Cables. So long as the utility ducts of the Building can reasonably receive them in the reasonable opinion of the Subtenant's professional advisers, to permit, at the expense of the Subtenant, the installation of cables in the Subleased Premises (and the Common Areas in order to allow easy connection thereto) to receive television, internet and other communication signals of any nature and to permit connection thereto by the broadcaster. If the Sublandlord so elects, the Sublandlord will effect such installation at the cost of the Subtenant and subject to the prior approval of the Subtenant.

5.8 Identification of Non-Exclusive Use Areas. To designate and demark the Loading Bay, the Garbage and Recycling Area and all applicable Access Routes for non-exclusive use by the Subtenant and any others entitled to use the same, and to install and maintain appropriate signage to clearly identify the use of such spaces as so permitted.

5.9 Reasonable Access to Premises. To provide to the Subtenant (and those claiming through the Subtenant) reasonable and convenient access to and egress through all Common Areas reasonably required by the Subtenant in order to enter and exit the Subleased Premises and the Licenced Premises.

5.10 Reasonable Access to Common Services. To provide to the Subtenant (and those claiming through the Subtenant) reasonable and convenient access to and egress from the heating, ventilation, air conditioning and drainage equipment and systems which serves only the Subleased Premises, and any other Common Services which the Subtenant reasonably requires access to in order to upgrade, replace or repair any utility or other service to the Subleased Premises, subject to Section 4.1. The Subtenant will also be permitted, at its expense and with the prior consent of the Sublandlord, acting reasonably, and the Landlord to install and maintain floor drains and grease interceptors, ducting, piping and conduits, and chiller systems, as required, in and through the Common Areas, to service heating, ventilation and air-conditioning systems (HVAC) and commercial kitchen systems including drainage, installed or to be installed by the Subtenant in the Subleased Premises.

5.11 Warranties. To provide the Subtenant with copies of and to promptly and diligently enforce all warranties concerning the construction, fitting, equipping and finishing of the Subleased Premises.

5.12 No Subdivision by Strata Plan. To not subdivide the Building by way of strata plan.

5.13 Compliance With Head Lease. To strictly observe and perform all of its obligations as lessee under the Head Lease.

ARTICLE 6

DAMAGE AND DESTRUCTION

6.1 Demolition of the Building. This Sublease Agreement will not prevent demolition of the Building as required by the Head Lease or by law. The Term will terminate as of the date of complete demolition of the Building. So as to not hinder prosecution of demolition of the Building, the Subtenant will vacate the Subleased Premises when demolition of the Building reasonably requires cessation of occupation of the Subleased Premises. Upon such vacation of the Subleased Premises, the Subtenant's obligations hereunder will cease, other than in respect of any obligations hereunder which have accrued but not yet been fulfilled as of that time and date; PROVIDED, HOWEVER, THAT if demolition of the Building is delayed, the Subtenant may resume occupation of the Subleased Premises and use of the Licenced Premises, and the rights and obligations of the parties hereunder will revive as of that date.

6.2 Damage by Fire. Except as provided in Section 6.1, if the Subleased Premises are damaged by fire or other casualty, the damage to the Subleased Premises will be repaired by the Sublandlord at its expense, except that repairs to any alterations, partitions, additions, extensions, equipment, installations or trade fixtures effected by or on behalf of the Subtenant will be performed by the Subtenant at the expense of the Subtenant. The materials for and workmanship of such repairs will be equal to or better than that of the original construction of the Building.

ARTICLE 7

ASSIGNMENT AND SUBLEASING

7.1 Assignment and Subleasing. The Subtenant may:

- (a) assign its rights and obligations under this Sublease Agreement; or
- (b) sub-sublease the Subleased Premises and sub-licence use of the Licenced Premises,

in each case, in respect of some or all of the Subleased Premises and/or the Licenced Premises and without the Sublandlord's prior consent; PROVIDED, THAT the Subtenant remains liable for performance of its covenants and agreements under this Sublease Agreement, and PROVIDED, FURTHER, THAT the Subtenant will first consult with the Sublandlord regarding any proposed sub-subtenant, including providing the Sublandlord with information on the nature of the business to be conducted by the proposed sub-subtenant in the Subleased Premises, and to take into consideration the Sublandlord's views as to the suitability of the proposed sub-subtenant having regard to the residential uses in the Building.

