



Notice of Meeting and Meeting Agenda Hospitals and Housing Committee

Wednesday, June 4, 2025

1:30 PM

6th Floor Boardroom
625 Fisgard St.
Victoria, BC V8W 1R7

K. Murdoch (Chair), J. Caradonna (Vice Chair), M. Alto, P. Brent, S. Brice, Z. de Vries,
S. Goodmanson, G. Holman, P. Jones, C. McNeil-Smith (Board Chair, ex officio)

The Capital Regional District strives to be a place where inclusion is paramount and all people are treated with dignity. We pledge to make our meetings a place where all feel welcome and respected.

1. Territorial Acknowledgement

2. Approval of Agenda

3. Adoption of Minutes

3.1. [25-0629](#) Minutes of the Hospitals and Housing Committee Meeting of May 7, 2025

Recommendation: That the minutes of the Hospitals and Housing Committee meeting of May 7, 2025 be adopted as circulated.

Attachments: [Minutes - May 7, 2025](#)

4. Chair's Remarks

5. Presentations/Delegations

The public are welcome to attend CRD meetings in-person.

Delegations will have the option to participate electronically. Please complete the online application at www.crd.ca/address no later than 4:30 pm two days before the meeting and staff will respond with details.

Alternatively, you may email your comments on an agenda item to the CRD Board at crdboard@crd.bc.ca.

5.1. Presentations

5.2. Delegations

5.2.1. [25-0690](#) Delegation - Joanne Randle; Representing Galiano Affordable Living Initiative (GALI); Re: Item 6.2.: Forest Homes Project Funding Shortfall

5.2.2. [25-0697](#) Delegation - Terry Bottomley; Resident of Southern Gulf Islands; Re: Item 6.2.: Forest Homes Project Funding Shortfall

5.2.3. [25-0698](#) Delegation - Geoff Inverarity; Resident of Southern Gulf Islands; Re: Item 6.2.: Forest Homes Project Funding Shortfall

6. Committee Business

6.1. [25-0604](#) Capital Region Housing Corporation Quarter 1 Update, 2025

Recommendation: There is no recommendation. This report is for information only.

Attachments: [Staff Report: Capital Region Housing Corp Quarter 1 Update, 2025](#)
[Appendix A: Major Capital Plan Expenditure Summary](#)
[Appendix B: Project Profiles](#)
[Appendix C: Consolidated Operating Results](#)
[Appendix D: Routine Capital Plan Expenditure Summary](#)

6.2. [25-0485](#) Forest Homes Project Funding Shortfall

Recommendation: The Hospitals and Housing Committee recommends to the Capital Regional District Board:
That staff be directed to prepare and launch a Request for Proposals to identify a proponent who will enter a long-term lease, apply for funds, undertake development and operate a housing project at 280 Georgeson Bay Road, Galiano Island.

Attachments: [Staff Report: Forest Homes Project Funding Shortfall](#)
[Appendix A: Forest Homes Project Timeline](#)
[Appendix B: CRD to CRHC Lease Agrmt-280 Georgeson Bay Road](#)
[Appendix C: CRD to CRHC Operator Agrmt-280 Georgeson Bay Road](#)
[Appendix D: Galiano Project Projected Rents & Operational Details](#)
[Appendix E: Cost Management – LCC Class 'B' Model Report](#)
[Appendix F: Galiano Project Capital Budget Details](#)

7. Notice(s) of Motion

8. New Business

9. Adjournment

The next meeting is July 2, 2025.

To ensure quorum, please advise Tamara Pillipow (tpillipow@crd.bc.ca) if you or your alternate cannot attend.

Meeting Minutes

Hospitals and Housing Committee

Wednesday, May 7, 2025

1:30 PM

6th Floor Boardroom
625 Fisgard St.
Victoria, BC V8W 1R7

PRESENT

Directors: K. Murdoch (Chair) (EP), J. Caradonna (Vice Chair), M. Alto, P. Brent (EP), S. Brice, Z. de Vries, G. Holman (EP), P. Jones

Staff: T. Robbins, Chief Administrative Officer; N. Chan, Chief Financial Officer; K. Lorette, General Manager, Housing, Planning and Protective Services; M. Barnes, Senior Manager, Health and Capital Planning Strategies; D. Elliott, Senior Manager, Regional Housing; J. Proctor, Manager, Housing Planning, Policy and Programs; M. Lagoa, Deputy Corporate Officer; T. Pillipow, Committee Clerk (Recorder)

EP - Electronic Participation

Guests: J. Quinn, Aboriginal Coalition to End Homelessness; S. Ceacero, Alliance to End Homelessness in the Capital Region; L. Lee, KPMG

Regrets: Director C. McNeil-Smith

The meeting was called to order at 1:31 pm.

1. Territorial Acknowledgement

Director de Vries provided a Territorial Acknowledgement.

2. Approval of Agenda

MOVED by Director de Vries, **SECONDED** by Director Brice,
That the agenda for the Hospitals and Housing Committee meeting of May 7, 2025
be approved.
CARRIED

3. Adoption of Minutes

3.1. [25-0491](#) Minutes of the Hospitals and Housing Committee Meeting of April 2, 2025

MOVED by Director de Vries, **SECONDED** by Director Alto,
That the minutes of the Hospitals and Housing Committee meeting of April 2, 2025
be adopted as circulated.
CARRIED

4. Chair's Remarks

Acting Chair Caradonna had no remarks.

5. Presentations/Delegations

5.1. Presentations

- 5.1.1. [25-0483](#) Presentation: Julia Quinn, Associate Executive Director, Aboriginal Coalition to End Homelessness; Re: ACEH Annual Update

J. Quinn presented Item 5.1.1.

Discussion ensued regarding:

- lessons learned from the Kwum Kwum Lelum project
- how the core funding gap is being managed

- 5.1.2. [25-0484](#) Presentation: Sylvia Ceacero, Chief Executive Officer, Alliance to End Homelessness in the Capital Region; Re: AEHCR Annual Update

S. Ceacero presented Item 5.1.2.

Discussion ensued regarding:

- having the report on permitted sheltering spaces available to the consultant
- clarification of funding sources and their impact to the Alliance

- 5.1.3. [25-0327](#) Verbal Presentation: Capital Region Housing Committee and Capital Regional Hospital District 2024 Audit Findings Report and Statement of Financial Implications, Lenora Lee, Lead Audit Engagement Partner, KPMG

L. Lee presented Item 5.1.3.

5.2. Delegations

There were no delegations.

6. Committee Business

6.1. [25-0325](#) Capital Regional Hospital District 2024 Audit Findings Report and Audited Financial Statements

N. Chan spoke to Item 6.1.

Discussion ensued regarding:

- that future reports include debt comparisons of other hospital districts
- clarification of the low debt servicing costs
- options available to reduce requisition impacts

MOVED by Director Brice, SECONDED by Director de Vries,

The Hospitals and Housing Committee recommends to the Capital Regional Hospital District Board:

That the Capital Regional Hospital District 2024 Audited Financial Statements be approved.

CARRIED

6.2. [25-0326](#) Capital Region Housing Corporation 2024 Audit Findings Report and Audited Financial Statements

N. Chan spoke to Item 6.2.

Discussion ensued regarding:

- the fluctuation of revenue as a result of funding grants
- clarification of the rental margins

MOVED by Director de Vries, SECONDED by Director Alto,

The Hospitals and Housing Committee recommends to the Capital Region Housing Corporation Board:

That the Capital Region Housing Corporation 2024 Audited Financial Statements be approved.

CARRIED

7. Notice(s) of Motion

There were no notice(s) of motion.

8. New Business

There was no new business.

9. Motion to Close the Meeting

9.1. [25-0482](#) Motion to Close the Meeting

MOVED by Director de Vries, **SECONDED** by Director Brice,

1. That the meeting be closed for Land Acquisition/Disposition in accordance with Section 90(1)(e) of the Community Charter.

CARRIED

MOVED by Director de Vries, **SECONDED** by Director Brice,

2. That such disclosures could reasonably be expected to harm the interests of the Regional District.

CARRIED

The Hospitals and Housing Committee moved into closed session at 2:36 pm.

The Hospitals and Housing Committee rose from closed session without report at 3:19 pm.

10. Adjournment

MOVED by Director de Vries, **SECONDED** by Director Brice,

That the Hospitals and Housing Committee meeting of May 7, 2025 be adjourned at 3:19 pm.

CARRIED

CHAIR

RECORDER

**REPORT TO HOSPITALS AND HOUSING COMMITTEE
MEETING OF WEDNESDAY, JUNE 4, 2025**

SUBJECT **Capital Region Housing Corporation Quarter 1 Update, 2025**

ISSUE SUMMARY

To provide the Capital Region Housing Corporation (CRHC) Board with an update for the first quarter (Q1) 2025.

BACKGROUND

In November 2024, the CRHC Board approved the Major Capital Plan (2025-2029), which included \$87.8 million (M) in planned expenditures in 2025 and anticipates spending of \$469.4M over the full five-year plan. In total, the Major Capital Plan seeks to bring an additional 1,000 rental homes to market, which will increase the CRHC's total size to approximately 3,000 rental homes in operation by the end of 2029. The costs incurred through delivery of the Major Capital Plan in 2025 are supported primarily through grants received from senior orders of government (86%) and mortgage debt assumed by the CRHC (14%).

Alongside the Major Capital Plan, the CRHC Board also approved the CRHC's 2025 Financial Plan projecting total revenue of \$32.6M and a budgeted surplus of \$406 thousand (K) excluding a routine capital funding gap of \$10.7M to 2029. The operations of the CRHC are supported primarily through tenant rents (82%), and operating subsidy from BC Housing (16%). The operational costs of the CRHC are self-funded and do not impact the CRD's Financial Plan or requisition rates.

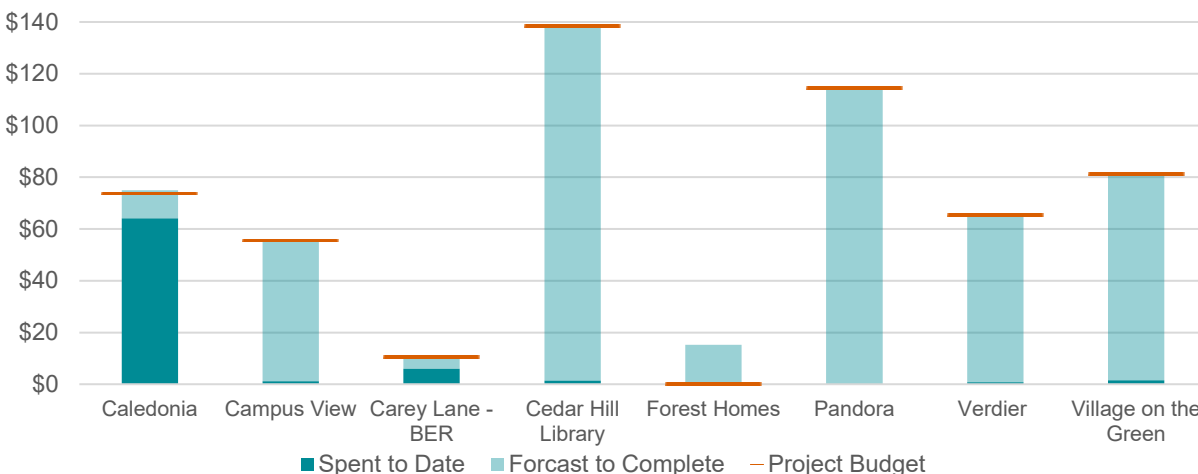
Included within the CRHC 2025 Financial Plan was approval of \$4M in expenditure under the 2025 Routine Capital Plan which included five-year total expenditure of \$15.3M. The staff report containing the 2025 Routine Capital Plan has also identified an estimated \$26M in total repair costs across CRHC's aging assets between 2025-2029, with a funding gap of approximately \$10.7M over the five-year period. Staff are working to improve corporate performance to increase the revenue margin to support the growth of the CRHC and help address the identified repair cost funding gap.

The CRHC Quarterly Report provides key data to the CRHC Board on items related to the delivery of the Major Capital Plan, Financial Plan, and the Routine Capital Plan and will be delivered in June for Q1 and September for Q2. The CRHC Board will then consider the 2026 CRHC Financial Plan in November.

Major Capital Plan Expenditure Summary

The approved Major Capital Plan included seven named projects as well as expenditure authority to support new and future redevelopment projects. In October 2024, the CRHC Board directed staff to add Thuthiqut Hulelum' (Forest Homes) to the 2025 – 2029 Major Capital Plan. All eight named projects currently being advanced under the CRHC's Major Capital Plan, their approved total budget, funding spent to-date, and the forecast cost to complete is shown below in Chart 1.

Chart 1: Major Capital Plan Total Expenditure Snapshot (\$M)



As shown in Appendix A, the 2025 approved spending under the Major Capital Plan is \$87.8M with a total of \$5.6M being reported as spent in Q1. As Caledonia nears completion, and demolition gets underway on Campus View, the Cedar Hill Library, Village on the Green, and Verdier, staff are forecasting ongoing growth in expenditure through the remainder of 2025.

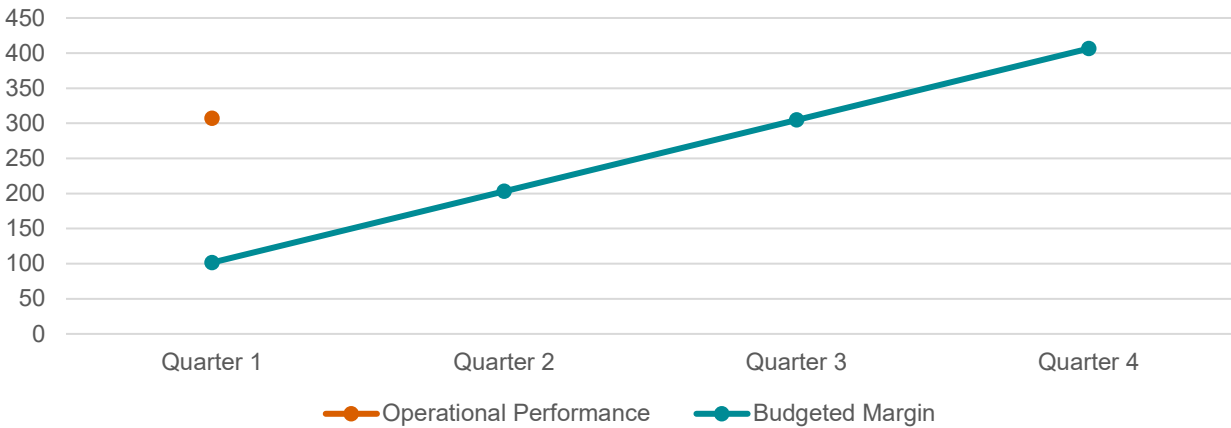
As of Q1, the only project at risk of exceeding budget is Caledonia, which is forecast to complete approximately \$1.4M over the CRHC-approved budget of \$73.6M. The additional cost to complete is the result of increased financing costs, contaminated soils, unplanned Capital Region Emergency Service Telecommunications (CREST) system requirements, increased engineering fees, permit delays resulting in increased insurance costs, and additional consultant fees required for on and offsite redesign work. The funding gap has been resolved through reprofiling surplus capital funds from Michigan Square and increased funding from BC Housing. BC Housing approved an increased budget of \$75M in March 2025 and CRHC staff will bring forward a recommendation to the CRHC Board to increase the Caledonia budget in July 2025.

Appendix B contains Project Update sheets for each named project on the Major Capital Plan as approved in November 2024. Staff are monitoring several trends that may impact capital projects. Tariff uncertainty, continued escalation in labour and materials, and building code updates all create the risk of upward pressure on cost or may introduce timeline delay. Staff will be considering numerous risk factors and will include any revisions as may be required in the CRHC's Major Capital Plan (2026-2030) due in November.

Financial Plan Consolidated Operating Results

Q1 results, as detailed in Appendix C, show the CRHC reporting a positive margin of \$307K, which is \$204K higher than anticipated. Revenue is below budget by 2%, which is due primarily to delays in renting up Michigan Square, which was to help support rehoming efforts for those tenants impacted by the redevelopment of Village on the Green. At the same time, expenditure is 5% below forecast due to the timing of new staff hires, vacant positions, and lower than budgeted costs in utilities. Staff expect expenditures to pick up throughout the year and remain focused on improving corporate performance to drive a positive variance at the end of the year at or greater than budget to help address the estimated routine capital funding gap of \$10.7M. Chart 2 shows the estimated expenditure according to the approved 2025 Financial Plan as well as the actual margin at the end of Q1.

Chart 2: Operational Performance Snapshot (\$K)

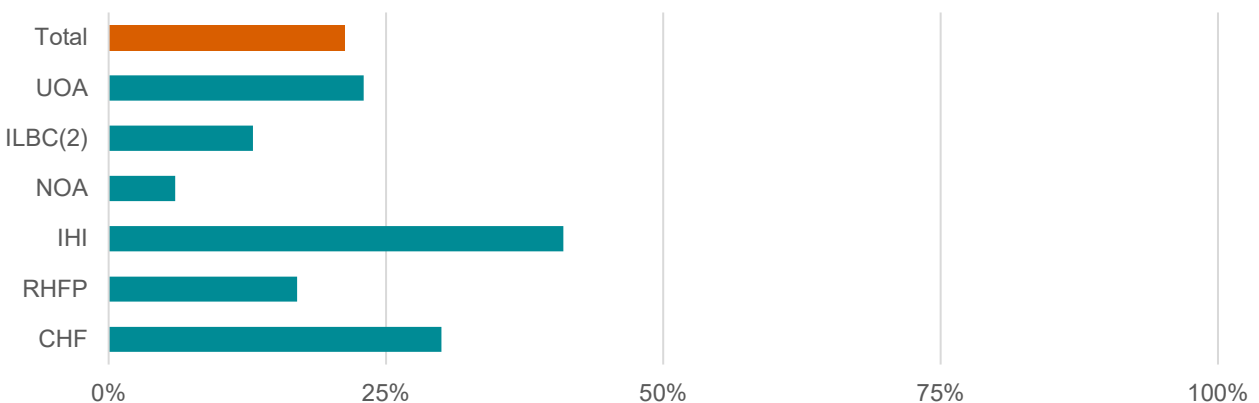


Staff have postings out to fill existing vacancies and hire the newly approved roles. At the same time, staff are anticipating additional costs as Caledonia comes online in Q3 2025 and will continue to work to control expenditure to the extent possible while also continuing to drive improved unit turnover rates and the marketing of vacant units. Chart 2 will be updated throughout the year to track ongoing performance against budget.

Routine Capital Plan Expenditure Summary

Q1 results, as detailed in Appendix D, show a total expenditure of \$848K or 21% of the total budget of \$4M for 2025. Chart 3 illustrates the specific percentage of funds spent across the CRHC's six operational portfolios with the combined total noted in orange.

Chart 3: Routine Capital Plan Expenditure Snapshot (% Budget by Portfolio)



While the Investment in Housing Innovation (IHI) and Community Housing Fund (CHF) portfolios are showing expenditure slightly ahead of expectations at Q1, it should be noted the budgeted annual spend for these portfolios is \$21K and \$32K, respectively. As the forecast spend under the Umbrella Operating Agreement (UOA), No Operating Agreement (NOA), and Regional Housing First Program (RHFP) portfolios is larger and the work significantly more complex, staff are anticipating a considerable increase in expenditure in late Q2/Q3. Staff will continue to monitor spending, but as of Q1 they do not expect to see any overages on budget as the work advances throughout the year.

Service Delivery Implications

Caledonia Commissioning – The occupancy permit is expected for Caledonia in August 2025, and staff are actively engaged in preparing the marketing and rent up materials, supporting the building handover from the capital team to the operational team, developing the underlying financial and property management infrastructure as required to begin operating the 158 new rental homes.

Redevelopment Activities – Staff have been actively working to rehome tenants impacted through the redevelopments of Campus View and Village on the Green in accordance with the CRHC Tenant Relocation Policy. As tenant relocation includes several steps and requires the creation and collaborative implementation of individualized Tenant Relocation Plans, this process requires increased capacity, particularly for the CRHC's Tenant Engagement Team. Staff secured four new positions through Initiative Business Case (IBC) 5a-1.4 Maintaining CRHC Operations for 2025 to directly support this increased demand for service and are in the process of hiring for these roles.

CONCLUSION

The Caledonia project is forecast to complete approximately \$1.4M over the CRHC-approved budget of \$73.6M. The funding gap has been resolved, and BC Housing has approved an increased budget of \$75M. CRHC staff will bring forward a recommendation to the CRHC Board to increase the Caledonia budget to align with BC Housing's approval in July 2025. Operating results show the CRHC reporting a positive margin of \$307K, which is \$206K higher than anticipated at Q1. Staff expect expenditures to grow throughout the year and remain focused on improving corporate performance to drive a positive variance at the end of the year at or greater than budget, which is to help the CRHC scale operations and address the estimated routine capital shortfall 2025 – 2029. Routine Capital Plan expenditure is at 21% of the 2025 budget at the end of Q1. Staff are not anticipating any overages on budget but will continue to closely monitor spending across the six operational portfolios.

RECOMMENDATION

There is no recommendation. This report is for information only.

Submitted by:	Don Elliott, MUP, Senior Manager, Regional Housing
Concurrence:	Kevin Lorette, P. Eng., MBA, General Manager, Planning & Protective Services
Concurrence:	Nelson Chan, MBA, FCPA, FCMA, Chief Financial Officer, GM Finance & IT
Concurrence:	Ted Robbins, B. Sc., C. Tech., Chief Administrative Officer

ATTACHMENTS:

Appendix A: Major Capital Plan Expenditure Summary – Quarter 1, 2025

Appendix B: Project Profiles

Appendix C: Consolidated Operating Results – Quarter 1, 2025

Appendix D: Routine Capital Plan Expenditure Summary - Quarter 1, 2025

APPENDIX A

Capital Region Housing Corporation

Major Capital Plan Expenditure Summary - Quarter 1, 2025

Capital Expenditure	Total Project Budget	2025 Budget	Quarter 1 Expenditure	Quarter 2 Expenditure	Quarter 3 Expenditure	Quarter 4 Expenditure	% of 2025
Caledonia	\$73,586,979	\$12,459,835	\$3,804,793				31%
Campus View	\$55,446,365	\$18,227,203	\$85,503				0%
Carey Lane - BER	\$10,539,332	\$5,142,431	\$701,769				14%
Cedar Hill Library	\$138,244,506	\$12,100,000	\$516,600				4%
Forest Homes	\$0	\$0	\$0				\$0
Pandora	\$114,399,753	\$200,000	\$2,937				1%
Verdier	\$65,437,392	\$8,301,416	\$269,705				3%
Village on the Green	\$81,102,549	\$27,395,730	\$169,383				1%
New Redevelopment Projects	\$2,500,000	\$2,500,000	\$0				0%
Future Redevelopment Projects	\$1,500,000	\$1,500,000	\$0				0%
Total Capital	\$542,756,876	\$87,826,615	\$5,550,690	\$0	\$0	\$0	6%

Development Services	2025 Budget	Quarter 1 Results	Quarter 2 Results	Quarter 3 Results	Quarter 4 Results	% of 2025
Total Revenue	\$1,970,358	\$132,000	\$0	\$0	\$0	7%
Total Expenditure	\$1,878,992	\$281,604	\$0	\$0	\$0	15%
Development Services Surplus/(Deficit)	\$91,366	-\$149,604	\$0	\$0	\$0	-164%

Project Update

CRHC

Caledonia Redevelopment

Capital Region Housing Corporation

Project Update as of Q1 2025



Project Details

- Address: 1211 Gladstone Avenue, Victoria
- Est. Cost: \$73.6 million
- Number of Homes Pre-Redevelopment: 20
- Homes Once Complete: 158 across five buildings: 14 studio, 45 one-bd, 77 two-bd, 14 three-bd, 8 four-bd
- Primary Funding Program: Community Housing Fund (CHF)
- Construction Start/Occupancy: Q1 2022/Q3 2025

Capital Highlights

- A budget shortfall of \$1.4 million has been forecasted to complete the project due to escalating material costs, increased borrowing costs and the unanticipated remediation of an isolated area of contaminated soils within the property.
- In March 2025, BC Housing approved a budget increase to \$75 million to cover the projected shortfall and ensure successful project delivery.
- Staff will return to the CRHC Board in July 2025 to request an amendment to the Major Capital Plan and update the borrowing resolution to reflect the budget increase.
- The Occupancy Permit is anticipated in August 2025.

Operational Highlights

- CRHC staff are in the planning phase to facilitate the operational handover in Q3/Q4, 2025.
- CRHC Communications will align marketing efforts accordingly.

Campus View Redevelopment

Capital Region Housing Corporation

| Project Update as of Q1 2025



Project Details

- Address: 2249 McCoy Road, Saanich
- Est. Cost: \$55.4 million
- Number of Homes Pre-Redevelopment: 12
- Homes Once Complete: 119 total: 7 studio, 55 one-bd, 12 two-bd, 35 three-bd
- Primary Funding Program: Regional Housing First Program (RHFP)
- Construction Start/Occupancy: Q3 2025/Q4 2027

Capital Highlights

- In March 2025, CRHC staff provisionally secured the final funding required to close the equity gap required to advance the project. The award is currently under embargo, but an announcement is expected in Q3 2025.
- Procurement of the construction management firm was finalized in March 2025.
- Pre-construction activities are ongoing and trade contractor procurement is targeted for Q3 2025.
- Staff will return to the CRHC Board in late-Q3 2025 to confirm the final budget and request borrowing authorization ahead of demolition and construction activities commencing on site.

Operational Highlights

- Campus View residents have been given four months notice of eviction as a requirement of the *BC Residential Tenancy Act*, as Campus View will be demolished this summer.
- Engagement with residents began over three years ago and CRHC staff have been working on individual relocation plans with tenants.
- Current tenants who meet eligibility requirements will be given right of first refusal to move back into the redevelopment when completed.
- CRHC's Relocation Policy, exceeds requirements of the *Residential Tenancy Act* and outlines how tenants will be supported during this time.

Carey Lane Building Envelope Remediation

Capital Region Housing Corporation

| Project Update as of Q1 2025



Project Details

- Address: 3910 Carey Road, Saanich
- Est. Cost: \$10.5 million
- Number of Homes Pre-Redevelopment: 22 across seven buildings: two, three and four bd
- Homes Once Complete: 22
- Primary Funding Program: Capital Renewal Fund (CRF)
- Construction Start/Occupancy: Q2 2023/Q4 2025

Capital Highlights

- Building envelope remediations, mechanical system installations and structural repair of roof systems are ongoing with four of seven townhouse blocks in the final stages of construction.
- The project is on track for completion in October 2025.

Operational Highlights

- Tenants cannot occupy units during structural repair process.
- CRHC staff worked to ensure all tenants were relocated by November 2024.
- Once repairs are complete on individual townhouse blocks, tenants will move back into their homes.
- Due to unoccupied state of units, staff will upgrade unit specifics if required before tenants move back (e.g., new flooring).

Cedar Hill Library New Affordable Housing

Capital Region Housing Corporation

Project Update as of Q1 2025



Project Details

- Address: 3950 Cedar Hill Road, Saanich
- Est. Cost: \$138.2 million (housing cost only)
- Number of Homes Pre-Redevelopment: 0
- Homes Once Complete: 210 total: 26 studio, 83 one-bd, 70 two-bd, 31 three-bd
- Primary Funding Program: Community Housing Fund (CHF)
- Construction Start/Occupancy: Q1 2026/Q4 2029

Capital Highlights

- The redevelopment will replace the existing Nellie McClung Library with an 18-storey building that includes a new 2,550 m² library on the main level, and 210 new affordable rental homes above.
- In April 2025, the District of Saanich and CRHC entered into a Master Development Agreement to replace a previously executed non-binding Letter of Intent.
- The Development Permit was received in March 2025 and the Building Permit Application is targeted for Q3 2025.
- Construction is targeted to commence in Q1 2026.

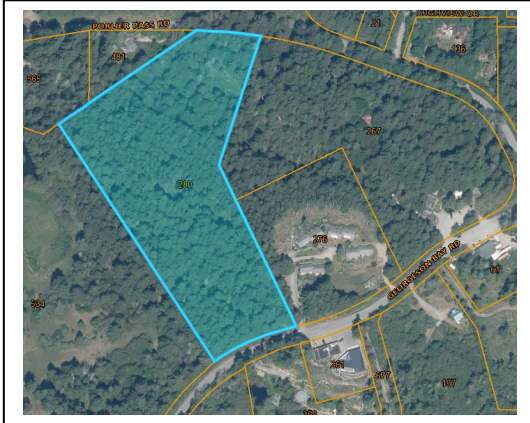
Operational Highlights

- No operational details at this time.
- CRHC will operate the affordable housing units, once complete.

Thuthiqut Hulelum' (Forest Homes) New Development

Capital Region Housing Corporation

Project Update as of Q1 2025



Project Details

- Address: 280 Georgeson Bay Road, Galiano Island
- Est. Cost: \$15.3 million
- Current Number of Homes: 0
- Homes Once Complete: 20 total: 2 studio, 10 one- bd, 4 two-bd, 4 three-bd
- Primary Funding Program: BC Builds, Growing Communities Fund (GCF)
- Construction Start/Occupancy: Q3 2025/Q4 2026

Capital Highlights

- Thuthiqut Hulelum' (Forest Homes) is a proposed 20-unit housing project located at 280 Georgeson Bay Road on Galiano Island.
- The CRD acquired the property in 2024 through an allocation from the Growing Communities Fund.
- The proposed plan would see the CRHC enter a long-term lease with the CRD, construct the buildings and enter into a Property Management Agreement with Galiano Affordable Living Initiative Society.
- Tree clearing and site preparation is complete and trade contractor procurement is underway.
- Staff will return to the CRHC Board in early-Q3 2025 to confirm the final budget and request borrowing authorization, subject to securing all necessary funding sources.

Operational Highlights

- CRHC has no operating presence on Galiano Island and is unable to scale operations to include the islands.
- Operations of the property will be facilitated through a 3rd party Property Management Agreement.

Pandora New Development

Capital Region Housing Corporation

| Project Update as of Q1 2025



Project Details

- Address: 930 Pandora Avenue, Victoria
- Est. Cost: \$114.4 million (housing cost only)
- Homes Pre-Redevelopment: 0
- Homes when complete: 158 total: 34 studio, 67 one-bd, 42 two-bd, 15 three-bd
- Primary Funding Program: Community Housing Fund (CHF)
- Construction Start/Occupancy: Q2 2025/Q2 2029

Capital Highlights

- 930 Pandora is a partnership between BC Housing, the City of Victoria, and the Capital Region Housing Corporation to build 158 affordable rental homes, 47 supportive homes and a 16,000 square-foot community space for recreation and childcare.
- BC Housing provided the Final Project Approval (FPA) in March 2025 securing funding and financing for the project.
- Demolition of the existing structure began in Q2 2025.
- The CRHC will enter an air space parcel lease for the affordable housing component of the project, once construction is complete.

Operational Highlights

- No operational details at this time.
- CRHC will operate the affordable housing units within the building, once complete.

Project Update

CRHC

Verdier New Development

Capital Region Housing Corporation

Project Update as of Q1 2025



Project Details

- Address: 1183 Verdier Avenue, Central Saanich
- Est. Cost: \$65.4 million
- Number of Homes Pre-Redevelopment: 0
- Homes Once Complete: 110 total: 6 studio, 37 one-bd, 56 two-bd, 11 three-bd
- Primary Funding Program: Community Housing Fund (CHF) and Regional Housing First Program (RHFP)
- Construction Start/Occupancy: Q4 2025/Q4 2027

Capital Highlights

- The Rezoning and Development Permit was approved by Central Saanich Council in March 2025.
- The Building Permit Application is currently under review with Central Saanich staff.
- CRD's acquisition of 1183 Verdier closed in May 2025 and the lease to CRHC will be registered in Q3 2025 once the existing building is vacated.
- Procurement for the construction management firm was finalized in May 2025 and design work and pre-construction activities are ongoing.
- Staff will return to the CRHC Board in Q4 2025 to confirm the final budget and request borrowing authorization ahead of demolition and construction activities commencing on site.

Operational Highlights

- No operational details at this time.
- CRHC will operate the affordable units withing the building, once complete.

Village on the Green Redevelopment

Capital Region Housing Corporation

Project Update as of Q1 2025



Project Details

- Address: 1132 & 1138 Johnson Street, Victoria
- Est. Cost: \$81.1 million
- Number of Homes Pre-Redevelopment: 38
- Homes Once Complete: 160 total: 45 studio, 58 one-bd, 28 two-bd, 29 three-bd
- Primary Funding Program: Regional Housing First Program (RHFP)
- Construction Start/Occupancy: Q4 2025/Q1 2028

Capital Highlights

- CRHC has entered a purchase agreement to acquire the adjacent lot that will allow the redevelopment scheme to increase from 140 to 160 new homes.
- The acquisition is conditional on a successful grant funding award that would close the remaining equity gap (approximately \$15.6M) relating to the expanded development project.
- Two separate funding applications are currently under review with two different funding authorities, but an additional grant funding source has not been secured.
- The Development Permit for the expanded project was issued in January 2025 and the Building Permit Application was submitted in February 2025.
- Procurement of the construction management firm was finalized in March 2025 and design work and pre-construction activities are proceeding as planned.
- Staff will return to the CRHC Board in Q3 or Q4 2025 to confirm the final budget and request borrowing authorization, subject to securing a supplementary grant funding source.

