

Final Draft April 28, 2010

LEASE AGREEMENT

THIS AGREEMENT dated for reference purposes the _____ day of _____, 2010.

BETWEEN:

THE UNIVERSITY OF BRITISH COLUMBIA, a corporation continued under the University Act of the Province of British Columbia with an address of Room 107, Old Administration Building, 6328 Memorial Drive, Vancouver, British Columbia, V6T 1Z2

("Lessor")

AND:

ALMA MATER SOCIETY OF THE UNIVERSITY OF BRITISH COLUMBIA VANCOUVER, (Incorporation No. S0001669) a society duly incorporated under the laws of the Province of British Columbia and having a place of business and registered office at 6138 Sub Boulevard, Vancouver, British Columbia, V6T 1Z1

("Lessee")

WHEREAS:

- A. The Lessor is the registered owner in fee simple of the Lands hereinafter defined..
- B. The Lessee is a society incorporated under the *Society Act* of British Columbia, and is affiliated with the Lessor.
- C. The Lessee is desirous of working in collaboration with the Lessor to erect on the Lands a Building (as hereinafter defined) pursuant to an agreement of even date herewith (the "**Development Agreement**") entered into between the Lessor and the Lessee with respect thereto.
- D. The Lessor and the Lessee have entered into a commitment letter (the "**Commitment Letter**") of even date herewith regarding a loan to be made by the Lessor to the Lessee to finance payment of the pre-paid rent for the entire term of the lease for the New Student Union Building.

E. The Lessor and the Lessee have entered into an agreement of even date herewith regarding the surrender of the Lessee's lease of its existing building and the addition of certain space in the existing building being added to the space that is dealt with in this Lease (the "**Surrender Agreement**") on the terms that are set out in the Surrender Agreement.

F. It has been agreed that the Lessor will appoint UBC Properties Investments Ltd., as trustee for UBC Properties Trust, ("**UBC Properties**"), as the Lessor's project manager for the purpose of completing the design, development and construction of the Building to specifications that have been approved by the Lessee.

G. The Building will be used by the Lessee as a Student Union Building for students and others, such as undergraduate students, graduate students, faculty, staff, alumni, emeriti, residents and visitors to the Campus. The Lessor has agreed to grant the Lessee a lease of the Building on the terms and conditions set out in this Lease.

For good and valuable consideration, the receipt and sufficiency of which each party acknowledges, the parties covenant and agree as follows:

PART 1

DEFINITIONS

1.1 **Defined Terms.** In this Lease:

- (a) "Activities" means:
 - (i) administrative, educational, cultural, spiritual and recreational activities of students or the Lessee, or
 - (ii) Commercial Activities approved by the Lessor as per the terms of this Lease agreement,
- (b) provided that all these activities are carried out on or in the Building, are consistent with the general aims and purposes of the Lessor as a university, and are in compliance with the Land Use Rules;
- (c) "Additional Rent" means the amounts that the Lessee is required to pay to the Lessor under the terms of this Lease, other than Basic Rent;
- (d) "APPA Level 3 Standard" means the cleaning and maintenance standard defined by the APPA organization, an industry recognized body with specific knowledge and expertise in the operation and maintenance of higher education facilities.
- (e) "Appraiser" means any qualified real estate appraiser agreed upon in writing by the Lessor and the Lessee or failing such agreement by June 30 in any Lease Year, means an accredited appraiser who is a member in good standing with the

Appraisal Institute of Canada, British Columbia Association, and who has experience valuing land and interests in land such as the Land and the Building and who is appointed following the completion of the dispute resolution process set out in Section 18.6 of this Lease;

- (f) “Basic Rent” means the amount payable by the Lessee pursuant to Section 3.1 of this Lease;
- (g) “Basic Security Service” means base level of security provided by Campus Security including routine exterior patrol and response to emergency calls, but not including alarm monitoring, building interior patrol or other enhanced services;
- (h) “Building” means the building, structures, facilities and improvements to be constructed collaboratively by the Lessor and the Lessee on the Lands consisting of up to 255,000 gross square feet of building program area, as shown in bold black outline on the floor plans attached as Schedule 1, together with all improvements, additions and expansions to such building;
- (i) “Business Day” means any day that is not a Saturday, Sunday or Statutory holiday in British Columbia;
- (j) “Campus” means the lands and premises west of the Point Grey District of the City of Vancouver which comprise the campus of The University of British Columbia, but excluding any lands and premises owned by the Lessor which are situate within the UEL;
- (k) “Commencement Date” means the date upon which the occupancy permit is issued authorizing use of the completed Building;
- (l) “Commercial Activities” means all activities, with the exception of activities by student clubs and student government, student programs, and other activities mutually agreed upon by the Lessor and Lessee, which generate revenue on an on-going basis and serve the day to day needs of students, whether carried out by the Lessee or a sub-lessee or a third party pursuant to a licensee or other arrangement.
- (m) “Commercial Space” means space in the Building used primarily for Commercial Activities or in support of Commercial Activities, including but not limited to retail operations and food outlets operated by the Lessee or a sub-lessee or a third party pursuant to a license or other arrangement, including but not limited to, storage space that directly serves the Commercial Space and the space occupied by the Food Service Area, all as may be altered, expanded, varied or reduced by the Lessee from time to time . So long as no Commercial Activities are conducted therein, Commercial Space does not include: bookable rooms, Common Areas (including without limitation concourses and multi-purpose rooms), club spaces and resource groups spaces, Lessee administrative space, student amenity space (including without limitation the art gallery, movie theatre but only if it is

operated as a film society whose main purpose is showing other than first run movies with only occasional evenings or days being devoted to first run movies, Copy Centre if operated as a non-profit service for students, social space, relaxation space and related areas), or space used by affiliated societies and cooperatives (including without limitation Film Society, Aqua Society, the Ubysey, CiTR Radio Station, Sprouts Food Cooperative, the Bike Kitchen and related areas);

- (n) “Commercial Space's Proportionate” Share means the fraction, the numerator of which is the Gross Area of the Commercial Space from time to time and the denominator of which is the Gross Area of the Building from time to time;
- (o) “Common Areas” means those areas of the Building and Lands that are used by or which are for the benefit all of occupants and visitors to the Building, including but not limited to the roof, exterior walls, exterior and interior structural elements and bearing walls, exterior and interior landscaped areas, pick-up facilities, common loading areas, sidewalks, all enclosed or open malls, courts, and arcades, fountains, public hallways, service and fire corridors, stairways, escalators, ramps, and elevators, public washrooms, and any other public facilities if and when provided, and electrical, telephone, meter, valve, mechanical, mail, and janitor rooms and storage areas;
- (p) “Common Area Maintenance Cost” means the total, without duplication, of the expenses reasonably incurred by the Lessor for operating, renting, maintaining, insuring, repairing, and replacing the Common Facilities and the Common Areas determined by the Lessor acting reasonably, including but not limited to:
 - (i) the cost of repairs, maintenance, and such replacements to the Common Areas and the Common Facilities as are properly chargeable in accordance with generally accepted accounting principles to operating expenses as distinguished from capital replacements or improvements but including the cost of capital replacements where these are required by any Municipal Authority Having Jurisdiction, or municipal, federal, or provincial government or agency;
 - (ii) depreciation, at rates determined by the Lessor, but not to exceed the maximum permitted, if the Lessor was taxable under the provisions of the Income Tax Act, R.S.C as amended from time to time, or any legislation substituted therefor, on the equipment and machinery employed in operating, maintaining, repairing, and replacing the Common Facilities or the Common Areas;
 - (iii) Cost of Insurance which the Lessor may reasonably allocate to the Common Areas and Common Facilities;

- (iv) the cost of gardening and landscaping, line repainting, garbage removal, sanitary control, snow removal, and cleaning of the Common Areas and Common Facilities;
- (v) wages paid for maintenance, security, and operating personnel, including payments for workers' compensation, unemployment insurance, vacation pay, Canada Pension Plan, and other fringe benefits whether statutory or otherwise;
- (vi) wages and other costs paid to personnel in connection with the administration and management of the Building or portions thereof (including the university house person referred to in Section 5.7) including payments for workers' compensation, unemployment insurance, vacation pay, Canada Pension Plan, and other fringe benefits whether statutory or otherwise;
- (vii) all costs of supplies and equipment required for the administration and management of the Building or portions thereof;
- (viii) accounting costs required for the administration and management of the Building or portions thereof;
- (ix) that portion of Taxes which the Lessor reasonably allocates to the Common Areas and Common Facilities;
- (x) sales and excise taxes, value added taxes, and goods and services taxes, net of any tax refunds or credits, on goods and services provided by the Lessor to manage, operate, repair, replace, or maintain the Common Areas and Common Facilities;
- (xi) the cost of electrical power and other utilities furnished to the Common Areas and Common Facilities;
- (xii) that portion of the Cost of Heating, Ventilating, and Air-Conditioning which the Lessor may elect to reasonably allocate to the Common Areas and Common Facilities;
- (xiii) the cost of maintaining the structural integrity of the Building or portions thereof, but the Lessor is not required to make seismic upgrades to the Building; and
- (xiv) that portion of the cost of administrative overheads that the Lessor may reasonably allocate to the Common Areas and Common Facilities.

Common Area Maintenance Cost shall not include the cost of repairs to the extent that the cost is paid for by the Lessor's insurers.

- (q) “Common Facilities” means those facilities within the Building which are designated by the Lessor as common facilities, which designation may be changed by the Lessor from time to time with agreement from the Lessee, including the electrical, mechanical, heating, ventilating, and air-conditioning, plumbing and drainage, lighting, fire safety and prevention equipment, and installations, and any enclosures constructed for such facilities, together with all signage including pylon signs, directional signs, sign bands, and all signs identifying the Building;
- (r) “Complementary Facilities” means facilities on the Campus such as roadways, walkways, parking areas, loading dock access ways and other improvements that are to be used in connection with the operations of the Lessee;
- (s) “Cost of Heating, Ventilating and Air-Conditioning” means the total, without duplication, of the expenses reasonably incurred by the Lessor for operating, maintaining, repairing, and replacing the HVAC System, including but not limited to:
 - (i) the amount expended by the Lessor for supply and storage of fuel, water, electricity, oil, gas, or other forms of energy and additives for the HVAC System;
 - (ii) the total annual cost of boiler and pressure vessel insurance coverage paid by the Lessor;
 - (iii) wages paid to maintenance and operating personnel for operating the HVAC System, including payments for workers’ compensation, unemployment insurance, vacation pay, Canada Pension Plan, and other fringe benefits whether statutory or otherwise;
 - (iv) the cost of equipment furnished to such personnel;
 - (v) the cost of repairs, maintenance, and such replacements to the HVAC System as are properly chargeable to operating expenses as distinguished from capital replacements or improvements, in accordance with generally accepted accounting practice;
 - (vi) depreciation on the capital cost of the facilities in the HVAC System and any capital replacements thereto, at rates determined by the Lessor, but not to exceed the maximum permitted, if the Lessor was taxable under the provisions of the Income Tax Act, R.S.C., as amended from time to time, or any legislation substituted therefor;
 - (vii) that portion of Taxes which the Lessor reasonably allocates to the HVAC System;