ARTICLE 8

NOTICES

8.1 Any notice or other written communications required or permitted to be given in connection with this Sublease Agreement may be given as follows:

- (a) To the Sublandlord, addressed as follows:

[x]

Attention: _____

- (b) to the Subtenant, addressed as follows:

City of Vancouver
 453 West 12th Avenue
 Vancouver, British Columbia
 V5Y IV4

Attention: City Clerk, Director of Facilities, Planning and Development and
 Director of Legal Services;

or to such other address in British Columbia as may from time to time be communicated in writing by either party to the other.

8.2 Any notice to be given in connection with this Sublease Agreement may be delivered personally or sent by registered mail. The notice will be deemed to have been received by the addressee party:

- (a) if personally delivered, on the date that it was delivered; and
- (b) if sent by registered mail, on the earlier of the day it was received and the third day after it was mailed; PROVIDED, THAT if mailed, should there be between the time of the mailing and the actual receipt of the notice, a mail strike, slowdown or other labour dispute which might affect delivery of such notice, then such notice will only be effective if and when actually delivered.

ARTICLE 9

FURTHER COVENANTS AND CONDITIONS

9.1 Time of Essence. Time will be of the essence in this Sublease Agreement.

9.2 Certificate of Sublease Status. The Subtenant will promptly provide, upon written request of the Sublandlord, any mortgagee of the Lands or any prospective purchaser of the Lands, a written certificate as to the status of this Sublease Agreement including as to whether it is in full force and effect, if modified or unmodified, confirming the state of accounts between the Sublandlord and the Subtenant, the existence or non-existence of defaults and any other matters pertaining to this Sublease Agreement for which any of the foregoing may reasonably request.

9.3 Temporary Interruption of Services. Upon reasonable notice, the Sublandlord may temporarily interrupt the provision of Common Services and Common Facilities and the use of Common Areas, the Subleased Premises and the Licenced Premises to carry out maintenance, repairs, replacements and improvements and/or for other reasonable reasons, and in such cases and during such times, the obligation of the Sublandlord to provide the same will be suspended as necessary; PROVIDED, HOWEVER, THAT the Sublandlord will diligently prosecute such work to conclusion as soon as reasonably possible; and PROVIDED, FURTHER, THAT such interruption does not unreasonably interfere with the Subtenant's or any User's rights hereunder.

9.4 Rights of Forfeiture and Termination Restricted. As conditions hereof the Sublandlord covenants and agrees that this Sublease Agreement will not be forfeited or terminated by reason of any breach, default or other wrong, whether by commission or omission, on the part of the Subtenant and those claiming through the Subtenant, and that it will refrain from seeking any judgment, order or declaration terminating this Sublease Agreement, subject always to Section 6.1 hereof. These conditions will not prevent the Sublandlord from seeking judgment for any indebtedness or damages including punitive damages or from applying to enjoin or restrain any breach, default or other wrong, whether by commission or omission, on the part of the Subtenant and those claiming through the Subtenant.

9.5 Surrender of Lease. The Subtenant may surrender this Sublease Agreement upon reasonable notice to the Sublandlord; PROVIDED, HOWEVER, THAT such surrender will not extinguish any liability arising prior to the date of such surrender. Upon expiry of the time provided in such notice, the Subtenant will deliver up vacant possession of the Subleased Premises.

9.6 Non-Derogation of City's Rights. All rights and benefits and all obligations of the Sublandlord and the Subtenant under this Sublease Agreement will be rights, benefits and obligations of the Sublandlord and the Subtenant respectively only in their capacities as Sublandlord and Subtenant under this Sublease Agreement. The Sublandlord further agrees that nothing in this Sublease Agreement limits or restricts the City of Vancouver, its legislative council, and its officers, servants or agents in the full exercise of any and all powers and duties vested in

them in their respective capacities as a municipal government, as a municipal council and as the officers, servants and agents of a municipal government.