Operational Highlights

- Staff are working with existing tenants to develop and collaboratively implement Tenant Relocation Plans in accordance with the CRHC's Tenant Relocation Policy.
- Current tenants will be given right of first refusal to move back into the redevelopment when completed subject to their eligibility with the terms of the Regional Housing First Program.

APPENDIX C

Capital Region Housing Corporation

Consolidated Operating Results - Quarter 1, 2025

	2025 Budget	Quarter 1 Budget	Quarter 1 Results	Quarter 2 Results	Quarter 3 Results	Quarter 4 Results	YTD Results	Quarter 1 Variance	% of Budget
REVENUE									
Government Subsidies	5,193,676	879,814	898,035				898,035	18,221	2%
Tenant Rent Contribution	26,696,881	6,577,846	6,474,835				6,474,835	(103,011)	-2%
Other Revenue	395,292	131,839	135,860				135,860	4,021	3%
Transfers from Operating Reserve	324,000	81,000	-				-	(81,000)	-100%
Interest Income	-	-	-				-	-	0%
	32,609,850	7,670,499	7,508,730	-	-	-	7,508,730	(161,769)	-2%
% of budget			98%						
EXPENDITURES									
Salaries & Benefits	6,557,065	1,631,010	1,163,114				1,163,114	(467,895)	-29%
CRD Allocations	1,262,249	315,562	293,433				293,433	(22,130)	-7%
Office Costs	414,767	103,692	71,787				71,787	(31,905)	-31%
Consultants/Legal/Audit	140,000	34,885	48,999				48,999	14,114	40%
Transfers to Capital Reserves	2,730,051	665,449	668,594				668,594	3,145	0%
Capital Equipment	72,000	18,000	53,439				53,439	35,439	197%
Service Contracts	1,307,424	326,856	304,945				304,945	(21,910)	-7%
Utilities	2,855,104	706,058	497,587				497,587	(208,471)	-30%
Insurance Premium	1,836,030	445,712	445,713				445,713	1	0%
Maintenance	2,133,711	472,290	717,651				717,651	245,362	52%
Mortgage Payments	12,890,329	2,848,206	2,936,364				2,936,364	88,158	3%
Property Taxes	4,735	-	-				-	-	0%
TOTAL EXPENDITURES	32,203,463	7,567,719	7,201,626	-	-	-	7,201,626	(366,093)	-5%
% of budget			95%						
TOTAL SURPLUS / (DEFICIT)	406,387	102,780	307,104	-	-	-	307,104	204,324	199%

APPENDIX D

Capital Region Housing Corporation

Routine Capital Plan Expenditure Summary - Quarter 1, 2025

Capital Expenditure	2025 Budget	Quarter 1 Expenditure	Quarter 2 Expenditure	Quarter 3 Expenditure	Quarter 4 Expenditure	% of 2025
UOA Routine Capital Replacement	\$3,054,810	\$706,461				23%
ILBC(2) Routine Capital Replacement	\$27,420	\$3,556				13%
NOA Routine Capital Replacement	\$287,790	\$18,518				6%
IHI Routine Capital Replacement	\$21,335	\$8,815				41%
RHFP Routine Capital Replacement	\$534,666	\$93,420				17%
CHF Routine Capital Replacement	\$31,770	\$9,627				30%
Computer Equipment Replacements	\$16,000	\$7,285				46%
Total Capital	\$3,973,791	\$847,681	\$0	\$0	\$0	21%



Making a difference...together

REPORT TO HOSPITALS AND HOUSING COMMITTEE MEETING OF WEDNESDAY, JUNE 4, 2025

SUBJECT Forest Homes Project Funding Shortfall

ISSUE SUMMARY

This report provides detail on a funding shortfall that is impacting Forest Homes, a proposed 20-unit housing project located at 280 Georgeson Bay Road on Galiano Island. This report recommends that the Capital Regional District (CRD) forgo \$5.2 million (M) in funding from BC Builds and Canada Mortgage and Housing Corporation (CMHC) and advance a Request for Proposals (RFP) to engage another proponent to lease the land, advance the development, apply for necessary funds, and operate the project. An alternative is provided that would require the CRD to invest an additional \$3.3M in capital funding to bring the CRD's total contribution to \$6.8M as well as an ongoing operating subsidy and seeks the authority required to finalize development funding, address the current equity gap, and approve necessary agreements for the project's completion and operation.

BACKGROUND

The property was owned by Galiano Affordable Living Initiative Society (GALI), a non-profit society incorporated in 2020. In September 2023, the CRD allocated \$2.8M through the Growing Communities Fund (GCF) to advance affordable housing. In December 2023, the CRD Board directed staff to acquire the property and advance development. In September 2024, the Capital Region Housing Corporation (CRHC) was conditionally awarded \$4.5M in support of a middle-income rental development through BC Builds. In December 2024, the CMHC provided conditional approval of \$3.2M in a repayable loan (i.e., mortgage) and \$678 thousand (K) in a forgivable loan (i.e., grant). The project timeline is attached as Appendix A.

It was intended that once the project received Final Project Approval (FPA) from BC Builds, final approval from CMHC, and the approval from the CRHC Board, the CRD and CRHC would enter a long-term (minimum 60-year) lease, and the CRHC would complete the construction and enter a Property Management Agreement (PMA) with GALI. As the CRHC has no operating presence on Galiano Island and it could not provide the level of service required under the *Residential Tenancy Act* and *Residential Tenancy Regulation*, its role would be limited to holding the mortgage obligations for 35 years, and the day-to-day operations would be managed through the PMA with GALI.

As the project has progressed, estimated costs have increased, resulting in a capital shortfall that must be addressed should the CRD Board wish for the project to proceed. Staff have modelled long-term performance, and an operational deficit is projected to impact CRD requisition through Bylaw No. 3712, "Land Assembly, Housing and Land Banking Service Establishment Bylaw No. 1, 2010" ("Service 1.310"), through the lifecycle of the asset. The capital shortfall and projected operational deficit must be resolved before the project can receive FPA from BC Builds, final approval from CMHC, and approval from the CRHC Board.

ALTERNATIVES

Alternative 1

The Hospitals and Housing Committee recommends to the Capital Regional District Board: That staff be directed to prepare and launch a Request for Proposals to identify a proponent who will enter a long-term lease, apply for funds, undertake development and operate a housing project at 280 Georgeson Bay Road, Galiano Island.

Alternative 2

The Hospitals and Housing Committee recommends to the Capital Regional District Board:

- 1) That a commitment of up to \$3.3 million be made by the Capital Regional District to support the project at 280 Georgeson Bay Road, Galiano Island and that the commitment be borrowed under Bylaw No. 4552, "Land Assembly, Housing and Land Banking Loan Authorization Bylaw No. 3, 2023";
- 2) That staff be directed to amend the Capital Regional District Five-Year Capital Plan, as required, to include the additional commitment of up to \$3.3 million to the project at 280 Georgeson Bay Road, Galiano Island;
- 3) That staff be directed to include debt servicing costs for repayment of the capital commitment from Service 1.310 requisition in the Capital Regional District 2026-2030 Financial Plan;
- 4) That staff be directed to establish a Capital Replacement Reserve and requisition \$60,000 annually under Service 1.310 to support the lifecycle costs of this building starting in 2026;
- 5) That the Lease Agreement between the Capital Regional District and the Capital Region Housing Corporation for the lands at 280 Georgeson Bay Road, Galiano Island substantially in the form attached hereto as Appendix B be approved; and
- 6) That the Operator Agreement between the Capital Regional District and the Capital Region Housing Corporation for the lands at 280 Georgeson Bay Road, Galiano Island substantially in the form attached hereto as Appendix C be approved.

Alternative 3

That this report be referred to staff for additional information based on Hospitals and Housing Committee direction.

IMPLICATIONS

Social Implications

Forest Homes will be targeted at middle-income renter households and is comprised of two Studio, 10 1-Bedroom, four 2-Bedroom, and four 3-Bedroom rental homes and range in size from 450 square feet (Studio) to 1,200 square feet (3-Bedroom). The projected rent levels are summarized in Appendix D and will not be finalized until the project is completed and take-out financing secured.

Alternative 1 would result in the CRD drafting and issuing a RFP that would engage a proponent who would be willing to enter a long-term lease, seek or invest sufficient funds to construct the project and, operate or identify an operator for the project. The CRD would lease the land at a nominal cost and would commit the remaining GCF as well as the already identified Community Works Funds (CWF) toward the project. Staff are expecting a funding call through the Community Housing Fund (CHF) in June and have also been informed this call will be a rolling call, which would enable the CRD to issue a RFP and identify a proponent to enter a lease and then advance a proposal process through BC Housing. Staff have also been informed that the upcoming CHF call will enable unsuccessful proponents to make alterations to their proposal and resubmit without having to wait for a new call to be announced.

It is not known what the likelihood is of identifying a project proponent through a RFP, but staff wish to test the marketplace and provide an opportunity to a local non-profit housing provider to consider holding the lease, applying for funds, and operating a project. If the RFP process is unsuccessful or the identified proponent is unable to secure necessary funding, staff will return to the CRD Board seeking alternative direction that may include pausing advancement of the project until a more appropriate funding program could be identified to support the capital and operational costs associated with this initiative.

Alternative 2 would see the CRD invest required capital funds to support project completion and commit to the ongoing operational subsidy and would lease the project to the CRHC who would then engage GALI to operate the project.

Financial Implications

The financial implications consider several key factors, including the funds spent or committed as of May 2025, operational performance, ongoing asset maintenance costs, and debt servicing costs. Alternative 1 sees the CRD forgo a total of \$5.2M in funding from senior orders of government and Alternative 2 sees the CRD invest a total of \$6.8M toward the project total of \$15.3M.

Funds Spent & Committed

A total of \$3.5M has been committed to support the land acquisition and the initial phases of developing the project, including \$2.8M through the GCF and an additional \$700K through CWF. Alternative 1 would see the CRD spend approximately \$1.7M, including land acquisition and limited Phase 1 site work. Any unspent portion of the committed funds will be identified in the RFP as the CRD's additional contribution toward the project to be used in accordance with the terms of the GCF and the CWF. Should the CRD Board direct Alternative 2, the full \$3.5M in committed funding would be spent in support of advancing the project.

Operational Performance

Operational performance is the relationship between projected costs to operate the property, including paying trades, staffing, insurance, utilities, etc. and the revenue available to support costs. Forest Homes is projected to produce an annual surplus of \$5K, which leaves little cash available to absorb unforeseen increases in expenditure or lower than anticipated revenue.

Alternative 1 would have no ongoing requisition impact for the CRD as the intent would be to lease the development-ready property to a third party to construct and operate the project in accordance with the terms of the lease.

Alternative 2 would see the CRD commit to cover any deficits resulting from underperformance of the property. The CRD will enter into an Operator Agreement with the CRHC so that any losses of the project will be the responsibility of the CRD. For example, if GALI is unable to cover the mortgage payment owed by the CRHC, the CRD would be required to make the payment on behalf of the project. Similarly, if at the end of a fiscal year and following the completion of the annual audit, the project was found to be in a deficit position, the CRD would be responsible for funding this deficit.

Asset Maintenance

Ongoing asset maintenance is a critical aspect of preserving the quality of the project over its lifespan and seeks to ensure well-functioning building systems that protect the health and safety of tenants. The project proforma can support a total of \$42K per year toward the Capital Reserve and the estimated costs are \$102K per year. Over time, the accumulated deficit in asset maintenance funds would result in deferred maintenance and an unfunded liability. Appendix E contains the Quantity Surveyor (QS) report detailing the estimated asset maintenance costs.

Alternative 1 would have no ongoing requisition impact on the CRD related to ongoing asset management obligations as the responsibility would be on the eventual lessee and operator.

Alternative 2 would require the CRD to include \$60K per year in new requisition under Service 1.310 Land Banking and Housing in the CRD Financial Plan. This requisition would be required for the life of the asset and may require periodic adjustment in accordance with the terms of the Operator Agreement. The CRD would also establish a Replacement Reserve to hold and disburse funds to GALI for required and approved maintenance costs.

Debt Servicing

Should the CRD wish for this project to proceed, it will be required to invest up to an additional \$3.3M to support the project. Table 1 provides a summary of funds, and more detail is provided as Appendix F. Without additional CRD equity, the project has a Debt Coverage Ratio (DCR) of 0.31 and CMHC requires a DCR of 1.0. As the project would not be viable with this DCR, it would not be eligible for CMHC financing and therefore requires additional capital from the CRD.

TABLE 1: Capital Budget Snapshot

Funding Entity	Funding Program	Amount
CRD	Growing Communities Fund	\$2,750,000
	Community Works Fund	\$700,000
BC Housing	BC Builds	\$4,500,000
CMHC	Affordable Housing Fund (Grant)	\$677,654
Community Fundraising	Community Fundraising ¹	\$150,000
Islands Trust	Municipal Grant	\$6,607
Debt		
CMHC	Affordable Housing Fund (Mortgage)	\$3,161,910
	Total Available Funding	\$11,946,171
	Total Estimated Cost	\$15,278,683
	CRD Additional Equity Required	(\$3,332,512)

Alternative 1 would not have any impact on the requisition going forward as there would be no debt to service.

Alternative 2 would require borrowing under Bylaw No. 4552, "Land Assembly, Housing and Land Banking Loan Authorization Bylaw No. 3, 2023". Bylaw No. 4552 sets a borrowing term limit through the Municipal Finance Authority (MFA) of 30 years resulting in \$223K in additional requisition per year for 30 years to service the debt.

¹ As of April, the CRD has received a total of \$109,000 from community fundraising toward the total commitment of \$150,000 with \$41,000 still outstanding.

Total Financial Implications

The financial implications include impacts to borrowing capacity under *Bylaw No. 4552*, the annual debt servicing costs through requisition, and the operational costs associated with funding asset maintenance. These costs are summarized below in Table 2.

TABLE 2: Total Financial Implications Summary

Annual Cost Category	Alternative 1	Alternative 2	Notes
Operating Costs	\$0	Unknown	Determined annually
Asset Maintenance	\$0	\$60,000	Ongoing (Asset Life)
Debt Servicing	\$0	\$222,516	Ongoing (30 years)
Total Cost/Year	\$0	\$282,516	

Alternative 1 would have no borrowing, debt servicing, or operational cost impacts on the CRD that would place an upward pressure on requisition. As noted previously, the CRD already has \$3.5M in funding committed and approximately \$1.7M spent, which may result in some funds available to be included in a RFP to support the project through another proponent.

Alternative 2 would see the overall capacity for borrowing under *Bylaw No. 4552* reduced from \$85M down to an estimated \$81.7M. Looking at annual requisition impacts, the CRD would include a requisition increase under Service 1.310 of approximately \$283K per year ongoing for 30 years. This represents an ongoing operating subsidy from the CRD to support the project of an estimated \$1,177 per home per month.

Intergovernmental Implications

Forest Homes has a funding commitment of \$4.5M from BC Builds and \$678K from CMHC for a combined total of \$5.2M.

Alternative 1 would result in staff engaging BC Builds and CMHC informing them that the project will not be proceeding due to a funding shortfall. This may result in \$5.2M in funding from BC Builds and CMHC not being awarded to the project as the conditions of having a viable development would not be met.

Alternative 2 would see the CRD increasing its investment in the project from its current commitment of \$3.5M to as much as \$6.8M, resulting in the CRD being the largest funder of the project. The CRHC would also carry \$3.2M in debt, increasing the total CRD and CRHC contribution to approximately \$10M in grant and debt toward the total project cost up to \$15.3M.

Agreement Implications

To ensure the project remains viable in the short, medium and long-term, the CRD will be required to act as a guarantor for the CRHC and this includes both a Lease and Operator Agreement.

Lease Agreement (CRD & CRHC)

The CRD leases the land to the CRHC for 60+ years to enable the CRHC to receive funds from BC Builds and CMHC as both programs require security. This will enable the CRHC to advance the construction of the project and then engage GALI as the operator.

Operator Agreement (CRD & CRHC)

The CRD agrees to fund any operating shortfalls, asset maintenance deficits, and cost incurred by the CRHC in the construction and hand-off of the project to the Operator.

Property Management Agreement (CRHC & GALI)

GALI agrees to manage the property on behalf of the CRHC in accordance with the requirements of the BC Builds Contribution Agreement and the terms of the CMHC AHF. Staff and GALI continue to negotiate the PMA and GALI has identified a risk that operating a middle-income project as defined by BC Builds may not be in alignment with their charitable status under the Canada Revenue Agency (CRA). There is a risk that GALI does not accept the terms of the PMA and the requirements of the BC Builds and CMHC programs.

CONCLUSION

The CRD owns the property located at 280 Georgeson Bay Road, Galiano Island which is intended to provide 20 rental homes attainable to middle-income households. The total project cost is estimated to be up to \$15.3M and the CRD has committed a total of \$3.5M through GCF and CWF. As the development has progressed, estimated costs have increased, resulting in an anticipated funding shortfall of up to \$3.3M and ongoing operational risks that must be addressed before the CRHC could consider incurring mortgage obligations of \$3.2M. To secure FPA from BC Builds and final approval from CMHC, which are expected in June 2025, the CRD must commit to funding the capital shortfall. Should the project be fully funded, the CRHC Board would then consider approval in July 2025, with construction to begin shortly after.

Staff analysis has identified that the estimated costs of advancing this project are up to \$283K per year ongoing, which represents an approximate operating subsidy of \$1,177 per home per month. To mitigate requisition impacts and associated tax increases due to debt obligations, staff are not recommending proceeding with the project through injection of additional capital and obligating the CRD to fund operational losses or unfunded asset management costs.

Instead, staff are recommending that the CRD issue a RFP to seek another entity willing to advance development. This would shift the costs, risk, and ongoing obligations to the eventual developer and operator. If the RFP were unsuccessful, staff will return to the CRD Board seeking additional direction that may include pausing advancement of the project until a more appropriate funding program could be identified to support the capital and operational costs associated with this initiative.

RECOMMENDATION

The Hospitals and Housing Committee recommends to the Capital Regional District Board: That staff be directed to prepare and launch a Request for Proposals to identify a proponent who will enter a long-term lease, apply for funds, undertake development and operate a housing project at 280 Georgeson Bay Road, Galiano Island.

Submitted by:	Don Elliott, BA, MUP, Senior Manager, Regional Housing
Concurrence:	Kevin Lorette, P. Eng., MBA, General Manager, Housing, Planning and Protective Services
Concurrence:	Kristen Morley, J.D., General Manager, Corporate Services & Corporate Officer
Concurrence:	Nelson Chan, MBA, FCPA, FCMA, Chief Financial Officer, GM Finance & TDT
Concurrence:	Ted Robbins, B. Sc., C. Tech., Chief Administrative Officer

ATTACHMENTS

- Appendix A: Forest Homes Project Timeline
- Appendix B: CRD to CRHC Lease Agreement for 280 Georgeson Bay Road, Galiano Island
- Appendix C: CRD to CRHC Operator Agreement for 280 Georgeson Bay Road, Galiano Island
- Appendix D: Galiano Project Projected Rents & Operational Details
- Appendix E: Cost Management – LCC Class ‘B’ Model Report
- Appendix F: Galiano Project Capital Budget Details

Forest Homes Project Timeline

March 2020:	Galiano Affordable Living Initiative Society (GALI) is incorporated as a non-profit society.
June 2020:	GALI is listed as the fee simple owner of the undeveloped property at 280 Georgeson Bay Road, Galiano Island.
September 2023:	Capital Regional District (CRD) Board approved \$2.8 million (M) in Growing Communities Funds (GCF) toward the total estimated project cost of \$10.9M, which is now estimated to be \$15.3M.
November 2023:	GALI applied to BC Housing under the Community Housing Fund (CHF) Call for Proposals (CFP), which was denied in early 2024.
December 2023:	CRD Board directed staff to proceed with using the GCF to purchase the property for up to \$672 thousand (K) and use the remaining funds to advance development activities.
February 2024:	CRD Board adopted Bylaw No. 4552 Borrowing for Land Assembly, Housing, and Land Banking Service to authorize the borrowing of up to \$85M to support future housing partnership opportunities.
May 2024:	CRD Board approved the 2025 service and financial planning guidelines that included a 2025 target of 3.0% over 2024 budgets, including Service 1.310 Land Banking and Housing.
June 2024:	CRD closes on purchase of the property from GALI under the Land Assembly, Housing, and Land Banking Service.
September 2024:	The Capital Region Housing Corporation (CRHC) is awarded Provisional Project Approval (PPA) and is conditionally awarded \$4.5M in funding through BC Builds. The CRD authorized staff to apply for funds to advance Forest Homes.
October 2024:	The CRHC Board authorized staff to apply for funds to advance Forest Homes.
December 2024:	The CRHC received Canada Mortgage and Housing Corporation (CMHC) Conditional Approval of \$3.8M including a \$3.2M repayable loan and \$678K as a forgivable loan.

APPENDIX A

March 2025:	The CRD Board adopted Bylaw No. 4665 Financial Plan 2025-29, which included a 2025 requisition increase of 76.2% under Land Banking and Housing and forecasts a 15% requisition increase in 2026 not including Forest Homes. Tree clearing and early site works underway.
May 2025:	The CRD Board approved the 2026 Financial Plan guidelines, which includes a target inflation rate for service and financial planning of 1.8% and a forecasted 2026 corporate requisition increase of 6% not including Forest Homes. Construction Tender Closes with a total project cost of \$15.3M.
June 2025:	CRD Funding Consideration of additional \$3.3M. UPCOMING – Final CMHC Loan Commitment. UPCOMING - BC Builds Final Project Approval (FPA).
July 2025:	UPCOMING – CRHC Board Approval. UPCOMING - Construction begin.
December 2026:	UPCOMING - Target project completion.
Q1 2027:	UPCOMING – Marketing and Rent Up.
Q4 2027:	UPCOMING – One-Year Warranty Review.

**THIRD PARTY LEASE
(WITH CONTRIBUTION AGREEMENT)
TERMS OF INSTRUMENT - PART 2
INDEX**

1. INTERPRETATION	1
2. DEMISE AND TERM	7
3. RENT	7
4. CONSTRUCTION OF IMPROVEMENTS.....	8
5. USE AND ENJOYMENT OF THE PROPERTY.....	11
6. DISPOSITIONS	11
7. REPAIRS, MAINTENANCE, AND ALTERATIONS.....	13
8. INSURANCE.....	15
9. INDEMNITY.....	17
10. DAMAGE OR DESTRUCTION.....	18
11. DEFAULTS AND REMEDIES	20
12. IMPROVEMENTS	22
13. SURRENDER OF LEASE.....	22
14. RIGHTS OF LENDER.....	22
15. ARBITRATION.....	25
16. HAZARDOUS SUBSTANCES.....	25
17. GENERAL PROVISIONS.....	27
SCHEDULE "A" PERMITTED ENCUMBRANCES	30
SCHEDULE "B" TRI-PARTITE AGREEMENT	31

WITNESSES that in consideration of the covenants and agreements herein set out, the parties covenant and agree as follows:

1. INTERPRETATION

1.1. **Definitions.** In this Lease the following terms will have the following meanings:

- (a) “Additional Rent” means all sums of money referred to in section 3.2;
- (b) “Alterations” means any change, alteration, substitution or replacement to the Improvements, but not the structural components thereof, which when made will form part of the Improvements;
- (c) “Approved Plans and Specifications” mean any Plans and Specifications and any amendments thereto which the Landlord has approved pursuant to sections 4.1 or 4.2(a);
- (d) “Architect” means an architect who is qualified to practise in British Columbia, or other design professional who is at arm’s-length from the Tenant, and who has been approved by the Landlord;
- (e) “Basic Rent” means \$10.00;
- (f) “Business Day” means any day other than Saturday, Sunday or a statutory holiday in the Province of British Columbia;
- (g) “CMHC” means Canada Mortgage and Housing Corporation or its successors in function;
- (h) “Commencement Date” means the date of registration of this Lease in the Land Title Office for the jurisdiction in which the Land is situate;
- (i) “Contribution Agreement” means an agreement entered into or to be entered into by the Tenant and CMHC which provides, amongst other things, for CMHC to provide assistance to the Tenant in relation to the Tenant’s cost of acquiring and developing the Property;
- (j) “Date of Damage or Destruction” means any date upon which the Improvements are wholly or partially damaged or destroyed by any cause;
- (k) “Day” means a calendar day;
- (l) “Eligible Occupant” means an individual who meets the eligibility criteria prescribed in the Contribution Agreement, whether or not the Contribution Agreement is in force, or as CMHC may otherwise prescribe, so long as CMHC has advised the Tenant in writing of such criteria, and the Landlord has consented to any change in the criteria;
- (m) “Event of Insolvency” means:

- (i) if the Tenant files a voluntary petition in bankruptcy, or is adjudicated bankrupt or insolvent, or files any petition or answer seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under the Bankruptcy and Insolvency Act of Canada or any present or future applicable federal, provincial, or other statute or law relating to bankruptcy, insolvency, or other relief for debtors, or seeks or consents to, or acquiesces in, the appointment of any trustee, receiver, receiver manager, conservator, or liquidator of the Tenant of all or a substantial part of its property or its Leasehold Interest (the term “acquiesce” includes the failure to file a petition or motion to vacate or discharge any order, judgment, or decree providing for such appointment within 30 days after the appointment),
- (ii) if a court of competent jurisdiction enters an order, judgment, or decree approving a petition filed against the Tenant seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under the Bankruptcy and Insolvency Act of Canada or any present or future applicable federal, provincial, or other statute or law relating to bankruptcy, insolvency, or other relief for debtors, or if the Court appoints a receiver or receiver manager of the Tenant, the Tenant acquiesces in the entry of such order, judgment, or decree (the term “acquiesce” includes the failure to file a petition or motion to vacate or discharge such order, judgment, or decree within 30 days after the entry of the order, judgment, or decree), or such order, judgment, or decree remains unvacated and unstayed for an aggregate of 90 days (whether or not consecutive) from the date of entry thereof or any trustee, receiver, receiver manager, conservator, or liquidator of the Tenant, of all or a substantial part of its property or its Leasehold Interest, is appointed without the consent or acquiescence of the Tenant and such appointment remains unvacated and unstayed for an aggregate of 60 days (whether or not consecutive),
- (iii) if the Tenant admits in writing to its inability to pay its debts as they mature,
- (iv) if the Tenant gives notice to any Statutory Authority of insolvency, or pending insolvency, or suspension, or pending suspension, of its operations,
- (v) if the Tenant makes an assignment for the benefit of its creditors or takes any similar action for the protection or benefit of creditors under the Bankruptcy and Insolvency Act of Canada or any present or future applicable federal, provincial, or other statute or law relating to bankruptcy, insolvency, or other relief for debtors, or

- (vi) if the Term is seized or taken in execution or attachment by a creditor of the Tenant;
- (n) “General Instrument Part 1” means Part 1 of the General Instrument as prescribed by the Land Title (Transfer Forms) Regulation, as amended;
- (o) “General Taxes” mean the aggregate of all taxes, charges, duties, assessments, rates, fees, levies or impositions, general or special, ordinary or extraordinary, now or hereafter during the Term imposed, assessed, rated, charged, or levied by any Statutory Authority on the Landlord or the Tenant on account of the parties entering into this Lease, or otherwise on account of this Lease, or on the use or occupancy of the Property or any part thereof, or on the Rent payable under this Lease, or in respect of the provision of any goods, services, or utilities by the Landlord under this Lease, including any goods and services tax imposed under Part IX of the Excise Tax Act of Canada, value added tax, business tax, transfer tax, retail sales tax, federal sales tax, excise tax, or duty or tax similar to the foregoing, and also including all legal, accounting and other professional fees and disbursements payable by the Landlord in respect of any determination of General Taxes as a result of assessment, appeal, or judicial review, and all penalties and interest charged on such taxes by reason of the Tenant’s failure to pay them when due, but excluding Property Taxes;
- (p) “Hazardous Substance” means without limitation, contaminants, pollutants or other substances, products, materials or goods which are hazardous or dangerous to human, animal, or plant health or life or the environment, and, in particular, includes substances, products, materials or goods which are defined as hazardous substances or special waste in or pursuant to any law, regulation or order of any authority of competent jurisdiction;
- (q) “Improvements” mean those improvements, structures, buildings, fixtures, equipment, and systems which now exist, or which may be constructed by the Tenant on the Land from time to time, including the heating, ventilating, air-conditioning, plumbing, electrical and mechanical systems and equipment;
- (r) “Land” means that certain parcel, or those certain parcels of land, or any part thereof, described in Item 2 of the General Instrument Part 1;
- (s) “Landlord” means the Person named in the General Instrument Part 1 as Transferor;
- (t) “Lease” means the General Instrument Part 1 and these Express Charge Terms under Part 2;
- (u) “Leasehold Interest” means the leasehold interest in and to the Property which the Tenant will acquire and hold by virtue of this Lease;

- (v) “Lender” means any Person who lends money to the Tenant against the security of a Mortgage, who qualifies as an “approved lender” as that term is defined in the National Housing Act of Canada, including CMHC;
- (w) “Month” means a calendar month;
- (x) “Mortgage” means a mortgage or other financing instrument which charges the Leasehold Interest to secure the payment by the Tenant of principal, interest and other charges under that mortgage or other financing instrument, together with security additional or collateral thereto;
- (y) “Permitted Encumbrances” means those charges and encumbrances set forth in Schedule “A”, and any other encumbrances which from time to time are approved in writing by the parties;
- (z) “Person” means any association, society, corporation, individual, joint-stock company, joint venture, partnership, trustee, administrator, legal representative, unincorporated organization, or Statutory Authority;
- (aa) “Plans and Specifications” mean all plans, drawings and specifications relating to the construction of the Improvements and any Alterations including architectural, structural, mechanical, electrical, and landscaping plans and specifications, and surveyors’ certificates;
- (bb) “Project” means construction and development of the Improvements on the Land;
- (cc) “Property” means the Land and Improvements;
- (dd) “Property Taxes” mean the aggregate of all taxes, charges, duties, assessments, rates, local improvement charges, school taxes, fees, levies or impositions, general or special, ordinary or extraordinary, now or hereafter during the Term, imposed, assessed, rated, charged, or levied by any Statutory Authority in respect of or against or relating to the Land, the Improvements, the Leasehold Interest, the business or undertaking of the Tenant, or the personal property of the Tenant located on the Land or in the Improvements, and including all amounts payable by the Landlord which are imposed by any Statutory Authority in substitution for all or any of the foregoing taxes, charges, duties, assessments, rates, local improvement charges, school taxes, fees, levies or impositions, all legal, accounting and other professional fees and disbursements payable by the Landlord in respect of any determination of any Property Taxes as a result of assessment, appeal, or judicial review and all penalties and interest charged on such taxes by reason of the Tenant’s failure to pay when due, but excluding capital gains, income or profits or taxes charged against and payable by the Landlord and General Taxes;
- (ee) “Rent” means the aggregate of Basic Rent and Additional Rent;

- (ff) “Specific Purpose” means the provision of affordable rental housing in all residential components of the Improvements and ancillary parking; *[NTD: Specific Purpose to be confirmed.]*
 - (gg) “Statutory Authority” means any federal, provincial, regional, municipal, or other government, or authorized agency, department, or ministry thereof, which has jurisdiction with respect to any matter referred to in this Lease;
 - (hh) “Substantial Completion” means the completion of a designated part of the Alterations or Improvements constructed in accordance with this Lease, or the whole of such work, as applicable, to the extent that a certificate of completion is required to be issued pursuant to section 7 of the Builders Lien Act of British Columbia, or such future applicable law;
 - (ii) “Tenant” means the Person named in the General Instrument Part 1 as Transferee;
 - (jj) “Term” means the period commencing on the Commencement Date and ending 60 years after the date the certificate of occupancy is issued by the Statutory Authority for the Improvements; and
 - (kk) “Tri-Partite Agreement” means an agreement entered into among the Landlord, the Tenant and the Lender in substantially the same form as attached hereto as Schedule “B”.
- 1.2. **Time.** Time is of the essence of this Lease. If either party expressly or impliedly waives this requirement, that party may reinstate it by delivering notice to the other party. If a time is specified in this Lease for observing or performing an obligation, such time will be then local Vancouver, British Columbia time.
- 1.3. **Governing Law.** This Lease will be governed by and construed and enforced in accordance with the laws of British Columbia and the laws of Canada applicable therein.
- 1.4. **References.** In this Lease, words importing the singular include the plural and vice versa and words importing gender include all genders.
- 1.5. **Construction.** The division of this Lease into sections and the use of headings are for convenience of reference only and are not intended to govern, limit, or aid in the construction of any provision contained in this Lease. In all cases, the language in this Lease will be construed simply, according to its fair meaning, and not strictly for or against either party.
- 1.6. **No Limitation.** The word “including” when following any general statement, term, or matter is not to be construed to limit such general statement, term, or matter to the specific items set forth immediately following such word or to similar items whether or not non-limiting language such as “without limitation” or “but not limited to” or words of similar import is used with reference thereto, but

rather such general statement, term, or matter is to be construed to refer to all other items that could reasonably fall within the broadest possible scope of such general statement, term, or matter.