- (viii) that portion of the cost of administrative overheads that the Lessor may reasonably allocate to the Cost of Heating, Ventilating and Air Conditioning.
- (t) “Cost of Insurance” means the annual cost to the Lessor to take out public liability insurance, insurance against loss of Additional Rental due from the Lessee in accordance with the provisions of this Lease in such amounts as the Lessor from time to time requires, insurance relating to the improvements comprising the Building against damage from Insurable Hazards, to such limits as the Lessor may from time to time determine acting reasonably but not in excess of the replacement cost of the Building, and such other insurance as the Lessor may require acting reasonably;
- (u) “CPI” means the Consumer Price Index (All Items for Regional Cities) for the City of Vancouver (or any index published in substitution for the Consumer Price Index or any other replacement index designated by the Lessor, acting reasonably, if it is no longer published) published by Statistics Canada (or by any successor thereof or any other governmental agency including a provincial agency). In case of any required substitution, the Lessor, acting reasonably, shall be entitled to make all necessary conversions for comparison purposes;
- (v) “Environmental Law” means any federal, provincial, municipal or other governmental laws or regulations relating to protection of the environment or its pollution including the Canadian Environmental Protection Act (Canada) and the Environmental Management Act (British Columbia) and the regulations made under them and includes any amendment, revision, re enactment or replacement of any such environmental law, regulation or by law;
- (w) “Fair Market Value” means the assessed value of the Commercial Space as determined by the provincial assessor, if the Commercial Space is so assessed, or such variation thereof as may be set on an appeal of such assessed value, and if no such assessment is made means actual market rental value of the Commercial Space available in an unrestricted market between informed prudent parties, acting at arm's length and under no compulsion to act, putting the Lands and Premises to their permitted use pursuant to the terms of this Lease as determined in August of each year during the Term, by the Appraiser at the cost of the occupiers of the Commercial Space on a proportionate basis;
- (x) “Food Service Area” means those portions of the Commercial Space that are used by the Food Service Area Sublessees' operations and the operations of the Lessee if the Lessee operates a food service facility in the Building, including without limitation, table and seating areas within the food outlet, condiment bar areas, waste collection facilities, storage and other areas, facilities and equipment intended to directly support such use, all as may be altered, expanded, varied or reduced by the Lessee from time to time;

- (y) “Food Service Sublessee” means a Sublessee who operates a food service operation within the Building and whose patrons are likely to use the Food Service Area;
- (z) “General Municipal Services Levy” means the charge levied by the Lessor against the Lessee for the use of certain services, sometimes provided by municipalities or other public authorities, and for the use of the Complementary Facilities both of which are provided by the Lessor to all lessees located on the Campus;
- (aa) “Gross Area of the Building” means the sum of the Gross Area of the Non-Commercial Space and the Gross Area of the Commercial Space;
- (bb) “Gross Area of the Commercial Space” means the area expressed in square feet of the Commercial Space, as determined and certified by a B.C. Land Surveyor or other qualified professional selected mutually by the Lessor and Lessee, measured from the centre line of all walls separating the Commercial Space from adjacent premises and from the exterior surfaces of exterior walls or walls that separate Commercial Space from Common Areas, without deduction for any space occupied or used for columns, stairs, or other interior construction or equipment, but if part of a wall or the front of the Commercial Space is recessed from the line of the Building or the line of a wall of the Building, as the case may be, in which the Commercial Space is situate, the last mentioned lines are considered to be the outer surface of the outside walls of the Commercial Space;
- (cc) “Gross Area of the Non-Commercial Space” means the area expressed in square feet of the Non-Commercial Space, as determined and certified by a B.C. Land Surveyor or other qualified professional selected and paid by the Lessor, measured from the centre line of all walls separating the Non-Commercial Space from adjacent premises and from the exterior surfaces of exterior walls or walls that separate Non-Commercial Space from Common Areas, without deduction for any space occupied or used for columns, stairs, or other interior construction or equipment, but if part of a wall or the front of the Non-Commercial Space is recessed from the line of the Building or the line of a wall of the Building, as the case may be, in which the Non-Commercial Space is situate, the last mentioned lines are considered to be the outer surface of the outside walls of the Non-Commercial Space;
- (dd) “HVAC System” means the heating, ventilating, and air-conditioning plants and systems used to heat, ventilate, and air-condition the Common Areas, Commercial Spaces and Non-Commercial Spaces excepting those Commercial Spaces designated by the Lessor acting reasonably as having entirely separate plants and systems which are paid for by the Lessee or occupants of those Commercial Spaces and includes, without limitation, the chilled and heated water systems, freon systems or air generating facilities and any storage and distribution systems leading therefrom, together with any cooling towers, thermostats, fans, pumps, and all other equipment and facilities connected therewith;

- (ee) “Insurable Hazards” means fire and other perils and occurrences for which insurance is available and which in the Lessor’s reasonable opinion should be insured against;
- (ff) “Lands” means the lands legally described in Schedule 2;
- (gg) “Land Use Rules” means the plans, memorandums of understanding, policies, handbooks, guidelines, rules, regulations, bylaws and any other documents no matter how they are titled governing land use and the construction, renovation, maintenance, repair and replacement of buildings on the Campus and in the University Boulevard Neighbourhood in the form adopted by UBC's Board of Governors from time to time, and all permits that are required to be issued by the Municipal Authority Having Jurisdiction in connection with the construction, renovation, maintenance, repair and replacement of the Building by the Lessee from time to time during the Term;
- (hh) “Laws” means any federal and provincial statutes, regulations, orders, directions and requirements; all civic and municipal by laws, orders and regulations; all orders, directions, regulations and requirements of any third party body, board, authority or person having authority with respect to the Building or its use and without limitation a fire marshal, health or building inspector and any official, person or body appointed under any statute or regulation, including without limitation Environmental Laws;
- (ii) “Lease Year” means after the reference date of this Lease, the 12 month period commencing on January 1 and ending on December 31 during each year of the Term, provided that the first Lease Year shall commence on the Commencement Date and end on the last day of the following December and the last Lease Year shall end on the last day of the Term and commence on the preceding first day of January;
- (jj) “Lessee Fixture” means a fixture installed in the Building by or at the direction of the Lessee at its own cost which can be removed from the Building with minimal damage or disruption to the usability of the Building. For clarity, Lessee Fixtures expressly excludes built in cabinets, sinks, toilets, countertops, floors, doors, window coverings and similar items;
- (kk) “Lessee's Taxes” means all taxes, fees, levies, charges, assessments, rates, duties and excises which are now or may hereafter be levied, imposed, rated or assessed for the Term by any lawful authority relating to or in respect of the business of the Lessee or a Sublessee or relating to or in respect of personal property and all business and trade fixtures, machinery and equipment, cabinet work, furniture and movable partitions owned or installed by the Lessee or a Sublessee at the expense of the Lessee or a Sublessee or being the property of the Lessee or a Sublessee, or relating to or in respect of improvements to the Lands built, made or installed by the Lessee or a Sublessee, on behalf of the Lessee or a Sublessee or at the Lessee's

or a Sub Lessee's request whether any such amounts are payable by law by the Lessee or a Sublessee or by the Lessor and whether such amounts are included by the taxing authority in the Taxes;

- (ll) "Municipal Authority Having Jurisdiction" means Campus & Community Planning in its capacity as regulatory, inspection and permitting authority for the Campus or such other department of UBC as becomes responsible for this function from time to time. In the event that the Lands become part of a municipality, or the University Endowment Lands, or any other governing body acquires jurisdiction over the Lands similar to that of municipalities and assumes these functions, that governing body shall become the Municipal Authority Having Jurisdiction;
- (mm) "Non-Commercial Space" means all space in the Building that is not either Commercial Space or Common Area;
- (nn) "Rent" means the Basic Rent set out in Section 3.1 and all other money payable by the Lessee under this Lease whether or not designated as "Rent";
- (oo) "Sales Taxes" means any and all taxes, fees, levies, charges, assessments, rates, duties and excises (whether characterized as sales taxes, purchase taxes, value added taxes, goods and services taxes, harmonized sales taxes or any other form of tax) which are imposed on the Lessor or which the Lessor is liable to pay, and which are levied, rated or assessed on the act of entering into this Lease or otherwise on account of this Lease, on the use or the occupancy of the Lands and Building or any portion of the Lands and Building, on the Rent payable under this Lease or any portion of the Rent or in connection with the business of renting the Lands or any portion of the Lands. Provided that if the Sales Taxes are reduced by reason of any exemption or deduction to which the Lessor is entitled by virtue of:
 - (i) the payment of any taxes, fees, levies, charges, assessments, rates, duties or excises upon the purchase price of any lands or of any interest in such lands whether before, concurrently with or after the execution and delivery of this Lease, or
 - (ii) the payment of any taxes, fees, levies, charges, assessments, rates, duties or excises with respect to rents, additional rents and any other amounts payable by the Lessor as a Lessee under any lease whether such lease is now existing or arises after the date of execution and delivery of this Lease, then the Sales Taxes shall be deemed to be the amount which would have been imposed on the Lessor with respect to the Rent payable by the Lessee to the Lessor under this Lease had no such exemption or deduction been permitted. The Lessor shall have the right, in its sole discretion, to allocate any exemption or deduction to which the Lessor is entitled:

- A. in such a way as to reduce the Sales Taxes to the extent and in such proportion as the Lessor may in its sole discretion determine, or
- B. in such a way as not to reduce the Sales Taxes at all;

Provided however, Sales Taxes shall exclude income tax under Part I of the Income Tax Act of Canada, the Lessee's Taxes, and the Taxes;

- (pp) "Sublease" means a written sublease in respect of any part of the Building between the Lessee and a Sublessee;
- (qq) "Subleased Lands" means all portions of the Building subleased to Sublessees, or in the context of any particular Sublease, means the portion of the Building subleased pursuant to such Sublease;
- (rr) "Sublessee" means a sublessee, licensee, assignee or other person occupying or using the Building or any part thereof who has been approved by the Lessor in accordance with Part 13;
- (ss) "Taxes" means all taxes, fees, levies, charges, assessments, rates, duties and excises which are now or may hereafter be levied, imposed, rated or assessed for the Term upon or with respect to the Lands and Building or any part of the Lands and Building or any personal property of the Lessor used therefor, whether levied, imposed, rated or assessed by the Government of Canada, the Government of British Columbia, or any political subdivision, political corporation, district, municipality, city or other political or public entity (other than the Lessor, unless the Lessor is given the power to levy taxes by the Provincial government), and whether or not now customary or in the contemplation of the parties on the date of this Lease. Without restricting the generality of the foregoing, Taxes shall include all:
 - (i) real property taxes, general and special assessments and capital taxes,
 - (ii) taxes, fees, levies, charges, assessments, rates, duties and excises for transit, housing, schools, police, fire or other governmental services or for purported benefits to the Lands and Building,
 - (iii) local improvement taxes, service payments in lieu of taxes, and taxes, fees, levies, charges, assessments, rates, duties and excises, however described, that may be levied, rated or assessed as a substitute for, or as an addition to, in whole or in part, any property taxes or local improvement taxes, and
 - (iv) costs and expenses including legal and other professional fees and interest and penalties on deferred payments, reasonably incurred by the Lessor in contesting or appealing any taxes, assessments, rates, levies, duties, excises, charges or other amounts as aforesaid,

but Taxes shall exclude all of the following: (i) income tax under Part I of the Income Tax Act of Canada, (ii) the Lessee's Taxes, and (iii) the Sales Taxes;

- (tt) "Term" means the term of 40 years commencing on the Commencement Date;
- (uu) "UBC" means the University of British Columbia;
- (vv) "UEL" means the administration set up pursuant to the University Endowment Land Act;
- (ww) "University Boulevard Neighbourhood" means all of the land contained within the boundaries of the University Boulevard Neighbourhood Plan" as amended from time to;
- (xx) "University Boulevard Neighbourhood Plan" means the neighbourhood plan for the University Boulevard Neighbourhood that was adopted in January 2004 and all amendments thereto, whether made before or after the date of this Lease.