9.7 Enurement. These presents will enure to the benefit of and be binding upon the heirs, executors, administrators, successors and assigns of the respective parties hereto and the owners from time to time of the Lands and/or the Building and all parties claiming through such owners.

9.8 Perfection of Intention and Registration. The parties hereto will do such things and execute such further and other documents and instruments and do such further and other acts as may be reasonably necessary to implement and carry out the provisions and intent of this Sublease Agreement and to, if requested to do so by the Subtenant, ensure timely and effective registration of the Sublease Agreement in the Land Title Office in priority to all mortgages and other financial liens, charges and encumbrances not held by BC Housing Management Commission, Canada Mortgage and Housing Corporation or Provincial Rental Housing Corporation.

9.9 Waiver. Each of the parties hereto acknowledges and agrees that no failure on the part of the other party to exercise and no delay by the other party in exercising any right under this Sublease Agreement will operate as a waiver thereof nor will any single or partial exercise by the other party of any right under this Sublease Agreement preclude any other or future exercise thereof or the exercise of any other right. The remedies herein provided will be cumulative and not exclusive of any other remedies provided by law and all remedies stipulated for either party herein will be deemed to be in addition to and not, except as herein expressly stated, restrictive of the remedies of such party at law or in equity.

9.10 Discharge of Sublease Agreement in Land Title Office. Following termination of this Sublease Agreement or expiry of the Term, the Subtenant will release and discharge this Sublease Agreement from the records of the Land Title Office, if requested to do so by the Sublandlord.

IN WITNESS WHEREOF the parties hereto have hereunto caused their authorized signatories to sign this Sublease Agreement on the Form C or D attached hereto.

SCHEDULE A

Diagram of Subleased Premises and Licenced Premises

SCHEDULE B

Reduced Copy of Explanatory Plan

SCHEDULE C

Signage Areas

SCHEDULE D

Service Level Agreement

SERVICE LEVEL AGREEMENT

For purposes of this document, the parties are identified as follows:

Landlord: PHS Community Services Society	Landlord
Sublandlord: City of Vancouver	CoV
Tenant: Non-profit Society TBC	NPO

For the purpose of this agreement, this Service Level Agreement (the “SLA”) is intended to reflect the proposed delineation of repair, maintenance and replacement responsibilities between the parties as currently anticipated. The City reserves the right to revise the SLA as necessary and deemed appropriate.

Landlord* - Under ‘Party Responsible to Pay for Work’, Landlord* means these costs are included under allocable operating costs, a proportionate share of which are payable by the NPO.

Annual Maintenance Plan

The Operator must prepare and submit an Annual Maintenance Plan including both the Routine and Preventative Maintenance Plan, which the City reserves the right to validate. The Operator will submit a report/reports summarizing the Routine and Preventative Maintenance that has been performed and costs, and the Capital Maintenance and Improvements performed and cost annually on the anniversary of the commencement of the lease.

Item	Description	Party to Perform the Work	Party Responsible to Pay for Work
1.1	Heating, Ventilation and Air Conditioning exclusive to or within the Leased Premises (excluding common equipment/systems)		
a	- annual inspection	NPO	NPO
b	- routine maintenance and repair	NPO	NPO
c	- provision & replacement of filter material	NPO	NPO
d	- cleaning of ducts	NPO	NPO
e	- life cycle replacement (Capital Maintenance)	CoV	CoV

Item	Description	Party to Perform the Work	Party Responsible to Pay for Work
1.2	Common Heating, Ventilation and Air Conditioning (systems serving more than the Leased Premises)		
a	- annual inspection/permits & fees, maintenance and repair	Landlord	Landlord*
b	- life cycle replacement	Landlord	Landlord
2.1	Plumbing Systems exclusive to or within the Leased Premises (excluding common systems/equipment)		
a	-preventive maintenance and repairs to hot water heating systems (ie, boiler, hot water tank) and domestic cold water systems	NPO	NPO
b	- major repairs and replacement of hot water heating systems and domestic cold water systems	CoV	CoV
c	- repairs to all fixtures including faucets, unplugging toilets and all other routine repairs	NPO	NPO
d	- life cycle replacement of hot water systems, and piping	CoV	CoV
e	- life cycle replacement of fixtures (ie, faucets, toilets, urinals, water closets, drinking fountains, etc.)	NPO	NPO
2.2	Common Plumbing Systems (systems serving more than the Leased Premises)		
a	- annual inspection/permits & fees, maintenance and repair	Landlord	Landlord*
b	- life cycle replacement	Landlord	Landlord