- 1.7. **Validity of Provisions.** If a Court of competent jurisdiction finds that any provision contained in this Lease is invalid, illegal, or unenforceable, such invalidity, illegality, or unenforceability will not affect any other provisions of this Lease which will be construed as if such invalid, illegal, or unenforceable provision had never been contained therein and such other provisions will be enforceable to the fullest extent permitted at law or in equity.
- 1.8. **No Waiver.** No party will be deemed to have waived the exercise of any right that it holds under this Lease unless such waiver is made in writing. No waiver made with respect to any instance involving the exercise of any such right will be deemed to be a waiver with respect to any other instance involving the exercise of the right or with respect to any other such right. Failure by either party to exercise any of its rights, powers or remedies hereunder, or its delay to do so, will not constitute a waiver of those rights, powers or remedies.
- 1.9. **Survival.** The representations, warranties and covenants of the Landlord and the Tenant, including any indemnification provisions contained in this Lease, will continue throughout the Term and will survive the expiry or earlier termination of this Lease.
- 1.10. **Financial Terms.** All accounting terms not otherwise defined in this Lease have the meanings assigned to them, and all calculations to be made under this Lease are to be made in accordance with Canadian generally accepted accounting principles consistently applied.
- 1.11. **Approvals, Consents and Agreements.** Except as otherwise expressly set out in this Lease, where this Lease provides for any approval, consent, or agreement with respect to any matter:
 - (a) it must be obtained prior to any action being taken thereon;
 - (b) it must be requested and responded to in writing; and
 - (c) it must not be unreasonably withheld or delayed.
- 1.12. **Relationship.** Nothing in this Lease will create any relationship between the Landlord and Tenant except that of landlord and tenant.
- 1.13. **Statutes.** Any reference to a statute is to such statute and to the regulations made pursuant to such statute as such statute and regulations may at any time be amended or modified and in effect, and to any statute or regulations that may be passed that have the effect of supplementing or superseding such statute or regulations.
- 1.14. **Schedules.** The following schedules are attached to and form part of this Lease:

2. DEMISE AND TERM

- 2.1. **Demise.** In consideration of the Rent, covenants, agreements, and conditions herein to be paid, performed, or observed by the Tenant, the Landlord hereby demises and leases the Property to the Tenant, and the Tenant hereby accepts that demise and lease, subject to the covenants, agreements, and conditions herein set out.
- 2.2. **Term.** Subject to the terms and conditions of this Lease, the Tenant will be entitled to have and to hold the Property for the Term.
- 2.3. **Occupancy Prior to Commencement Date.** If the Tenant, with the consent of the Landlord, uses or occupies the Property during any period prior to the Commencement Date, the Tenant will comply with all of its obligations under this Lease during such period which are consistent with a licence to occupy the Property other than obligations with respect to the payment of Rent.

3. RENT

- 3.1. **Basic Rent.** The Tenant will pay to the Landlord, or as the Landlord may in writing direct, the Basic Rent on the Commencement Date.
- 3.2. **Additional Rent.** Additional Rent includes all money, whether or not designated as Additional Rent, including but not limited to General Taxes and Property Taxes, to be paid by the Tenant whether to the Landlord or otherwise under this Lease, and includes any money paid by the Landlord as a result of any default by the Tenant, save and except Basic Rent. The Tenant will pay Additional Rent to the Landlord on demand, except if other terms for payment are expressly stipulated in this Lease.
- 3.3. **Utilities.** The Tenant will pay to the Landlord, or to the appropriate Statutory Authority, or other Person entitled to receive payment, as and when due, all charges for gas, electricity, light, heat, power, water, telephone, and other utilities and services used in or supplied to the Property, and all installation and hook-up charges. The Tenant will pay all fines, penalties, interest, and costs arising from unpaid and overdue utility charges.
- 3.4. **Proof of Payment.** The Tenant will deliver to the Landlord, within 10 days after demand by the Landlord from time to time, receipts or other evidence of the payment of General Taxes, Property Taxes and utility charges, and of all other amounts due and owing by the Tenant from time to time in connection with the Property, the Project, the Lease or any Mortgage.
- 3.5. **Right to Contest.** Each of the Landlord and Tenant may contest or appeal in good faith the validity or amount of any Property Taxes, except that if the Tenant wishes to so contest or appeal:

- (a) the Tenant will deliver to the Landlord notice that it intends to do so;
 - (b) the Tenant will not withhold or delay payment of the Property Taxes which are being contested or appealed unless the Landlord consents; and
 - (c) the Tenant will pay its own cost of so contesting or appealing.
- 3.6. **Net Lease.** The Tenant will pay all Rent without any deduction, abatement, or set-off. Except as otherwise expressly set out herein, the Tenant will pay and discharge all costs, expenses, and outlays incurred in respect of the Project and the Property. Rent will be absolutely net to the Landlord.
- 3.7. **Irregular Periods.** If for any reason it becomes necessary to calculate Rent for irregular periods, an appropriate pro rata adjustment will be made on a daily basis as at the Commencement Date or the date of termination of the Term.
- 3.8. **Rent Accruing.** All Rent reserved herein will be deemed to accrue from day to day.

4. **CONSTRUCTION OF IMPROVEMENTS**

- 4.1. **Prerequisites to Construction.** Prior to commencing excavation in contemplation of the Project, the Tenant will submit to the Landlord, or will cause its contractor to submit to the Landlord for approval:
- (a) Plans and Specifications which meet the lawful requirements of any Statutory Authority; and
 - (b) evidence that the insurance referred to in section 4.5 is in effect and that the premiums have been paid;

The Landlord will deliver to the Tenant, in a timely manner, a notice approving or refusing to approve the Plans and Specifications, and the evidence of insurance, provided that approval by the Landlord in no way makes the Landlord responsible for the Plans and Specifications, or the implementation thereof, the sole responsibility for which remains that of the Tenant. If the Landlord refuses to approve either of the foregoing, the Landlord will give reasons for such refusal, and the Tenant will make the necessary rectifications and re-submit such changes for approval promptly. The Tenant will not commence excavation or construction, as the case may be, until the Landlord has given all the approvals required pursuant to this section 4.1. The Landlord will approve the Plans and Specifications, and any amendments thereto, if they meet the lawful requirements of all Statutory Authorities.

- 4.2. **Construction Process.** The Tenant will:
- (a) submit to the Landlord for approval any amendment to the Approved Plans and Specifications prior to implementing any such amendment during the course of construction, and any such amendment must meet the lawful requirements of any Statutory Authority, provided that such

approval by the Landlord in no way makes the Landlord responsible for the amendment to the Approved Plans and Specifications or the implementation thereof, the sole responsibility for which remains that of the Tenant;

- (b) cause all Improvements to be constructed continuously, diligently, and in a good and workmanlike manner, and in accordance with the Approved Plans and Specifications, all lawful requirements of any Statutory Authority, safety precautions and programs required under applicable construction safety legislation and general and accepted construction practice including adequate supervision;
- (c) comply with the requirements of the Builders Lien Act of British Columbia;
- (d) permit the Landlord, or its representatives, from time to time without unreasonably impeding construction, to visit the Property to inspect the progress of construction of the Improvements and the Project, and to inspect and test the materials being used and the work being done, and cause its contractors and consultants to co-operate with the Landlord or its representatives so as to allow them to conduct such inspections;
- (e) cause to be promptly corrected all defects or variations in construction as reported by the Landlord or its representatives;
- (f) keep the Landlord advised in a timely manner of the progress of construction of the Project and any delays thereto;
- (g) upon request, provide the Landlord with a complete list of all contractors, subcontractors, suppliers, material men, consultants, engineers, architects and other Persons who have been retained by the Tenant and its contractors to perform the work in connection with the Project, together with the addressees of each of them;
- (h) pay or cause to be paid when due all lawful claims of contractors, employees, labourers, suppliers, material men and consultants, and all wages, salaries, holiday pay, workers' compensation assessments, and other like charges, and deliver to the Landlord evidence of all such payments on request, except that the Tenant may contest in good faith the amount or validity of any lien in accordance with section 4.4;
- (i) within 10 days after the date of Substantial Completion, deliver to the Landlord, or its representatives, a certificate signed by an Architect as described in section 7 of the Builders Lien Act certifying Substantial Completion of construction of the Project in accordance with the Approved Plans and Specifications; and
- (j) cause the Project to be completed within 24 months of the Commencement Date, provided however that if construction is delayed by

an event beyond the Tenant's reasonable control including any labour dispute, shortage of material or labour, transportation delay, act of God, pandemic or other like event commonly known as "force majeure", but not including lack of money, and provided further that the Tenant could not have avoided the delay by the exercise of reasonable effort or foresight, and the Tenant has used all reasonable efforts to overcome such delay, then the date for completion of the Project will be extended by such period of unavoidable delay, and within 10 days after the date of Substantial Completion of the Project, the Tenant will deliver to the Landlord:

- (i) a certificate signed by an Architect certifying completion of construction of the Project in accordance with the Approved Plans and Specifications, and
- (ii) evidence reasonably satisfactory to the Landlord that all unconditional occupancy and inspection permits required from any Statutory Authority in connection with the Improvements have been issued.

4.3. **Payment of Accounts.** The Tenant will pay as and when due all accounts for labour, services and material supplied to the Tenant or the Property.

4.4. **Liens.** The Tenant will not suffer or permit any lien claims to be filed against the title to the Land or the Leasehold Interest by reason of labour, services, or materials supplied or alleged to have been supplied to or for the benefit of the Tenant or the Project. If any lien claim is filed, the Tenant will obtain its discharge within 30 days after it comes to the Tenant's notice. If the Tenant wishes to contest in good faith the amount or validity of any lien claim and has so notified the Landlord, the Tenant may pay into Court the amount of the lien claim together with such costs as the Court may direct or to which the lien claimant may agree. If payment is made into Court, the Tenant may defer payment of the lien claim if it contests the claim with due diligence, and if neither the Land nor the Leasehold Interest becomes liable to forfeiture or sale. The Landlord may pay and discharge any lien claim if, in its reasonable judgment, the Land or the Leasehold Interest becomes liable to forfeiture or sale, or is otherwise in jeopardy. The Tenant will reimburse to the Landlord any amount paid by the Landlord in discharging a lien claim and the Landlord's reasonable expenses in connection therewith. The Tenant, on its own behalf and on behalf of the Landlord, will defend at its own expense all lien claims in any action brought for the enforcement of a lien claim.

4.5. **Insurance During Construction.** The Tenant will obtain, or will cause its contractor or contractors to obtain, prior to commencing site preparation or excavation, and will maintain, or will cause its contractor or contractors to maintain, until the insurance required pursuant to section 8 has been effected, insurance in accordance with GC 11.1 of "Standard Construction Document CCDC2 1994 issued by the Canadian Construction Documents Committee". The limits of the general liability insurance is not to be less than \$10,000,000 per

occurrence, with a deductible not exceeding \$2,500, and such other insurance as the Landlord may reasonably require. The Landlord will be an insured party in all policies of insurance as its interest may appear.

- 4.6. **Particulars of Insurance.** All the provisions of section 8 which, in the Landlord's opinion are reasonably applicable, will apply to the insurance required pursuant to this section 4.

5. **USE AND ENJOYMENT OF THE PROPERTY**

- 5.1. **Use and Operation.** The Tenant will develop, use and occupy the Property only for the Specific Purpose and in accordance with the Contribution Agreement in effect from time to time. The Tenant will operate and manage the Property in a reputable and efficient manner as a prudent owner would do and in accordance with its obligations under this Lease and the Contribution Agreement.
- 5.2. **Nuisance.** The Tenant will not carry on, or suffer, or permit to be carried on, in or upon the Property, anything which is noisy, noxious or offensive, or which constitutes a nuisance or annoyance to the Landlord, or to any neighboring properties, or their owners or occupants, provided however that the occupation of the Property for the Specific Purpose in accordance with the terms of this Lease will not constitute a nuisance.
- 5.3. **Waste.** The Tenant will not commit, or suffer, or permit any wilful or voluntary waste, spoil, or destruction in or upon the Property.
- 5.4. **Acts Conflicting with Insurance.** The Tenant will not do or omit to do, or suffer or permit to be done or omitted to be done, anything, which may render void or voidable, or which may conflict with the requirements of any policy of insurance, including any regulations of fire insurance underwriters applicable to such policy, required under this Lease.
- 5.5. **Compliance with Laws.** The Tenant will comply with all lawful requirements now or hereafter imposed by every Statutory Authority, or by insurers, concerning the Tenant or the Property including the construction, repair, maintenance, operation, use, and occupancy of the Property, and also including all lawful requirements pertaining to the environment and its protection to be observed or performed by the Landlord or the Tenant.
- 5.6. **Quiet Enjoyment.** If the Tenant observes or performs its obligations as required by this Lease, the Tenant may peaceably hold and enjoy the Property during the Term without interruption or disturbance by the Landlord or any Person lawfully claiming under the Landlord.

6. **DISPOSITIONS**

- 6.1. **Assigning and Sub-Letting.** The Tenant will not assign its Leasehold Interest, in whole or in part, or sublet, transfer, or otherwise part with possession of its Leasehold Interest or any part thereof for the whole or part of the Term, except if

the Landlord consents. The Landlord agrees that it will not unreasonably withhold its consent if the assignment is to a Person whose constating instruments preclude it from operating for profit, and that Person, in the Landlord's reasonable opinion, has the management skills necessary to operate the Project as a prudent owner would do.

(a)

The Tenant may sublet or otherwise part with possession of individual units in the Property to Eligible Occupants or to staff and other personnel who are required to operate and maintain the Property for the purposes of this Lease.

In the event of an assignment, subletting, transfer or other parting with possession other than to Eligible Occupants or to staff and other personnel as set forth above in this section 6.1, the Tenant will deliver to the Landlord, promptly after execution, a true copy of every permitted assignment, sublease, tenancy agreement, or other instrument evidencing a right of occupancy in respect of the Property, and of every modification thereof.

- 6.2. **Attornment.** If the Tenant assigns in whole or in part, sublets, transfers or otherwise parts with possession of its Leasehold Interest as permitted by section 6.1, other than in the case of a sublet or other parting with possession by the Tenant of individual units in the Property to Eligible Occupants or to staff and other personnel, then, concurrently therewith, the Tenant will cause the assignee, subtenant or occupant to deliver to the Landlord an agreement in form and substance reasonably satisfactory to the Landlord, whereby the assignee, subtenant or occupant will agree with the Landlord to observe or perform the Tenant's obligations under this Lease from and after the effective date of the assignment, sublease, or transfer for the remainder of the Term.
- 6.3. **Transfer of Property.** If the Landlord transfers any interest it has in the Property to any Person, or if any Person acquires that interest by virtue of foreclosure or other proceedings, the Tenant will attorn to such Person from and after the effective date of the transfer. Upon such attornment, this Lease will continue in full force and effect as a direct lease between the Tenant and such Person upon all the terms and conditions hereof, except that, after such attornment, such Person will not be liable for any act or omission of the Landlord prior to such attornment or subject to any offsets or defences which the Tenant might have had against the Landlord prior to such attornment, and the Landlord, without further written agreement, will be relieved of all liability for its obligations under the Lease which occurs or arises on or after the effective date of the transfer. Such attornment will take effect from and after the effective date of the transfer but the Tenant, upon request by the Landlord or any such Person, will execute and deliver to the Landlord or to any such Person, as the case may be, in a timely manner, an instrument evidencing such attornment in form and substance reasonably satisfactory to such Person.

- 6.4. **Tenant Encumbrances.** Except for the Permitted Encumbrances and a mortgage and assignment of rents of the Leasehold Interest in favour of CMHC, the Tenant will not mortgage, charge, encumber, or pledge its Leasehold Interest except that the Tenant may with the prior written consent of the Landlord grant a Mortgage and security collateral thereto to a Lender.
- 6.5. **Tri-Partite Agreement.** If and whenever a Mortgage is granted, the Landlord and the Tenant will execute and deliver to the Lender a Tri-Partite Agreement.
- 6.6. **Lender's Agreement.** At the request of any Lender, the Landlord and the Tenant will execute and deliver to the Lender an agreement among the Landlord, the Tenant and the Lender, in form and substance satisfactory to the Lender and the Landlord, each acting reasonably, and which will be binding and enforceable against the Landlord, the Tenant and the Lender, whereby the Landlord and the Tenant will be bound to pay, perform and observe their respective covenants, agreements and conditions contained in the Lease in favour of the Lender.
- 6.7. **Subordination.** At the Landlord's request, the Tenant will subordinate and postpone its Leasehold Interest and this Lease to all mortgages, deeds of trust and mortgage, debentures and other security which, from time to time, may charge or affect the Property and to all renewals, modifications, consolidations, replacements and extensions thereof, to the extent that all or any of the foregoing will have priority over the Leasehold Interest and this Lease despite the respective dates of execution or registration. At the Landlord's request, the Tenant will execute and promptly deliver to the Landlord a document confirming such subordination and priority, in form and substance reasonably satisfactory to the Landlord. The Tenant will not be obliged to subordinate and postpone its Leasehold Interest and this Lease except if the holder of the security who is requesting same assures to the Tenant quiet enjoyment under this Lease in accordance with its terms unless and until an event of default set out in section 11.3 occurs which entitles the Landlord to exercise its rights and remedies under section 11.

7. **REPAIRS, MAINTENANCE, AND ALTERATIONS**

- 7.1. **Repair and Maintenance.** The Landlord will not be obliged to repair, maintain, replace, or alter the Improvements or to supply any services or utilities to them, except as otherwise agreed by the parties in writing. The Tenant will repair and maintain as required the Improvements, including all equipment, fixtures, machinery and other facilities in, upon, or about the Improvements, commensurate with the condition in which a prudent owner would keep a development similar to the Property, excepting reasonable wear and tear, and whether such repair and maintenance is interior or exterior, ordinary or extraordinary, foreseen or unforeseen, except for repairs from which the Tenant has been released pursuant to sections 10.3 and 10.4. All repairs will be to a standard at least substantially equal in quality of material and workmanship to the original work and material in the Improvements. If any repair is estimated to cost more than \$100,000, the Tenant will comply with the requirements of section 4 to the

extent that they are, or the Landlord considers them to be, reasonably applicable to the repairs.

- 7.2. **Repair according to notice.** Without restricting the Tenant's obligation to repair and maintain the Improvements pursuant to section 7.1, the Tenant, promptly upon notice by the Landlord, will repair and maintain the Improvements as required by section 7.1.
- 7.3. **Inspection.** The Landlord or its representatives may enter upon the Property at any reasonable time, and at any time in case of emergency, to examine the condition of the Improvements.
- 7.4. **Repair responsibilities.** If at any time during the Term the Tenant fails to maintain the Improvements pursuant to section 7.1, the Landlord may, but will not be obligated to make such repairs but only after giving the Tenant seven day's written notice of its intention to do so, except in the case of an emergency when no notice to the Tenant is required. In making such repairs, the Landlord will act reasonably so as to minimize the disruption to the Eligible Occupants. The Tenant will on demand reimburse any amount paid by the Landlord in making such repairs to the Improvements to the Landlord.
- 7.5. **Sidewalks.** The Tenant will keep the sidewalks adjacent to the Property clean from rubbish, ice, and snow, and free from obstruction as a prudent owner would do and in accordance with the lawful requirements of any Statutory Authority.
- 7.6. **Alterations.** The Tenant will not make, or suffer or permit to be made, any Alterations, except if:
- (a) the Tenant is not then in default in observing or performing its obligations under this Lease and no Event of Insolvency then exists;
 - (b) the Alterations would not materially change the design or operation of the Project and the Tenant obtains the Landlord's consent to the Alterations;
 - (c) the Tenant complies with the requirements of section 4 to the extent that they are, or the Landlord considers them to be, reasonably applicable to the Alterations; and
 - (d) the Tenant completes the Alterations in a timely manner.
- 7.7. **Demolition of Existing Improvements.** The Tenant, with the prior written consent of the Landlord, may at any time during the Term, upon giving 120 days prior written notice to the Landlord, elect to demolish the Improvements. If the Landlord consent to the demolition of the Improvements, the consents will include the following conditions:
- (a) if the Improvements are to be replaced, the new Improvements will have a value of not less than the full insurable value of the Improvements being

demolished and will be constructed in accordance with the requirements of this Lease; or

- (b) if the Improvements are not to be replaced, to return the Property to a safe, clean and sanitary condition and free of all Hazardous Substances, provided that upon receipt by the Landlord of the 120 day notice setting out the Tenant's intention to so demolish, the Landlord may, within 60 days of receiving such notice, require that the Tenant execute a surrender of the Lease without payment of any compensation by the Landlord to the Tenant for such surrender, and in such event the Tenant will not demolish the existing Improvements.

8. INSURANCE

8.1. **Insurance.** The Tenant will, at its expense, obtain and will, at its expense, maintain throughout the Term:

- (a) insurance protecting the Landlord (including the Landlord's employees and agents) and the Tenant against claims for personal injury, death, property damage or loss or third party or other public liability claims arising from any accident or occurrence in, on or about the Property to an amount of at least \$10,000,000 inclusive for any one occurrence or such greater amount as the Landlord, from time to time, may reasonably require;
- (b) insurance, calculated on a replacement cost basis, upon the full insurable value of the Improvements in the names of the Landlord, the Tenant, and any Lender, as their interests may appear, and protecting all of them from loss or damage caused by fire and other perils, including earthquake and flood, as may from time to time be included in a standard form "All Risks" insurance policy generally available in British Columbia;
- (c) if applicable, broad comprehensive boiler and machinery insurance, in the names of the Landlord, the Tenant, and any Lender, as their interests may appear, covering all boilers and pressure vessels on the Property, and also covering loss or damage caused by rupture of steam pipes, in such amount as a prudent owner of a project similar to the Property would obtain or in such greater amount as the Landlord, from time to time, may reasonably require; and
- (d) such other insurance as the Landlord may reasonably require from time to time, provided that nothing herein affects the Tenant's responsibility for obtaining and maintaining in force insurance, in addition to any insurance described in this section 8, that a prudent owner of a similar project being used for a similar Specific Purpose would obtain and maintain in force.

8.2. **Insurance Requirements.** The Tenant will ensure that the following provisions will govern the insurance referred to in section 8.1, and will comply with the following requirements with regard to such insurance:

- (a) the policies for such insurance will provide that the policies cannot be cancelled, terminated or materially amended, except if the insurer delivers to the Landlord at least 30 days' prior written notice of its intention to cancel, terminate or materially change the policy;
- (b) such policies will insure the interests of and protect the Landlord and the Tenant, notwithstanding any act, omission or negligence of the Landlord or the Tenant, which might otherwise result in the forfeiture or invalidity of such policies or any of them;
- (c) all policies of public liability insurance will be written to cover the Landlord and Tenant and will provide that each Person insured under such policy or policies will be insured in the same manner and to the same extent as if individual policies had been issued to each Person;
- (d) contain a cross liability clause and a waiver of subrogation in favour of the Landlord;
- (e) such policies will be written by insurers on terms and conditions, reasonably satisfactory to the Landlord;
- (f) such policies will be primary and will not require contribution or be in excess of any other insurance available to the Landlord or the additional named insured(s);
- (g) the Tenant will deliver to the Landlord certified copies of such policies or renewals thereof as soon as reasonably possible after the Tenant has acquired such policies or renewals thereof, as the case may be;
- (h) the Tenant will notify the Landlord immediately of any circumstance known to the Tenant which might materially affect the coverage under any such policies; and
- (i) such policies may provide that the amount payable in the event of any loss will be reduced by a deductible in an amount acceptable to the Landlord. The Tenant will be a co-insurer to the extent of the amount so deducted from the insurance proceeds paid in the event of any loss, and for the purposes of section 10, such amount will be included as part of the insurance proceeds payable and paid.

8.3. **Landlord May Obtain Insurance.** The Tenant will pay or cause to be paid all of the premiums under the policies of insurance referred to in this section 8 as they become due and payable, and upon default of payment by the Tenant, the Landlord may pay the same and add the amount so paid to the Additional Rent.

8.4. **Workers' Compensation.** At all times during the Term, the Tenant will, at its own expense, obtain and maintain, or cause to be obtained and maintained, workers' compensation coverage in respect of all workers, employees and other Persons engaged in any work in or upon the Property, non-payment of which

would create a lien claim against the Property or the Leasehold Interest or would contravene the Workers' Compensation Act of British Columbia.

- 8.5. **No Representation.** The Tenant acknowledges that any requirement or advice by the Landlord as to the amount of coverage under any policy of insurance will not constitute a representation by the Landlord that the amount required is adequate and, without limiting the generality of section 8.2(f) the Tenant acknowledges and agrees that it is solely responsible for obtaining and maintaining policies of insurance in adequate amounts pursuant to this Lease.
- 8.6. **Release from Liability for Insured Loss or Damage.** The Tenant hereby releases the Landlord and its personnel, whether or not the Landlord and their respective personnel have been negligent from any and all liability for loss or damage caused by any of the perils against which the Tenant will have insured or is obligated to insure pursuant to the terms of this Lease or any applicable law, the intent being that the Tenant's policies of insurance will contain a waiver of subrogation in favour of the Landlord.

9. INDEMNITY

- 9.1. **Non-liability of Landlord.** The Landlord will not be liable or responsible in any way, and the Tenant hereby releases the Landlord, for any personal injury that may be sustained by the Tenant or other Person in or about the Property, or on the sidewalks or lanes adjacent thereto, or for any loss of or damage or injury to property belonging to or in the possession of the Tenant or other Person in or about the Property, or for any injury, loss, or damage to person or property caused by smoke, steam, water, ice, rain, snow, or fumes which may leak, issue, or flow into, through or from the Improvements or from the sprinkler system, drainage or smoke pipes or plumbing therein or from any other place or quarter or caused by or attributable to the condition or arrangement of any electrical or other wiring or the air-conditioning equipment.
- 9.2. **Indemnity.** Except for the negligence or other wrongful act of the Landlord or its employees, agents or contractors, the Tenant will indemnify and save harmless the Landlord from all loss, damage, liabilities, costs, claims, suits, or actions, including fees of solicitors and other professional advisors, in connection with or arising out of:
- (a) any breach by the Tenant in observing or performing any of its obligations under this Lease; and
 - (b) any personal injury, death or property damage or third party or public liability claims arising from any accident or occurrence on or about the Property or on the sidewalks, lanes or streets adjacent thereto, or happening by virtue of the Tenant's or any Person's use of the Improvements or occupation of the Property, or otherwise.

10. DAMAGE OR DESTRUCTION

- 10.1. **No Abatement.** Subject to sections 10.3 and 10.4 the damage or destruction of the Improvements will not entitle the Tenant to any abatement or reduction of Rent.
- 10.2. **Notice of Damage or Destruction.** If and whenever the Improvements are damaged or destroyed, the Tenant will give the Landlord immediate notice thereof.
- 10.3. **Termination-No Mortgage.** If, in the opinion of a professional engineer or architect appointed by the Landlord, who is at arm's-length from the Landlord, the Improvements are damaged or destroyed in excess of 25% of their value during the last five years of the Term, the Tenant may, within 30 days after receipt of the opinion of the professional engineer or architect, deliver written notice to the Landlord that the Tenant elects not to repair or replace the Improvements. If the Tenant delivers such notice, this Lease will be deemed to be terminated on the 60th day after the Date of Damage or Destruction. In such case, the Landlord and Tenant will apply, or permit to be applied, the proceeds of the insurance referred to in section 8.1 as follows:
- (a) first, to pay the cost of demolishing the Improvements and removing from the Property all debris and waste, and of restoring the Property to a safe, neat, and level condition;
 - (b) second, to pay all Rent owing as at the termination date of the Lease, and
 - (c) third, the balance, to be apportioned between the Landlord and Tenant and paid as follows:
 - (i) to the Landlord a sum which bears to such balance the same ratio as the expired portion of the Term as at the Date of Damage or Destruction bears to the whole Term; and
 - (ii) to the Tenant a sum which bears to such balance the same ratio as the unexpired portion of the Term from and after the Date of Damage or Destruction bears to the whole Term.
- 10.4. **Termination-Mortgage.** If, in the opinion of a professional engineer or architect appointed by the Landlord, who is at arm's-length from the Landlord, the Improvements are damaged or destroyed in excess of 25% of their value during the last five years of the Term, the Tenant may, within 30 days after receipt of the opinion of the professional engineer or architect, deliver to the Landlord written notice that the Tenant elects not to repair or replace the Improvements. If the Tenant delivers such notice, this Lease will be deemed to be terminated on the 60th day after the Date of Damage or Destruction. In such case, the Landlord and the Tenant will apply, or permit to be applied, and the Tenant will cause the Lender to apply or permit to be applied, the proceeds of the insurance referred to in section 8.1 to:

- (a) first, to pay to the Lender the balance of principal, interest and other charges owing under the Mortgage;
- (b) second, to pay the cost of demolishing the Improvements and removing from the Property all debris and waste, and of restoring the Property to a safe, neat, and level condition;
- (c) third, to pay all Rent owing as at the termination date;
- (d) fourth, the balance, to be apportioned between the Landlord and the Tenant and paid as follows:
 - (i) to the Landlord a sum which bears to such balance the same ratio as the expired portion of the Term as at the Date of Damage or Destruction bears to the whole Term, and
 - (ii) to the Tenant, a sum which bears to such balance the same ratio as the unexpired portion of the Term from and after the Date of Damage or Destruction bears to the whole Term.

10.5. **Restoring Land.** If the Tenant gives a notice of termination pursuant to section 10.3 or section 10.4, the Tenant will, at its sole cost, demolish the Improvements, including the foundations, and promptly restore the Land, in a good and workmanlike manner, in accordance with the lawful requirements of any Statutory Authority, and to the reasonable satisfaction of the Landlord. In doing so, the Tenant will comply with the requirements of section 4 to the extent that they are, or the Landlord considers them to be, reasonably applicable.

10.6. **Repairing or Replacing Improvements.** If the Lease is not terminated pursuant to sections 10.3 or 10.4, the Tenant will proceed promptly to repair or replace the Improvements:

- (a) in compliance with the requirements of section 4 to the extent that they are, or the Landlord considers them to be, reasonably applicable, except that the Landlord will reasonably determine the time for Substantial Completion; and
- (b) to the similar condition as existed prior to the occurrence of such damage or destruction, having comparable value and character, provided that the new Improvements will yield, on the basis of reasonable calculation and expectation, the most profitable and efficient return from their use and occupation, taking into account the Specific Purpose.

10.7. **Payment of Insurance Proceeds.** Forthwith after the Date of Damage or Destruction, the Tenant will deliver to the Landlord an irrevocable order, in form and substance reasonably satisfactory to the Landlord, authorizing the insurer(s) to pay all of the insurance proceeds resulting from the damage or destruction to the Landlord, except if any Lender requires that such proceeds be paid to it and delivers to the Landlord an acknowledgment, in form and substance reasonably

satisfactory to the Landlord, and which will be binding and enforceable against the Lender, that the Lender will use and disburse such proceeds only in accordance with this section 10.

- 10.8. **Use of Proceeds.** The Landlord or the Lender, as the case may be, will pay to the Tenant from time to time out of the insurance proceeds such sums as the Tenant may require to comply with sections 10.5 or 10.6, as the case may be, in accordance with such terms and conditions as the Landlord or the Lender, as the case may be, may reasonably require.

11. **DEFAULTS AND REMEDIES**

- 11.1. **Interest and Costs.** The Tenant will pay to the Landlord interest on any Rent in arrears from the date such Rent was due until it is paid, at the rate of interest prescribed from time to time under the Land Act of British Columbia and the regulations made pursuant thereto, in respect of money payable under this Lease that is not paid on the due date until such arrears are fully paid and satisfied.

- 11.2. **Landlord's Right to Perform Covenants.** If the Tenant fails to observe or perform any obligation under this Lease, including any obligation to pay Additional Rent, the Landlord may observe or perform such obligation without waiving or releasing the Tenant from its obligation to do so, and without limiting or abrogating any other right or remedy it may have. In order to do so, the Landlord may enter upon the Property and no entry for the purpose of curing a default will be deemed to be a forfeiture or termination of this Lease. The Tenant will pay to the Landlord all sums paid or costs incurred by the Landlord in so observing or performing, together with interest thereon at the rate referred to in section 11.1 from the date each such payment was made or each such cost was incurred by the Landlord plus an administration fee equal to 10% of each such cost. The Landlord will not be liable to the Tenant for any inconvenience, disturbance or other damage resulting from the Landlord's observance or performance of any of the Tenant's obligations.

- 11.3. **Events of Default.** If and whenever:

- (a) the Tenant defaults in its obligation to pay any Rent and such default continues for 30 days after the Landlord delivers notice of the default to the Tenant;
- (b) the Tenant defaults in observing or performing any other obligation under this Lease, and such default continues for 60 days after the Landlord delivers to the Tenant notice of the default, except that if the default, by its nature, requires more than 60 days to cure, the Tenant may have such further time to rectify the default as the Landlord considers reasonable so long as the Tenant begins to rectify promptly and thereafter proceeds with all due diligence;
- (c) the Tenant defaults in observing or performing any of its obligations under the Contribution Agreement, and such default continues for 60 days after

CMHC delivers to the Tenant and the Landlord notice of the default, except that if the default, by its nature, requires more than sixty days to cure, the Tenant may have such further time to rectify the default as CMHC considers reasonable so long as the Tenant begins to rectify promptly and thereafter proceeds with all due diligence;

- (d) an Event of Insolvency occurs;
- (e) the Property is vacated, is used by a person who is not entitled to use the Property, or the Property is not used for the Specific Purpose; or
- (f) the Tenant defaults in observing or performing any obligation contained in any charge or encumbrance registered against the title to the Property, to which the Tenant has agreed to observe or perform;

then, and in every such case, it will be lawful for the Landlord without notice to the Tenant, to immediately re-enter into and upon the Property, or any part thereof in the name of the whole, whereupon, but subject to the rights of a Lender set out in section 14 hereof, this Lease will terminate immediately. Such termination will be wholly without prejudice to the Landlord's right to recover arrears of Rent or damages for any antecedent breach of covenant by the Tenant, and the Landlord may subsequently recover from the Tenant all losses, damages, costs, including legal costs, and expenses the Landlord suffers by reason of the Lease having been prematurely terminated.