PART 2

DEMISE AND TERM

2.1 Demise. The Lessor leases the Building to the Lessee for the Term, and the Lessee leases the Building from the Lessor, subject to the terms and conditions of this Lease.

2.2 Renewal. Provided that:

- (a) the Lessee pays Basic Rent, Additional Rent and any other sums payable hereunder and performs each and every one of the covenants, provisos and agreements herein contained on the part of the Lessee to be paid and performed punctually and in accordance with the provisions of this Lease; and
- (b) the Lessee has not assigned this Lease; or
- (c) sublet or permitted a change in occupancy of the Building, except as such is permitted in accordance with the terms of this Lease;

then the Lessee shall have one irrevocable option to renew the Term of this Lease for a further term of 15 years (the "Renewal Term") upon the same terms and conditions of this Lease save with respect to any further right of renewal. If the Lessee is desirous of exercising this option to renew, it shall give written notice of such intention to the Lessor at least 6 months prior to the expiration of the Term, which notice shall be deemed to be an exercise of the option. If the option is not exercised within the time limit set out herein, this Lease shall terminate at the expiration of the Term.

PART 3

RENT, OPERATING COSTS AND TAXES

3.1 Rent.

On or before the Commencement Date, the Lessee will prepay to the Lessor, at such place as the Lessor designates, Basic Rent of \$<@> for the entire Term plus Additional Rent at the times set out elsewhere in this Lease.

3.2 Financial Statement.

No later than August 31st of each calendar year during the Term, the Lessee shall forward to the Lessor a copy of the audited financial statements regarding the operation of the Lessee signed in the original by the authorized signatories of the Lessee, which statements shall break out in a separate statement the income from and the costs of operating the Commercial Space.

3.3 Additional Rent.

- (a) Subject to Section 3.3(b) and Section 3.4 below, the Lessor will be responsible for and pay:
 - (i) all Common Area Maintenance Cost;
 - (ii) Cost of Heating, Ventilating and Air-Conditioning;
 - (iii) Cost of Insurance;
 - (iv) all costs and charges relating to the operation, maintenance and minor repair of the Non-Commercial Space, reasonable wear and tear excepted;
 - (v) electricity, water, gas and any other utilities used or consumed in the Non-Commercial Space;
 - (vi) Taxes, except in respect of the Commercial Space;
 - (vii) cleaning and janitorial services and the cost of removing garbage, recycling, composting (provided on-campus composting service is available) and refuse from the Non-Commercial Space; and
 - (viii) any other costs or charges relating to the Building or the Lands which the Lessee is not specifically responsible for under the terms of this Lease.

- (b) The Lessee will be responsible for and pay all costs and charges relating to the Building regarding:
 - (i) telecommunication and cable services;

- (ii) security services over and above the Basic Security Service provided by Campus Security,
- (iii) the repair of any damage to the Building caused by the Lessee, its directors, officers, members, employees, agents, invitees, and sublessees or those for whom the Lessee is responsible at law within or without the Building with the express or implied consent or with the acquiescence of the Lessee, including without limitation, damage caused by the Lessee or any Sublessee operating equipment in a manner that is contrary to the manufacturer's suggested conditions of operation, apart from normal wear and tear,
- (iv) repairs to all of the Lessee Fixtures and equipment within the Building (for the purposes of this Section all kitchen/bar equipment shall be considered Lessee Fixtures),
- (v) the cost of insuring the Lessee Fixtures and the Lessee's other insurance obligations under this Lease, and
- (vi) Sales Taxes.

All amounts payable under this Section 3.3(b) shall be collectable as Additional Rent.

3.4 **Commercial Space**

- (a) The Lessee will also be responsible for and pay all costs relating to the operation, maintenance, repair, capital renewal, and modernization of the Commercial Space, reasonable wear and tear excepted, including without limitation:
 - (i) electricity, water, gas, garbage and recycling/composting collection and any other utilities used or consumed in the Commercial Space;
 - (ii) cleaning and janitorial services in respect of the Commercial Space;
 - (iii) maintenance and minor repairs to the Commercial Space,
 - (iv) capital renewal work in the Commercial Space including periodic painting, cyclical maintenance, major repairs and replacements as required;
 - (v) modernization and upgrade work to the Commercial Space
 - (vi) license, permit and inspection fees in respect of the Commercial Space;
 - (vii) all costs associated with administering the subleases or other terms of occupation of the Commercial Space;
 - (viii) Sales Taxes associated with the Commercial Space;

- (ix) Taxes in respect of the Commercial Space to the extent not included in Section 3.4(a)(x);
- (x) Subject to Section 3.8 of this Lease, the General Municipal Services Levy, equal to the Fair Market Value of the Commercial Space as determined during the previous Lease Year multiplied by the difference between the general mill rate of the City of Vancouver levied on properties put to similar uses as the Commercial Space and the general mill rate imposed by the Surveyor of Taxes for unorganized territories on same class properties in each case (so that the total of the Taxes levied on the Commercial Space by the Surveyor of Taxes and the amount of the Service Levy is equivalent to what the Taxes would have been if the Lands had been located in the City of Vancouver);
- (xi) Lessee's Taxes;
- (xii) Cost of Heating, Ventilating and Air-Conditioning supplied to the Commercial Space;
- (xiii) Cost of Insurance in respect of the Commercial Space;

All as calculated by the Lessor, acting reasonably, in accordance with the provisions of Schedule 8 attached hereto and using the unit rates set out as follows:

Cleaning & Janitorial Services: \$3.75 per gross square foot per year

Building Maintenance Services: \$2.86 per gross square foot per year (does not include capital renewal or modernization and upgrade work)

Waste Management Services: \$1.26 per gross square foot per year

Facilities Management Services: \$1.18 per gross square foot per year

Utilities: Usage cost based on meter reading and prevailing utility rate or, if meters not in place, the Commercial Space's Proportionate Share of the costs of utilities and services to the Building (allowing for energy intensity factor for the type of Commercial Activities)

Capital Renewal Work Actual cost for work performed

Modernization work Actual cost for work performed

The above unit costs are in 2010 dollars and shall be adjusted for each subsequent Lease Year of the Term by a factor equal to the percentage increase in the CPI from the last day of March 2010 compared to the last day of March of the then year of the Term pro rated for the number of days if less than a full year, effective the first day of September of each year.

- (b) For the Term of the Lease, including any renewal thereof, the Lessor will provide the Lessee with a 20% student discount on the unit rates listed in Section 3.4(a). The student discount does not apply to capital renewal or modernization work. In addition, the Lessor will make a grant of \$35,000 annually, in September 1st of each year, to the Lessee's innovative projects fund for visible innovative uses of benefit to students and or for on-going AMS operations. The grant amount will be adjusted annually by CPI.
- (c) All amounts payable under Section 3.4(a) shall be collectable as Additional Rent and shall be paid by the Lessee to the party entitled thereto when billed and in the case of amounts to be paid to the Lessor, on a quarterly basis within 30 days of a statement being delivered by the Lessor to the Lessee with respect thereto.
- (d) All spaces will be maintained at APPA Level 3 Standard or Campus standard, whichever is higher.

3.5 **Common Areas.** For greater certainty, it is understood and agreed that the Lessee will not be required to pay a proportionate share of any of the Common Area Maintenance Cost or the operating costs of the Non-Commercial Space except as set out in Section 3.3(b), but the Lessee will pay the operating costs associated with the Commercial Space.

3.6 **Utility Savings.** Intentionally Deleted.

3.7 **Utility Meters.** The Building and any areas within the Building that the Lessee intends to sublet to third parties, including the Commercial Spaces, will be separately metered for utilities consumption to the extent that it is technically and/or financially feasible to do so. In the event that separate meters are not installed due to technical or financial reasons or a service cannot be metered, the Lessor shall invoice the Lessee for the Commercial Space's Proportionate Share of the costs of utilities and services to the Building.

3.8 **General Municipal Services Levy.** Notwithstanding Section 3.4(a)(x) of this Lease, the General Municipal Services Levy, to be paid by the Lessee to the Lessor will be phased in over 5 years as follows: Year 1 - 20%, Year 2 - 40%, Year 3 - 60%, Year 4 - 80%, Year 5 - 100% of the amount that would otherwise be payable pursuant to Section 3.4(a)(x) of this Lease. A committee of Lessor and Lessee representatives (each having equal representation) will direct how the funds will be spent on or about University Square and University Boulevard on municipal type infrastructure.

PART 4

USE AND ADMINISTRATION OF BUILDING

4.1 **Permitted Uses.** The Lessee shall not use the Building nor permit any part of it to be used by other persons for any purpose other than for the purpose of the Activities of the Lessee unless the consent in writing of the Lessor is first obtained, such consent not to be unreasonably withheld. Such consent may be in the form of prearranged formalized blanket approvals for certain types of events or activities.

4.2 Approved Commercial Activities.

The Lessor acknowledges that Lessee wishes to establish certain commercial operations within the Building to serve the day to day needs of students and agrees that upon receiving and processing an application to approve a commercial use in accordance with Section 4.8 below, it shall not unreasonably withhold its consent with respect to the commercial operations listed in Schedule "3" except under the circumstances set out in Schedule "3".

4.3 Other Approvals.

The Lessor may, acting reasonably, withhold consent for any Commercial Activities not listed in Schedule 3.

4.4 Lessor's Consent.

Notwithstanding the other provisions of this Lease, the Lessee shall not conduct any Activities which are contrary to the Land Use Rules or inconsistent or incompatible with any activities of the Lessor or with the reputation or functioning of the Lessor as an educational and research institution or, in the absence of specific governing Land Use Rules, which might cause nuisance to the Lessor or its other lessees, employees, faculty or students, or to the owners or occupiers of property adjoining the Campus.

4.5 Restricted Commercial Activities.

Notwithstanding any other provision of Part 4 of the Lease, it shall not be unreasonable for the Lessor to withhold its consent in respect of any Commercial Activities of the Lessee where such Commercial Activities:

- (a) are the subject of existing agreements that have been entered into by the Lessor or any of its related entities for commercial tenants in the University Boulevard Neighbourhood, all as more particularly set out in Schedule "4"
- (b) are in unfair competition to similar activities on Campus carried on by the Lessor or any of its related entities, as determined by the Lessor, acting reasonably;

- (c) will use space, that when added to the space then used by all other Commercial Activities, will exceed 42,000 square feet of the Building calculated in accordance with Schedule 9.

4.6 Lessee's Conduct.

The Lessee shall use the Building throughout the Term in a reputable manner befitting the operation of its Activities and in accordance with all laws, rules and regulations applicable thereto, including without limitation, the Land Use Rules.

4.7 Licenses & Permits.

The Lessee shall ensure that all licences, designations, permits and approvals necessary or desirable for the operation of its Activities in the Building have been obtained and are maintained.

4.8 Approval Process for Commercial Use.

The Lessee shall not carry on, or permit to be carried on, any Commercial Activities in any portion of the Building unless and until approved in writing by the Lessor. Requests for such approval shall provide the information set out in the form attached hereto as Schedule "5" and such other information that the Lessor may reasonably require in respect to any request for approval. Any Commercial Activities without the Lessor's consent shall be a breach of this Lease. Without limiting the generality of the foregoing, consent of the Lessor may also be required under Part 13 where third parties will be conducting Commercial Activities.

4.9 Serving and Consumption of Alcohol.

No alcohol shall be served or consumed in the Building except and unless such service or consumption is:

- (a) in a licensed food and beverage outlet in accordance with the terms of licenses granted pursuant to the Liquor Control and Licensing Act and in accordance with Section 4.10 and item 3 of Schedule 4, or
- (b) at a special occasion licensed event conducted by the Lessee in compliance with the Lessor's policy(s) on alcohol, the Lessor's procedures for licensed events, all applicable legislation, and any other conditions required by the Lessor.