Item	Description	Party to Perform the Work	Party Responsible to Pay for Work
c	- maintenance and replacement of sump pumps	Landlord	Landlord*
3.1	Mechanical Systems exclusive to or within the Leased Premises (excluding common systems/equipment)		
a	- preventive maintenance and repairs	NPO	NPO
b	- life cycle replacement	CoV	CoV
c	- installation, maintenance and replacement of additional equipment provided and installed by the occupant	NPO	NPO
d	elevator - maintenance and repair	NPO	NPO
e	elevator - lifecycle replacement	CoV	CoV
3.2	Common Mechanical Systems (systems serving more than the Leased Premises)		
a	- annual inspection/permits & fees, maintenance and repair	Landlord	Landlord*
b	- life cycle replacement	Landlord	Landlord
4.1	Fire Protection & Suppression exclusive to the Leased Premises		
a	- monthly inspection of fire extinguishers and smoke detectors within the Leased Premises	NPO	NPO
b	- annual inspection of fire extinguishers within premises	NPO	NPO
c	repairs/recharging of fire extinguishers within premises	NPO	NPO

Item	Description	Party to Perform the Work	Party Responsible to Pay for Work
d	- annual inspection, maintenance and repairs of the fire alarm system	NPO	NPO
e	- life cycle replacement of the fire alarm system	CoV	CoV
f	- life cycle replacement of emergency /exit lighting	NPO	NPO
g	- annual inspection, maintenance and repair of fire sprinkler system	NPO	NPO
h	- life cycle replacement of fire sprinkler system	CoV	CoV
4.2	Common Fire Protection & Suppression (systems serving more than the Leased Premises)		
a	- annual inspection/permits & fees, maintenance and repairs of the fire alarm system including interior emergency/exit lighting	Landlord	Landlord*
b	- life cycle replacement of fire alarm system	Landlord	Landlord
c	- annual inspection, maintenance and repair of fire sprinkler system	Landlord	Landlord*
d	- life cycle replacement of fire sprinkler system	Landlord	Landlord
5.1	Security Systems dedicated to or within the Leased Premises		
a	- system monitoring, inspection, maintenance and repair	NPO	NPO
b	- life cycle replacement	NPO	NPO
c	- repair, replacement, re-keying of all locks, fobs and access devices	NPO	NPO

Item	Description	Party to Perform the Work	Party Responsible to Pay for Work
5.2	Common Security Systems (systems serving more than the Leased Premises)		
a	- system monitoring, inspection/permits & fees, maintenance and repair	Landlord	Landlord*
b	- life cycle replacement	Landlord	Landlord
6.1	Electrical Distribution Systems exclusive to or within the Leased Premises (excluding common systems/equipment)		
a	- repairs and upgrades required by Code or initiated by the Landlord	CoV	CoV
b	- repairs and upgrades required by Code or initiated by the Tenant	NPO	NPO
c	- inspection, maintenance and repair of wiring, breakers and electrical panels	NPO	NPO
d	- life cycle replacement of wiring, breakers and panels	CoV	CoV
e	- repair or replacement of switches, receptacles, cover plates	NPO	NPO
f	- extensions, increases, or enhancements to meet occupant's needs including ongoing maintenance	NPO	NPO
6.2	Common Electrical Distribution Systems (systems serving more than the Leased Premises)		
a	- inspection/permits & fees, maintenance and repair of electrical distribution systems	Landlord	Landlord*