11.4. **Re-Letting.** If any event of default set out in section 11.3 occurs, the Landlord, in addition to its other rights hereby reserved, may enter the Property as agent of the Tenant, either by using force or otherwise, without being liable for any prosecution therefor, and without terminating this Lease, and, on notice to the Tenant, may re-let or sublet, as the Tenant's agent, the Property or any part thereof and may apply the proceeds of that re-letting or subletting on account of Rent due or in satisfaction of the breach of any covenant or agreement herein contained, and the Tenant will remain liable for the deficiency, if any, together with the Landlord's reasonable expenses of retaking and re-letting, including legal fees, and the Landlord will nevertheless be entitled to recover from the Tenant, Rent due for the remainder of the Term in the event the Landlord has not so re-let, or, if the Landlord has re-let, may recover from the Tenant the difference in Rent payable by any new tenant of the Property for the balance of the Term and that required to be paid by the Tenant under this Lease for the balance of the Term, and the Tenant agrees to pay promptly on demand any amount as so determined.

11.5. **Distress.** The Landlord may levy distress upon the personal property of the Tenant for Rent in arrears, and, in case of removal by the Tenant of any personal property from the Property after any default by the Tenant, may follow such personal property notwithstanding any statute, by-law, regulation, or order of any Statutory Authority. The Tenant waives and renounces the benefit of any present or future legislation purporting to limit or qualify the Landlord's right to distrain.

- 11.6. **Remedies Cumulative.** The exercise of any specific right or remedy by the Landlord will not prejudice or preclude the Landlord from exercising any other right or remedy in respect thereof, whether allowed at law or in equity or expressly provided for in this Lease. No such remedy will be exclusive or dependent upon any other such remedy, but the Landlord may from time to time exercise any one or more of such remedies independently or in combination. All remedies are cumulative. The Landlord may apply to restrain by injunction any breach by the Tenant in observing or performing its obligations under this Lease.
- 11.7. **Waiver Re-Entry.** The Tenant hereby waives any present or future requirement that notice of the Landlord's intention to re-enter the Property be served or that the Landlord commence legal proceedings in order to re-enter the Property.
- 11.8. **Condoning.** Any condoning, excusing, or overlooking by the Landlord of any default by the Tenant in observing or performing its obligations under this Lease will not operate as a waiver of, or affect or defeat, the Landlord's rights in respect of any subsequent default.

12. IMPROVEMENTS

- 12.1. **Ownership.** The Improvements are to form part of the Property and are not to be considered the separate property of the Tenant and will become the absolute property of the Landlord upon the termination of the Lease, free and clear from all liens, charges, encumbrances, equities, or claims of the Tenant or any Person claiming under the Tenant.

13. SURRENDER OF LEASE

- 13.1. **Surrender.** The Tenant will peaceably surrender this Lease and its Leasehold Interest, and deliver possession of the Property to the Landlord at the expiry or earlier termination of the Term in accordance with its obligations hereunder, in a state of good repair pursuant to section 7 hereof. If this Lease is registered, the Tenant will deliver to the Landlord, in a timely manner, upon the request of the Landlord, a discharge of this Lease in registrable form.
- 13.2. **Removal of Personal Property.** Upon the expiry or earlier termination of the Term, and if the Tenant is not then in default, the Tenant may remove from the Property all of the Tenants' personal property. The Tenant will repair any damage to the Improvements resulting from the Tenant's removal of its personal property.

14. RIGHTS OF LENDER

- 14.1. **Notice of Mortgage.** Within seven days after a Mortgage permitted under section 6.4 is granted, the Tenant will deliver to the Landlord a true copy of that Mortgage.
- 14.2. **No Surrender or Modification of Lease.** The Landlord will not accept the surrender of, modify, or agree to accept the surrender of or modification of this Lease, except with the prior written consent of the Lender.

- 14.3. **Notice of Default.** The Landlord will not terminate this Lease or re-enter upon the Property, unless:
- (a) the Landlord first delivers to the Lender written notice of the default entitling the Landlord to so re-enter or terminate the Lease and specifying, in reasonable detail, the nature of the default;
 - (b) the Lender fails to cure the Tenant's default within 45 days after the date of receipt of notice or within such further period as may be reasonable, having regard to the nature of the default or event, so long as the Lender commences to cure promptly and thereafter continues diligently; or
 - (c) the Lender does not proceed under, or comply with, section 14.6.
- 14.4. **Possession.** If the default is of such nature that the Lender must be in possession of the Property in order to cure, then the period of 45 days referred to in section 14.3(b) will be extended to include the period of time required by the Lender to obtain such possession with due diligence, so long as during such extended period all the Tenant's other obligations under this Lease are being duly observed or performed.
- 14.5. **Acceptance of Performance.** The Landlord will accept observance or performance by the Lender of any of the Tenant's obligations as having the same force and effect as though observed or performed by the Tenant.
- 14.6. **Realization.** If the Lender commences foreclosure or other realization proceedings under its Mortgage, the Landlord will not terminate this Lease or re-enter upon the Property if:
- (a) within the 45 day period referred to in section 14.3(b), as the case may be, the Lender delivers to the Landlord written notice that it has commenced such proceedings;
 - (b) except for an Event of Insolvency or other default or event which, by its nature, is incurable, the Lender cures all defaults or events as required by section 14.3(b) and, during the course of such proceedings, observes or performs, or causes to be observed or performed, the Tenant's obligations under this Lease; and
 - (c) the Lender diligently prosecutes such proceedings to a conclusion.
- 14.7. **Foreclosure.** If the Lender, by foreclosure or otherwise, acquires or intends to assign or sublet the Leasehold Interest, the Lender, assignee or subtenant will not be obliged to observe or perform the Tenant's obligations under sections 5.1 or 6.4, so long as the Lender's assignee or subtenant is a not for profit organization but will otherwise comply with all the Tenant's other obligations under this Lease. For certainty, the restrictions on use contained in any housing agreement that is registered on title prior to the Lease will apply to the Lender and any assignee or subtenant. If the Lender, assignee or subtenant elects not to comply

with sections 5.1 and 6.4, the Landlord may deliver to the Lender within 60 days thereafter written notice electing to terminate this Lease at the end of such 60 day period. If the Landlord so elects, it will either:

- (a) pay to the Lender, on the termination date, the amount secured by the Mortgage; or
- (b) grant to the Lender, as a condition of the termination of the Lease, a non-recourse mortgage in the principal amount equal to the amount secured by the Mortgage, which non-recourse mortgage will charge the Landlord's fee simple interest in the Property in priority to all other financial charges and otherwise on the same terms and conditions as the Mortgage with such amendments as are required to have the non-recourse mortgage charge the fee simple interest of the Landlord in the Property rather than the Leasehold Interest.

14.8. **Limited Recourse.** If the Lender forecloses on the Leasehold Interest, or if the Lender assigns this Lease to another Person in the course of realization proceedings, in accordance with the requirements of this Lease, the Lender will deliver to the Landlord, concurrently with the effective date of any such foreclosure or assignment, a copy of the instrument of foreclosure or assignment and a binding and enforceable agreement whereby the Lender or the assignee, as the case may be, agrees with the Landlord, from and after the effective date of the foreclosure or assignment, to attorn as tenant to the Landlord and to be bound by the Tenant's obligations under the Lease except as otherwise set out in section 14.7. Upon delivery of such assignment of the Lease by the Lender to the Landlord, the Lender will be released from all liability for the observance or performance of the Tenant's obligations under the Lease except for uncured defaults during such time as the Lender was tenant under the Lease provided that the assignee agrees to be bound by the terms of the Lease. The Landlord will consent to any such instrument or assignment if the Lender has cured, or caused to be cured, all defaults of the Tenant under the Lease.

14.9. **CMHC.** If a Lender other than CMHC forecloses on the Leasehold Interest and assigns the Leasehold Interest to CMHC, then so long as CMHC remains in possession of the Land it will be deemed to be a Lender for the purposes of this section 14. If a Lender other than CMHC assigns the Leasehold Interest to CMHC or if CMHC is the Lender, CMHC will not be bound by any provisions of this section 14 which contravene CMHC's requirements with respect to insured loans. If CMHC is the Lender, CMHC will not be bound by the insurance requirements set out in sections 8.1 or 8.1 during such time as it holds the Leasehold Interest after a foreclosure.

14.10. **Priority.** If there is more than one Lender, the rights granted to each of them by the Landlord pursuant to this section 14 will be deemed granted to each of them in order of the priority in the land title office of the registered security of each of them.

15. **ARBITRATION**

15.1. **Arbitration Process.** If and whenever any dispute arises between the Landlord and the Tenant concerning anything regarding this Lease, including the interpretation or enforceability of any provision, or the rights or obligations of either the Landlord or the Tenant, the Landlord and the Tenant agree to submit that dispute to arbitration before a single arbitrator in the following manner and according to the following rules:

- (a) one party may deliver notice to the other party setting out the nature of the dispute;
- (b) the Landlord and the Tenant will agree on the appointment of the single arbitrator within 30 days of the notice being delivered pursuant to section 15.1(a);
- (c) the single arbitrator will be at arm's-length from the Landlord and the Tenant and the Landlord and the Tenant will instruct the single arbitrator to reach their decision fairly and without bias toward or against either party;
- (d) the single arbitrator will be governed by the provisions of the Arbitration Act of British Columbia and, within 30 days after the date of appointment, will reach a decision on the dispute and will deliver notice of that decision to the Landlord and the Tenant;
- (e) the decision of the single arbitrator will be conclusive and binding on the Landlord and Tenant;
- (f) the Landlord and Tenant will bear the costs of arbitration equally or as determined by the single arbitrator, as the case may be; and
- (g) if the Landlord and the Tenant fail to agree on the appointment of the single arbitrator within 30 days of the notice being delivered pursuant to section 15.1(a), the single arbitrator will be appointed in accordance with the provisions of the Arbitration Act of British Columbia.

If a Lender holds a Mortgage of the Tenant's leasehold interest in the Land, any notice of a dispute delivered pursuant to this section 15.1 by one party to the other party will be given at the same time to the Lender if it has specified an address for notice, and the Lender so notified will be given a reasonable opportunity by the parties to participate in the arbitration proceedings if it considers such proceedings may affect the Mortgage security.

16. **HAZARDOUS SUBSTANCES**

16.1. **Acceptance of the Land.** The Tenant has leased the Land after examining it and the Tenant takes possession of the Land on an "as is" basis and agrees that the Landlord has not made any representations, warranties, covenants and agreements

with respect to the condition of the Land, the suitability of the Land for the Tenant's intended use or any use whatsoever, and in particular and without limiting the generality of the foregoing, as to the environmental condition of the Land.

- 16.2. **Indemnity.** The Tenant will indemnify and save harmless the Landlord, its officers, employees, agents, successors and assigns from any and all liabilities, actions, damages, claims, losses, costs and expenses whatsoever including, without limitation, the full amount of all reasonable legal fees, costs, charges and expenses and the reasonable costs of removal, treatment, storage and disposal of any Hazardous Substance and remediation of the Property which may be paid by, incurred by or asserted against the Landlord, its officers, employees, agents, successors or assigns as a direct or indirect result of the presence of any Hazardous Substance on, in or under, or the escape, seepage, leakage, spillage, discharge, emission or other release of any Hazardous Substance from any part of the Property to the extent caused by any act or omission of the Tenant, its employees, agents, contractors, invitees, licensees or subtenants from any part of the Property, into the environment including, without limitation, into or upon any real property, the atmosphere or any water course or body of water. This agreement to indemnify will continue in force so long as the possibility of such liability, loss, claim or damage exists.
- 16.3. **Not to Permit Hazardous Substances.** The Tenant will not bring onto the Property, or suffer or permit to be brought onto the Property, any Hazardous Substance, and the Tenant hereby assumes all duties or obligations, including the costs in connection therewith, pursuant to the lawful requirements of any Statutory Authority for any remedial action for any Hazardous Substance found in, on or under the Property.
- 16.4. **Removal of Hazardous Substances.** If any Hazardous Substance is found in, on or under the Property, the Tenant will:
- (a) give the Landlord immediate notice, and thereafter give the Landlord from time to time notice of the extent and nature of the Tenant's compliance with the provisions of this section 16.4;
 - (b) promptly remove from the Property any such Hazardous Substance in a manner which conforms with the lawful requirements of any Statutory Authority pertaining to the removal and movement of same;
 - (c) if requested by the Landlord, obtain from an independent consultant approved by the Landlord verification of the complete and proper removal of the Hazardous Substance or, if such is not the case, a report as to the extent and nature of any failure to comply with the foregoing provisions; and
 - (d) remedy, to the reasonable satisfaction of the Landlord, any damage to the Property caused by the presence of any Hazardous Substance or the

Tenant's compliance with lawful statutory requirements with regard thereto.

- 16.5. **Exclusive Property of Tenant.** If the Tenant brings or creates upon or under the Property any Hazardous Substance, or suffers or permits such, then, notwithstanding any rule of law or equity to the contrary, such Hazardous Substance will be and remain the sole and exclusive property of the Tenant, and will not become the property of the Landlord, notwithstanding the degree of affixation of the Hazardous Substance or the goods containing the Hazardous Substance, and notwithstanding the expiry or earlier termination of this Lease.
- 16.6. **Inspection of the Property.** Upon giving notice to the Tenant, the Landlord or its representative may enter upon the Property to inspect the same if the Landlord has reason to believe that Hazardous Substances may be in, on or under the Property, but in so doing the Landlord will act reasonably to minimize the disruption to the Eligible Occupants. Without in any way limiting the generality of the foregoing, the Landlord or its representative may enter upon the Property to conduct any environmental testing, site assessment, investigation or study deemed necessary by the Landlord, and the reasonable cost of such testing, assessment, investigation or study, as the case may be, will be payable by the Tenant forthwith and will be a charge upon the Property if such investigation finds that the Tenant is in breach of its duties or obligations under this section 16.

17. **GENERAL PROVISIONS**

- 17.1. **Sale or Lease.** The Landlord or its representative may enter on the Land at any reasonable time during normal business hours to display the Property for sale, and during the last two years of the Term, to display the Property for lease.
- 17.2. **Notices.** Unless otherwise specified, each notice to a party must be given in writing and delivered personally, or by courier to the parties as follows:

If to the Landlord at:

Capital Regional District
625 Fisgard Street
PO Box 1000
Victoria, BC V8W 2S6
Attention: ♦

If to the Tenant at:

Capital Region Housing Corporation
631 Fisgard Street
Victoria, BC V8W 1R7
Attention: ♦

or to any other address or person that the party designates. Any notice, if delivered personally or by courier, will be deemed to have been given when actually received.

- 17.3. **Overholding.** If with the Landlord's consent, the Tenant remains in possession of the Property after the expiry or earlier termination of the Term, the Tenant will be deemed to be occupying the Property on a month to month tenancy, at a monthly basic rent as stipulated in the Landlord's consent to the overholding. Either the Landlord or the Tenant may terminate such month-to-month tenancy on the last day of any month by delivery of at least one month's notice of termination to the other. If, without the Landlord's consent the Tenant remains in possession of the Property after the expiry or earlier termination of the Term, the Tenant will be deemed to be occupying the Property upon a tenancy at sufferance only, at a monthly basic rent stipulated by the Landlord and which may apply retroactively to the day following the end of the Term. The Landlord may terminate such tenancy at sufferance at any time by delivery of notice to the Tenant. Nothing contained in this section 17.3 will be construed so as to limit or impair or constitute a waiver of the Landlord's rights and remedies under section 11 or at law or in equity.
- 17.4. **Payments after Termination.** No payment of money by the Tenant to the Landlord after the expiry or earlier termination of the Term or after the Landlord has given any notice to the Tenant, will reinstate, continue, or extend the Term or render ineffective any notice given by the Landlord to the Tenant prior to the payment of such money. After the service of notice or the commencement of a suit, or after final judgment granting the Landlord possession of the Property, the Landlord may collect and receive any Rent due under the Lease, and the payment thereof will not render ineffective any notice, or in any manner affect any pending suit or any judgment previously obtained.
- 17.5. **No Merger.** At the Landlord's option, the voluntary or other surrender or termination of this Lease will either have the effect of terminating all or any subleases or other rights of occupancy or of assigning to the Landlord all the Tenant's rights, benefits, and advantages under all or any such subleases or rights of occupancy, provided that if the Landlord elects to take an assignment of the Tenant's interests in the subleases or other rights of occupancy, the Landlord will assume the obligations of the Tenant thereunder. The Landlord may exercise such option by notice to the Tenant and to all subtenants or other occupants known to the Landlord.
- 17.6. **Estoppel.** The Tenant or Landlord, as the case may be, will execute and deliver, in a timely manner, to the Person who has made a written request therefor, a written statement certifying:
- (a) that this Lease is unmodified and is in full force and effect or, if there have been modifications, identifying what they are and certifying that the Lease is in full force and effect as modified;

- (b) the dates to which Rent has been paid; and
 - (c) that neither the Landlord nor the Tenant, as the case may be, is in default under this Lease or, if in default, the particulars thereof.
- 17.7. **Registration.** The Tenant, at its cost, including the cost of preparing the leasehold explanatory plan, if any, will register this Lease in the appropriate land title office.
- 17.8. **Conditions.** All the provisions of this Lease will be deemed and construed to be conditions as well as covenants as though the words specifically expressing covenants or conditions were used in each separate provision hereof.
- 17.9. **Enuring effect.** This Lease will enure to the benefit of and be binding upon the successors and permitted assigns of each of the Landlord and Tenant.
- 17.10. **Modification or Amendment.** Except as expressly provided in this Lease no amendment, supplement, restatement or termination of any provision of this Lease is binding unless it is in writing and signed by each person that is a party to this Lease at the time of the amendment, supplement, restatement or termination.
- 17.11. **Counterparts.** This Lease and any amendment, supplement, restatement or termination of any provision of this Lease may be executed and delivered in any number of counterparts each of which when executed and delivered is an original but all of which taken together constitute one and the same instrument.
- 17.12. **Execution.** By signing the General Instrument, the parties have agreed to be bound by their respective obligations contained in this Lease.

SCHEDULE “A”
PERMITTED ENCUMBRANCES

LEGAL NOTATIONS

◆

CHARGES AND ENCUMBRANCES

◆

DRAFT

SCHEDULE "B"

TRI-PARTITE AGREEMENT

THIS TRI-PARTITE AGREEMENT is dated for reference the ____ day of _____, 20__

AMONG:

CAPITAL REGIONAL DISTRICT

having an office at 625 Fisgard Street, PO Box 1000, Victoria, BC V8W 2S6

(the "Landlord")

AND:

CAPITAL REGION HOUSING CORPORATION

having an office at 631 Fisgard Street, Victoria, BC V8W 1R7

(the "Tenant")

AND:

[Lender Name]

having an office at ●

(the "Lender")

WHEREAS:

- A. By a lease (the "Lease") registered in the Victoria Land Title Office under registration no. _____, the Landlord leased to the Tenant that certain parcel of land legally described as:

Parcel Identifier: _____ (the "Land")

along with certain improvements (the "Improvements") constructed or to be constructed thereon (the Land and the Improvements are collectively called the "Property");

- B. The Lender has agreed to make a loan (the "Loan") to the Tenant, and as security for the Loan the Tenant has agreed to grant to the Lender a mortgage (the "Mortgage") of the Tenant's interest in the Lease which mortgage is registered against the Property under registration no. _____; and
- C. The Lender has required as a condition of making the Loan that the Landlord and the Tenant enter into this Tri-Partite Agreement with the Lender to set out their respective rights and obligations relating to the Lease and the Mortgage.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the premises, the sum of One Dollar (\$1.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Representations of the Landlord and the Tenant.** Each of the Landlord and Tenant severally represent and warrant to the Lender as follows:
 - 1.1. the Lease is presently in full force and effect and has not been modified or amended, except as may have been disclosed to and accepted by the Lender in writing;
 - 1.2. there has been no assignment or subletting of the Tenant's interest under the Lease, except for the Mortgage; and
 - 1.3. all rental payments due and owing under the Lease have been paid in full and, to the best of each of their knowledge, there are no existing defaults under the Lease by either the Landlord or the Tenant.
2. **Covenants of the Landlord.** The Landlord covenants and agrees with the Lender that:
 - 2.1. it will observe and perform all of the terms, conditions, covenants and agreements contained in the Lease to be observed and performed by the Landlord, will provide the Lender with a copy of all correspondence sent to the Tenant in relation to the Lease, the Property or the Mortgage, and will allow the Lender (within the period available to the Tenant or such longer time as provided for in the Lease) to cure any default of the Tenant under the Lease;
 - 2.2. except with the written consent of the Lender, the Landlord will not:
 - 2.2.1 accept a surrender of the Lease;
 - 2.2.2 amend or vary the Lease in any way whatsoever; or
 - 2.2.3 transfer the Property or assign its interest in the Lease without first notifying the Lender of such intended transfer, and without first procuring from the proposed transferee before such transfer takes place a Tri-Partite Agreement among the proposed transferee, the Tenant and the Lender in substantially the same form as this Tri-Partite Agreement; and
 - 2.3. the Landlord will not terminate the Lease, unless the Landlord complies with Section 11.3 of the Lease.
3. **Covenants of the Tenant.** The Tenant covenants and agrees with the Lender that:
 - 3.1. it will observe and perform all of the terms, conditions, covenants and agreements contained in the Lease; and
 - 3.2. except with the written consent of the Lender, the Tenant will not:
 - 3.2.1 surrender the Lease; or

- 3.2.2 terminate the Lease; or
 - 3.2.3 assign, amend or vary the Lease in any way whatsoever; or
 - 3.2.4 otherwise part with possession of its interest in the Lease.
- 4. **Notice of Mortgage.** The Landlord acknowledges that it has received a copy of the Mortgage in satisfaction of the requirement for delivery to the Landlord of a true copy of the Mortgage as set out in section 14.1 of the Lease.
- 5. **Consent to Mortgage.** The Landlord consents to the Mortgage, and any amendments or supplements thereto or replacements thereof (other than amendments or replacements which have the effect of increasing the principal which will require the further written consent of the Landlord, such consent not to be unreasonably withheld), and waives any breach or event of default that may have been occasioned under the Lease by virtue of the execution, delivery or registration of the Mortgage; provided that such consent will not have the effect of waiving or modifying any of the other rights of the Landlord under the Lease, or of relieving the Tenant from the observance and performance of its covenants and obligations under the Lease.
- 6. **No Obligation to Advance Funds.** Nothing in this Tri-Partite Agreement will be construed to obligate the Lender to advance any moneys pursuant to the Mortgage, the advance of moneys being in the complete and absolute discretion of the Lender.
- 7. **Consent by the Tenant.** The Tenant hereby consents to:
 - 7.1. the Landlord giving to the Lender copies of all correspondence sent to the Tenant pursuant to the Lease; and
 - 7.2. the Lender giving to the Landlord notice of any default under the Mortgage and any steps taken by the Lender to enforce any of its rights under the Mortgage.
- 8. **Assignment.** The Landlord and the Tenant will not assign their rights or obligations under this Tri-Partite Agreement (otherwise than by assignment by the Landlord in accordance with and to a transferee referred to in Section 2.2.3) without the Lender's prior written consent.
- 9. **Additional Remedies.** In addition to any remedies that are available to it under this Tri-Partite Agreement and at law, the Lender will be entitled to all equitable remedies, including specific performance, injunction or declaratory relief, to enforce its rights under this Tri-Partite Agreement against the Landlord and/or the Tenant.
- 10. **Term.** This Tri-Partite Agreement will continue in full force and effect until the later of the termination of the Contribution Agreement, the Tenant becoming entitled in law to receive a discharge of the Mortgage or receiving a similar agreement releasing the Tenant of its obligations under the Mortgage, or termination of the Lease or for such further period of time as the Lender may require to fully satisfy and exhaust its rights and remedies set out herein and in the Lease and the Mortgage, provided that the Lender has provided a written acknowledgement of such termination to the Landlord and Tenant, such acknowledgement not to be unreasonably withheld or delayed.

11. **Notices.** Unless otherwise specified, each notice to a party must be given in writing and delivered personally or by courier to the parties as follows:

If to the Landlord at:

Capital Regional District
625 Fisgard Street
PO Box 1000
Victoria, BC V8W 2S6
Attention: ♦

If to the Tenant at:

Capital Region Housing Corporation
631 Fisgard Street
Victoria, BC V8W 1R7
Attention: ♦

If to the Lender at:

•

or to any other address or person that the party designates. Any notice, if delivered personally or by courier, will be deemed to have been given when actually received.

12. **Counterparts.** This Tri-Partite Agreement, and any amendments thereto, may be executed and delivered in any number of counterparts, each of which when executed and delivered is deemed to be an original but all of which taken together constitute one and the same instrument.
13. **Governing Law.** This Tri-Partite Agreement will be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein. The parties to this Tri-Partite Agreement hereby irrevocably and unconditionally attorn to the exclusive jurisdiction of the courts of the Province of British Columbia and all courts competent to hear appeals therefrom.
14. **Headings.** The division of this Tri-Partite Agreement into articles, sections, paragraphs, subsections and clauses, and the insertion of headings, are for convenience of reference only and will not affect the construction or interpretation of this Tri-Partite Agreement.
15. **Validity of Provisions.** If any provision of this Tri-Partite Agreement is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability will attach only to such provision and everything else contained in this Tri-Partite Agreement will continue in full force and effect.
16. **Waiver.** No party will be deemed to have waived the exercise of any right that it holds under this Tri-Partite Agreement unless such waiver is made in writing. No waiver made with respect to any instance involving the exercise of any such right will be deemed to be a waiver with respect to any other instance involving the exercise of the right or with respect to any other such right. Failure by any party to exercise any of its rights, powers

to remedies hereunder or its delay to do so will not constitute a waiver of those rights, powers or remedies.

17. **Time.** Time is of the essence of this Tri-Partite Agreement, provided that the time for doing or completing any matter may be extended or abridged by an agreement in writing between the parties or their respective solicitors. Upon such extension or abridgement, time will remain of the essence unless otherwise agreed by the parties.
18. **Amendments.** Except as expressly provided in this Tri-Partite Agreement, no amendment, supplement, restatement or termination of any provision of this Tri-Partite Agreement is binding unless it is in writing and signed by each person that is a party to this Tri-Partite Agreement at the time of the amendment, supplement, restatement or termination.

19. **Binding Effect and Enurement.** This Tri-Partite Agreement will enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns.

CAPITAL REGIONAL DISTRICT

by its authorized signatory(ies):

Name:
Signed this _____ day of _____, 20__

Name:
Signed this _____ day of _____, 20__

CAPITAL REGION HOUSING CORPORATION

by its authorized signatory(ies):

Name:
Signed this _____ day of _____, 20__

Name:
Signed this _____ day of _____, 20__

[Lender]

by its authorized signatory(ies):

Name:
Signed this _____ day of _____, 20__

Name:
Signed this _____ day of _____, 20__

OPERATOR AGREEMENT

THIS AGREEMENT dated for reference and made as of the # day of Month 2025

BETWEEN

CAPITAL REGIONAL DISTRICT

625 Fisgard Street, PO Box 1000
Victoria, BC V8W 2S6

("CRD")

AND

CAPITAL REGION HOUSING CORPORATION

631 Fisgard Street
Victoria, BC V8W 1R7

("CRHC")

With respect to the development at

Forest Homes
280 Georgeson Bay Road
Galiano Island, BC

(the "Development")

AGREEMENT SUMMARY

PART 1 – SUMMARY

1. CRD has acquired the Development lands under the BC BUILDS RENTAL SUPPLY PROGRAM (“BC Builds”) (the “**Funding Program**”).
2. The Development, when completed, will comprise a 20-unit housing project across four separate structures consisting of stacked townhome units (the “**Residential Units**”) with a separate 750 square foot indoor space for communal laundry, mechanical equipment, and tenant storage. The development, construction and operation of the Development is the specific subject matter of this agreement (the “**Agreement**”).
3. CRD has leased the Development to CRHC by way of prepaid lease (the “**Lease**”) of all the lands and improvements which will comprise the Development.
4. CRHC has agreed to mortgage its leasehold interest under the Lease to secure funding for development and construction of the Development (the “**Project Financing**”), and CRHC will remain responsible for all payment and other covenants and obligations (the “**CRHC Obligations**”) arising under the Project Financing for so long as any amount of Project Financing remains repayable.
5. The Development, when complete, will be operated by CRHC on behalf of CRD, in accordance with the terms of the Funding Program.
6. The parties acknowledge that CRHC will contract with Galiano Affordable Living Initiative Society (BC Society No. S0072896) (the “**Housing Society**”) to carry out all of CRHC’s obligations relating to the operation of the Development, under an operator and property management agreement, entitled Property Management Agreement - Thuthiqt Hulelum’ “Forest Homes” (referred to as the “**GALI Property Management Agreement**”). A copy of the GALI Property Management Agreement is attached hereto as an exhibit.

PART 2 – SERVICE DESCRIPTION

1. CRD and CRHC have agreed that the Housing Society, subject to the terms and conditions of the GALI Property Management Agreement, will lease the Residential Units and operate the Development, and collect Rent from the Residents for the Residential Units, all on behalf of the CRHC.
2. The common goal of the parties in making this Agreement is to provide housing for households who, at the date of commencement of the residency, have household incomes in compliance with the Funding Program, as same may be updated from time to time.

PART 3 – AGREEMENT

1. The Term of the Agreement shall be 35 years from the Commencement Date, unless earlier terminated in accordance with the provisions of this Agreement.
2. All of the Schedules attached to this Agreement are an integral part of this Agreement.
3. This Agreement contains the entire agreement between the parties and supersedes all previous expectations, understandings, communications, representations and agreements, whether verbal or written, between the parties with respect to the subject matter hereof.

4. No amendment or modification to this Agreement will be effective unless it is in writing and duly executed by the parties, except where this Agreement allows for otherwise.

IN WITNESS of which the duly authorized signatories of each of the Provider and Capital Regional District have executed this Agreement effective as of the Commencement Date of this Agreement:

SIGNED on the ____ day of _____, 20__ on behalf of the Capital Regional District by its duly authorized representative: _____ Signature _____ Print Name _____ Print Title	SIGNED on the ____ day of _____, 20__ by the Capital Region Housing Corporation by its authorized signatory or signatories: _____ Signature(s) _____ Print Name(s) _____ Print Title(s)
---	--

SCHEDULE A – GENERAL PROVISIONS

A. DEFINITIONS

1. All terms not expressly defined herein will have the meaning ascribed to them in the GALI Property Management Agreement.
 - a. **"Commencement Date"** means the day on which both the Occupancy Permit is issued for the Development and the Lease has taken effect.
 - b. **"Lease"** means the lease of the Development by CRD as landlord in favour of CRHC as tenant for a term of 60 years.
 - c. **"CRD"** means Capital Regional District, and is incorporated under the *Business Corporations Act* (British Columbia). CRD, through its Land Banking and Housing Service buys, holds and disposes of properties, and leases residential properties to not-for-profit societies and co-operatives.

B. RESPONSIBILITY OF CRHC

1. **Role of CRHC.** CRHC:
 - a. will fulfill its obligations under this Agreement in a proper, efficient and timely manner, as would a prudent provider of similar services, and in accordance with this Agreement;
 - b. ensure that the Housing Society complies with all of its obligations under the GALI Property Management Agreement; and the BC Builds Contribution Agreement, the CMHC Operating Agreement and any other legislation, regulation, or agreements as may be applicable.
 - c. agrees and understands that, except as expressly set out herein, it is solely responsible for all its obligations under this Agreement, including but not limited to its obligations arising as a result of any relationships between CRHC and the Housing Society, or arising indirectly with respect to applicants, Residents and other occupants of the Development, and any and all relationships with third parties, volunteers, or other invitees.
2. **Corporate Organization.** CRHC will maintain a well-organized corporate structure and in particular will:
 - a. operate as a not-for-profit entity;
 - b. remain in good standing with the appropriate registry;
 - c. have a purpose that includes the provision of affordable housing and is consistent with the Specific Purpose; and
 - d. maintain written policies and procedures regarding CRHC's operations, including safety and security, human resource management and resident management.
3. **Compliance.** CRHC will remain in compliance with all applicable laws, bylaws, regulations, codes and corporate or contractual obligations and is responsible for obtaining and complying with all necessary approvals, licenses and permits relating to CRHC's obligations under this Agreement.
4. **Conflict of Interest.** CRHC will conduct its operations in accordance with CRHC's articles and in a manner such that no part of the operations, finances and other assets or resources of CRHC under this Agreement, are used directly or indirectly for the provision of any gain or benefit to any officer, director, employee, or member of CRHC, or any entity or individual associated with, or related to them, without the prior written approval of CRD.