4.10 Liquor Licenses.

All liquor licenses applicable to the Building, other than special occasion liquor licenses, desired by the Lessee shall be obtained and owned by the Lessor, including but not limited to any liquor licences required in connection with the operation by the Lessee of liquor-serving establishments in accordance with the restrictions set out in item 3 of Schedule 4. Annual renewal fees for any such license shall be paid by the Lessee. The Lessee shall either obtain

itself, or require its Sublessee, sublicensee or client to obtain, all special occasion liquor licenses in connection with functions being conducted within the Building. The Lessor may in its sole discretion, but not arbitrarily or without reasonable cause or with an intent to further UBC's commercial interests, terminate or decline to renew any liquor license applicable to the Building and as a result close the Lessee liquor-serving establishments and the Lessor shall not be responsible in any way to the Lessee as a result of the termination or non renewal of any such liquor license, including but not limited to any responsibility for lost revenues, lost opportunity or termination of any employees of the Lessee employed at the liquor-serving establishments.

4.11 Indemnity.

The Lessee shall indemnify and save harmless the Lessor from and against any and all claims, fines, actions, damages, liability or other expenses relating to, arising out of or in connection with the Lessee liquor-serving establishments, including but not limited to the operation and management of the Lessee liquor-serving establishments, the consumption of alcohol by Patrons of the Lessee liquor-serving establishments, non compliance with the requirements of any applicable permit or license, commercial host liability or any combination thereof; except that UBC shall cover the portion of any liability for which it is responsible.

4.12 Administration of Space. Subject to what is set out above in this Part 4, the Lessee will be responsible for the administration of space in the Building, except any space that may be transferred back to the Lessor, including without limitation the Non-Commercial Space, the Common Areas and the Commercial Space.

PART 5

CONDUCT OF THE LESSEE IN OCCUPATION

5.1 Signs.

The Lessee shall not erect or place or suffer to be erected or placed or maintain any sign of any nature whatsoever on the exterior of the Building that do not conform with the Land Use Rules and University Policies with respect to such signs.

5.2 Overloading of Utilities.

The Lessee shall not install or allow to be installed equipment which shall exceed or overload the capacity of utility facilities servicing the Building and if equipment installed or allowed to be installed by the Lessee requires additional utility facilities, such facilities shall be installed at the Lessee's expense in accordance with plans and specifications approved by the Lessor prior to installation.

5.3 Housekeeping and Safety.

The Lessee shall not carry on or perform or suffer or permit to be carried on or performed or suffered in the Building any action that will interfere with or prevent the Lessor from keeping the

Building in a sanitary, tidy and orderly condition in accordance with all Laws, the Lessor's building safety standards and the Land Use Rules. In the event the Lessee fails to comply with the foregoing provisions after reasonable notice, the Lessor may rectify the situation and collect the expense, including a reasonable administration fee, for such work from the Lessee as Additional Rent.

5.4 Nuisance.

The Lessee shall not carry on or perform or suffer or permit to be carried on or performed or suffered in or around the Building any unreasonable practice or act or engage in any activity which is or becomes a nuisance or a menace or which in any way injures the Building, the Campus or any part thereof or to any person using or occupying the Building, the Campus or any part thereof. In particular, exterior facing windows shall be kept to community standards and may include blinds and curtains which are in compliance with the Land Use Rules. The Lessee agrees to keep the exterior windows free of posters, tin foil and other materials in keeping with the standards befitting an academic building of the Lessor and to refrain from placing or keeping outside the Building on University Square or otherwise, furniture, equipment or other chattels, except in accordance with the approved design of the Building and such approvals as the Lessor might grant from time to time, acting reasonably.

5.5 Compliance with Laws.

The Lessee shall comply with and abide by all Laws and Land Use Rules affecting the Activities, the Campus, the Building or any activity or condition on or in the Building.

5.6 Rubbish Removal.

The Lessee shall not carry on or perform or suffer or permit to be carried on or performed or suffered in or around the Building any action that will interfere with the Lessor's ability to provide proper and adequate receptacles for refuse, rubbish, recycling and composting of all kinds and attend to the removal of the same from the Lands and Building at regular intervals.

5.7 University Facilities Manager.

The Lessor will be entitled to locate a University Facilities Manager in the Building in an office space of not less than 120 square feet at no charge.

PART 6

UTILITIES AND SERVICES SUPPLY AND COSTS

6.1 Supply.

The Lessor shall supply water, natural gas, steam, garbage and recycling removal, electric power, telecommunications, and sanitary and storm sewer connections to the Building in accordance with the terms and conditions set out in the Development Agreement.

6.2 Planned Interruption of Services.

The Lessor will provide at least 48 hours notice for any planned interruption of utility services.

6.3 Unplanned Interruption of Services.

In the event that supply by the Lessor of any of the services required by this Lease to be provided by the Lessor are, for any reason, discontinued or interrupted, the Lessor shall use reasonable commercial efforts to restore the supply of any such services to the extent reasonably possible and, in any event, shall, except in the case of emergency services required for specific facilities, undertake the restoration of those services in such a way to ensure that the Lessee benefits from any such restoration by the Lessor to the same proportionate extent where technically feasible in terms of the timeliness and degree of restoration as to other users of those same services.

6.4 Lessor Not Liable.

To the extent that restoration of disrupted services and utilities is undertaken in accordance with Section 6.2 and 6.3 and subject to Section 18.4, the Lessor shall not be liable for any cost, claim, expense or liability of the Lessee arising from the failure of the Lessor, its servants, agents or contractors to supply any of the utilities or services herein referred to and the Lessee shall indemnify and hold the Lessor harmless against claims concerning the disruption of such services and utilities which affect the Lessee's Commercial Activities, including any claims by the Lessee's sublessees, licensees or occupiers.

6.5 Changes to Campus Utility Distribution Systems.

If the Lessor changes the nature of the campus distribution or collection system for any given utility or service, and that change necessitates modifications, retrofits or replacements to internal building systems within the Building, Lessor will be responsible to pay for the cost of those required internal modifications, retrofits or replacements.

PART 7

COMPLEMENTARY FACILITIES LICENCE

7.1 Complementary Facilities.

The Lessee, its directors, officers, members, employees, agents and invitees in common with others designated by the Lessor or otherwise entitled shall have the use or benefit of the Complementary Facilities for the purposes from time to time permitted, approved or designated by the Lessor, acting reasonably subject to the reasonable management and control of the Complementary Facilities by the Lessor.

7.2 Lessor's Control.

The Lessor has the exclusive right to manage and control the Campus including the Complementary Facilities and other premises leased to other tenants, and from time to time the Lessor, with reasonable advance notice to the Lessee except in emergency situations, may establish, specify and enforce rules and regulations regarding the use maintenance and operation of the Campus and Complementary Facilities and the activities of the Lessee and its Sublessees and others conducted thereon and the rules and regulations in all respects to be observed and performed by the Lessee, its directors, officers, members, employees, agents and invitees, provided that such rules and regulations are not inconsistent with the terms of this Lease. Without limitation the Lessor has the right in the management and control of the Campus and Complementary Facilities to:

- (a) supervise and police the Campus and Complementary Facilities and provide such security measures and patrols as the Lessor deems reasonably necessary,
- (b) with reasonable advance notice to the Lessee, close off all or any part of the Campus or Complementary Facilities at such times as in the opinion of the Lessor are advisable, but not so as to permanently materially interfere with the Lessee's access to or use of the Building,
- (c) convey, modify and terminate licenses, easements or other rights pertaining to the use of all or any part of the Campus or Complementary Facilities,
- (d) close off all or part of the Campus or Complementary Facilities for maintenance, repair, construction or development,
- (e) employ such persons required for the management and control of the Campus and security therefore as the Lessor may from time to time deem advisable,
- (f) designate the entrances, roadways, parking areas and times where and when vehicles and pedestrians may use the Complementary Facilities of the Campus, and
- (g) change from time to time the area, level, location, arrangement or use of any part or parts of the Complementary Facilities or Campus, provided always that the Lessor shall not permanently materially interfere with the Lessee's access to or use of the Building.

7.3 Parking.

The use of parking areas and facilities on Campus by the Lessee, its approved Sublessees, licensees and/or invitees shall be subject to the payment of parking charges as determined by the Lessor from time to time. Parking for up to four AMS Service vehicles will be provided in the service area of the Building and will not be subject to this clause.

7.4 Shared Loading Dock Access

If the loading dock for the Building is shared with other adjacent buildings, the Lessee will be given reasonable loading dock space and access for its receiving, delivery, and waste removal requirements with no significant disruptions in access except as outlined in Article 7.2 of this Lease.

7.5 Plaza and Outdoor Area

The Lessee will be entitled to exclusive booking authority for 7,000 sq ft of plaza and/or outdoor area on University Square immediately adjacent to the Building as shown outlined in the Plan of the Building (Schedule 1) plus an additional 3,000 sq ft of plaza and/or outdoor area immediately adjacent to the north or east side of the Building. The exact location of these areas will be determined after the Building design is completed and as agreed by the parties acting reasonably. Activities are subject to the terms and conditions of this Lease, including the following:

- All programming in this area is limited to temporary installations and structures. No structures or installations shall remain in this area for more than a week unless permission is granted by the Municipal Authority Having Jurisdiction.
- Installations should allow pedestrians to pass through and across this area. There shall be no fencing or perimeter barriers.
- To encourage universal use of this space, the Lessee will not unreasonably deny bookings.
- If rent is charged by the Lessee for a booking, the Lessee will be responsible for clean-up and returning the space to its original condition
- All capital and operating costs for special infrastructure in this area is the responsibility of the Lessee.
- The Lessor retains the right to renovate or alter this space as may be required, but will notify and consult with Lessee regarding any proposed changes and will provide equivalent space as agreed by the parties acting reasonably.

Conditions for use of the plaza and/or outdoor area is subject to review every 10 years for the duration of the Lease and any renewals thereof, by the Municipal Authority Having Jurisdiction acting reasonably, with the understanding that such reviews will not result in a reduction in the overall area of the plaza and/or outdoor space under the exclusive booking authority of the AMS.

7.6 Campus Alterations.

The Lessee covenants that nothing contained in this Lease shall be construed so as to prevent the Lessor from varying or altering the location or size of the Complementary Facilities including parking areas, driveways and sidewalks from time to time or from erecting additional buildings or extending existing buildings. Without limiting the foregoing, the Lessor shall have the

unrestricted right, at no additional cost to the Lessee, to construct additional buildings from time to time on the Campus and Complementary Facilities, to add or change any building, to alter the ingress and egress to the Building, or to change the loading or unloading facilities and service entrances from time to time without in any way being responsible to the Lessee or its Sublessees, provided only that the Lessor shall not permanently materially interfere with the Lessee's access to or use of the Building and the Lessor shall use its best endeavours to cause the least disruption in the operation of the Building. Subject to the foregoing, the Lessor may transfer or dispose of portions of the Campus or dedicate or transfer to government authorities, lands for road widening and other purposes, and when and so often as the Lessor shall dispose or transfer or dedicate any portion of the Campus, then the reference herein to "Campus" shall mean and refer to the portion of the Campus remaining after any such transfer, disposition or dedication together with any land which may be acquired by the Lessor.