Item	Description	Party to Perform the Work	Party Responsible to Pay for Work
b	- life cycle replacement of electrical distribution systems to the Leased Premises	Landlord	Landlord
c	maintenance, repair and replacement of auxiliary power generating systems	Landlord	Landlord*
7.1	Lighting Systems within the Leased Premises		
a	- bulb/tube replacement for interior lighting	NPO	NPO
b	- interior lighting ballast replacement	NPO	NPO
c	- life cycle replacement of lighting fixtures	NPO	NPO
d	- cleaning of interior lighting fixtures	NPO	NPO
e	- provision, maintenance, repair and replacement of lighting fixtures	NPO	NPO
f	- maintenance of exterior lighting	Landlord	Landlord*
g	- life cycle replacement of exterior lighting	Landlord	Landlord
7.2	Common Lighting Systems (systems serving more than the Leased Premises)		
a	- inspection, maintenance, repair, and cleaning	Landlord	Landlord*
b	- life cycle replacement	Landlord	Landlord
8.1	Interior Windows (interior to the Leased Premises)		

Item	Description	Party to Perform the Work	Party Responsible to Pay for Work
a	- breakage and routine repair	NPO	NPO
b	- cleaning	NPO	NPO
c	- life-cycle replacement	NPO	NPO
8.2	Exterior Windows of the Leased Premises or common area windows		
a	- breakage and routine repair	Landlord	Landlord*
b	- cleaning (of exterior surfaces)	Landlord	Landlord*
c	- cleaning (of interior surfaces within the Leased Premises , excluding common area windows)	NPO	NPO
d	- life cycle replacement	Landlord	Landlord
8.3	Interior Doors (interior to the Leased Premises)		
a	- maintenance and repair	NPO	NPO
b	- life cycle replacement	NPO	NPO
8.4	Exterior Doors of the Leased Premises		
a	- maintenance and repair including hardware	Landlord	Landlord*
b	- life cycle replacement	Landlord	Landlord
8.5	Common Area Exterior Doors		
a	- maintenance and repair including hardware	Landlord	Landlord*

Item	Description	Party to Perform the Work	Party Responsible to Pay for Work
b	- life cycle replacement	Landlord	Landlord
9.1	Interior Surfaces within the Leased Premises		
a	- interior life cycle repainting	NPO	NPO
b	- maintenance and cleaning of window applications including, but not limited to blinds and curtains	NPO	NPO
c	- repairs to interior walls and ceilings, including minor painting	NPO	NPO
d	- life cycle replacement of ceiling tiles	NPO	NPO
e	- interior repairs due to building system failures such as roof leaks, exterior walls and foundation leaks not caused by the occupant or operations	NPO	NPO
g	- maintenance and repairs of floor coverings, including carpet and tile	NPO	NPO
h	- life cycle replacement of flooring	NPO	NPO
i	- maintenance, repair, and replacement of millwork	NPO	NPO
9.2	Interior Surfaces within Common Areas		
a	- all maintenance and repairs	Landlord	Landlord*

Item	Description	Party to Perform the Work	Party Responsible to Pay for Work
b	- all capital maintenance or replacements	Landlord	Landlord
10.1	Major Structural Systems		
a	- repairs or replacements of foundations, flooring sub-structure, building envelope including bearing walls and roofing, and parking lots due to damage not related to the tenancy	Landlord	Landlord
b	- repairs, maintenance and replacement of roof	Landlord	Landlord
c	- repairs and painting of exterior surfaces including windows, trim, fascia and soffits	Landlord	Landlord*
d	- cleaning of eaves troughs, gutters, roof drains and roof areas	Landlord	Landlord*
e	- life cycle replacement of drains, rainwater leaders and gutters on roof and elsewhere	Landlord	Landlord
11.1	Site Services		
a	- landscaping repairs and maintenance	Landlord	Landlord*
b	- grass cutting	Landlord	Landlord*
c	- general cleaning of grounds, litter disposal	Landlord	Landlord*
d	- snow and ice removal from steps, walkways, entrances including provision of de-icing materials	Landlord	Landlord*
e	- removal of snow from entrance to parking areas	Landlord	Landlord*