CRHC will not, during the Term, enter into a contractual relationship with a third party, conduct business with, perform or receive a service for, or provide advice to or receive advice from any entity or individual where such activity may, directly or indirectly, cause an actual or perceived conflict of interest, without the prior written approval of CRD. Any

actual or perceived conflict of interest will be disclosed to CRHC and CRD in advance and all such disclosure and any prior written approval from CRD will be recorded in the minutes of the meetings of the directors and/or the relevant committee of CRHC.

5. **Communication.** CRHC will notify CRD as soon as possible of any significant changes or incidents that could impact CRHC's obligations under this Agreement.
6. **Agency.** This Agreement will not be construed as creating any partnership or agency between CRD and CRHC and neither party will be deemed to be the legal representative of any other party for the purposes of this Agreement. Neither CRD nor CRHC will have, and will not represent itself as having, any authority to act for, to undertake any obligation on behalf of the other party, except as expressly provided in this Agreement.
7. **Restrictions on Disposition and Encumbrance.** CRHC will not transfer, encumber or sell or agree to transfer, encumber or sell or otherwise change or agree to change the legal or beneficial interests of the Development or any part of the Development without the prior written approval of CRD, in its sole discretion.
8. **Restrictions on Authority.** CRHC will not commit or otherwise bind CRD to any agreements in any manner whatsoever, except to the extent specifically provided in this Agreement and, in particular, without limiting the generality of the foregoing, CRHC will not take any action, expend any sum, make any decision, give any consent, approval or authorization or incur any obligation with respect to any lease or any other arrangement involving the rental, use or occupancy of all or part of the Development other than a Residency Agreement in accordance with this Agreement, except with the prior written approval of CRD, in its sole discretion.
9. **Maintenance.** CRHC will ensure that the Development and all Development-related equipment is maintained in a state of safe and good repair for the benefit of the Residents and the community in which the Development is located by carrying out, or arranging for the carrying out, of tasks that include, but are not limited to, the following:
 - a. all routine maintenance and repair work;
 - b. routine inspections to ensure safety hazards are identified and corrected;
 - c. regular fire inspection, drills, testing, maintenance, training and maintaining records in respect of the same; and
 - d. routine waste management services.
10. **Inspection.** CRHC will permit CRD to inspect the Development upon the reasonable request of CRD from time to time.
11. **Responsibility for Housing Society Compliance with Property Management Agreement.** For certainty, any specific CRHC obligation contained in this Agreement regarding the Development does not abrogate its overall obligation to ensure Housing Society compliance with the GALI Property Management Agreement as contained in section B.1(b) of this Agreement.
12. **Capital Funds.** CRHC will not approve any payment under section C.1(b) of Schedule B of the GALI Property Management Agreement without the CRD's prior written approval, which the CRD may withhold in its absolute discretion.

C. RESPONSIBILITY OF CRD

1. **Role of CRD.** CRD's role is to support CRHC in meeting their common goal of operating the Development so as to provide affordable housing to Residents under the Funding Program, including such financial support provided to CRHC as provided herein under Schedule B, Part A.
2. **Provide Information.** CRD will provide the information required by CRHC to enable CRHC to carry out its responsibilities under this Agreement and will provide that information in a timely manner.

D. OPERATIONAL REVIEW

1. From time to time, CRD may conduct an onsite operational review to determine compliance with the terms of this Agreement and any other agreements between CRHC and CRD.
2. CRD will provide CRHC with 30 days' written notice of an operational review.

E. RECORDS

1. **Information Management.** CRHC will comply with all applicable privacy legislation and will maintain accurate and complete operational Records, policies and practices necessary for its obligations under this Agreement.
2. **Procedures and Processes.** CRHC will:
 - a. notify CRD in writing immediately upon becoming aware of any breach of privacy or security involving the unauthorized collection, use, disclosure or destruction of information relating to its obligations under this Agreement;
 - b. if the *Information Management Act* applies to the destruction of Records, notify CRD for consultation prior to the destruction; and
 - c. cooperate with CRD when CRD has a request under the *Freedom of Information and Protection of Privacy Act* (British Columbia) to which Records in CRHC's custody apply, by locating and disclosing the relevant Records as directed by CRD upon notice and without delay.
3. **Record Retention.** CRHC will retain all Records that pertain to its obligations under this Agreement for the retention period required under applicable provincial and federal laws, but for not less than seven years following the date of receipt or production of those Records.
4. **Audits.** CRD and its agents have the right to inspect all Records related to, arising from, or maintained by CRHC to deliver CRHC's obligations, including the right of CRD and its agents to enter any premises used by CRHC to deliver CRHC's obligations, or used to keep or store Records pertaining to CRHC's obligations under this Agreement, at any time after the delivery of notice to CRHC, and have the immediate right to make extracts from, and take copies of, those Records. CRHC acknowledges that disclosure to CRD and its agents, without consent from the individual the Record is about, for audit purposes, is permitted under information and privacy legislation.

F. LIABILITY

1. **Indemnity.** CRHC will indemnify and save harmless CRD, CRD directors, officers, employees, contractors, and agents, and their heirs, executors, administrators, personal representatives, successors and assigns, from all claims and costs arising directly or indirectly under this Agreement which they or any of them may be liable for or incur, whether before or after this Agreement ends, arising out of any act or omission of CRHC or its officers, directors, employees, agents, contractors or other persons for whom at law CRHC is responsible, related to CRHC's operation and management under this Agreement, including with respect to any Residency Agreement, except to the extent that such claims or costs are caused solely by the negligence of CRD or its employees, agents or contractors.
2. **Release.** CRHC releases CRD and its officers, directors, employees, contractors and agents, and their heirs, executors, administrators, personal representatives, successors and assigns, from all claims arising out of the advice or direction respecting the ownership, lease, operation or management given to CRHC, as the case may be, by any of them, except to the extent that such advice or direction is determined by a court of competent jurisdiction to have been negligent.
3. **Survival.** The obligations set out in *Schedule A, Part F, Clauses 1 and 2* survive termination of this Agreement.

G. DISPUTE RESOLUTION

1. If a dispute arises between the parties out of or in connection with this Agreement the parties agree that the following dispute resolution process will be used:
 - a. A meeting will be held promptly between the parties, attended by individuals with decision-making authority regarding the dispute, to attempt in good faith to negotiate a resolution of the dispute.
 - b. If, within 14 days after such meeting or such further period agreed to by the parties in writing, the parties have not succeeded in negotiating a resolution of the dispute, the parties agree to try to resolve the dispute by participating in a structured negotiation conference with a mediator agreed upon by the parties or, failing agreement, under the Mediation Rules of Procedure of the British Columbia International Commercial Arbitration Centre, in which case the appointing authority is the British Columbia International Commercial Arbitration Centre.
 - c. After dispute resolution attempts have been made under *Schedule A, Part G, Clauses 1.a-b*, any remaining issues in dispute will be determined by arbitration.
 - d. Under the *Arbitration Act* (British Columbia), and the decision of the Arbitrator will be final and binding and will not be subject to appeal on a question of fact, law, or mixed fact and law.

H. DEFAULT AND TERMINATION

1. **Event of Default.** Any of the following events will constitute an event of default by CRHC under this Agreement:
 - a. CRHC fails to comply with any provision of this Agreement;
 - b. CRHC fails to remain in good standing with the appropriate registry;
 - c. CRHC is in breach of, or fails to comply with, any applicable law, regulation, license or permit;
 - d. any representation or warranty made by CRHC under this Agreement is found to be untrue or incorrect; or
 - e. if CRHC knew or ought to have known any information, statement, certificate, report or other document furnished or submitted by, or on behalf of, CRHC pursuant to, or as a result of, this Agreement is untrue or incorrect.
2. **Default.** Upon the occurrence of any event of default set out in *Schedule A, Part H, Clause 1*, CRD will provide written notice to the CRHC which sets out the breach and the date by which the breach must be rectified. The CRHC will be given 30 days to rectify the breach or such longer period as determined solely by CRD.
3. **Termination on Continued Default.** If the CRHC fails to comply with a written notice given in accordance with this Agreement within the specified period of time, CRD, in its sole discretion, may immediately terminate this Agreement or appoint a receiver.
4. **Additional Remedies.** Upon the occurrence of any event of default set out in *Schedule A, Part H, Clause 1*, CRD may, in addition to and without prejudice to CRD obtaining any other remedy, reduce or suspend any payment that would otherwise be payable by CRD to CRHC pursuant to this Agreement.
5. **Appointment of Receiver.** As an alternative to exercising any right of termination provided under this Agreement, CRD may elect to appoint, or request a court of competent jurisdiction to appoint, a receiver, with or without bond as CRD or the court may determine and, from time to time, may remove any receiver so appointed and appoint another in its place, or request the court to do so. A receiver so appointed is not an officer or agent of CRD, and has all the necessary and exclusive power to deal with the obligations of this Agreement including the power to:
 - a. take control, possession and direction of the Development and CRHC's assets in connection with this Agreement, and carry on the business of CRHC in operating, managing and maintaining the assets in accordance with this Agreement;
 - b. demand and recover all the income of the Development by direct action, distress or otherwise, in the name of either CRHC or CRD;
 - c. observe or perform, on behalf of CRHC, all CRHC's obligations under this Agreement

- and any other contracts pertaining to the Development;
 - d. give receipts, on behalf of CRHC, for any money received; and
 - e. carry out such other powers as the court may order.
6. **Application of Revenue.** CRHC acknowledges that the receiver will apply the gross revenue from the Development, which it recovers or receives from time to time, as follows:
- a. firstly, in payment of all costs, charges and expenses of, or incidental to, the appointment of the receiver and the exercise by it of all or any of its powers, including the reasonable remuneration of the receiver which is to be approved by CRD, and all outgoings properly payable by the receiver, together with all legal costs in respect thereof on a solicitor and client basis;
 - b. secondly, in payment of all operating expenses for the Development;
 - c. thirdly, if required by CRD, in repayment of any applicable subsidies and accumulated funds; and
 - d. lastly, to pay any balance to CRD.
7. **No Liability.** CRHC acknowledges and agrees that:
- a. CRD will be under no liability to CRHC for any act or omission of the receiver; and
 - b. the receiver will be under no liability to CRHC for any act or omission of the receiver.
8. **Early Termination.** Notwithstanding anything stated to the contrary in this Agreement, the parties agree that CRD, at its sole determination, will have the right at any time, by giving 24 hours' written notice to CRHC, to terminate this Agreement in any of the following events:
- a. CRHC is in default under the Project Financing or otherwise fails to comply with any of the provisions of the Project Financing documentation;
 - b. upon the bankruptcy of CRHC or the appointment of a receiver in respect of CRHC;
 - c. upon CRHC ceasing to operate on a not-for-profit basis; and
 - d. upon the dissolution of CRHC.
9. **Adjustments on Termination.** Upon the termination of this Agreement, however effected, the parties will forthwith complete all necessary accounting and adjustments between them to effectively reconcile and finalize their obligations pursuant to this Agreement.

I. TERMINATION OF GALI PROPERTY MANAGEMENT AGREEMENT.

1. **Notice of Termination.** If the CRHC or the Housing Society provides notice of termination of the GALI Property Management Agreement, CRHC shall provide the CRD with written notice of the impending termination as soon as reasonably possible.
2. **Parties' Responsibilities Upon Termination of GALI Property Management Agreement.** Upon CRHC giving or receiving notice of termination of the GALI Property Management Agreement (the date of such notice referred to as the "**Notice Date**"):
- a. CRD will, subject to applicable procurement policies, undertake a search for an agreed replacement Provider (the "**New Provider**"). Should a New Provider be agreed upon, CRHC shall, subject to its applicable procurement policies, enter into a new Property Management Agreement with the New Provider on terms acceptable to the CRD (the "**New Property Management Agreement**"). Once the New Property Management Agreement has been entered into, all references to the GALI Property Management Agreement in this Agreement shall be deemed to be references to the New Property Management Agreement; and
 - b. The Parties shall make reasonable efforts to manage the Development in the interim using staff and resources available to them.
3. **New Provider Not Found.** In the event that within [**] days from the Notice Date, or such other period as agreed to by the Parties, a New Provider is not found or cannot be agreed upon, CRD will manage the Development, either using its own staff and resources, or through third party property management, at its expense and on terms mutually acceptable to the Parties, for so long as required until a New Property

Management Agreement can be entered into by CRHC with a New Provider.

J. GENERAL PROVISIONS AND INTERPRETATION

1. **Headings.** The headings in this Agreement form no part of the Agreement and will be deemed to have been inserted for convenience only.
2. **Notices.** All notices, demands or requests of any kind, which CRHC or CRD may be required or permitted to serve on the other in connection with this Agreement, will be in writing and may be served on the parties by registered mail, personal fax or other electronic transmission, to the addresses set out on the cover page. Any notice, demand or request made to CRD, to be effective, will be addressed to CRD representative assigned to this matter by CRD.
3. **Change of Address.** Either party from time to time, by notice in writing served upon the other party, may designate a different address or different or additional personnel to which all those notices, demands or requests are thereafter to be addressed.
4. **Time.** Time is of the essence of this Agreement. If either party expressly waives this requirement, that party may reinstate it by delivering notice to the other party. Any time specified pursuant to this Agreement for observing or performing an obligation is local time in Victoria, British Columbia.
5. **Governing Law.** This Agreement is to be governed by and construed and enforced in accordance with the laws of the Province of British Columbia, which will be deemed to be the proper law hereof and the courts of British Columbia will have the non-exclusive jurisdiction to determine all claims and disputes arising out of this Agreement and the validity, existence and enforceability hereof.
6. **Validity of Provisions.** If a court of competent jurisdiction finds that any part of this Agreement is invalid, illegal or unenforceable, that invalidity, illegality or unenforceability does not affect any other provisions of this Agreement. The balance of the Agreement is to be construed as if that invalid, illegal or unenforceable provision had never been included and is enforceable to the fullest extent permitted at law or at equity.
7. **Waiver.** No consent or waiver, expressed or implied, by a party of any default by the other party in observing or performing its obligations under this Agreement is effective unless given in writing, nor is it a consent or waiver of any other default. Failure on the part of either party to complain of any act or failure to act by the other party, or to declare the other party in default, irrespective of how long that failure continues, is not a waiver by that party of its rights under this Agreement or at law or at equity.
8. **Extent of Obligations and Costs.** Every obligation of each party in this Agreement extends throughout the Term. To the extent an obligation ought to have been observed or performed before or upon the expiry or earlier termination of the Term, that obligation, including any indemnity, survives the expiry or earlier termination of the Term until it has been observed or performed.
9. **Statutes.** Any reference in this Agreement to a provincial or federal statute includes the statute as it exists on the reference date of this Agreement and any subsequent amendments or replacements.
10. **Binding Effect.** This Agreement will enure to the benefit of, and be binding upon, the successors and permitted assigns of the parties, as applicable.
11. **Counterparts.** This Agreement may be validly executed and delivered by the parties hereto in any number of counterparts, and all counterparts, when executed and delivered, will together constitute one and the same instrument. Executed copies of the signature pages of this Agreement sent electronically will be treated as originals, fully binding and with full legal force and effect, and the parties hereto waive any rights they may have to object to such

treatment, provided that this treatment will be without prejudice to the obligation of the parties hereto to exchange original signatures as soon as is reasonably practicable after execution of this Agreement, but failure to do so will not affect the validity, enforceability or binding effect of this Agreement.

12. Assignment and Subcontracting.

- a. CRHC will not, without the prior written consent of CRD:
 - i. assign, either directly or indirectly, this Agreement or any right of CRHC under this Agreement; or
 - ii. except as regards the GALI Property Management Agreement, which is expressly consented to by CRD, subcontract any obligation of CRHC under this Agreement.
- b. No subcontract entered by CRHC will relieve CRHC of any of its obligations under this Agreement or impose upon CRD any obligation or liability arising from any such subcontract. CRHC must ensure that any subcontractor fully complies with this Agreement in performing the subcontracted services.

SCHEDULE B – FINANCIAL

A. FUNDING ASSISTANCE FROM CAPITAL REGIONAL DISTRICT

1. **CRD Indemnity.** CRD hereby indemnifies and covenants to pay and make whole CRHC in respect of any budget shortfall or cost overrun that results in a financial liability for CRHC (a “**CRHC Shortfall**”) arising from:
 - a. one or more shortfalls in payment of Monthly CRHC Remittances by the Housing Society to CRHC;
 - b. the inadequacy of the Capital Fund established by the Housing Society to meet costs for the maintenance, repair and replacement of Improvements, as these arise; and
 - c. expenditures for administrative costs, including but not limited to staffing, incurred by the CRHC in the operational handover to GALI of the Development except for such CHRC Shortfalls caused solely by the negligence of the CRHC, its directors, officers, employees, agents, or contractors, or by CHRC’s breach of this Agreement, including but not limited to a breach of the requirement to ensure the Housing Society complies with the GALI Property Management Agreement.
2. Excepting as provided in Part A, Section 1, CRD is not committed or obliged to make any other financial contribution to CRHC or to subsidize the ongoing operation of the Development.

B. REVENUES AND EXPENSES

1. **Rent.** The Rent for the Residents of the Development will be set as provided in the GALI Property Management Agreement.
2. **Revenues.** CRHC shall cause all Rents and other revenue for the Development to be collected, and cause all costs associated with the operation of the Development to be paid out of such revenues.
3. **Deficit.** CRHC is expressly not responsible to CRD for any operating shortfalls or extraordinary expenses, other than those caused by its own negligence or breach of this Agreement, and in the event of shortfalls, the provisions of Schedule B, Part A will apply.

C. CAPITAL FUND

1. **Capital Fund.** CRHC shall cause the Capital Fund, Routine Capital Plan and Depreciation Report to be created by the Housing Society to manage and fund capital repairs and replacements to the Improvements within the Development in accordance with the GALI Property Management Agreement.
2. **Capital Fund Expenditure.** CRHC shall ensure that Capital Funds are expended in accordance with the GALI Property Management Agreement.

D. ACCUMULATED OPERATING REVENUE

1. **Accumulated Operating Revenue.** CRHC shall ensure that Accumulated Operating Revenue is managed by the Housing Society in accordance with the GALI Property Management Agreement.

E. FINANCIAL MANAGEMENT AND ADMINISTRATION

1. **GALI Property Management Agreement to be Relied Upon.** The parties agree that Part E of Schedule B of the GALI Property Management Agreement will govern the obligations and expectations of the parties with respect to the financial management and administration of the Development by CRHC. For certainty, and without limiting any other provision of this Agreement, reference to the “Provider” will be read as “CRHC”, and reference to “CRHC” being read as “CRD”, it being acknowledged that CRHC will cause the Housing Society to fulfill the obligations of “Provider” set out in Part E of Schedule B of the GALI Property Management Agreement.

SCHEDULE C – RESIDENT SELECTION AND RESIDENCY AGREEMENTS

A. RESIDENT SELECTION AND RESIDENCY AGREEMENTS

1. CRD acknowledges that CRHC will manage and operate the Development with respect to resident selection and residency agreements under contract with the Housing Society in accordance with the GALI Property Management Agreement and shall ensure that resident selection and residency agreements are administered in accordance with that Agreement.

SCHEDULE D – INSURANCE

Intentionally omitted – covered by Lease

APPENDIX D

Proposed Rent Roll – To be Finalized on Project Completion

Distribution	# Homes	Home Type	Unit Area (sq. ft.)	Proposed Rent (\$)
Market Homes				
	6	1 Bed	605	1,350
	2	2 Bed	868	1,750
	4	3 Bed	1,200	2,100
Below Market Homes				
	2	Studio	450	997
	4	1 Bed	605	1,120
	2	2 Bed	868	1,322
Total	20			

Operating Budget

Revenue (\$)	
Gross Operating Income	351,366
Expenses (\$)	
General Operating Expenses	132,200
Replacement Reserve	42,000
Debt Service (Operations)	171,748
Total Expenses	345,948
Net Operating Income	5,418



CORE TWO

COST MANAGEMENT- LCC CLASS 'B' MODEL REPORT

Galiano Green

Galiano Island, BC

PREPARED FOR:

Capital Regional District

March 24, 2025

CONTENTS

1.0 INTRODUCTION..... 4

2.0 EXECUTIVE SUMMARY 6

3.0 APPROACH AND METHODOLOGY 7

4.0 BASIS AND ASSUMPTIONS..... 7

5.0 EXCLUSIONS 7

6.0 DOCUMENTS REVIEWED 8

7.0 RELIANCE UPON THE REPORT..... 8

APPENDICES

- APPENDIX 1: LIFE CYCLE PORTFOLIO SUMMARY
- APPENDIX 2: LIFE CYCLE PROFILE SUMMARY
- APPENDIX 3: LIFE CYCLE COST MODEL – BUILDING 1
- APPENDIX 4: LIFE CYCLE COST MODEL – BUILDING 2
- APPENDIX 5: LIFE CYCLE COST MODEL – BUILDING 3
- APPENDIX 6: LIFE CYCLE COST MODEL – BUILDING 4
- APPENDIX 7: LIFE CYCLE COST MODEL – BUILDING 4
- APPENDIX 8: LIFE CYCLE COST MODEL – SITE WORK
- APPENDIX 9: SCHEDULE OF APPROXIMATE FLOOR AREAS
- APPENDIX 10: SITE WORK EXTENT

1.0 INTRODUCTION

1.1 Instructions Received

This report has been prepared by Core Two Management Group Ltd ("Core Two") at the request of Capital Regional District. Core Two has been appointed to provide a Class 'B' Life Cycle Cost Model based on the BP Issue for Review design package received January 24, 2025, and from Capital Regional District and the Core Two capital cost plan issued March 11, 2025, for the Galiano Green project to be located at Galiano Island, BC.

1.2 Contacts

Should you have any queries regarding the content of this report, please do not hesitate to contact the following:

Angela Lai, Managing Partner, FRICS, PQS (F), P.SGC., LEED AP (O+M)



Tel: 604-760-3402
Email: angelalai@coretwo.ca

1.3 Purpose of the Report

The purpose of this report is to provide a forecast of the long-term maintenance costs (life cycle costs) based on the information made available to Core Two on January 24, 2025, by Capital Regional District and the Core Two capital cost plan issued March 11, 2025.

The life-cycle cost analysis presented in this report provides an estimate of the costs to perform major repair and replacement of construction components over a 30-year period (the assessment period). The life-cycle costs have been informed by the capital cost estimate (under a separate report)

Rev	Originator	Approved	Date
0	Angela Lai	Angela Lai	March 24, 2025
This document is expressly provided to and solely for the use of Capital Regional District and must not be quoted from, referred to, used by or distributed to any other party without the prior consent of Core Two who accept no liability of whatsoever nature for any use by any other party.			

This document is expressly provided to and solely for the use of Capital Regional District. The information must not be made available or copied or otherwise quoted or referred to in whole or in part in any way, including orally, to any other party without our express written permission and we accept no liability of whatsoever nature for any use by any other party.

2.0 EXECUTIVE SUMMARY

2.1 Project Background

The project consists of the construction of a housing project comprising four (4) two-storey residential buildings and a utility building to be located at Galiano Island, BC.

The project will provide a gross floor area of approximately 16,143ft² (3,639 m²) with hard/soft landscaping surrounding the building.

The structure is a slab on grade, wood frame structure with conventional pad and strip footings. The exterior cladding materials are fiber cement siding/panels with batten cladding, and a sloped standing seam metal roof system for the roof covering system. The interior finish is wood stud walls with painted gypsum wallboard. The floor finishes are sheet vinyl, carpet tiles, slip-resistant vinyl sheet flooring, luxury vinyl plank and sealed concrete to service areas.

The mechanical system consists of a standard plumbing system, a fire suppression system, and an HVAC system. The electrical system comprises power and distribution, lighting, communications, and a fire alarm system.

2.2 Financial overview

This Class 'B' Life Cycle Cost Model totals **\$3,048,941** (*excluding construction costs*) and **\$15,162,241** (*including construction costs*), exclusive of applicable taxes and items detailed in Section 5.0 of this life cycle costing report.

	Year 0 Construction Costs (\$)	Whole Life Cycle Costs – 30 years (excluding construction costs) (\$)	Whole Life Cycle Costs – 30 years (excluding construction costs) (\$)
Building 1	1,517,700	465,764	1,983,464
Building 2	2,191,200	660,132	2,851,332
Building 3	2,541,300	750,241	3,291,541
Building 4	1,517,700	465,764	1,983,464
Building 5	443,300	117,043	560,343
Site Works	3,902,100	589,996	4,492,096
TOTAL CONSTRUCTION COSTS	\$12,113,200	\$3,048,941	\$15,162,241

Key Conclusions (Lifecycle) - All Buildings including Site Works			
Average Annual Spend on Asset Replacement as percentage of Capex			
		\$	101,631
			0.84%

Please note the following:

- The above total is based on real costs;
- No discounting or escalation has been applied to these figures;
- The life cycle model assumes a 30-year assessment period;
- The estimate assumes a competitive bid process with at least 3 to 5 bids.

Please see Appendices for detail

3.0 APPROACH AND METHODOLOGY

Whole life-cycle costing can best be defined as a method of making an economic assessment of a facility over a defined period of time, in this case the assessment period is 30 years. The analysis for this report has taken into consideration periodic repair and replacement costs and facilities management costs.

The methodology utilized in preparing the whole life-cycle cost model can be summarized as follows:

The life-cycle repair and replacement costs were derived based on the capital replacement cost estimate (excluding demolition). The life-cycle cost plan has not considered ad hoc repair and replacement or accelerated wear due to user abuse.

Life expectancy data was obtained from recognized research construction publications, in-house data and where required research for on specialized items.

Life-cycle costs have been shown in real terms and no discounting or allowance for escalation has been included in the analysis.

4.0 BASIS AND ASSUMPTIONS

4.1 Information used

- Refer to Section 6.0 for a full list of information used for this estimate;
- This estimate has been prepared using the BP Issue for Review package received January 24, 2025, from Capital Regional District;
- Core Two Class 'B' cost plan report dated March 11, 2025.

4.2 Assumptions

- The whole life cycle analysis is based on a 30-year assessment period;
- Costs are current as of 1st Quarter 2025;
- Costs are based on gross floor areas (GFA) for each building. GFA is measured to the outer face of external walls in accordance with the method of measurement published by the Canadian Institute of Quantity Surveyors (CIQS).
- Replacement periods assume that the appropriate preventative maintenance is carried out, in accordance with industry practice and manufacturers' recommendations;
- The life-cycle costs have been calculated based on the following assumptions:
 - Unrestricted access to areas of work;
 - Replacement contracts procured on a competitive basis;
 - No unreasonable restrictions on work hours;
- Like-for-like replacement;
- Currency is Canadian Dollars (\$);
- Strip-out/preparation has been assumed at 10%. These costs have been included within the life-cycle cost analysis;
- Year 30 is the end of the assessment period; however, this does not necessarily constitute the end of the building life;
- Life-cycle analysis has been based on generic specifications of components.

5.0 EXCLUSIONS

The following are excluded but are known to have a cost impact and therefore need to be covered by other budgets within the overall Project Cost Budget. The list is intended only as a guide and cannot be relied upon to be exhaustive:

- Goods and Services Tax (GST);
- Cost Escalation over the duration of the concession period;
- Discount rate;
- Insurance;
- Allowances or costs for vandalism;
- Unforeseen maintenance and unscheduled repair;
- Accelerated/early deterioration of components due to severe weather exposure, atmospheric pollution, user abuse, etc.;

- Land costs;
- Professional fees and disbursements;
- Planning, administrative and financing costs;
- Legal fees and expenses;
- Building permits and development cost charges;
- Temporary facilities;
- Removal of hazardous materials;
- Loose furnishings;
- Movable appliances/equipment;
- Off-site work;
- Decanting & moving;
- Project commissioning;
- Change in design information from that noted in Section 6.0.

6.0 DOCUMENTS REVIEWED

The list below confirms the information received and reviewed in the preparation of the life cycle cost model:

DOCUMENT NAME	CONSULTANT	DESCRIPTION	DATED
Drawings / Plans			
Architectural Drawings	Mobius Architecture	Review	February 2, 2024
Structural Drawings	RJC Engineers	Issued for Progress	January 31, 2024
Landscape Drawings	PMG Landscape Architects	BP set for Internal Review	January 31, 2024
Civil Drawings	Gwaii Engineering	Issued for Coordination	January 31, 2024
Electrical Drawings	AB Consulting, Inc.	Issued for BP Review	January 30, 2024
Mechanical Drawings	AB Consulting, Inc.	Issued for BP Review	January 31, 2024
Fire Protection Drawings	TC Engineering Ltd.	Issued for BP Review	January 31, 2024
Sewer & Water Drawings	MSR Solutions Inc. Innovative Engineering Solutions	Issued for 90% Submission	January 29, 2024
Other			
Project Manual	Mobius Architecture	Issued for Construction Document Review	February 2, 2024
Project Manual (Volume 2)	Mobius Architecture	Issued for Review	February 2, 2024
Galiano Class 'B' Cost Plan Report	Core Two	Capital Cost Plan	March 11, 2025

7.0 RELIANCE UPON THE REPORT

Our life-cycle models are based on a prediction of what construction works will be required and when, in order to keep the buildings operational. It is important to note that life-cycle replacement cost prediction is not an exact science, as there are numerous factors that will influence the life of building components. Our models are intended to identify an estimated overall cost with an indication of when individual work is likely to be required.

There is a risk that life-cycle expenditure in a given year exceeds the life-cycle fund at that time, i.e., cash-flow risk.