PART 8

RENOVATIONS AND IMPROVEMENTS

8.1 Lessee to Apply.

The Lessee shall submit an application to the Lessor for the approval of all renovations or improvements to the Building planned by it or any of its Sublessees in accordance with the procedure outlined in Schedule "6", or such other process as the Lessor or Municipal Authority Having Jurisdiction may create from time to time after consultation with the Lessee. No work shall be commenced without such approval being given in writing.

8.2 Compliance Requirements.

All renovations and improvements shall be carried out in compliance with the Land Use Rules.

8.3 Ownership of the Building.

The Building shall be and remain the property of the Lessor, subject to the rights of the Lessee pursuant to this Lease.

8.4 Ownership of Lessee Fixtures

The Lessee Fixtures and any other furniture, fittings and equipment acquired or installed in respect of the Building under the terms of the Development Agreement, will be the property of the Lessee.

PART 9
INSURANCE

9.1 Lessee's Insurance.

The Lessee shall take out and keep in force during the Term:

- (a) commercial general liability insurance on an occurrence basis with respect to the Activities carried on, in or from the Building and the Lessee's use and occupancy thereof with an initial limit of not less than \$5,000,000 per occurrence, and thereafter in such amount as the Lessor may reasonably require, which insurance shall include the Lessor, its Board of Governors, employees and agents as additional insureds, shall include a cross liability clause and tenant's legal liability insurance and shall provide primary coverage so that it shall not participate with, nor be excess over, any valid and collectable insurance carried by the Lessor, and
- (b) all risk property insurance on the leasehold improvements and Lessee Fixtures made by the Lessee, which insurance shall include a waiver of subrogation against the Lessor and shall name the Lessor as a loss payee as its interest may appear, but the Lessor agrees to make available any insurance proceeds it receives, for the repair or replacement of the insured leasehold improvements, provided this Lease is not terminated pursuant to any other provision hereof.

All insurance required to be maintained by the Lessee shall be on terms and with insurers acceptable to the Lessor, acting reasonably, and shall provide that such insurers shall provide to the Lessor 60 calendar days prior written notice of cancellation or of material alteration of such terms. The Lessee shall furnish to the Lessor certified copies of the policies at the beginning of the Term and on an annual basis thereafter, or as requested by the Lessor from time to time. If the Lessee shall fail to take out, renew and keep in force such insurance the Lessor may do so and the Lessee shall repay to the Lessor forthwith on demand any premium amounts paid by the Lessor failing which the Lessor may invoke such other remedies that are included herein.

9.2 Sublessee's Insurance.

The Lessee shall ensure that its Sublessees carry adequate general liability insurance acceptable to the Lessor acting reasonably, and that such policy includes the Lessor and the Lessee as additional insureds. The Lessee shall provide to the Lessor from time to time certified copies of the insurance policies of the Sublessees upon request by the Lessor.

9.3 Lessor's Insurance.

The Lessor shall take out and keep in force during the Term all risk property insurance on the Building and on all improvements and installations made by the Lessor to their full replacement value. The Lessor shall provide certified copies of the policy to the Lessee upon request.

PART 10

MAINTENANCE AND REPAIRS

10.1 Maintenance and Repairs By Lessor. The Lessor will be responsible for and carry out all maintenance and repairs associated with the costs more specifically set out in Section 3.3(a) of this Lease.

10.2 Repair of Damage Caused By Lessee.

The Lessee will be responsible for and carry out all maintenance and repairs associated with the costs more specifically set out in Section 3.3(b) and Section 3.4 of this Lease.

PART 11

INDEMNITIES AND LIABILITY

11.1 Lessee Indemnity.

In addition to any other indemnity contained in this Lease, unless the Lessor or its servants or agents are negligent or wilfully in default, the Lessee indemnifies the Lessor and saves it harmless from and against any and all claims, actions, damages, liability and expenses in connection with the loss of life, personal injury or damage to property arising from any act in or on the Building and outdoor area described in Section 7.5 or the occupancy or use of the Building and outdoor area described in Section 7.5 or occasioned wholly or in part by an act or omission of the Lessee, its officers, employees, agents, contractors or other invitees, licensees or by any one permitted by the Lessee to be in or on the Building and outdoor area described in Section 7.5. In case the Lessor, without fault on its part or on the part of its servants, agents, or those for whom the Lessor is responsible at law, is made party to litigation begun by or against the Lessee, excepting a bona fide action by the Lessee against the Lessor, the Lessee will protect and hold the Lessor harmless and will pay the costs, expenses and reasonable legal fees on an indemnity basis incurred or paid by the Lessor in connection with the litigation. The Lessee will also pay all costs, expenses and reasonable legal fees on an indemnity basis incurred by the Lessor in enforcing this Lease provided the Lessor's contention or position is upheld by the court or an arbitrator. It is understood and agreed that all references to Lessor in this Section shall be read and construed as being references to the Lessor in its capacity as the owner of the Lands and also in its capacity as the Municipal Authority Having Jurisdiction

11.2 Liability.

Unless the Lessor or its servants or agents are negligent or in default (in which case the Lessor will indemnify and save harmless the Lessee from and against any and all claims incurred by the Lessee as a result of such negligence or default), the Lessor is not liable for:

- (a) the death of or injury to the Lessee or those for whom it is responsible in law, or for the loss of or damage to property of the Lessee or others by theft or otherwise

or for consequential damage or loss of profits or for any other costs, losses, damages of whatsoever kind. Without limiting the generality of the foregoing, the Lessor is not liable for death, injury, loss or damage of or to any party or persons or property of such party or person resulting from fire, explosion, falling plaster, steam, gas, electricity, water, rain or snow or leaks from any part of the Campus or from the pipes, appliances or plumbing works or from the roof, street or subsurface or from any other place or by dampness or by other cause of any kind; and

- (b) death, injury, loss or damage caused by the Lessor's faculty, staff, students, other occupants or other persons in or on the Building and outdoor area described in Section 7.5 or in any other part of the Campus or resulting from construction, alteration or repair to any part of the Campus. All property of the Lessee kept or stored in or on the Building and outdoor area described in Section 7.5 will be kept or stored at the risk of the Lessee only and the Lessee will hold the Lessor harmless from all claims arising out of damages to it, death or injury as enumerated above including subrogation claims by the Lessee's insurers.

It is understood and agreed that all references to Lessor in this Section shall be read and construed as being references to the Lessor in its capacity as the owner of the Lands and also in its capacity as the Municipal Authority Having Jurisdiction.

11.3 Insurance No Waiver.

Maintenance of the insurance described in Section 9.1 and the performance by the Lessee of its obligations under such Section shall not relieve the Lessee of liability under the indemnity and liability provisions set forth in Sections 11.1 and 11.4 and these Sections shall survive the expiry or sooner termination of this Lease.

11.4 Enforcement of Lease.

Costs, expenses and reasonable legal fees incurred by the party enforcing this Lease shall be paid on an indemnity basis by the other party, provided the position or contention of the party enforcing the Lease is upheld by the court or an arbitrator.

PART 12

LESSOR'S USE OF THE BUILDING

12.1 Lessor's Right to a Lease

The parties agree that the Lessor shall be entitled to lease at the most favourable prevailing terms and rental rate charged to other Sublessees of the Building any part or portions of the Building that the Lessee is no longer using on a permanent basis. The Lessor shall cease occupation of such space and redeliver it in vacant possession to the Lessee at the end of the term of any such lease.

PART 13

ASSIGNMENT AND SUBLETTING

13.1 Limitation.

Other than for activities and/or uses by the Lessor, the Lessee shall not assign, sublet, grant a license or suffer any other persons to occupy or use the Building or any part thereof without the prior written consent of the Lessor which shall not be unreasonably withheld or delayed. The Lessee shall provide to the Lessor all information requested by the Lessor regarding any proposed assignment, subtenancy or license, including but not limited to an executed copy of any legal agreement to be entered into by the Lessee in respect of which consent is sought, which legal agreement shall be made expressly subject to the Lessor's consent.

Where the activities require a sublease, license, or assignment, the Lessee shall provide copies of such agreements to the Lessor upon request.

PART 14

DAMAGE AND DESTRUCTION

14.1 If the Building is at any time destroyed or damaged or access to the Building is prevented as a result of fire or any other casualty, the following provisions shall apply:

- (a) this Lease shall continue in full force and effect and the Lessor shall commence diligently to reconstruct, rebuild and repair the Building with a view to reinstating the Building to its condition before the damage and destruction.
- (b) following damage or destruction of the Building, upon the Lessee being given ten (10) Business Days' notice in writing by the Lessor that the Lessor's work of reconstruction and/or repair as set out above pursuant to this Lease has been substantially completed, the Lessee shall at its sole cost and expense diligently commence to replace or reinstall furnishings, fittings, equipment and leasehold improvements owned by the Lessee and required by the Lessee to fully restore the Building for use in the Lessee's or any Sublessee's business.
- (c) the certificate of an independent architect retained mutually by the Lessor and Lessee as to the date upon which the Lessor's work of reconstruction and/or repair is substantially completed and as to the state of completion of any work of either the Lessor or the Lessee under this Lease shall bind the parties hereto.
- (d) if the Lessor repairs or reconstructs the Building, the Lessor may do so other than in accordance with the final plans used in the original construction of the Building with such modifications as are necessary to comply with the then applicable Land Use Rules, provided that the Lessor has consulted with the Lessee regarding any such modifications.

14.2 In the event of damage or destruction to the Building pursuant to this Part 14, the parties acknowledge the Lessee's need of space in order to continue serving the students on Campus while the Building is repaired or rebuilt and agree to use their reasonable commercial efforts to work together for provision of an appropriate space on Campus for the Lessee. Priority will be given in the following order: 1) space to allow AMS to carry on governance, 2) space for AMS club /study /lounge requirements, 3) space for commercial activities.

PART 15

SPECIAL RIGHTS OF THE LESSOR

15.1 Entry.

If the Lessor wishes to permit its contractors or agents to enter upon the Lands and Building for the purposes of installing underground water, oil, gas, steam, storm sewer, sanitary sewer and other pipelines and conduits or to perform work or inspections, the Lessor shall provide to the Lessee with reasonable notice specifying the reason for entry. The Lessee shall not impede the entry of those governmental bodies, public utilities or other persons having a legal right of entry upon the Building.

15.2 Easements.

If during the Term the Lessor reasonably requires any easements over the Lands and Building, the Lessee shall consent to the grant of such easement or, at the Lessee's option, pay to the Lessor the sum equal to the cost of constructing and relocating the utilities, facilities and systems through an alternate route less the estimated cost for the proposed changes of such utilities, facilities and systems that would have been incurred had the same not been relocated, provided such easements shall not materially interfere with the Lessee's access to or use of the Building. It is also understood and agreed that the Lessor and Lessee will sign such agreements from time to time, including without limitation, statutory rights of way, to permit the passage of persons to and from the Building to transit or other services being supplied to the Campus.

15.3 Mortgages.

- (a) The Lessor expressly reserves the right to mortgage its interest in the Lands and Building with priority over the Lease, subject to the mortgagee agreeing on such terms as the Lessor and Lessee may reasonably require, to recognize the leasehold interest of the Lessee and all persons claiming under the Lessor (including mortgagees) in the event of foreclosure of its mortgage and the Lessee does hereby agree to subordinate this Lease to any such mortgage,
- (b) The Lessee is prohibited from mortgaging or pledging this Lease in any way, other than granting a mortgage to the Lessor to secure repayment of any loan made to the Lessee in connection with the construction of the Building.