Item	Description	Party to Perform the Work	Party Responsible to Pay for Work
f	- removal of snow and ice from roof areas	Landlord	Landlord*
g	- repairs of water and sewage systems (beyond the building perimeter)	Landlord	Landlord*
h	- maintenance, repair and replacement of gates and fences (excluding tenant specific gates and fences)	Landlord	Landlord*
i	- maintenance and repair of parking, loading areas, external walkways and steps	Landlord	Landlord*
j	- graffiti removal	Landlord	Landlord*
12.1	Signage exterior to the Leased Premises		
a	- maintenance, repair and replacement (subject to prior approval of CoV and Other ASP)	NPO	NPO
12.2	Interior Signage within the Leased Premises		
a	- installation, maintenance, repair and replacement	NPO	NPO
13.1	Janitorial Services within the Leased Premises		
a	- routine janitorial/custodial services	NPO	NPO
b	- pest control services (interior)	NPO	NPO
c	- provision of all washroom supplies	NPO	NPO
13.2	Janitorial Services within the common areas		

Item	Description	Party to Perform the Work	Party Responsible to Pay for Work
a	- routine janitorial/custodial services	Landlord	Landlord*
b	- pest control services	Landlord	Landlord*
d	- garbage and recycling removal services	Landlord	Landlord*
14.1	Appliances, Program and Other Non-Installed Equipment within the Leased Premises		
a	- inspection, maintenance and repair of all non-base-building equipment including stoves, refrigerators, microwaves, coolers, free standing cabinets, track lighting	NPO	NPO
b	- replacement of all appliances, program and non-base-building equipment	NPO	NPO
c	- maintenance, repair and replacement of furniture and millwork	NPO	NPO
15.1	Renovations and Upgrades to the Leased Premises (following completion of initial tenant improvements)		
a	- any upgrades, additions, enhancements or improvements initiated by the Tenant (subject to prior approval by CoV), including Contaminants remediation as required	NPO	NPO
b	- any upgrades, additions, enhancements or improvements initiated by the Landlord (subject to prior approval by CoV), including Contaminants remediation as required	CoV	CoV

Item	Description	Party to Perform the Work	Party Responsible to Pay for Work
16.1	Utilities provided to or directly serving the Leased Premises		
a	- electricity	NPO	NPO
b	- gas	NPO	NPO
c	- all other municipal utility charges which appear on the property tax notice	Landlord	Landlord*
16.2	Common Area Utilities		
a	- electricity	Landlord	Landlord*
b	- gas	Landlord	Landlord*
c	- water and sewer	Landlord	Landlord*
17.1	Business Operations		
a	- staff costs	NPO	NPO
b	- telephone, internet & cable services	NPO	NPO
c	- insurance (building shell)	Landlord	Landlord*
d	- insurance (CGL, TLL, business interruption, contents, etc.)	NPO	NPO
e	- program supplies and equipment, including for bathrooms and kitchen	NPO	NPO
f	- security services	NPO	NPO

Life Cycle Replacement

Life cycle replacement is based on fair wear and tear. The need of such replacement is at the Landlord's sole discretion.

Damage

Notwithstanding the foregoing, but except in the case of emergency, it is a condition hereof that the Landlord's obligation to maintain, repair, and replace parts of the Premises as indicated above is always subject to the availability of funds currently budgeted by the Landlord for such purposes at the Premises.

DRAFT

CONSENT AND PRIORITY INSTRUMENT

In this consent and priority instrument:

- (a) "Existing Charges" mean the Mortgage registered under number [REDACTED], and the Assignment of Rents registered under number [REDACTED];
- (b) "Existing Chargeholder" means [REDACTED];
- (c) "New Charge" means the Sublease contained in the attached Terms of Instrument - Part 2; and
- (d) words capitalized in this instrument, not otherwise defined herein, have the meaning ascribed to them in the attached Terms of Instrument - Part 2.

For \$10.00 and other good and valuable consideration, the receipt and sufficiency of which the Existing Chargeholder acknowledges, the Existing Chargeholder:

- (i) consents to the Sublandlord granting the New Charge to the Subtenant; and
- (ii) agrees with the Subtenant that the New Charge charges the Lands in priority to the Existing Charges in the same manner and to the same effect as if the Sublandlord had granted the New Charge, and they had been registered against title to the Lands, prior to the grant or registration of the Existing Charges or the advance of any money under the Existing Charges.

To witness this consent and priority instrument, the Existing Chargeholder has caused its duly authorized signatories to sign the attached General Instrument - Part 1.