APPENDIX 1

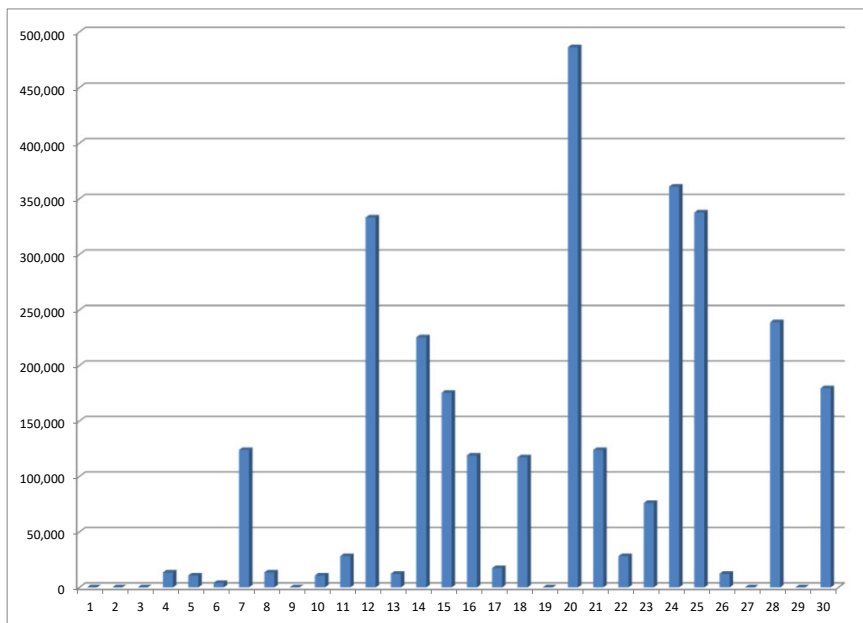
LIFE CYCLE PORTFLIO SUMMARY

PROJECT SUMMARY								
Project	Galiano Green - Life Cycle Cost Analysis				Date	March 21, 2025		
Client	Capital Regional District (CRD)				GFA (ft²)			
Brief Description of Project								
Housing project comprising four (4) two storey residential buildings and a utility building to be located on Galiano Island, BC - ALL								
Scope of Life Cycle Cost Model								
Life cycle replacement over a 30 year period								
30 year Elemental Life Cycle Cost Analysis - ELEMENTAL SUMMARY								
	Year 0 Construction Cost		Whole Life Cycle Costs - 30 Years (excluding construction Costs)			Whole Life Cycle Costs - 30 Years (including construction Costs)		
	\$	\$/ft² of gfa	Total \$	\$ pa	\$/ft² pa	Total \$	\$ pa	\$/m² pa
Life cycle replacement costs								
Building 1	1,517,700	431.41	465,764	15,525	4.41	1,983,464	66,115	18.79
Building 2	2,191,200	544.79	660,132	22,004	5.47	2,851,332	95,044	23.63
Building 3	2,541,300	561.37	750,241	25,008	5.52	3,291,541	109,718	24.24
Building 4	1,517,700	431.41	465,764	15,525	4.41	1,983,464	66,115	18.79
Building 5	443,300	794.44	117,043	3,901	6.99	560,343	18,678	33.47
Site Work	3,902,100	8.97	589,996	19,667	0.05	4,492,096	149,737	0.34
Life cycle replacement costs total:	12,113,200		3,048,941	101,631.37		15,162,241	505,408	

Key Conclusions (Lifecycle) - All Buildings including Site Works	
Average Annual Spend on Asset Replacement as percentage of Capex	\$ 101,631 0.84%

PORTFOLIO SUMMARY OF ANNUAL EXPENDITURE	
Annual expenditure to year 30 at:-	
Year	Life Cycle Cost
Capital Cost	0
1	0
2	0
3	0
4	13,558
5	10,769
6	4,104
7	123,904
8	13,558
9	0
10	10,769
11	28,181
12	333,204
13	12,342
14	225,447
15	175,462
16	118,961
17	17,424
18	117,239
19	0
20	486,311
21	123,904
22	28,181
23	76,109
24	360,913
25	337,687
26	12,342
27	0
28	239,005
29	0
30	179,566
SubTotal	3,048,941

FIGURE 1. PORTFOLIO LIFE CYCLE PROFILE



APPENDIX 2

LIFE CYCLE PROFILE SUMMARY

PORTFOLIO SUMMARY OF ANNUAL EXPENDITURE - PROFILE

Annual expenditure to year 30 at:-

Year								
	TOTAL	Building 1	Building 2	Building 3	Building 4	Building 5	Site Work	
Capital Cost	0	0	0	0	0	0	0	0
1	0	0	0	0	0	0	0	0
2	0	0	0	0	0	0	0	0
3	0	0	0	0	0	0	0	0
4	13,558	3,353	3,144	3,365	3,353	344	0	0
5	10,769	0	0	0	0	121	10,648	0
6	4,104	0	1,788	2,316	0	0	0	0
7	123,904	27,467	32,065	33,759	27,467	3,146	0	0
8	13,558	3,353	3,144	3,365	3,353	344	0	0
9	0	0	0	0	0	0	0	0
10	10,769	0	0	0	0	121	10,648	0
11	28,181	5,856	7,647	8,337	5,856	484	0	0
12	333,204	48,402	93,696	115,853	48,402	26,850	0	0
13	12,342	2,904	3,025	3,267	2,904	242	0	0
14	225,447	47,372	58,504	64,965	47,372	7,236	0	0
15	175,462	34,848	45,774	46,101	34,848	3,243	10,648	0
16	118,961	20,958	27,924	36,943	20,958	4,615	7,563	0
17	17,424	0	0	0	0	0	17,424	0
18	117,239	7,169	16,550	20,012	7,169	1,240	65,098	0
19	0	0	0	0	0	0	0	0
20	486,311	57,022	72,731	79,051	57,022	14,603	205,882	0
21	123,904	27,467	32,065	33,759	27,467	3,146	0	0
22	28,181	5,856	7,647	8,337	5,856	484	0	0
23	76,109	14,762	22,627	23,958	14,762	0	0	0
24	360,913	54,694	99,988	122,145	54,694	29,391	0	0
25	337,687	15,803	19,578	24,696	15,803	10,370	251,438	0
26	12,342	2,904	3,025	3,267	2,904	242	0	0
27	0	0	0	0	0	0	0	0
28	239,005	50,724	61,647	68,330	50,724	7,579	0	0
29	0	0	0	0	0	0	0	0
30	179,566	34,848	47,563	48,417	34,848	3,243	10,648	0
SubTotal	3,048,941	465,764	660,132	750,241	465,764	117,043	589,996	0

APPENDIX 3

LIFE CYCLE COST MODEL – BUILDING 1

PROJECT SUMMARY

Project	Galiano Green - Life Cycle Cost Analysis	Date	March 21, 2025
Client	Capital Regional District (CRD)	GFA (ft²)	3,518
Brief Description of Project			
Housing project comprising four (4) two storey residential buildings and a utility building to be located on Galiano Island, BC - Building 1			
Scope of Life Cycle Cost Model			
Life cycle replacement over a 30 year period			

30 year Elemental Life Cycle Cost Analysis - ELEMENTAL SUMMARY

	Year 0 Construction Cost		Whole Life Cycle Costs - 30 Years (excluding construction costs)			Whole Life Cycle Costs - 30 Years (including construction costs)		
	\$	\$/ft² of gfa	Total \$	\$ pa	\$/ft² pa	Total \$	\$ pa	\$/ft² pa
Life cycle replacement costs								
Substructure	108,500	30.84	-	-	-	108,500	3,616.67	1.03
Structure	161,400	45.88	-	-	-	161,400	5,380.00	1.53
Exterior Enclosure	335,400	95.34	62,378	2,079	0.59	397,778	13,259.26	3.77
Partitions and Doors	122,500	34.82	46,143	1,538	0.44	168,643	5,621.45	1.60
Finishes	94,200	26.78	182,323	6,077	1.73	276,523	9,217.43	2.62
Fittings and Equipment	53,200	15.12	58,655	1,955	0.56	111,855	3,728.49	1.06
Mechanical	214,200	60.89	71,193	2,373	0.67	285,393	9,513.09	2.70
Electrical	107,600	30.59	45,073	1,502	0.43	152,673	5,089.08	1.45
Site Work	-	-	-	-	-	-	-	-
Structure/Demolition	-	-	-	-	-	-	-	-
General requirements and fees	179,600	51.05	-	-	-	179,600	5,986.67	1.70
Design and Construction Allowance	141,100	40.11	-	-	-	141,100	4,703.33	1.34
Life cycle replacement costs subtotal:	1,517,700	431.41	465,764	15,525.47	4.41	1,983,464	66,115	18.79
Facilities Management Costs								
Janitorial								
Facility Maintenance	-	-						
Energy & utilities	-	-						
Facilities Management Costs subtotal:			-	-	-	-	-	-
Total								

Key Conclusions (Lifecycle)

Average Annual Spend on Asset Replacement

\$ 15,525
1.02%

Average Annual Spend on Asset Replacement
per metre squared per annum

\$ 4.41 /ft²/pa

SUMMARY OF ANNUAL EXPENDITURE

Annual expenditure to year 30 at:-

Year	Life Cycle Cost
Capital Cost	0
1	0
2	0
3	0
4	3,353
5	0
6	0
7	27,467
8	3,353
9	0
10	0
11	5,856
12	48,402
13	2,904
14	47,372
15	34,848
16	20,958
17	0
18	7,169
19	0
20	57,022
21	27,467
22	5,856
23	14,762
24	54,694
25	15,803
26	2,904
27	0
28	50,724
29	0
30	34,848
SubTotal	465,764

[illegible]

APPENDIX 4

LIFE CYCLE COST MODEL – BUILDING 2

PROJECT SUMMARY

Project	Galiano Green - Life Cycle Cost Analysis	Date	March 21, 2025
Client	Capital Regional District (CRD)	GFA (ft²)	4,022
Brief Description of Project			
Housing project comprising four (4) two storey residential buildings and a utility building to be located on Galiano Island, BC - Building 2			
Scope of Life Cycle Cost Model			
Life cycle replacement over a 30 year period			

30 year Elemental Life Cycle Cost Analysis - ELEMENTAL SUMMARY

	Year 0 Construction Cost		Whole Life Cycle Costs - 30 Years (excluding construction costs)			Whole Life Cycle Costs - 30 Years (including construction costs)		
	\$	\$/ft² of gfa	Total \$	\$ pa	\$/ft² pa	Total \$	\$ pa	\$/ft² pa
Life cycle replacement costs								
Substructure	141,400	35.16	-	-	-	141,400	4,713.33	1.17
Structure	132,900	33.04	-	-	-	132,900	4,430.00	1.10
Exterior Enclosure	632,000	157.13	105,495	3,517	0.87	737,495	24,583.17	6.11
Partitions and Doors	133,300	33.14	56,882	1,896	0.47	190,182	6,339.40	1.58
Finishes	127,600	31.72	209,862	6,995	1.74	337,462	11,248.75	2.80
Fittings and Equipment	101,200	25.16	118,096	3,937	0.98	219,296	7,309.87	1.82
Mechanical	299,600	74.49	97,723	3,257	0.81	397,323	13,244.11	3.29
Electrical	160,300	39.85	72,074	2,402	0.60	232,374	7,745.79	1.93
Site Work	-	-	-	-	-	-	-	-
Structure/Demolition	-	-	-	-	-	-	-	-
General requirements and fees	259,200	64.44	-	-	-	259,200	8,640.00	2.15
Design and Construction Allowance	203,700	50.65	-	-	-	203,700	6,790.00	1.69
Life cycle replacement costs subtotal:	2,191,200	544.79	660,132	22,004.41	5.47	2,851,332	95,044	23.63
Facilities Management Costs								
Janitorial	-	-	-	-	-	-	-	-
Facility Maintenance	-	-	-	-	-	-	-	-
Energy & utilities	-	-	-	-	-	-	-	-
Facilities Management Costs subtotal:			-	-	-	-	-	-
Total								

Key Conclusions (Lifecycle)

Average Annual Spend on Asset Replacement	
	\$ 22,004 1.00%
Average Annual Spend on Asset Replacement per metre squared per annum	
	\$ 5.47 /ft²/pa

SUMMARY OF ANNUAL EXPENDITURE

Annual expenditure to year 30 at:-

Year	Life Cycle Cost
Capital Cost	0
1	0
2	0
3	0
4	3,144
5	0
6	1,788
7	32,065
8	3,144
9	0
10	0
11	7,647
12	93,696
13	3,025
14	58,504
15	45,774
16	27,924
17	0
18	16,550
19	0
20	72,731
21	32,065
22	7,647
23	22,627
24	99,988
25	19,578
26	3,025
27	0
28	61,647
29	0
30	47,563
SubTotal	660,132

[illegible]

APPENDIX 5

LIFE CYCLE COST MODEL – BUILDING 3

PROJECT SUMMARY

Project	Galiano Green - Life Cycle Cost Analysis	Date	March 21, 2025
Client	Capital Regional District (CRD)	GFA (ft²)	4,527
Brief Description of Project			
Housing project comprising four (4) two storey residential buildings and a utility building to be located on Galiano Island, BC - Building 3			
Scope of Life Cycle Cost Model			
Life cycle replacement over a 30 year period			

30 year Elemental Life Cycle Cost Analysis - ELEMENTAL SUMMARY

	Year 0 Construction Cost		Whole Life Cycle Costs - 30 Years (excluding construction costs)			Whole Life Cycle Costs - 30 Years (including construction costs)		
	\$	\$/ft² of gfa	Total \$	\$ pa	\$/ft² pa	Total \$	\$ pa	\$/ft² pa
Life cycle replacement costs								
Substructure	157,400	34.77	-	-	-	157,400	5,246.67	1.16
Structure	148,700	32.85	-	-	-	148,700	4,956.67	1.09
Exterior Enclosure	761,800	168.28	124,645	4,155	0.92	886,445	29,548.15	6.53
Partitions and Doors	152,600	33.71	59,478	1,983	0.44	212,078	7,069.25	1.56
Finishes	140,500	31.04	229,876	7,663	1.69	370,376	12,345.86	2.73
Fittings and Equipment	129,100	28.52	154,124	5,137	1.13	283,224	9,440.79	2.09
Mechanical	348,800	77.05	112,212	3,740	0.83	461,012	15,367.06	3.39
Electrical	165,500	36.56	69,908	2,330	0.51	235,408	7,846.93	1.73
Site Work	-	-	-	-	-	-	-	-
Structure/Demolition	-	-	-	-	-	-	-	-
General requirements and fees	300,600	66.40	-	-	-	300,600	10,020.00	2.21
Design Allowance	236,300	52.20	-	-	-	236,300	7,876.67	1.74
Life cycle replacement costs subtotal:	2,541,300	561.37	750,241	25,008.04	5.52	3,291,541	109,718	24.24
Facilities Management Costs								
Janitorial				FM EXCLUDED				
Facility Maintenance	-	-						
Energy & utilities	-	-						
Facilities Management Costs subtotal:			-	-	-	-	-	-
Total								

Key Conclusions (Lifecycle)

Average Annual Spend on Asset Replacement	
	\$ 25,008 0.98%
Average Annual Spend on Asset Replacement per metre squared per annum	
	\$ 5.52 /ft²/pa

SUMMARY OF ANNUAL EXPENDITURE

Annual expenditure to year 30 at:-

Year	Life Cycle Cost
Capital Cost	0
1	0
2	0
3	0
4	3,365
5	0
6	2,316
7	33,759
8	3,365
9	0
10	0
11	8,337
12	115,853
13	3,267
14	64,965
15	46,101
16	36,943
17	0
18	20,012
19	0
20	79,051
21	33,759
22	8,337
23	23,958
24	122,145
25	24,696
26	3,267
27	0
28	68,330
29	0
30	48,417
SubTotal	750,241

[illegible]

APPENDIX 6

LIFE CYCLE COST MODEL – BUILDING 4

PROJECT SUMMARY

Project	Galiano Green - Life Cycle Cost Analysis	Date	March 21, 2025
Client	Capital Regional District (CRD)	GFA (ft²)	3,518
Brief Description of Project			
Housing project comprising four (4) two storey residential buildings and a utility building to be located on Galiano Island, BC - Building 4			
Scope of Life Cycle Cost Model			
Life cycle replacement over a 30 year period			

30 year Elemental Life Cycle Cost Analysis - ELEMENTAL SUMMARY

	Year 0 Construction Cost		Whole Life Cycle Costs - 30 Years (excluding construction costs)			Whole Life Cycle Costs - 30 Years (including construction costs)		
	\$	\$/ft² of gfa	Total \$	\$ pa	\$/ft² pa	Total \$	\$ pa	\$/ft² pa
Life cycle replacement costs								
Substructure	108,500	30.84	-	-	-	108,500	3,616.67	1.03
Structure	161,400	45.88	-	-	-	161,400	5,380.00	1.53
Exterior Enclosure	335,400	95.34	62,378	2,079	0.59	397,778	13,259.26	3.77
Partitions and Doors	122,500	34.82	46,143	1,538	0.44	168,643	5,621.45	1.60
Finishes	94,200	26.78	182,323	6,077	1.73	276,523	9,217.43	2.62
Fittings and Equipment	53,200	15.12	58,655	1,955	0.56	111,855	3,728.49	1.06
Mechanical	214,200	60.89	71,193	2,373	0.67	285,393	9,513.09	2.70
Electrical	107,600	30.59	45,073	1,502	0.43	152,673	5,089.08	1.45
Site Work	-	-	-	-	-	-	-	-
Structure/Demolition	-	-	-	-	-	-	-	-
General requirements and fees	179,600	51.05	-	-	-	179,600	5,986.67	1.70
Design Allowance	141,100	40.11	-	-	-	141,100	4,703.33	1.34
Life cycle replacement costs subtotal:	1,517,700	431.41	465,764	15,525.47	4.41	1,983,464	66,115	18.79
Facilities Management Costs								
Janitorial				FM EXCLUDED				
Facility Maintenance	-	-						
Energy & utilities	-	-						
Facilities Management Costs subtotal:			-	-	-	-	-	-
Total								

Key Conclusions (Lifecycle)

Average Annual Spend on Asset Replacement

\$ 15,525
1.02%

Average Annual Spend on Asset Replacement
per metre squared per annum

\$ 4.41 /ft²/pa

SUMMARY OF ANNUAL EXPENDITURE

Annual expenditure to year 30 at:-

Year	Life Cycle Cost
Capital Cost	0
1	0
2	0
3	0
4	3,353
5	0
6	0
7	27,467
8	3,353
9	0
10	0
11	5,856
12	48,402
13	2,904
14	47,372
15	34,848
16	20,958
17	0
18	7,169
19	0
20	57,022
21	27,467
22	5,856
23	14,762
24	54,694
25	15,803
26	2,904
27	0
28	50,724
29	0
30	34,848
SubTotal	465,764

APPENDIX 7

LIFE CYCLE COST MODEL – BUILDING 5

PROJECT SUMMARY

Project	Galiano Green - Life Cycle Cost Analysis	Date	March 21, 2025
Client	Capital Regional District (CRD)	GFA (ft²)	558
Brief Description of Project			
Housing project comprising four (4) two storey residential buildingd and a utility building to be located on Galiano Island, BC - Building 5 (Utility Building)			
Scope of Life Cycle Cost Model			
Life cycle replacement over a 30 year period			

30 year Elemental Life Cycle Cost Analysis - ELEMENTAL SUMMARY

	Year 0 Construction Cost		Whole Life Cycle Costs - 30 Years (excluding construction costs)			Whole Life Cycle Costs - 30 Years (including construction costs)		
	\$	\$/ft² of gfa	Total \$	\$ pa	\$/ft² pa	Total \$	\$ pa	\$/ft² pa
Life cycle replacement costs								
Substructure	48,500	86.92	-	-	-	48,500	1,616.67	2.90
Structure	27,800	49.82	-	-	-	27,800	926.67	1.66
Exterior Enclosure	112,900	202.33	23,762	792	1.42	136,662	4,555.40	8.16
Partitions and Doors	5,400	9.68	-	-	-	5,400	180.00	0.32
Finishes	48,300	86.56	25,047	835	1.50	73,347	2,444.90	4.38
Fittings and Equipment	21,700	38.89	38,206	1,274	2.28	59,906	1,996.86	3.58
Mechanical	52,300	93.73	15,369	512	0.92	67,669	2,255.65	4.04
Electrical	32,700	58.60	14,659	489	0.88	47,359	1,578.64	2.83
Site Work	-	-	-	-	-	-	-	-
Structure/Demolition	-	-	-	-	-	-	-	-
General requirements and fees	52,500	94.09	-	-	-	52,500	1,750.00	3.14
Design and Construction Allowance	41,200	73.84	-	-	-	41,200	1,373.33	2.46
Life cycle replacement costs subtotal:	443,300	794.44	117,043	3,901.44	6.99	560,343	18,678	33.47
Facilities Management Costs								
Janitorial				FM EXCLUDED				
Facility Maintenance	-	-						
Energy & utilities	-	-						
Facilities Management Costs subtotal:			-	-	-	-	-	-
Total								

Key Conclusions (Lifecycle)

Average Annual Spend on Asset Replacement

\$ 3,901
0.88%

Average Annual Spend on Asset Replacement
per metre squared per annum

\$ 6.99 /ft²/pa

SUMMARY OF ANNUAL EXPENDITURE

Annual expenditure to year 30 at:-

Year	Life Cycle Cost
Capital Cost	0
1	0
2	0
3	0
4	344
5	121
6	0
7	3,146
8	344
9	0
10	121
11	484
12	26,850
13	242
14	7,236
15	3,243
16	4,615
17	0
18	1,240
19	0
20	14,603
21	3,146
22	484
23	0
24	29,391
25	10,370
26	242
27	0
28	7,579
29	0
30	3,243
SubTotal	117,043

[illegible]

APPENDIX 8

LIFE CYCLE COST MODEL – SITE WORK

PROJECT SUMMARY

Project	Galiano Green - Life Cycle Cost Analysis	Date	March 21, 2025
Client	Capital Regional District (CRD)	GFA (ft²)	435,007
Brief Description of Project			
Housing project comprising four (4) two storey residential buildings and a utility building to be located on Galiano Island, BC - Site Works			
Scope of Life Cycle Cost Model			
Life cycle replacement over a 30 year period			

30 year Elemental Life Cycle Cost Analysis - ELEMENTAL SUMMARY

	Year 0 Construction Cost		Whole Life Cycle Costs - 30 Years (excluding construction costs)			Whole Life Cycle Costs - 30 Years (including construction costs)		
	\$	\$/ft² of gfa	Total \$	\$ pa	\$/ft² pa	Total \$	\$ pa	\$/ft² pa
Life cycle replacement costs								
Substructure	-	-	-	-	-	-	-	-
Structure	-	-	-	-	-	-	-	-
Exterior Enclosure	-	-	-	-	-	-	-	-
Partitions and Doors	-	-	-	-	-	-	-	-
Finishes	-	-	-	-	-	-	-	-
Fittings and Equipment	-	-	-	-	-	-	-	-
Mechanical	-	-	-	-	-	-	-	-
Electrical	-	-	-	-	-	-	-	-
Site Work	3,077,600	7.07	589,996	19,667	0.05	3,667,596	122,253.20	0.28
Structure/Demolition	-	-	-	-	-	-	-	-
General requirements and fees	461,700	1.06	-	-	-	461,700	15,390.00	0.04
Design and Construction Allowance	362,800	0.83	-	-	-	362,800	12,093.33	0.03
Life cycle replacement costs subtotal:	3,902,100	8.97	589,996	19,666.53	0.05	4,492,096	149,737	0.34
Facilities Management Costs								
Janitorial				FM EXCLUDED				
Facility Maintenance	-	-						
Energy & utilities	-	-						
Facilities Management Costs subtotal:			-	-	-	-	-	-
Total								

Key Conclusions (Lifecycle)

Average Annual Spend on Asset Replacement	
	\$ 19,667 0.50%
Average Annual Spend on Asset Replacement per metre squared per annum	
	\$ 0.05 /ft²/pa

SUMMARY OF ANNUAL EXPENDITURE

Annual expenditure to year 30 at:-

Year	Life Cycle Cost
Capital Cost	0
1	0
2	0
3	0
4	0
5	10,648
6	0
7	0
8	0
9	0
10	10,648
11	0
12	0
13	0
14	0
15	10,648
16	7,563
17	17,424
18	65,098
19	0
20	205,882
21	0
22	0
23	0
24	0
25	251,438
26	0
27	0
28	0
29	0
30	10,648
SubTotal	589,996

APPENDIX 8

SCHEDULE OF APPROXIMATE FLOOR AREAS

AREA SCHEDULE (IMPERIAL)

	ft ²					ft	
	Residential	Utility	Circulation	Shaft	Int.&Ext. Walls	GFA	Per.
Above Grade							
Lower Floor	7,102	487	-	-	1,075	8,664	978
Upper Floor	6,484	-	-	-	995	7,479	786
Above Grade Total	13,587	487	-	-	2,070	16,143	1,764
Project Total	13,587	487			2,070	16,143	1,764

Net Building 1			
Residential			
Residential Units-BLDG 1		3,023	
Resi. Unit-Living Area-BLDG 1	2,625		
Resi. Unit-Bathroom-BLDG 1	193		
Resi. Unit-Stairs-BLDG 1	205		
Services-BLDG 1		25	
			3,048
Int.&Ext. Walls			
Int.&Ext. Walls		469	
			469
Total Building 1 GFA			3,518

Net Building 2			
Residential			
Residential Units-BLDG 2		3,482	
Resi. Unit-Living Area-BLDG 2	3,153		
Resi. Unit-Bathroom-BLDG 2	330		
Services-BLDG 2		45	
			3,527
Int.&Ext. Walls			
Int.&Ext. Walls		495	
			495
Total Building 2 GFA			4,022

Net Building 3			
Residential			
Residential Units-BLDG 3		3,904	
Resi. Unit-Living Area-BLDG 3	3,476		
Resi. Unit-Bathroom-BLDG 3	428		
Services-BLDG 3		58	
			3,963
Int.&Ext. Walls			
Int.&Ext. Walls		564	
			564
Total Building 3 GFA			4,527

Grossing Factor- Total (Building 1 to 5)		
Residential	13,587	84%
Utility	487	3%
Int. & Ext. Walls	2,070	13%
Total	16,143	100%

Grossing Factor- Building 1		
Residential	3,048	87%
Int. & Ext. Walls	469	13%
Total	3,518	100%

Grossing Factor- Building 2		
Residential	3,527	88%
Int. & Ext. Walls	495	12%
Total	4,022	100%

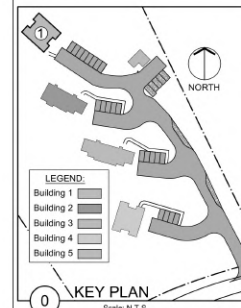
Grossing Factor- Building 3		
Residential	3,963	88%
Int. & Ext. Walls	564	12%
Total	4,527	100%

Grossing Factor- Building 4		
Residential	3,048	87%
Int. & Ext. Walls	469	13%
Total	3,518	100%

Grossing Factor- Building 5		
Utility	487	87%
Int. & Ext. Walls	72	13%
Total	558	100%

Net Building 4			
Residential			
Residential Units-BLDG 4		3,023	
Resi. Unit-Living Area-BLDG 4	2,625		
Resi. Unit-Bathroom-BLDG 4	193		
Resi. Unit-Stairs-BLDG 4	205		
Services-BLDG 4		25	
			3,048
Int.&Ext. Walls			
Int.&Ext. Walls		469	
			469
Total Building 4 GFA			3,518

Net Building 5			
Utility			
Laundry-BLDG 5		140	
Treatment-BLDG 5		205	
Storage-BLDG 5		142	
			487
Int.&Ext. Walls			
Int.&Ext. Walls		72	
			72
Total Building 5 GFA			558



Scale: N.T.S.

- GENERAL NOTES**
- SEE FOUNDATION PLAN A-119 FOR CENTRE OF POST LOCATION
 - SHEAR WALLS ARE INDICATED FOR LAYOUT ONLY. SEE STRUCTURAL DRAWINGS FOR ALL STRUCTURAL SPECIFICATIONS AND DETAILS
 - SEE A-101 AND A-111 FOR UNIT PLANS
 - SEE UNIT DRAWINGS FOR DOOR AND WINDOW REFERENCE
 - TAKE INTERIOR WALL ASSEMBLIES AND DIMENSIONS
 - SEE INTERIOR DESIGN DRAWINGS FOR DETAILS
 - SEE FIRE RATING SCHEDULES FOR FIRE RESISTANT REQUIREMENTS
 - SEE ELECTRICAL MECHANICAL DRAWINGS FOR DETAILS
 - SEE PROJECT MANUAL FOR SCHEDULES
 - SEE LANDSCAPE FOR DETAILS
 - SEE CIVIL AND ELECTRICAL FOR MAIN UTILITY CONNECTIONS

CONTRACTOR MUST VERIFY ALL DIMENSIONS ON THE JOB AND REPORT ANY DISCREPANCY TO ARCHITECT BEFORE PROCEEDING WITH THE WORK.

ALL DRAWINGS AND SPECIFICATIONS ARE THE PROPERTY OF THE ARCHITECT AND MUST BE RETURNED AT THE COMPLETION OF THE WORK.

THIS DRAWING IS NOT TO BE USED FOR CONSTRUCTION UNTIL COUNTERSIGNED

SIGNED _____ DATE _____

SEALS _____

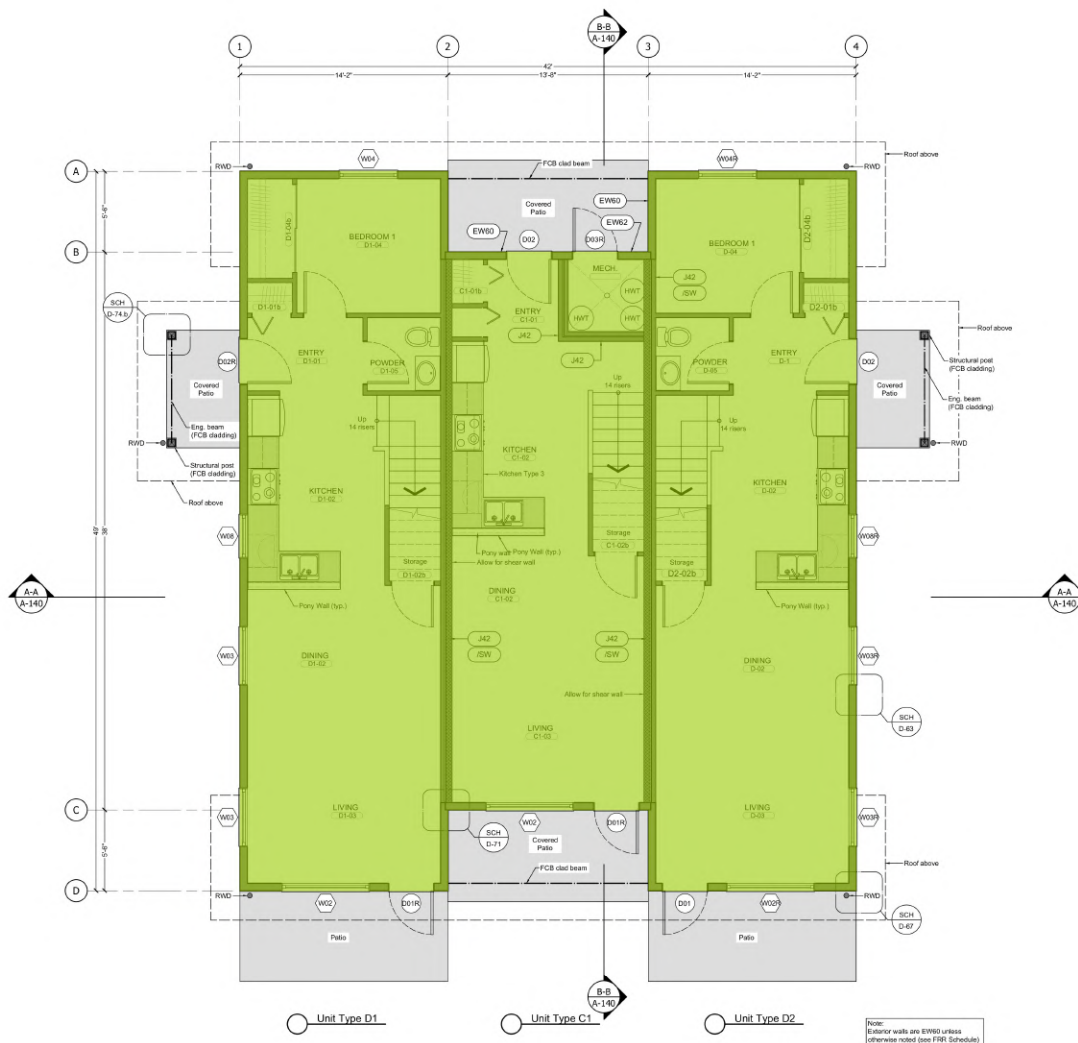
REV	DATE	ISSUE FOR	DESCRIPTION
1	February 2, 2016	REVIEW	

PROJECT NR: 2016
CLIENT PR NR:

Galiano Green
SITE ADDRESS: 409 Portier Pass Rd. Galiano Island, BC
CLIENT: _____ PHONE: _____

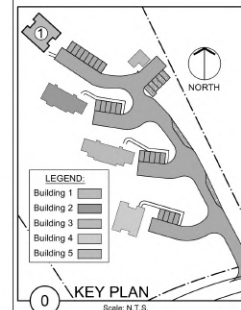
BUILDING 1 - TYPE A LOWER FLOOR PLAN

SCALE: 1/4" EQ. 1' DATE: A-111



1 LOWER FLOOR PLAN
Scale: 1/4" = 1'-0"

MOBIUS ARCHITECTURE
34720 HIGHWAY 101
SEASIDE, BC, V7Z2R6
PHONE: 604 885 4390
FAX: 604 885 4312



GENERAL NOTES

- SHEAR WALL ARE INDICATED FOR LAYOUT ONLY. SEE STRUCTURAL DRAWINGS FOR ALL STRUCTURAL SPECIFICATIONS AND DETAILS.
- SEE A-101 AND A-121 FOR UNIT PLANS.
- SEE UNIT DRAWINGS FOR DOOR AND WINDOW REFERENCE TAGS, INTERIOR WALL ASSEMBLIES AND DIMENSIONS.
- SEE INTERIOR DESIGN DRAWINGS FOR DETAILS.
- SEE FIRE DRAWING SCHEDULES FOR FIRE RESISTANT REQUIREMENTS.
- SEE ELECTRICAL MECHANICAL DRAWINGS FOR DETAILS.
- SEE PROJECT MANUAL FOR SCHEDULES.
- SEE CIVIL AND ELECTRICAL FOR MAIN UTILITY CONNECTIONS.

CONTRACTOR MUST VERIFY ALL DIMENSIONS ON THE JOB AND REPORT ANY DISCREPANCY TO ARCHITECT BEFORE PROCEEDING WITH THE WORK.

ALL DRAWINGS AND SPECIFICATIONS ARE THE PROPERTY OF THE ARCHITECT AND MUST BE RETURNED AT THE COMPLETION OF THE WORK.

THIS DRAWING IS NOT TO BE USED FOR CONSTRUCTION UNTIL COUNTERSIGNED.