PART 16

DEFAULT AND TERMINATION PROVISIONS

16.1 Default. If the Lessee:

- (a) fails or neglects to make any payment due to the Lessor, in accordance with the terms of this Lease, within 30 calendar days after the Lessor gives to the Lessee written notice that the payment is overdue, or
- (b) fails or neglects to cure any default of any of the other terms, covenants, agreements, or conditions herein on its part to be observed, kept or performed, within 90 calendar days after the Lessor gives to the Lessee written notice of such default or fails to proceed diligently within 60 calendar days to cure such default which cannot be cured within 90 calendar days, then in such events in addition to its common law rights and any other rights to which it is entitled under this Lease, the Lessor may, by written notice to the Lessee, forthwith terminate this Lease.

16.2 Bankruptcy and Other Circumstances. The Lessee covenants that:

- (a) if any proceedings under the Bankruptcy and Insolvency Act of Canada, the Companies Creditors Arrangement Act or other statute of similar purport are commenced against the Lessee, and such proceedings are not dismissed before an adjudication of bankruptcy, the appointment of a trustee, or the confirmation of a composition, arrangement or plan of reorganization, or
- (b) if the Lessee is adjudged insolvent or makes an assignment for the benefit of its creditors or otherwise takes the benefit of any statute for the benefit of insolvent debtors, or
- (c) if a writ of attachment or execution is levied on the leasehold estate hereby created on any property of the Lessee upon the Building and is not released or satisfied within 30 calendar days thereafter, or
- (d) if a receiver, trustee, sequester or liquidator is appointed in any proceeding or action with authority to take possession or control of the leasehold interest of the Lessee hereunder, any portion of the Building or the business conducted thereon by the Lessee, and such appointee is not discharged within a period of 45 calendar days after his appointment, or
- (e) if the Lessee abandons the Building, or
- (f) if a creditor of the Lessee attempts to execute, realize upon or otherwise enforce any charge or encumbrance secured against the Lease, and such proceedings are not disrupted by the Lessee within 30 calendar days thereafter, or

- (g) if any sale, transfer, assignment, license, sublease or parting with possession which is contrary to Part 13 occurs or purports to occur and such proceedings are not remedied by the Lessee within 30 days after written notice to the Lessee, or
- (h) if any resolution is passed or other step taken for the winding up, liquidation or other termination (other than that resulting from a re organization of the Lessee that is consented to in writing by the Lessor) of the existence of the Lessee, or
- (i) if the Lessee ceases to be the principal representative body for undergraduate and graduate students at the Campus, or
- (j) if the Lessee fails to obtain and/or maintain the insurance provided for in Part 9 and such default is not remedied by the Lessee within 30 days after written notice to the Lessee,

each such event shall be deemed to constitute a breach of this Lease by the Lessee and shall, at the election of the Lessor by written notice, but without entry or other action of the Lessor, terminate this Lease as to all or any portion of the Building immediately upon the sending of such notice and in respect of such terminated portion of all rights of the Lessee under this Lease and all rights of any persons claiming under the Lessee, shall thereupon cease and in addition to its common law rights and any other rights to which it is entitled under this Lease, all rent including Basic Rent and Additional Rent then due, plus Basic Rent for the next following three months shall at the Lessor's election become due and be payable to the Lessor, such payment being in addition to and without prejudice to any other remedy or damages available to the Lessor.

16.3 Termination.

In the event of termination or expiration of the Lease, the Lessee agrees to deliver the Building to the Lessor within 90 calendar days of notice of termination or expiration, in good state and condition, except for reasonable wear and tear and overholding will be subject to the terms and conditions of the Lease.

16.4 Non Performance Excepted.

Notwithstanding anything in this Lease, the parties shall not be in default with respect to the performance of any of the obligations within this Lease, if the default is due to any strike, lockout, labour dispute, civil commotion, invasion, rebellion, hostilities, sabotage, acts of God or any other cause beyond the reasonable control of the party (other than due to lack of funds or any other financial condition).

PART 17

RIGHT OF ENTRY AND INSPECTION

17.1 Inspection of Building by Lessor.

The Lessor, its servants, agents, contractors and representatives, shall be entitled at all reasonable times (after written notice given to the Lessee specifying the purpose) to go into the Building and into all parts thereof for any of the following purposes:

- (a) inspecting the same,
- (b) inspecting the performance by the Lessee of the terms, covenants, agreements and conditions of this Lease including compliance with any applicable Environmental Law, and by any Sublessee claiming by, through or under the Lessee of any of its obligations under its sublease,
- (c) posting and keeping posted thereon notices as required or permitted by any law or regulation, or
- (d) any other reasonable purpose.

17.2 Inspection by Lessee.

The Lessee, its servants, agents, contractors and representatives, shall be entitled at all reasonable times (after written notice given to the Lessor in respect of any areas in which the Lessee does not have the right to exclusive use and occupation under the Lease, specifying the purpose and provided access is in accordance with all applicable safety regulations and policies) to go into all parts of the Building and Common Areas for any of the following purposes:

- (a) inspecting the performance by the Lessor to determine that building systems are maintained at a level to meet sustainability commitment;
- (b) undertaking building renovation projects.

PART 18

GENERAL TERMS NOTICES AND INTERPRETATIONS

18.1 Rules and Regulations.

The Lessee shall observe and cause its directors, officers, employees, agents and invitees and others over whom the Lessee can reasonably be expected to exercise control, to observe such policies, rules and regulations and amendments and changes therein of which it has received written notice not inconsistent with the permitted use of the Building or with this Lease as may hereafter be made by the Lessor. Upon written notice setting forth such rules and regulations being given to the Lessee such rules and regulations shall be deemed to be incorporated into and

form a part of this Lease. Nothing in this Section shall, however, confer upon the Lessor the right to detract or derogate from the rights of the Lessee set out in this Lease.

18.2 No Waiver Implied.

No condoning, excusing or overlooking by either party to this Lease of any default, breach or non observance at any time or times in respect of any covenant, proviso or condition herein contained shall operate as a waiver of that party's rights hereunder in respect of any continuing or subsequent default, breach or non observance, or so as to defeat in any way the rights of the party in respect of any such continuing or subsequent default or breach, and no waiver shall be inferred from or implied by anything done or omitted by the party save only an express waiver in writing.

18.3 Labour Disputes.

The Lessor and the Lessee covenant to co operate with each other in minimizing the effect of any labour dispute which any such party may have upon the operations of the other party. The Lessor and the Lessee covenant that in the event of a labour dispute, the party involved in such dispute shall take all appropriate steps to protect the party not involved in the dispute from interference with its or their operations caused by the dispute and without limiting the generality of the foregoing, to eliminate picketing which may cause such interference. Such steps shall be taken at the expense of the party involved in the dispute and the non involved party shall have the right to retain counsel at its own expense to recommend to the party involved in the dispute appropriate action to protect the party not involved. The party involved shall give due consideration to the recommendation of counsel for the party not involved, but is not bound by such recommendation. This Section shall not be construed to require a party involved in a dispute to meet the demands of any party with whom it has the dispute.

18.4 Labour Dispute Claims.

Neither the Lessor nor the Lessee shall bring any action against or claim damages for compensation from the other for any loss, cost, expense or liability suffered as a result of a labour dispute other than in respect of a breach of the covenant contained in Section 18.3.

18.5 No Prejudice.

No exercise of a specific right or remedy by the parties precludes them from or prejudices them in exercising another right or pursuing another remedy or maintaining an action to which they may otherwise be entitled either at Law or in equity.

18.6 Dispute Resolution.

If a dispute arises between the parties relating to this Agreement, the parties agree to use the following procedures to resolve such dispute:

- (a) Either Party may notify the other by written notice ("Notice") of the existence of a dispute and a desire to resolve the dispute by mediation.

- (b) A meeting will be held within 14 days between the parties, attended by individuals with decision making authority regarding the dispute, to attempt to negotiate a resolution of the dispute.
- (c) If, within 14 calendar days after such meeting or such further period as is agreeable to the parties. the parties have not succeeded in negotiating a resolution of the dispute, the dispute shall be submitted to mediation and each Party shall bear equally the costs of mediation.
- (d) The parties will jointly appoint a mutually acceptable mediator, and if they have been unable to agree upon such appointment within 14 calendar days following the conclusion of the negotiation period, the parties shall seek assistance from the British Columbia International Commercial Arbitration Centre.
- (e) The parties agree to participate in good faith in the mediation and negotiations related thereto for a period of 14 calendar days following appointment of the mediator or for such longer period as the parties may agree.
- (f) The parties agree to share equally all the costs of dispute resolution including the cost of mediator on 50/50 basis.
- (g) If the mediation pursuant to (a) to (f) above does not result in a satisfactory resolution, the parties agree that the matter be referred to a single arbitrator acting pursuant to the rules of the British Columbia International Commercial Arbitration Centre (“BCICAC”), or any successor body thereof. The BCICAC shall appoint the arbitrator, who shall act pursuant to the rules and procedures of the BCICAC and shall, in his absolute discretion, hear such written and oral submissions from the parties as the arbitrator shall determine. The decision of the arbitrator shall be final and binding upon the parties, including any decision of the arbitrator with respect to the costs of arbitration.

PART 19

QUIET ENJOYMENT

19.1 If the Lessee without default pays the Basic Rent, Additional Rent and/or any other amounts required to be paid under the terms hereof to the Lessor under this Lease at the times and in the manner herein provided and keeps and performs all the terms, covenants and agreements herein on the Lessee’s part to be kept and performed, the Lessee may possess and enjoy the Building for the Term without disturbance or interruption by the Lessor or any person claiming through or under the Lessor but subject to the rights of the Lessor herein.

PART 20

OVERHOLDING

20.1 If the Lessee remains in possession of the Building after the end of the Term and without execution and delivery of a lease for the Renewal Term, the Lessee shall be considered to be occupying the Building as a tenant from month to month and otherwise upon the terms and conditions set forth in this Lease, so far as applicable, and such occupation shall be terminable upon three month's written notice from the Lessor.

PART 21

EXPROPRIATION

21.1 If the Building or any portion thereof are expropriated at any time during the term, the Lessor shall have no liability to the Lessee for the Lessor's inability to fulfil any of its covenants herein, but in each such event the Lessor and the Lessee may seek compensation separately from the expropriating authority but shall co operate in seeking such compensation, and if a joint award of compensation is made, it shall be divided as agreed between the Lessor and the Lessee and failing agreement within 90 calendar days of the award, by a court of law or an arbitrator.

PART 22

LESSOR/LESSEE LEASE COMMITTEE

22.1 The Lessor and the Lessee agree to establish a committee to meet from time to time to discuss issues that arise with respect to this Lease and the Building. The initial operating parameters and the members of the committee are set out in Schedule "7".

PART 23

NAMING RIGHTS

24.1 Subject to paragraph 24.2 below, in recognition of the Lessee's gift to the Lessor for the development of the Building, the Building will be named for the AMS for the duration of the Lease.

24.2 Any name that the Lessee chooses for the Building must be first approved by the Lessor in accordance with UBC's Naming Policy as amended from time to time.

24.3 Upon the termination of the Term of this Lease or any extension thereof, the right to determine the lead name for the Building shall revert to the Lessor and the name by which the Building was known during the Term of this Lease or any extension thereof may be changed by the Lessor, in accordance with UBC's Naming policy as amended from time to time.

24.4 The impact on operating, maintenance, repair and capital renewal costs of gifts-in-kind and potential gifts-in-kind to the Lessee cannot bind the Lessor to any additional operating, maintenance, repair or capital renewal costs, or service contracts, without the Lessor's approval which will not be unreasonably withheld.