SIGNED _____ DATE _____
SEALS _____

REVISIONS
REV DATE ISSUE FOR DESCRIPTION

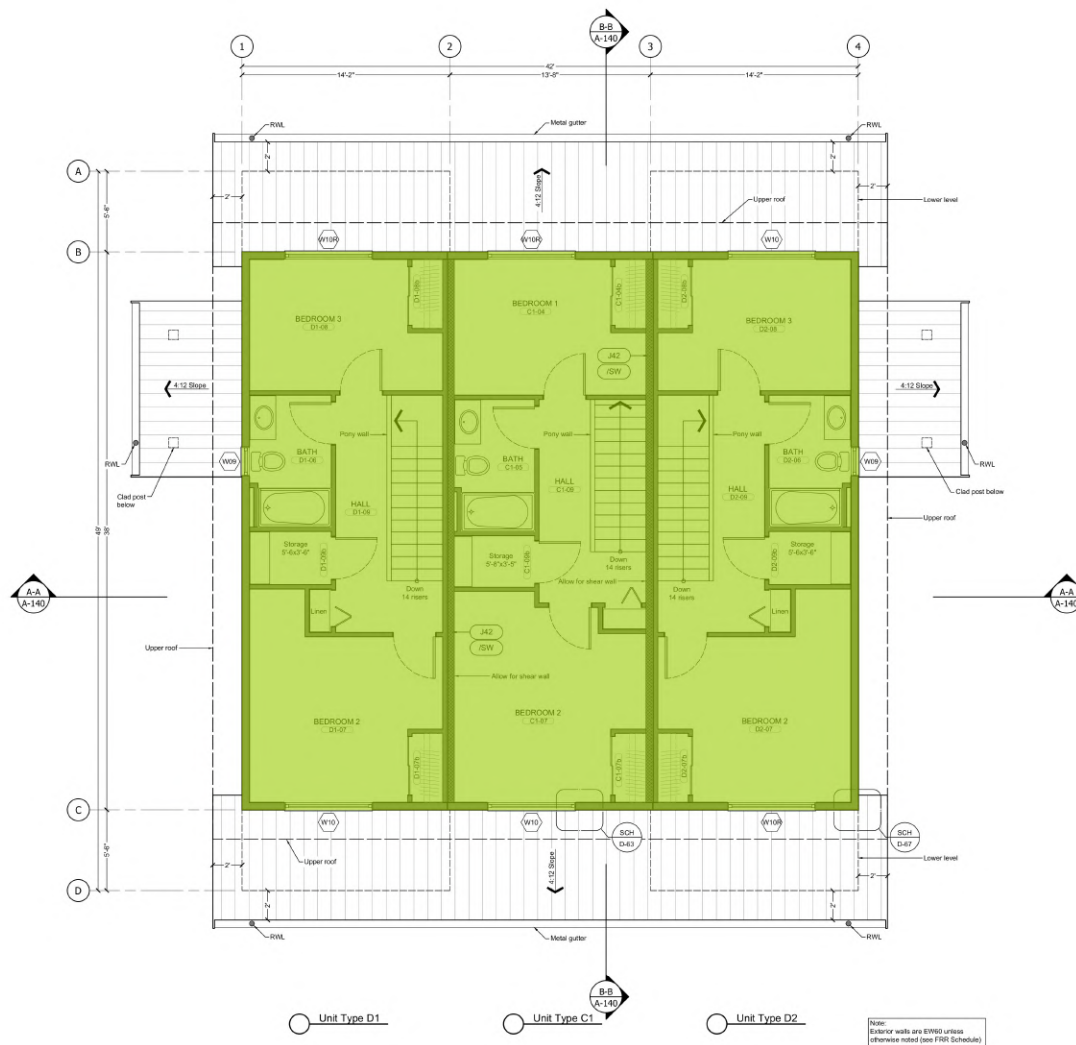
PROJECT NR: 2016
CLIENT PR NR:

Galiano Green

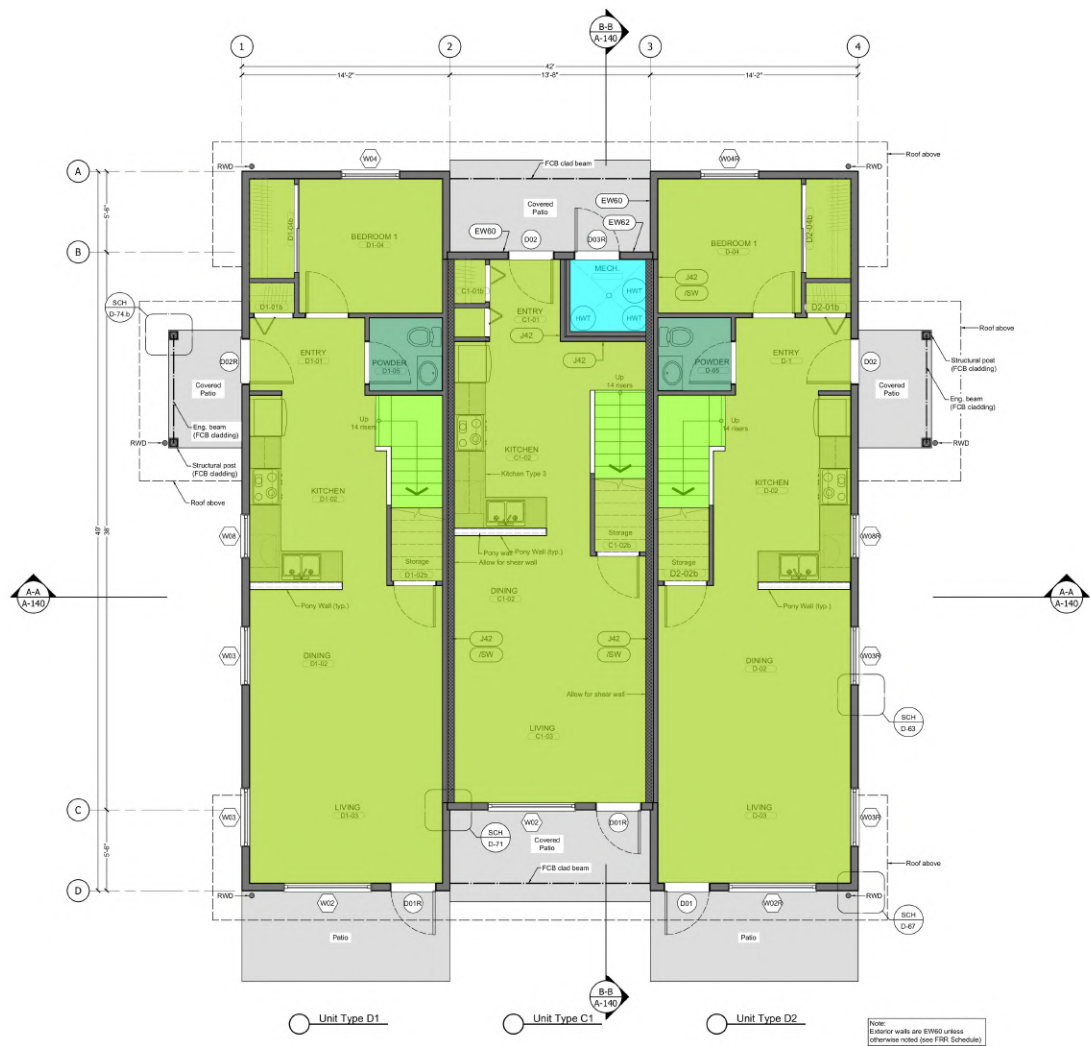
SITE ADDRESS: 409 Portier Rd, Galiano Island, BC
CLIENT: PHONE:

BUILDING 1 - TYPE A UPPER FLOOR PLAN

SCALE: 1/4" EQ. 1' DATE: A-112



1 UPPER FLOOR PLAN
Scale: 1/4" = 1'-0"



1 LOWER FLOOR PLAN
Scale: 1/4" = 1'-0"

- BLDG 1 - UNIT LIVING AREA, LOWER
- BLDG 1 - UNIT BATHROOM, LOWER
- BLDG 1 - UNIT STAIRS, LOWER
- BLDG 1 - SERVICES, LOWER

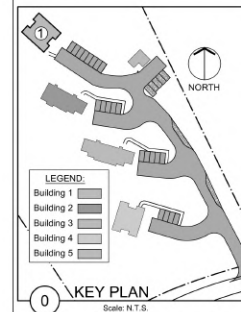
1522.9 SQ FT

49.0 SQ FT

81.7 SQ FT

25.1 SQ FT

MOBIUS ARCHITECTURE
34720 HIGHWAY 101
SEASIDE, BC, V7Z2G6
PHONE: 604 885 4390
FAX: 604 885 4312



- GENERAL NOTES
- SEE FOUNDATION PLAN A-119 FOR CENTRE OF POST LOCATION
 - SEE SHEAR WALLS ARE INDICATED FOR LAYOUT ONLY. SEE STRUCTURAL DRAWINGS FOR ALL STRUCTURAL SPECIFICATIONS AND DETAILS
 - SEE A-101 AND A-111 FOR UNIT PLANS
 - SEE UNIT DRAWINGS FOR DOOR AND WINDOW REFERENCE
 - SEE INTERIOR WALL ASSEMBLIES AND DIMENSIONS
 - SEE INTERIOR DESIGN DRAWINGS FOR DETAILS
 - SEE FIRE RATING SCHEDULES FOR FIRE RESISTANT REQUIREMENTS
 - SEE ELECTRICAL MECHANICAL DRAWINGS FOR DETAILS
 - SEE PROJECT MANUAL FOR SCHEDULES
 - SEE LANDSCAPE FOR DETAILS
 - SEE CIVIL AND ELECTRICAL FOR MAIN UTILITY CONNECTIONS

CONTRACTOR MUST VERIFY ALL DIMENSIONS ON THE JOB AND REPORT ANY DISCREPANCY TO ARCHITECT BEFORE PROCEEDING WITH THE WORK.

ALL DRAWINGS AND SPECIFICATIONS ARE THE PROPERTY OF THE ARCHITECT AND MUST BE RETURNED AT THE COMPLETION OF THE WORK.

THIS DRAWING IS NOT TO BE USED FOR CONSTRUCTION UNTIL COUNTERSIGNED

SIGNED _____ DATE _____

SEALS _____

REVISIONS

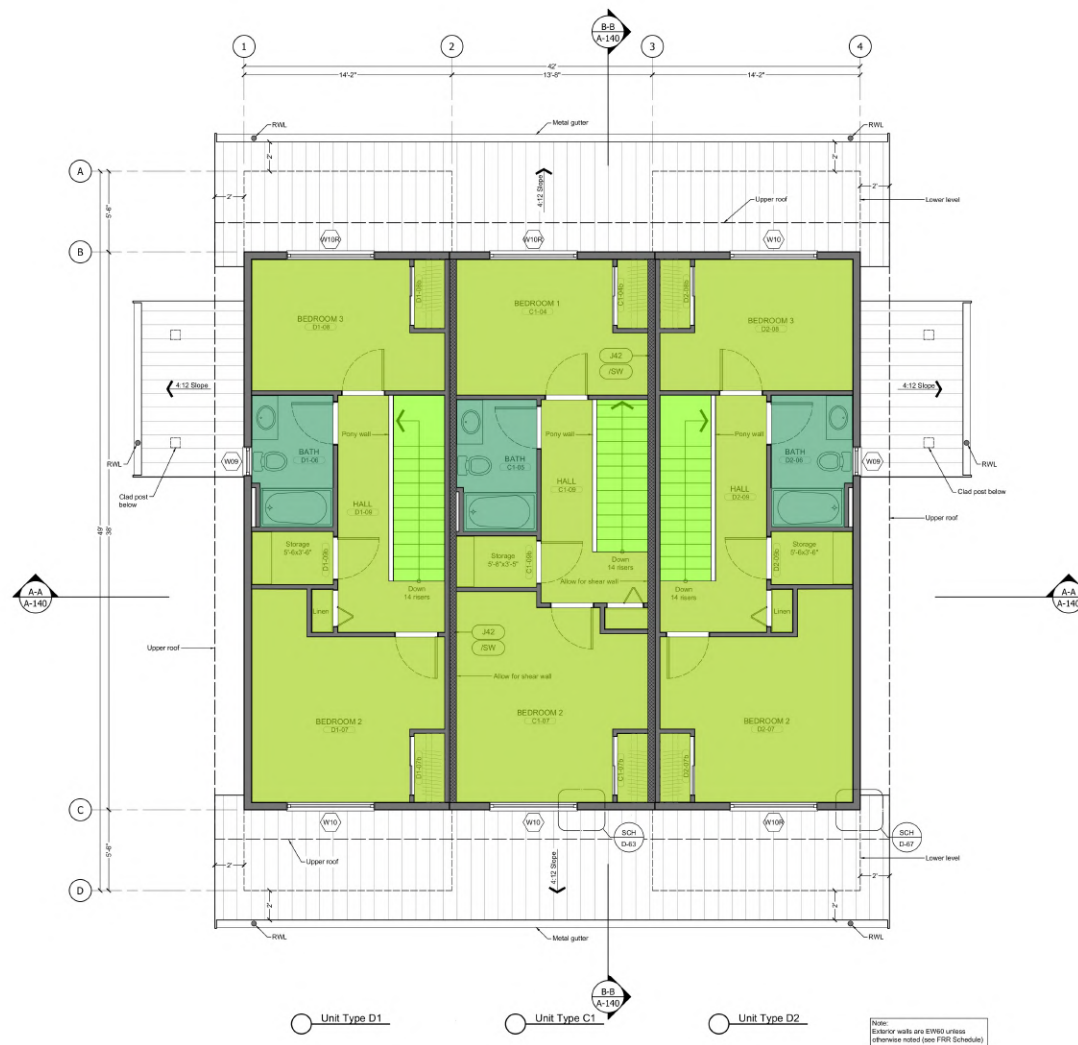
REV	DATE	ISSUE FOR	DESCRIPTION
1	February 2, 2016	REVIEW	

PROJECT NR: 2016
CLIENT PR NR:

Galiano Green
SITE ADDRESS: 409 Portier Pass Rd, Galiano Island, BC
CLIENT: _____ PHONE: _____

BUILDING 1 - TYPE A
LOWER FLOOR PLAN

SCALE: 1/4" EQ. 1
DATE: _____
A-111

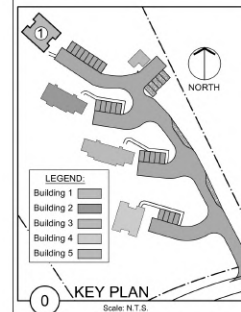


1 UPPER FLOOR PLAN
Scale: 1/4" = 1'-0"

- BLDG 1 - UNIT LIVING AREA, UPPER
- BLDG 1 - UNIT BATHROOM, UPPER
- BLDG 1 - UNIT STAIRS, UPPER

1102.1 SQ FT
144.0 SQ FT
123.7 SQ FT

MOBIUS ARCHITECTURE
34720 HIGHWAY 101
SEASIDE, BC, V7Z2G6
PHONE: 604 885 4390
FAX: 604 885 4312



- GENERAL NOTES
- SHEAR WALLS ARE INDICATED FOR LAYOUT ONLY. SEE STRUCTURAL DRAWINGS FOR ALL STRUCTURAL SPECIFICATIONS AND DETAILS.
 - SEE A-101 AND A-121 FOR UNIT PLANS.
 - SEE UNIT DRAWINGS FOR DOOR AND WINDOW REFERENCE TAGS, INTERIOR WALL ASSEMBLIES AND DIMENSIONS.
 - SEE INTERIOR DESIGN DRAWINGS FOR DETAILS.
 - SEE FIRE DRAWING SCHEDULES FOR FIRE RESISTANT REQUIREMENTS.
 - SEE ELECTRICAL MECHANICAL DRAWINGS FOR DETAILS.
 - SEE PROJECT MANUAL FOR SCHEDULES.
 - SEE CIVIL AND ELECTRICAL FOR MAIN UTILITY CONNECTIONS.

CONTRACTOR MUST VERIFY ALL DIMENSIONS ON THE JOB AND REPORT ANY DISCREPANCY TO ARCHITECT BEFORE PROCEEDING WITH THE WORK.

ALL DRAWINGS AND SPECIFICATIONS ARE THE PROPERTY OF THE ARCHITECT AND MUST BE RETURNED AT THE COMPLETION OF THE WORK.

THIS DRAWING IS NOT TO BE USED FOR CONSTRUCTION UNTIL COUNTERSIGNED

SIGNED DATE
SEALS

REV	DATE	ISSUE FOR	DESCRIPTION
1	February 2, 2016	REVIEW	

PROJECT NR: 2016
CLIENT PR NR:

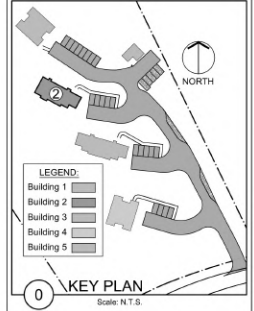
Galiano Green
SITE ADDRESS: 409 Portier Rd, Galiano Island, BC
CLIENT: PHONE:

BUILDING 1 - TYPE A
UPPER FLOOR PLAN

SCALE: 1/4" EQ. 1' DATE: A-112



MOBIUS ARCHITECTURE
34720 HIGHWAY 101
SEASIDE, BC, V7Z0E6
PHONE: 604 885 4390
FAX: 604 885 4312



CONTRACTOR MUST VERIFY ALL DIMENSIONS ON THE JOB AND REPORT ANY DISCREPANCY TO ARCHITECT BEFORE PROCEEDING WITH THE WORK.

ALL DRAWINGS AND SPECIFICATIONS ARE THE PROPERTY OF THE ARCHITECT AND MUST BE RETURNED AT THE COMPLETION OF THE WORK.

THIS DRAWING IS NOT TO BE USED FOR CONSTRUCTION UNTIL COUNTERSIGNED

SIGNED _____ DATE _____

SEALS _____

REVISIONS

REV	DATE	ISSUE FOR	DESCRIPTION
1	2016	REVIEW	

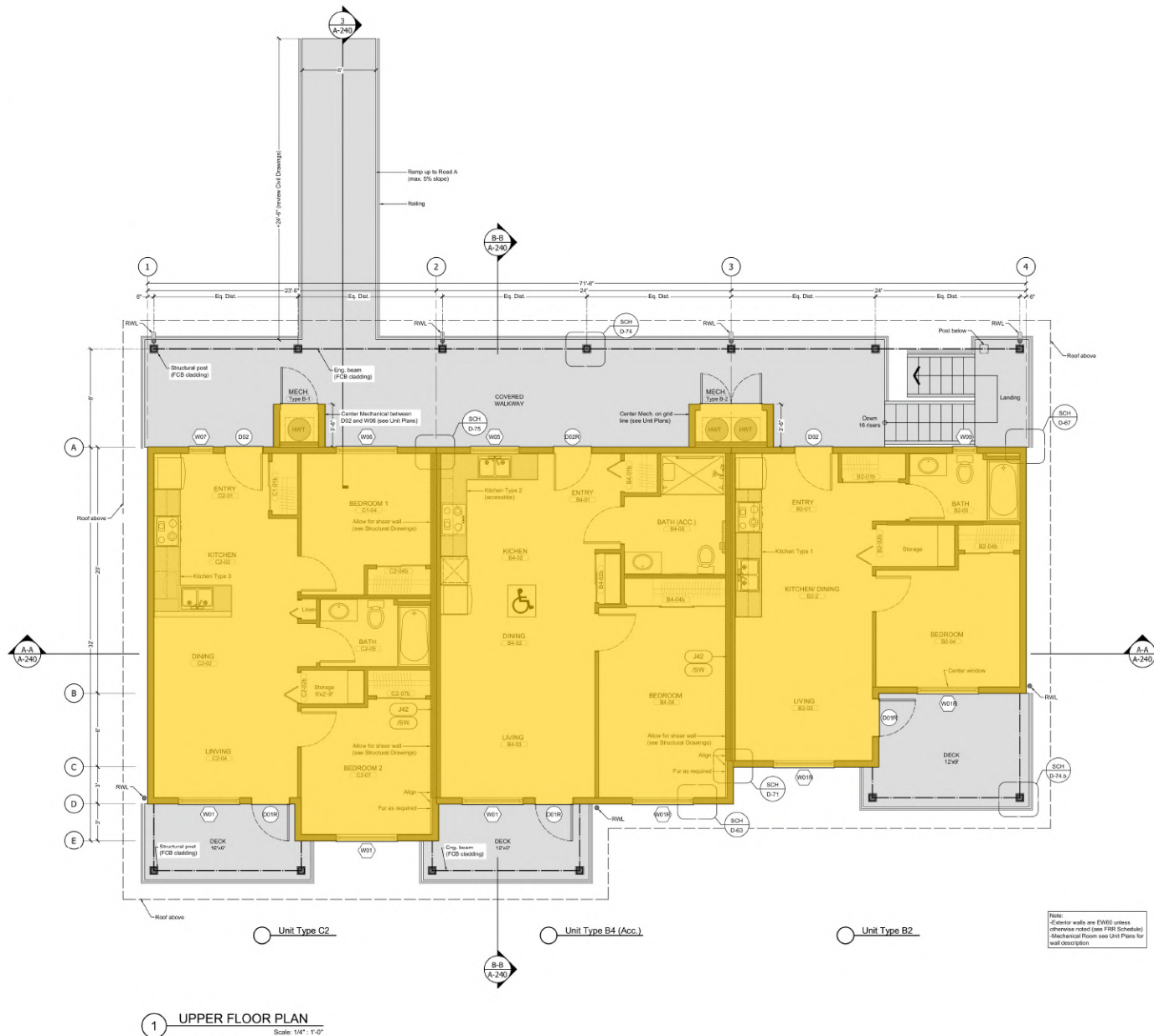
PROJECT NR: 2016
CLIENT PR NR:

Galiano Green

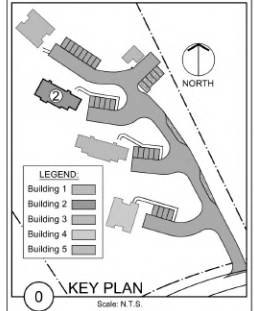
SITE ADDRESS: 409 Portier Rd, Galiano Island, BC
CLIENT: _____ PHONE: _____

BUILDING 2 - TYPE B
LOWER FLOOR PLAN

SCALE: 1/4\"/>



MOBIUS ARCHITECTURE
34720 HIGHWAY 101
SEASIDE, BC, V7Z0E8
PHONE: 604 885 4390
FAX: 604 885 4312



CONTRACTOR MUST VERIFY ALL DIMENSIONS ON THE JOB AND REPORT ANY DISCREPANCY TO ARCHITECT BEFORE PROCEEDING WITH THE WORK.

ALL DRAWINGS AND SPECIFICATIONS ARE THE PROPERTY OF THE ARCHITECT AND MUST BE RETURNED AT THE COMPLETION OF THE WORK.

THIS DRAWING IS NOT TO BE USED FOR CONSTRUCTION UNTIL COUNTERSIGNED

SIGNED _____ DATE _____

SEALS _____

REVISIONS

REV	DATE	ISSUE FOR	DESCRIPTION
1	2016	ISSUE FOR	ISSUE FOR

PROJECT NR: 2016

CLIENT PR NR:

Galiano Green

SITE ADDRESS: 409 Portier Rd, Galiano Island, BC

CLIENT: _____ PHONE: _____

BUILDING 2 - TYPE B

UPPER FLOOR PLAN

SCALE: 1/4" = 1'-0"

DATE: 2016

NO: A-212



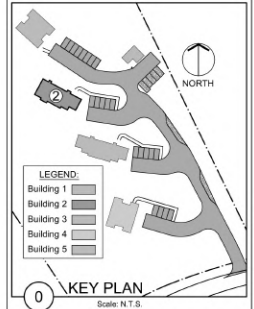


1 LOWER FLOOR PLAN

- BLDG 2 - UNIT LIVING AREA, LOWER
- BLDG 2 - UNIT BATHROOM, LOWER
- BLDG 2 - SERVICES, LOWER

1576.3 SQ FT
164.8 SQ FT
22.4 SQ FT

MOBIUS ARCHITECTURE
34720 HIGHWAY 101
SEASIDE, BC, V7Z0E6
PHONE: 604 885 4390
FAX: 604 885 4312



0 KEY PLAN
Scale: N.T.S.

CONTRACTOR MUST VERIFY ALL DIMENSIONS ON THE JOB AND REPORT ANY DISCREPANCY TO ARCHITECT BEFORE PROCEEDING WITH THE WORK.

ALL DRAWINGS AND SPECIFICATIONS ARE THE PROPERTY OF THE ARCHITECT AND MUST BE RETURNED AT THE COMPLETION OF THE WORK.

THIS DRAWING IS NOT TO BE USED FOR CONSTRUCTION UNTIL COUNTERSIGNED.

SIGNED _____ DATE _____

SEALS _____

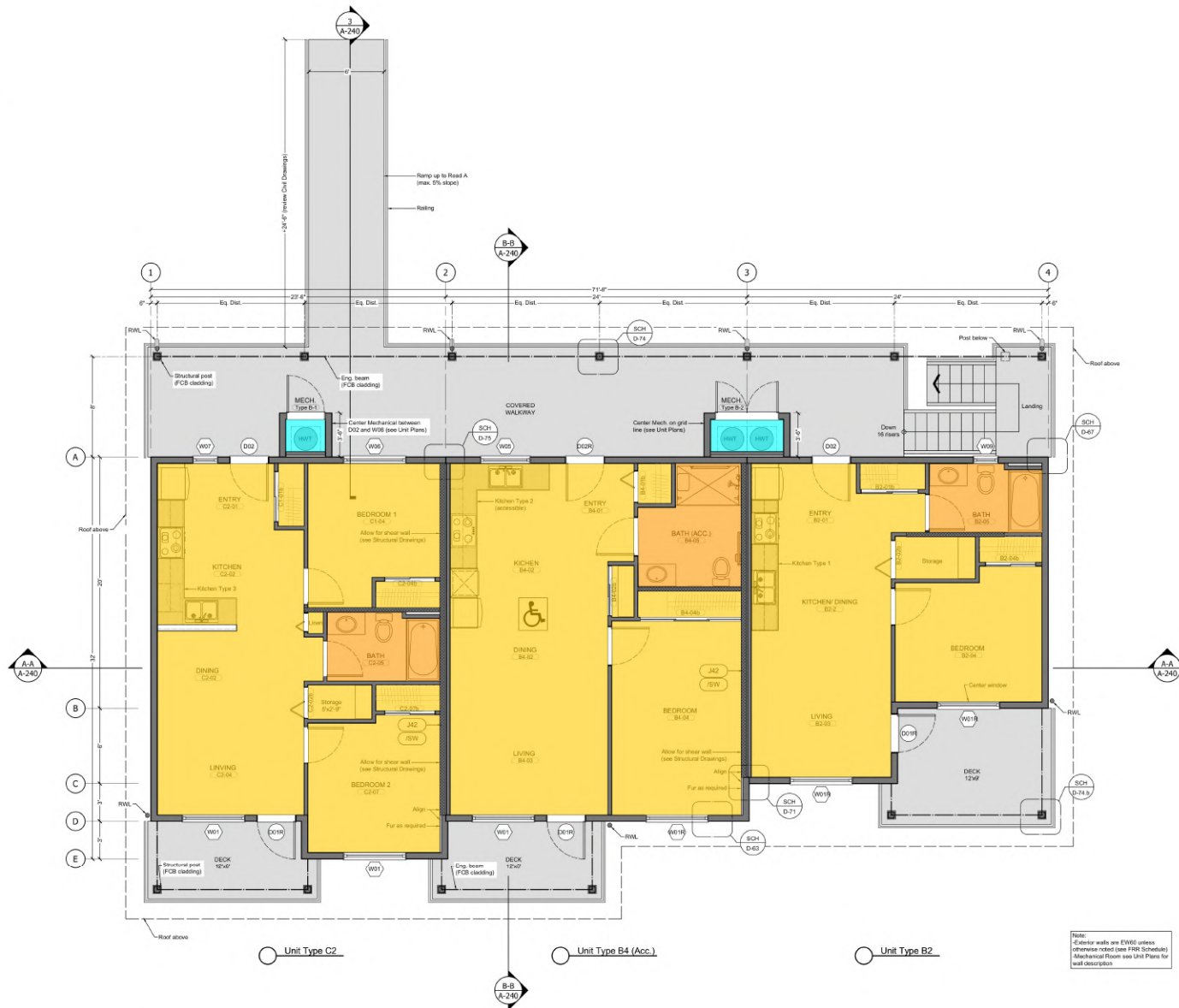
REVISION	REVIEW
REV	DATE

PROJECT NO: 2016
CLIENT: PR. NR.

Galiano Green
SITE ADDRESS: 409 Portier Rd, Galiano Island, BC
CLIENT: _____ PHONE: _____

**BUILDING 2 - TYPE B
LOWER FLOOR PLAN**

SCALE: 1/4" EQ. 1' **A-211**

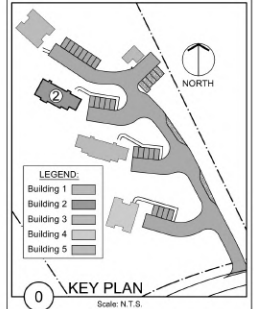


1 UPPER FLOOR PLAN

- BLDG 2 - UNIT LIVING AREA, UPPER
- BLDG 2 - UNIT BATHROOM, UPPER
- BLDG 2 - SERVICES, UPPER

1576.3 SQ FT
164.8 SQ FT
22.4 SQ FT

MOBIUS ARCHITECTURE
3-4720 HIGHWAY 101
SEASIDE, BC, V7Z0E6
PHONE: 604 885 4390
FAX: 604 885 4312



CONTRACTOR MUST VERIFY ALL DIMENSIONS ON THE
JOB AND REPORT ANY DISCREPANCY TO ARCHITECT
BEFORE PROCEEDING WITH THE WORK.

ALL DRAWINGS AND SPECIFICATIONS ARE THE
PROPERTY OF THE ARCHITECT AND MUST BE
RETURNED AT THE COMPLETION OF THE WORK.

THIS DRAWING IS NOT TO BE USED FOR
CONSTRUCTION UNTIL COUNTERSIGNED

SIGNED _____ DATE _____
SEALS _____

REVISIONS
REV. DATE ISSUE FOR DESCRIPTION

PROJECT NR: 2016
CLIENT PR NR:

Galiano Green

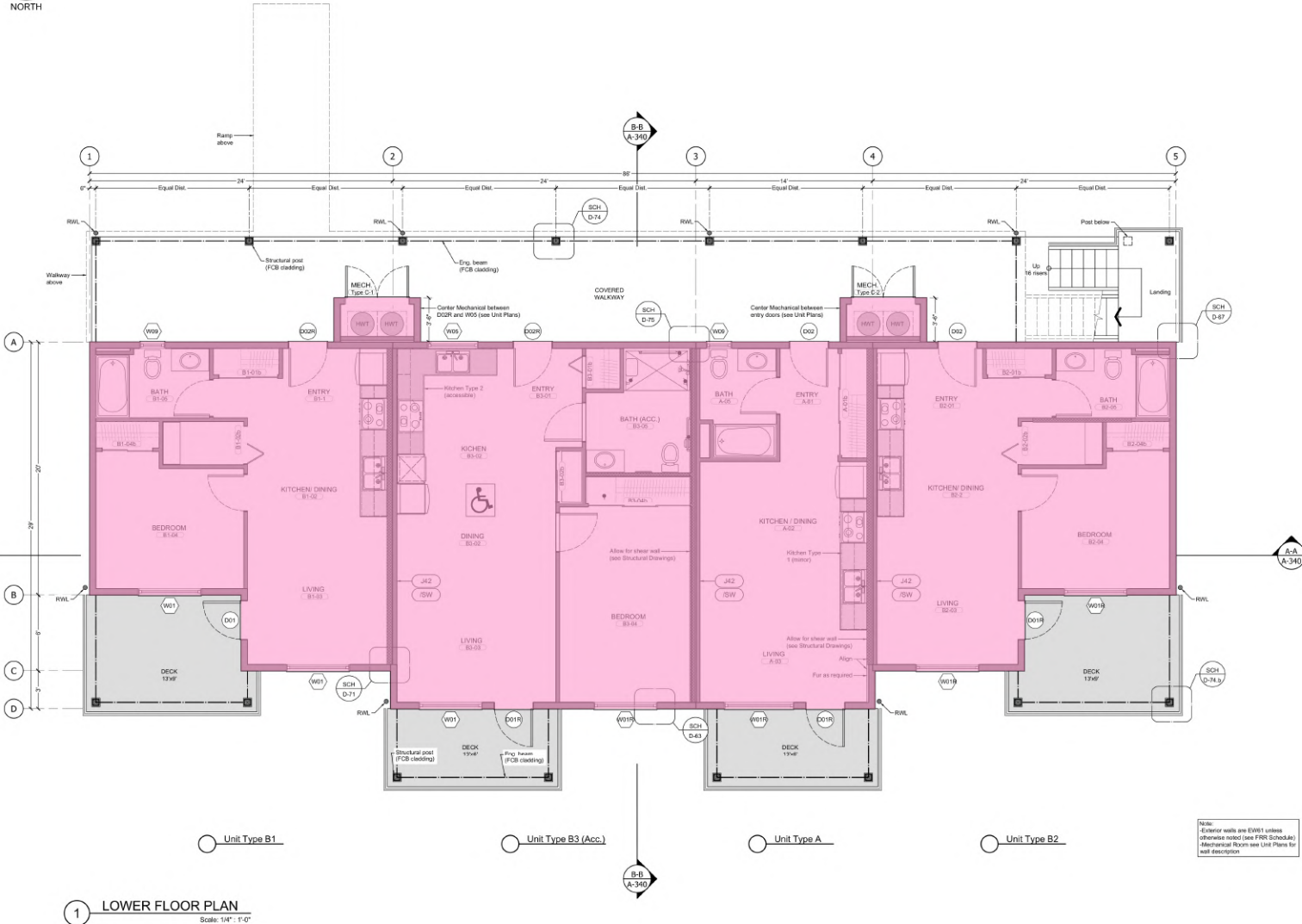
SITE ADDRESS: 409 Portier Rd, Galiano Island, BC
CLIENT: _____ PHONE: _____

**BUILDING 2 - TYPE B
UPPER FLOOR PLAN**

SCALE: 1/4" = 1'-0" DWG: A-212

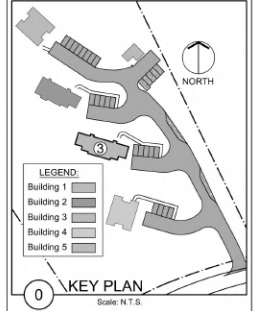


NORTH



1 LOWER FLOOR PLAN
Scale: 1/4" = 1'-0"

MOBIUS ARCHITECTURE
34720 HIGHWAY 101
SEASIDE, BC, V7Z2G6
PHONE: 604 885 4390
FAX: 604 885 4312



0 KEY PLAN
Scale: N.T.S.

CONTRACTOR MUST VERIFY ALL DIMENSIONS ON THE JOB AND REPORT ANY DISCREPANCY TO ARCHITECT BEFORE PROCEEDING WITH THE WORK.