PART 24

MISCELLANEOUS

24.1 Entire Agreement.

This Agreement together with:

- (a) the Development Agreement regarding the construction of the Building,
- (b) the Commitment Letter, a mortgage of lease and other security documentation to secure repayment of the loan described in the Commitment Letter,
- (c) the Surrender Agreement,

constitute the entire agreement between the parties with respect to all the matters regarding the Building, the execution of which agreements has not been induced by, or do any of the parties rely upon or regard as material, any representations or writings whatsoever not incorporated in such agreements. Such agreements supersede and invalidate all other commitments, representations and agreements relating to the subject matter thereof which may have been made between the parties orally or in writing before the respective dates of such agreements and all amendments thereto and replacements thereof.

24.2 Time.

Time is of the essence of this Lease.

24.3 Proper Law.

The Lease shall be construed and governed by the laws of the Province of British Columbia.

24.4 No Joint Venture etc.

The parties understand and agree that nothing contained in this Lease nor in any acts of the parties hereby shall be deemed to create any relationship between the parties hereto other than the relationship of Lessor and Lessee.

24.5 Use of Name.

The Lessee shall not, without the prior written consent of the Lessor, use the Lessor's name in any publication, advertisement, notice, or document unless the Lessor's name is utilized in conjunction with the Lessee's name and further only to the extent permitted in writing by the Lessor.

24.6 Enurement.

Subject to the provisions of the Lease respecting assignment by the Lessee, this Lease shall ensure to the benefit of and be binding upon the Lessor, its successors and assigns and the successors and permitted assigns of the Lessee.

24.7 Notice.

Any notice, demand, request, consent or objection required or contemplated to be given or made by any provision of this Lease shall be given or made in writing and may be either delivered personally, by overnight courier or sent by registered mail, postage prepaid, addressed to the Lessor at:

The University of British Columbia
Room 107
Old Administration Building
6328 Memorial Drive
Vancouver, British Columbia, V6T 1Z2

Attention: The President

(with a copy to the VP Students)

or addressed to the Lessee at:

Alma Mater Society of The University of British Columbia Vancouver
6138 Sub Boulevard
Vancouver, British Columbia, V6T 1Z1

Attention: The President

(with a copy to the General Manager, AMS)

or to such other address as such party from time to time may specify by written notice to the other. The time of giving or making such notice, demand, request, consent or objection shall be, if delivered, when delivered, and if mailed, then on receipt at such address.

24.8 Captions.

The captions appearing in this agreement have been inserted as a matter of convenience only and in no way define, limit or enlarge the meaning of this agreement or any provision thereof.

24.9 Severability

In the event that any part, section, paragraph or subparagraph of this Lease shall be held to be indefinite, invalid, illegal, or otherwise voidable or unenforceable, the entire Lease shall not fail on account thereof, and the balance of the Lease shall continue in full force and effect.

IN WITNESS WHEREOF the respective seals of the Lessor and Lessee were hereunto affixed in the presence of the duly appointed Directors authorized in that behalf as of the day and year first above written.

The Corporate Seal of The University of)
 British Columbia was hereunto affixed in)
 the presence of:)
)
 _____)
 Authorized Signatory)
)
 _____)
 Authorized Signatory)

c/s

The Corporate Seal of Alma Mater Society)
of the University of British Columbia)
Vancouver was hereunto affixed in the)
presence of:)

c/s

_____)
Authorized Signatory)

_____)
Authorized Signatory)

SCHEDULE 1

**PLAN OF THE BUILDING AND PLAZA /OUTDOOR AREA
[SECTION 1.1(g) AND 7.5]**

[Building Floor Plans to be attached]

SCHEDULE 2

**LEGAL DESCRIPTION OF LANDS
(SECTION 1.1(t))**

[Legal description to be attached]

The Building is situate on lands legally described as:

P.I.D. 015-891-909
District Lot 3044
Group 1 NWD
Except Firstly: Part on Plan 6147;
Secondly: Part on Plan 9301;
Thirdly: Part on Plan BCP6556; and
Fourthly: Part on Plan BCP23719

SCHEDULE 3

PERMITTED COMMERCIAL ACTIVITIES (SECTION 4.2)

Notwithstanding any permitted Commercial Activities listed below, it is understood and agreed that the Lessor shall be able to refuse to permit such Commercial Activities in areas that are located within the boundaries of the University Boulevard Neighbourhood, unless the Greater Vancouver Regional District (carrying on business under the name Metro Vancouver) has granted to the Lessor an exemption with respect thereto, so that the Lessor can locate commercial businesses on University Boulevard to the full extent that is permitted by the University Boulevard Neighbourhood Plan.

Permitted Commercial Activities:

AMS Retail/Commercial Uses will total 37,081 ft² allocated as follows:

- 31,071 ft² of AMS Food Service Operations (including approximately 9,120 ft² of seating)
- 6,010 ft² of retail/commercial service operations
- Plus approximately 4,919 ft² for future commercial activities

Of the 31,071 ft² of AMS Food Service Operations, the following uses are allowed for day and evening operations:

- Fast food
- Convenience store
- Pit Pub
- Gallery Lounge
- Restaurants and cafes

Of the 6,010 ft² of retail / commercial service operations, the following uses are allowed for day and evening operations:

- Post Office
- Bicycle shop
- Computer sales and services
- Music shop
- Financial services (ATM only)
- Gift shop / stationery shop
- Hair salon
- Student medical services
- Travel services / agency

- Clothing alterations
- Consignment clothing / apparel store
- Entertainment arcade / computer games store
- Dollar store

The following restrictions shall apply:

- Gallery Lounge to not exceed approximately 4,074 ft², noting that provincial approval is required to expand this facility
- Pit Pub to not exceed approximately 7,134 ft² and to be located in basement only
- Dollar Store must be located in basement only
- Sprouts operation must be located in basement only

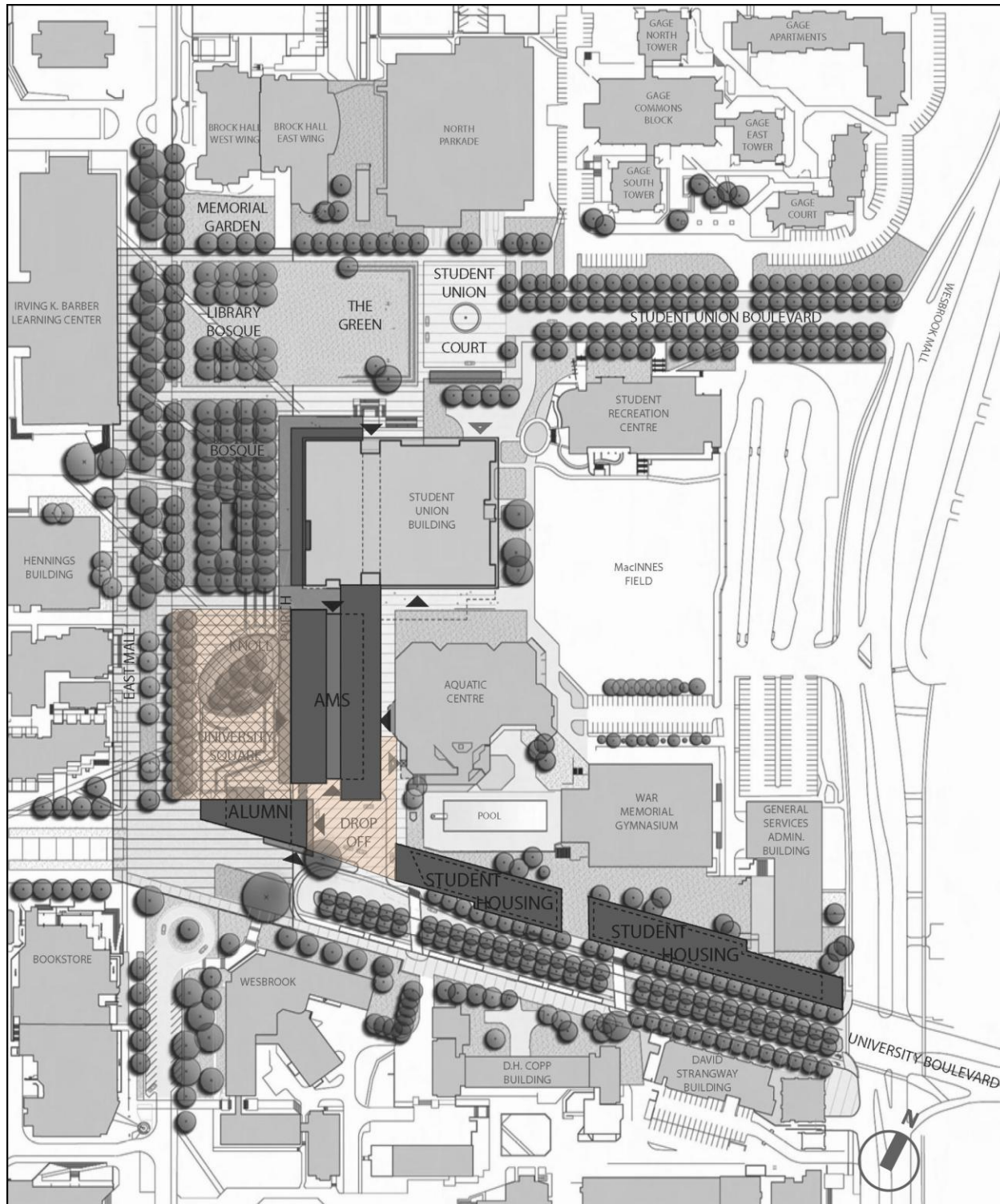
Schedule “3” may be amended from time to time and approval by either party will not be unreasonably withheld and will be based on the same rules that would apply to others.



SCHEDULE 4

RESTRICTED COMMERCIAL ACTIVITIES [SECTION 4.5(a)]

1. It shall not be unreasonable for the Lessor to withhold its consent in respect of the activities described in Article 6 of the agreement dated July 1, 2008 between UBC Properties Investments Ltd. and Royal Bank of Canada (as may be amended from time to time), namely the use of space for the purpose of a bank, treasury branch, trust, investment dealer, insurance or stock broker, acceptance or loan corporation, or any other organization engaged in the business of accepting money on deposit or lending money or any similar business which would, in the Lessor's opinion, acting reasonably, be competitive with the business being carried on by the Royal Bank of Canada at 5960 University Boulevard, Vancouver, British Columbia or for the installation of any electronic or mechanical equipment, devices or machines by which any banking transaction, operation or function may be available to the public except those that may be installed or operated by the Royal Bank of Canada or those that are used solely to process credit or debit card transactions or to dispense cash..
2. It shall not be unreasonable for the Lessor to withhold its consent in respect of the activities described in Article 35 of the agreement dated September 16, 2005 between UBC Properties Investments Ltd. and Shoppers Realty Inc. (as may be amended from time to time), namely the use of space principally for the business of a retail pharmacy/dispensary and drug store.
3. It shall not be unreasonable for the Lessor to withhold its consent in respect of the activities described in Article 35 of the agreement dated October 27, 2005 between UBC Properties Investments Ltd. and C.G.L. Investments Ltd. (as may be amended from time to time), namely the use of space principally for a business requiring a Liquor-Primary Licence or a Liquor (Licensee) Retail Store Licence as defined by the Government of British Columbia Liquor Control and Licensing Branch; provided however, it is understood and agreed that the Lessee shall be permitted to operate a pub (currently called the Pit Pub) and a lounge (currently to be called the Gallery Lounge) as establishments under a Liquor-Primary License and to obtain Special Occasion Licenses for activities conducted elsewhere in the Building, so long as:
 - (a) neither the pub nor the lounge has:
 - (i) a patio located within the hatched or cross hatched areas shown on the plan attached to this Schedule 4;
 - (ii) signage within the hatched area, or on the exterior of the Building, that is visible from the ground level of University Boulevard;

- (iii) doors or windows that open on to the hatched area, or that are visible from the ground level of University Boulevard;
- (b) the pub does not have:
 - (i) signage within the cross-hatched area, or on the exterior of the Building, that is visible from the ground level of University Square, which square comprises the entire cross-hatched area shown on the plan attached to this Schedule 4;
 - (ii) doors or windows that open on to the cross-hatched area, or that are visible from the ground level of University Square;
- (c) the activities associated with the Special Occasion Licenses are conducted in substantially the same manner in which they were conducted in the Lessee's former building situate north of the Aquatic Centre and identified on the plan attached to this Schedule 4 as the existing Student Union Building; and
- (d) the Lessee complies with all other provisions of the Lease to which this Schedule 4 is attached, all applicable statutory and regulatory requirements, and all of the Lessor's rules and regulations of general application, including those relating to land use, noise, and nuisance.