ALL DRAWINGS AND SPECIFICATIONS ARE THE PROPERTY OF THE ARCHITECT AND MUST BE RETURNED AT THE COMPLETION OF THE WORK.

THIS DRAWING IS NOT TO BE USED FOR CONSTRUCTION UNTIL COUNTERSIGNED

SIGNED _____ DATE _____

SEALS _____

REVISIONS

REV	DATE	ISSUE FOR	DESCRIPTION
1			

PROJECT NR: 2016
CLIENT PR NR:

Galiano Green
SITE ADDRESS: 409 Portier Pass Rd, Galiano Island, BC
CLIENT: _____ PHONE: _____

BUILDING 3 - TYPE C
LOWER FLOOR PLAN

SCALE: 1/4" EQ. 1' **A-311**





NORTH

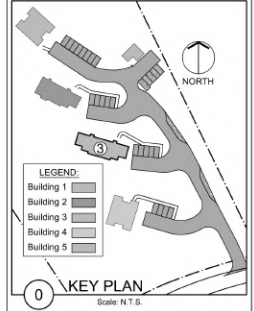


1 LOWER FLOOR PLAN
Scale: 1/4" = 1'-0"

- BLDG 3 - UNIT LIVING AREA, LOWER
- BLDG 3 - UNIT BATHROOM, LOWER
- BLDG 3 - SERVICES, LOWER

1738.2 SQ FT
214.0 SQ FT
29.2 SQ FT

MOBIUS ARCHITECTURE
34720 HIGHWAY 101
SEASIDE, BC, V7Z2G6
PHONE: 604 885 4390
FAX: 604 885 4312



CONTRACTOR MUST VERIFY ALL DIMENSIONS ON THE JOB AND REPORT ANY DISCREPANCY TO ARCHITECT BEFORE PROCEEDING WITH THE WORK.

ALL DRAWINGS AND SPECIFICATIONS ARE THE PROPERTY OF THE ARCHITECT AND MUST BE RETURNED AT THE COMPLETION OF THE WORK.

THIS DRAWING IS NOT TO BE USED FOR CONSTRUCTION UNTIL COUNTERSIGNED

SIGNED _____ DATE _____

SEALS _____

REVISIONS

REV	DATE	ISSUE FOR	DESCRIPTION
1			

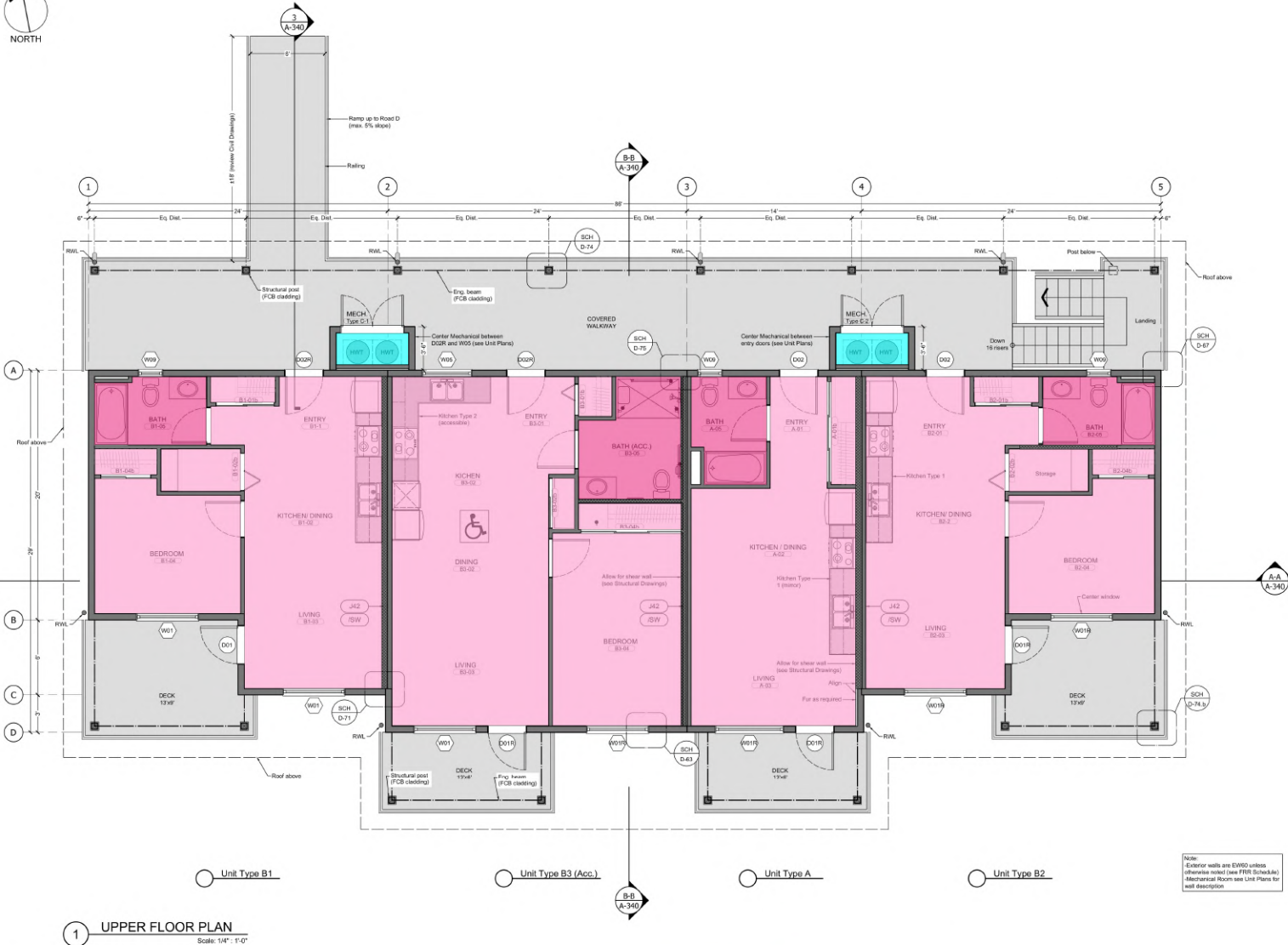
PROJECT NR: 2016
CLIENT PR NR:

Galiano Green
SITE ADDRESS: 409 Portier Pass Rd, Galiano Island, BC
CLIENT: _____ PHONE: _____

BUILDING 3 - TYPE C
LOWER FLOOR PLAN

SCALE: 1/4" EQ. 1' DRAWING NO: A-311

DATE: _____

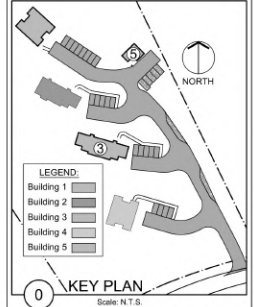


1 UPPER FLOOR PLAN
Scale: 1/4" = 1'-0"

- BLDG 3 - UNIT LIVING AREA, UPPER
- BLDG 3 - UNIT BATHROOM, UPPER
- BLDG 3 - SERVICES, UPPER

1738.2 SQ FT
214.0 SQ FT
29.2 SQ FT

MOBIUS ARCHITECTURE
34720 HIGHWAY 101
SEASIDE, BC, V7000
PHONE: 604 885 4390
FAX: 604 885 4312



CONTRACTOR MUST VERIFY ALL DIMENSIONS ON THE JOB AND REPORT ANY DISCREPANCY TO ARCHITECT BEFORE PROCEEDING WITH THE WORK.

ALL DRAWINGS AND SPECIFICATIONS ARE THE PROPERTY OF THE ARCHITECT AND MUST BE RETURNED AT THE COMPLETION OF THE WORK.

THIS DRAWING IS NOT TO BE USED FOR CONSTRUCTION UNTIL COUNTERSIGNED

SIGNED _____ DATE _____

SEALS _____

REV	DATE	ISSUE FOR	DESCRIPTION
1	2016	ISSUE FOR	ISSUE FOR

CLIENT: Galiano Green

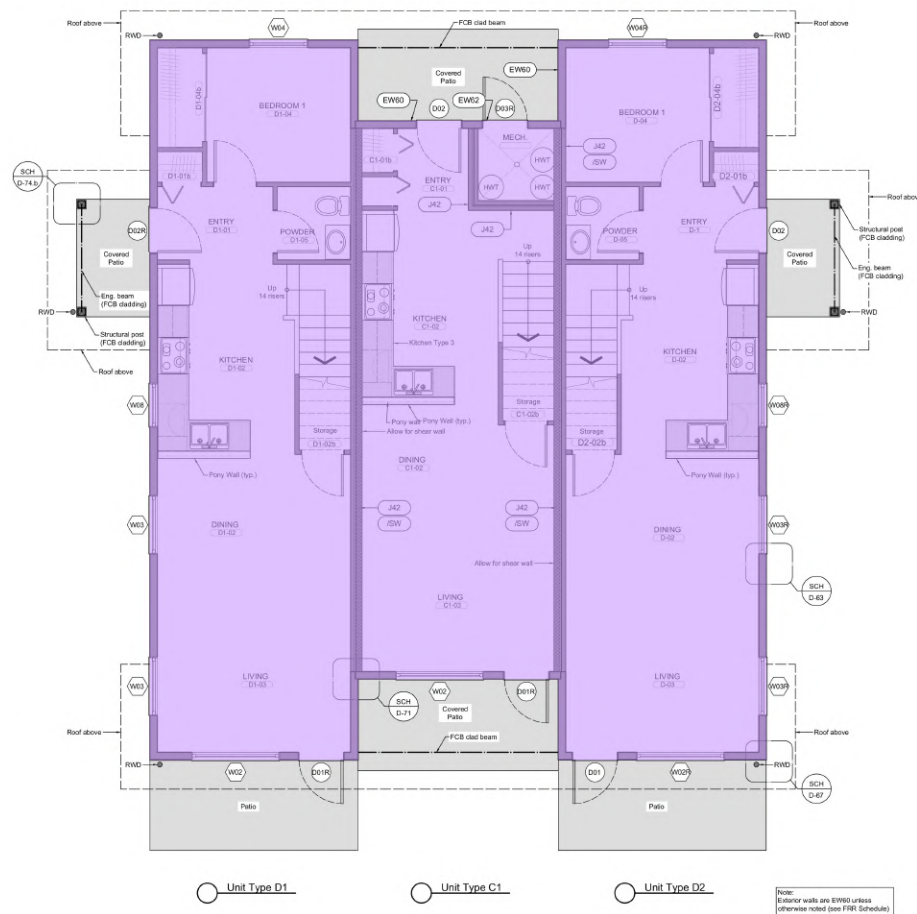
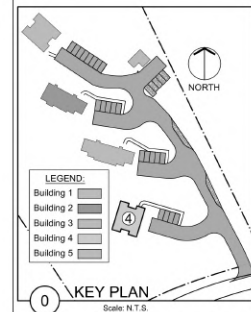
SITE ADDRESS: 409 Portier Pass Rd, Galiano Island, BC

CLIENT: _____ PHONE: _____

BUILDING 3 - TYPE C
UPPER FLOOR PLAN
REFLECTED CEILING

SCALE: 1/4" EQ. 1'

TITLE: A-332



1 LOWER FLOOR PLAN
Scale: 1/4" = 1'-0"

- GENERAL NOTES
- SEE FOUNDATION PLAN A-419 FOR CENTRE OF POST LOCATION
 - STEEL WALLS ARE INDICATED FOR LAYOUT ONLY. SEE STRUCTURAL DRAWINGS FOR ALL STRUCTURAL SPECIFICATIONS AND DETAILS
 - SEE A-420 AND A-421 FOR UNIT PLANS
 - SEE UNIT DRAWINGS FOR DOOR AND WINDOW REFERENCE
 - TAKE INTERIOR WALL ASSEMBLIES AND DIMENSIONS
 - SEE INTERIOR DESIGN DRAWINGS FOR DETAILS
 - SEE FIRE RATING SCHEDULES FOR FIRE RESISTANT REQUIREMENTS
 - SEE ELECTRICAL MECHANICAL DRAWINGS FOR DETAILS
 - SEE PROJECT MANUAL FOR SCHEDULES
 - SEE LANDSCAPE FOR DETAILS
 - SEE CIVIL AND ELECTRICAL FOR MAIN UTILITY CONNECTIONS

CONTRACTOR MUST VERIFY ALL DIMENSIONS ON THE JOB AND REPORT ANY DISCREPANCY TO ARCHITECT BEFORE PROCEEDING WITH THE WORK.

ALL DRAWINGS AND SPECIFICATIONS ARE THE PROPERTY OF THE ARCHITECT AND MUST BE RETURNED AT THE COMPLETION OF THE WORK.

THIS DRAWING IS NOT TO BE USED FOR CONSTRUCTION UNTIL COUNTERSIGNED

SIGNED _____ DATE _____
SEALS _____

REV	DATE	ISSUE FOR	DESCRIPTION
1	February 2, 2016	REVIEW	

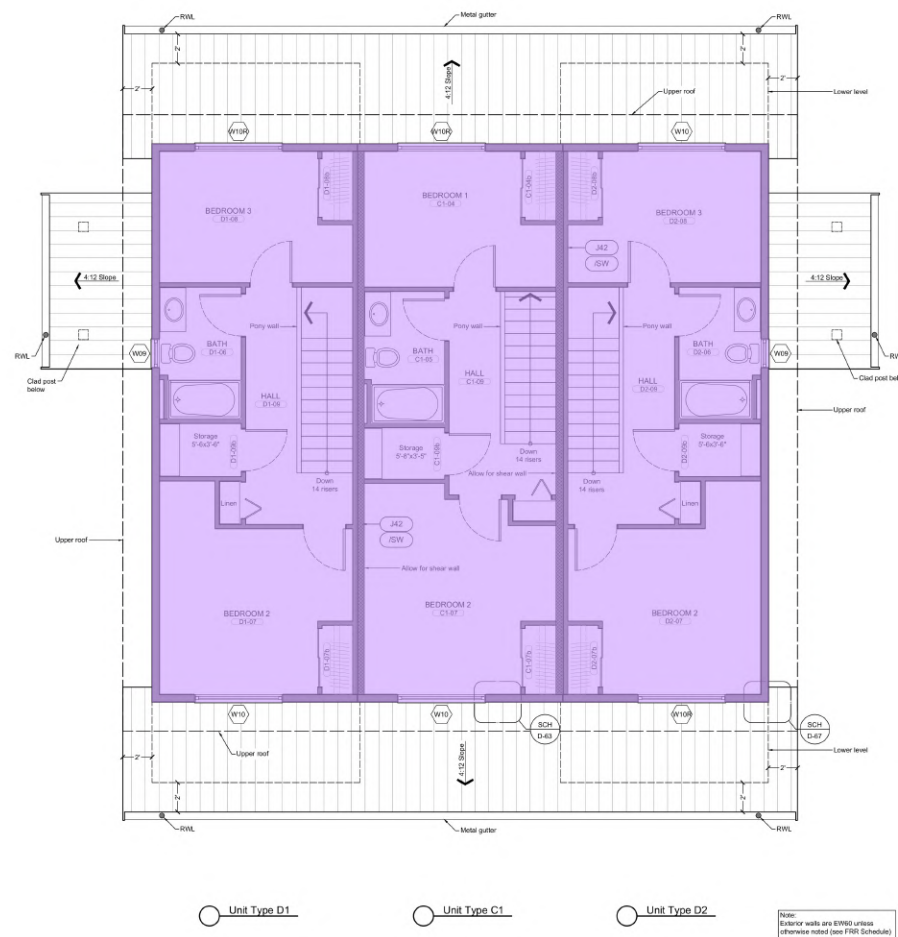
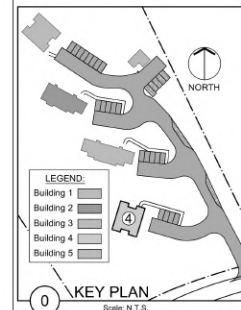
PROJECT NR: 2016
CLIENT PR NR:

Galiano Green
SITE ADDRESS: 409 Portier Pass Rd, Galiano Island, BC
CLIENT: _____ PHONE: _____

BUILDING 4 - TYPE A LOWER FLOOR PLAN

SCALE: 1/4" EQ. 1' WIC: A-411 SEC: 0

MOBIUS ARCHITECTURE
34720 HIGHWAY 101
SEASIDE, BC, V7Z2G6
PHONE: 604 885 4390
FAX: 604 885 4312



GENERAL NOTES

- SHEAR WALL ARE INDICATED FOR LAYOUT ONLY. SEE STRUCTURAL DRAWINGS FOR ALL STRUCTURAL SPECIFICATIONS AND DETAILS.
- SEE A-02 AND A-01 FOR UNIT PLANS.
- SEE UNIT DRAWINGS FOR DOOR AND WINDOW REFERENCE TAGS, INTERIOR WALL ASSEMBLIES AND DIMENSIONS.
- SEE INTERIOR DESIGN DRAWINGS FOR DETAILS.
- SEE FRR DRAWING SCHEDULES FOR FIRE RESISTANT REQUIREMENTS.
- SEE ELECTRICAL MECHANICAL DRAWINGS FOR DETAILS.
- SEE PROJECT MANUAL FOR SCHEDULES.
- SEE CIVIL AND ELECTRICAL FOR MAIN UTILITY CONNECTIONS.

CONTRACTOR MUST VERIFY ALL DIMENSIONS ON THE JOB AND REPORT ANY DISCREPANCY TO ARCHITECT BEFORE PROCEEDING WITH THE WORK.

ALL DRAWINGS AND SPECIFICATIONS ARE THE PROPERTY OF THE ARCHITECT AND MUST BE RETURNED AT THE COMPLETION OF THE WORK.

THIS DRAWING IS NOT TO BE USED FOR CONSTRUCTION UNTIL COUNTERSIGNED

SIGNED _____ DATE _____
SEALS _____

REV	DATE	ISSUE FOR	DESCRIPTION
1	February 2, 2016	REVIEW	

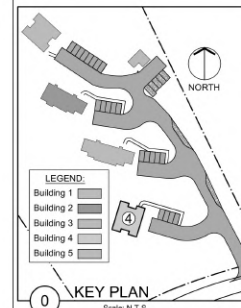
PROJECT NR: 2016
CLIENT PR NR:

Galiano Green

SITE ADDRESS: 409 Portier Rd, Galiano Island, BC
CLIENT: _____ PHONE: _____

BUILDING 4 - TYPE A UPPER FLOOR PLAN

SCALE: 1/4" EQ. 1' DWG: A-412 SHEET: 0



Scale: N.T.S.

GENERAL NOTES

- SEE FOUNDATION PLAN A-419 FOR CENTRE OF POST LOCATION
- SHEAR WALLS ARE INDICATED FOR LAYOUT ONLY. SEE STRUCTURAL DRAWINGS FOR ALL STRUCTURAL SPECIFICATIONS AND DETAILS
- SEE A-420 AND A-421 FOR UNIT PLANS
- SEE UNIT DRAWINGS FOR DOOR AND WINDOW REFERENCE
- TAKE INTERIOR WALL ASSEMBLIES AND DIMENSIONS
- SEE INTERIOR DESIGN DRAWINGS FOR DETAILS
- SEE FIRE DRAWING SCHEDULES FOR FIRE RESISTANT REQUIREMENTS
- SEE ELECTRICAL MECHANICAL DRAWINGS FOR DETAILS
- SEE PROJECT MANUAL FOR SCHEDULES
- SEE LANDSCAPE FOR DETAILS
- SEE CIVIL AND ELECTRICAL FOR MAIN UTILITY CONNECTIONS

CONTRACTOR MUST VERIFY ALL DIMENSIONS ON THE JOB AND REPORT ANY DISCREPANCY TO ARCHITECT BEFORE PROCEEDING WITH THE WORK.

ALL DRAWINGS AND SPECIFICATIONS ARE THE PROPERTY OF THE ARCHITECT AND MUST BE RETURNED AT THE COMPLETION OF THE WORK.

THIS DRAWING IS NOT TO BE USED FOR CONSTRUCTION UNTIL COUNTERSIGNED

SIGNED _____ DATE _____
SEALS _____

REV	DATE	ISSUE FOR	DESCRIPTION
1	February 2, 2016	REVIEW	

PROJECT NR: 2016
CLIENT PR NR:

Galiano Green

SITE ADDRESS: 409 Portier Pass Rd, Galiano Island, BC
CLIENT: _____ PHONE: _____

BUILDING 4 - TYPE A LOWER FLOOR PLAN

SCALE: 1/4" EQ. 1' N.T.S.

A-411



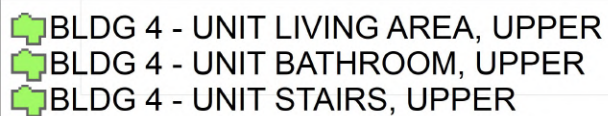
1 LOWER FLOOR PLAN
Scale: 1/4" = 1'-0"

Unit Type D1 Unit Type C1 Unit Type D2

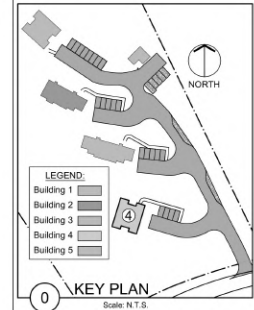
Note:
Exterior walls are EWB unless
otherwise noted (see FSB Schedule)

- BLDG 4 - UNIT LIVING AREA, LOWER
- BLDG 4 - UNIT STAIRS, LOWER
- BLDG 4 - SERVICES, LOWER

1522.9 SQ FT
81.7 SQ FT
25.1 SQ FT



MOBIUS ARCHITECTURE
3-4720 HIGHWAY 101
SECHLT, BC, V7Z0E6
PHONE: 604 885 4390
FAX: 604 885 4312



- SHEAR WALL ARE INDICATED FOR LAYOUT ONLY. SEE STRUCTURAL DRAWINGS FOR ALL STRUCTURAL SPECIFICATIONS AND DETAILS
- SEE A-426 AND A-421 FOR UNIT PLANS
- SEE UNIT DRAWINGS FOR DOOR AND WINDOW REFERENCE TAGS, INTERIOR WALL, ASSEMBLIES AND DIMENSIONS
- SEE INTERIOR DESIGN DRAWINGS FOR DETAILS
- SEE FRR DRAWING SCHEDULES FOR FIRE RESISTANT REQUIREMENTS
- SEE ELECTRICAL MECHANICAL DRAWINGS FOR DETAILS
- SEE PROJECT MANUAL FOR SCHEDULES
- SEE CIVIL AND ELECTRICAL FOR MAIN UTILITY CONNECTIONS

CONTRACTOR MUST VERIFY ALL DIMENSIONS ON THE JOB AND REPORT ANY DISCREPANCY TO ARCHITECT BEFORE PROCEEDING WITH THE WORK.

ALL DRAWINGS AND SPECIFICATIONS ARE THE PROPERTY OF THE ARCHITECT AND MUST BE RETURNED AT THE COMPLETION OF THE WORK

THIS DRAWING IS NOT TO BE USED FOR
CONSTRUCTION UNTIL COUNTERSIGNED

SIGNED	DATE
SEALS	

February 21, 2024	REVIEW		
REV	DATE	ISSUE FOR	DESCRIPTION

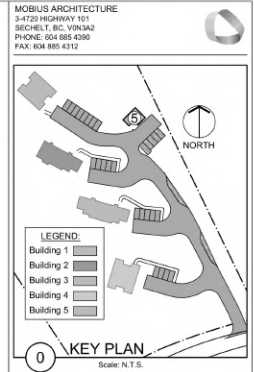
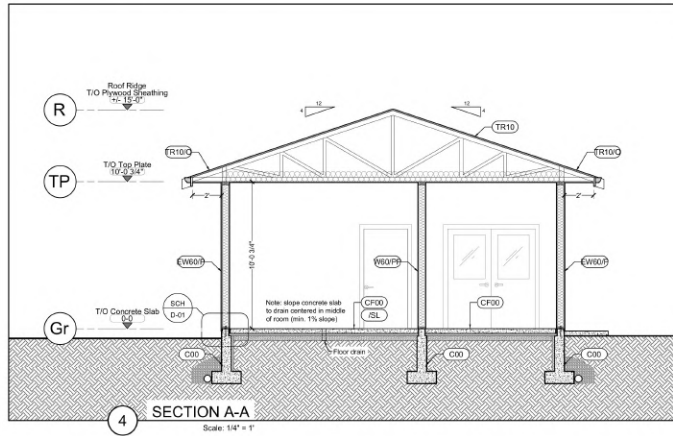
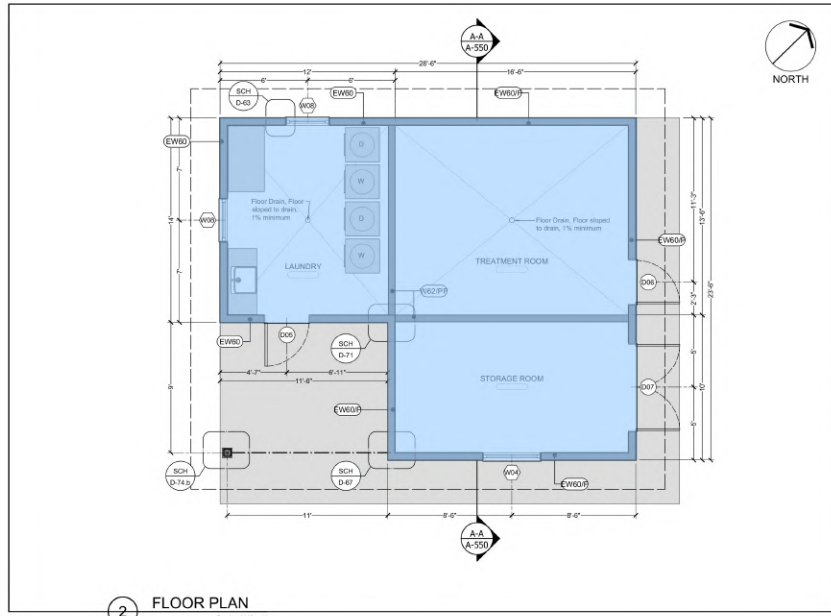
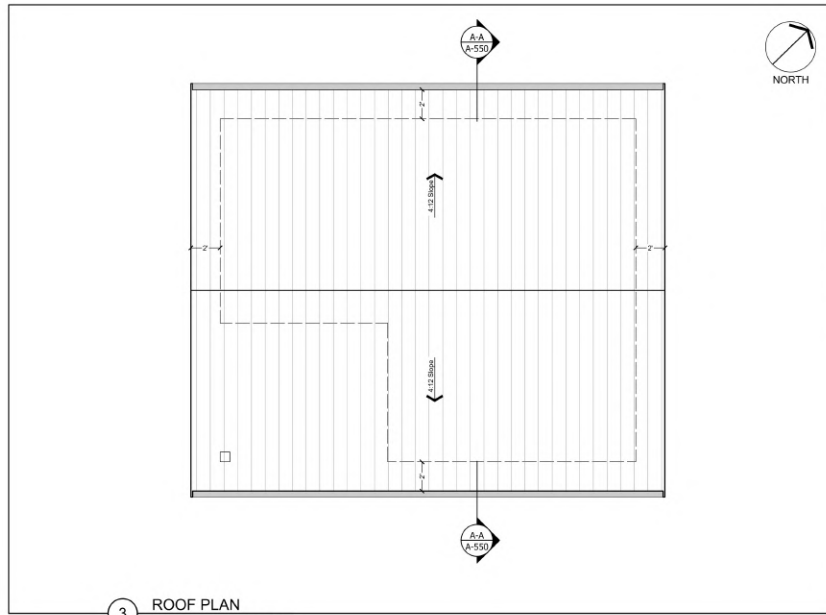
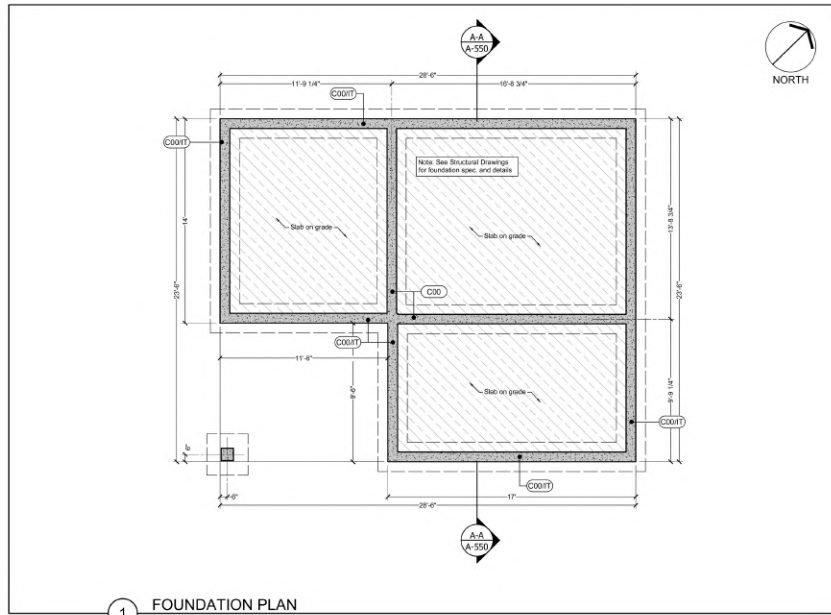
PROJECT NR: 2016
CLIENT PR NR:

Galiano Green

SITE ADDRESS: 409 Portlier Rd. Galiano Island, BC
CLIENT: PHONE:

BUILDING 4 - TYPE A
UPPER FLOOR PLAN

SCALE: 1/4" EQ. 1' DWG: A-412 REV: 0



CONTRACTOR MUST VERIFY ALL DIMENSIONS ON THE JOB AND REPORT ANY DISCREPANCY TO ARCHITECT BEFORE PROCEEDING WITH THE WORK.

ALL DRAWINGS AND SPECIFICATIONS ARE THE PROPERTY OF THE ARCHITECT AND MUST BE RETURNED AT THE COMPLETION OF THE WORK.

THIS DRAWING IS NOT TO BE USED FOR CONSTRUCTION UNTIL COUNTERSIGNED

SIGNED: _____ DATE: _____

SEALS: _____

REV.	DATE	ISSUE FOR	DESCRIPTION	BY
1	2016	PROJECT	PROJECT	PM

PROJECT PR NR: 2016

CLIENT PR NR:

Galiano Green

SITE ADDRESS: 400 Porter Pass Rd. Galiano Island, BC

CLIENT: _____ PHONE: _____

BUILDING 5 - UTILITY PLANS AND SECTION

SCALE: 1/4" EQ. 1' DWG: A-150

APPENDIX 8

SITE WORK EXTENT

APPENDIX F

PROJECT FINANCING - GALIANO (Cost to Complete & Sources Post CRD Purchase)

PROJECT COSTS		TOTAL	Per Sq. Ft.	% of Total Costs
Land and Related Costs		\$ 696,650	\$ 44	5%
Hard Costs		12,270,719	768	80%
Architect		70,787	4	0%
Consultants		282,231	18	2%
Municipal Fees		156,353	10	1%
Development Costs		486,066	30	3%
Insurance & Legal		209,129	13	1%
Marketing		5,000	0	0%
Operations		33,050	2	0%
Interest & Financing Costs		163,599	10	1%
Contingency		905,099	57	6%
TOTAL PROJECT COSTS		\$ 15,278,683	\$ 956	100%
SOURCE OF FUNDS		TOTAL	Per Sq. Ft.	% of Total Costs
Land Value		\$ 672,000	42	4%
Municipal Grant	Confirmed	6,607	0	0%
Community Fundraising	Confirmed	150,000	9	1%
CMHC AHF Grant	Confirmed - Conditional	677,654	42	4%
Additional CRD Equity	Required	3,332,512	209	22%
CRD GCF Grant	Confirmed	2,078,000	130	14%
CRD CWF Grant	Confirmed	700,000	44	5%
BC Builds Grant	Confirmed - Conditional	4,500,000	282	29%
CMHC AHF Mortgage	Held by CRHC	3,161,910	198	21%
TOTAL SOURCES		\$ 15,278,683	\$ 956	100%
SURPLUS (SHORTFALL)		\$ -	\$ -	0%

APPENDIX F

FINANCING

PERMANENT MORTGAGES*	Residential Mortgage Paid by Operations	MFA Debt Servicing Requisitioned by CRD
Financing Program	CMHC AHF	CRD MFA
Principal	\$3,161,910	\$3,332,512
Interest Rate (Nominal)	4.20%	4.74%
Amortization (Years)	35	30
Term Duration (Years)	10	10
DCR	1.00	1.00
Payment	\$171,748	\$222,516
Monthly Payment	\$14,312	\$18,543
Per Home Per Month Cost	\$716	\$927

*Total financing costs for the project will include both the Residential Mortgage, which will be incurred by the CRHC and paid by GALI, and the MFA Debt Servicing costs, which will be requisitioned by the CRD to service the borrowing of \$3,332,512 from MFA.