-  No patio, signage, doors or windows to a Liquor Primary pub or lounge that are visible from, or open onto, the ground level of University Boulevard
-  No patio for a Liquor Primary pub or lounge and no signage, doors or windows for the pub that are visible from, or open onto, the ground level of University Square

SCHEDULE 5

**APPLICATION TO APPROVE A
COMMERCIAL ACTIVITY
(SECTION 4.8)**

SCHEDULE 6

**APPLICATION FOR RENOVATION APPROVAL
(SECTION 8.1)
STUDENT UNION BUILDING
Approval Form for Alterations/Additions/Change of Use by
The Alma Mater Society of UBC Vancouver (the "Society")**

Please complete relevant sections and forward

ROUTING	COMMENTS/ACTIONS OF RECIPIENTS
1. Society President (Originator) <hr/> Signature (Society) <hr/> Name <hr/> Submission Date	Brief Description of Project: <hr/> - All contemplated renovations must comply with the B.C. Building code (current edition). - Attach design drawings and specifications where relevant. - Society to forward both signed originals to the Office of the Vice President, Students.
2. Vice President, Students Time is of the essence in this process. The University will respond via Step 2 to the Society within 2 weeks of the Submission Date in Step 1 above. The Society will not proceed on any project without UBC signed approval via Step 5 of this process (a)___ Meeting/Presentation Requested - Meeting to be scheduled within two weeks of Submission Date above. - When presentation is requested, Society to copy CP&P and Treasury on all relevant material, including drawings and specifications. - Society to be advised by fax copy or email, 2(a) signed by Vice President, Students. Vice President, Students <hr/> Approved – Signature (UBC) <hr/> Name <hr/> Date	

ROUTING	COMMENTS/ACTIONS OF RECIPIENTS
<p>3. Treasury, Treasurer</p> <p>_____</p> <p>Signature</p> <p>_____</p> <p>Name</p> <p>_____</p> <p>Date</p> <p>Comments:</p> <p>_____</p> <p>_____</p> <p>_____</p>	<p>Contractual Review Comments:</p> <p>- UBC to complete steps 3 & 4, and provide either notification of permit required or approval to proceed within 2 weeks of Submission Date.</p> <p>- Both originals, signed by Treasury, to be forwarded to CP&P.</p>
<p>4. Campus & Community Planning, Chief Inspector (Please initial appropriate spot)</p> <p>_____</p> <p>Signature (UBC)</p> <p>_____</p> <p>Name</p> <p>_____</p> <p>Date</p> <p>Comments:</p> <p>_____</p> <p>_____</p>	<p>Permit Requirements:</p> <p>- UBC to complete steps 3 & 4, and provide either notification of permit required or approval to proceed within 2 weeks of Submission Date.</p> <p>- Both originals, signed by CP&P, to be forwarded to Vice President, Students.</p> <p><input type="checkbox"/> PERMIT REQUIRED</p> <p><input type="checkbox"/> PERMIT NOT REQUIRED</p>
<p>5. Vice President, Students</p> <p>_____</p> <p>Approved – Signature (UBC)</p> <p>_____</p> <p>Name</p> <p>_____</p> <p>Approval Date</p> <p>_____</p>	<p>Approval to Proceed:</p> <p>- If Permit not required, UBC to return signed originals of this form with Steps 1 to 5 completed within 2 weeks of Submission Date.</p> <p>- If Permit not required, Society to commence construction within 12 months of Approval Date (left) and upon completion to complete Step 8.</p> <p>If Permit not required and Society does not commence construction within 12 months of Approval Date (left) then Society to resubmit this form.</p>
<p>PLEASE NOTE: STEPS 6 & 7 to be completed only if Permit Required.</p>	

ROUTING	COMMENTS/ACTIONS OF RECIPIENTS
<p>6. Society President (to be completed only if Permit Required)</p> <hr/> <p>Signature</p> <hr/> <p>Name</p> <hr/> <p>Building Permit Application Date</p>	<p>Submission of Construction Drawings:</p> <ul style="list-style-type: none"> - If permit required, UBC to provide comments within 3 weeks of Building Permit Application Date. - Society to attach detailed plans of proposal for UBC's approval. - Both originals, signed by Society, to be forwarded to CP&P with construction drawings and permit application. - Society to commence construction within 6 months of Building Permit Issuance Date. - If permit required, Society should submit Building Permit Application within 6 months of Approval Date (Step 5). - If the Society does not commence construction within 6 months of the Building Permit Issuance Date then the Society shall receive subsequent 6 month extensions upon written request. - Society wanting to commence construction by: <hr/>
<p>7. Campus & Community Planning, Chief Inspector</p>	<p>- Both originals to be forwarded to Society with Building Permit drawings</p>
<p>8. Society President</p> <hr/> <p>Signature (Society)</p> <hr/> <hr/> <p>Name</p> <hr/> <hr/> <p>Date</p>	<p>Project Completion:</p> <ul style="list-style-type: none"> - Society has obtained all necessary permits and inspections. - UBC original, signed by Society to be submitted to Office of the Vice President, Students upon project completion. - Society retains own original for file. - Society to submit "as built" drawings to CP&P within 6 months of final inspection date. - Final inspection and occupancy date: <hr/>

SCHEDULE 7

**LESSOR/LESSEE LEASE COMMITTEE
(SECTION 23.1)**

SCHEDULE 8
CALCULATION OF COMMERCIAL SPACE OPERATING COSTS (SECTION 3.4)

New SUB Commercial Space

Operations & Maintenance and Utilities Rates (\$/ft²)

2010 CDN \$

Service Component	Whitestone Restaurant	Whitestone Retail Store	Blended Rate¹
Cleaning Services	\$4.23	\$1.79	\$3.75
Building Maintenance ²	\$3.17	\$1.64	\$2.86
Waste Management	\$1.56	\$0.07	\$1.26
Facilities Management ³	\$1.18	\$1.18	\$1.18
O&M Subtotal	\$10.14	\$4.68	\$9.05
Utilities ⁴	\$4.00	\$1.48	\$3.50
Total	\$14.14	\$6.16	\$12.54

Notes:

1 - Blended rates are based on proposed 80/20 split between Food Service and Other Retail.

2 - Preventative maintenance, minor repair and unscheduled maintenance costs included. Capital renewal costs not included. These costs would be paid by AMS or commercial tenant on a case by case basis as they arise.

3 - Facilities manager and administrative overheads costs. Rate based on existing IPF Agreement rate adjusted for inflation. Whitestone costs are higher (\$3.73/ft² and \$2.47/ft² respectively for food service and retail space).

4 - Assumes high efficiency systems. Utilities rates shown are estimates only for illustrative purposes. Utilities will be billed based on actual metered usage and prevailing rates.

5 - Notwithstanding the above, as per Section 3.4 (a) the Lessor will provide the Lessee with a 20% student discount on the Commercial Space Operating and Maintenance costs, excluding capital renewal and modernization costs.

Other Notes:

Whitestone refers to The Whitestone Building Operations Cost Reference.

Whitestone costs are based on 2009/10 reference information adjusted for Vancouver market and Canadian dollars.

Exchange Rate: 1 USD = 0.9372 CAD (Bank of Canada Noon Rate - August 4, 2009). This is the most favourable exchange during the Whitestone cost measurement period in mid-2009.

The above unit costs are in 2010 dollars and shall be increased for each subsequent Lease Year of the Term by a factor equal to the percentage increase in the CPI from the last day of August 2010 compared to the last day of August of the then year of the Term pro rated for the number of days if less than a full year.

SCHEDULE 8 (Continued)
CALCULATION OF COMMERCIAL SPACE OPERATING COSTS (SECTION 3.4)

New SUB Commercial Space Cost Calculation (Operations & Maintenance Services and Utilities)

2010 CDN\$

Space Type	Area (ft ²)	Commercial Space	Services Provided	O&M \$/ft ² (Whitestone)	Rate Application	O&M Cost	Utilities \$/ft ² (Whitestone)	Rate Application	Utilities Cost	Tot
Central Food Service Facilities	7,509	Yes	All except custodial	\$5.30	100%	\$39,800	\$3.50	100%	\$26,269	
AMS Food Service Outlets	23,562	Yes	All except custodial	\$5.30	100%	\$124,884	\$3.50	100%	\$82,427	
AMS Commercial Retail (less CopyRight)	2,260	Yes	All except custodial	\$5.30	100%	\$11,979	\$3.50	100%	\$7,906	
Lease Commercial Retail	3,750	Yes	All except custodial	\$5.30	100%	\$19,876	\$3.50	100%	\$13,119	
Extended Café Seating Nodes	8,550	No	Custodial + Waste only	\$5.01	50%	\$21,397	\$3.50	0%	\$0	
Total	45,651					\$217,935			\$129,720	

Assumptions:

- 1) Extended Café Seating Nodes are not officially counted as Commercial Space but 50% of custodial and waste management cost for this space is charged to the AMS.
- 2) Ratio of food service space to extended café seating space is maintained at current level of 3.6 to 1.
- 3) AMS cleans food service and retail space; UBC cleans extended café seating space
- 4) Utilities costs shown are estimates only for illustrative purposes. Utilities will be billed based on actual metered usage and prevailing rates
- 5) O&M costs shown are based on 2010 unit rates and commercial space areas outlined in New SUB functional program. Actual O&M costs will be calculated in any given year using inflation adjusted unit rates and actual commercial space areas in that given year.

SCHEDULE 9
COMMERCIAL SPACE CALCULATION (SECTION 4.5)

With the consideration that some sub-leases could be non-commercial, it is understood and agreed that the following is an accurate determination of the size of the Commercial space in the Building as of March 2014 and that space categorized as C and E represents the AMS' commercial space ("Original Commercial Space");

The parties hereby agree as follows:

- 1.01 Should the AMS' space usage for commercial activities decrease from the original Commercial Space, the commercial space operating costs payments will be reduced by the percentage change decrease in the commercial space size. In June of each year, the parties will review any changes in AMS commercial space usage and adjust the commercial space operating costs payment for the year.
- 1.02 In June of each year, the parties will review any changes in the AMS commercial space usage to verify it does not exceed 42,000 sq ft
- 1.03 This Schedule will remain in effect for the balance of the Lease unless both parties agree to an amendment.

Commercial Space Calculation

Type of Space	Building (as of Sept 2014) Sq Ft
A – UBC	xxx
B – AMS Non-commercial	xx,xxx
C – AMS Commercial – AMS operated	xx,xxx
E – AMS Sub-leases – Sub-Lessee operated	<u>x,xxx</u>
D- Common/Circulation area	<u>xx,xxx</u>
Total Assignable Area	xxx,xxx
AMS Commercial Space	
C- AMS Commercial – AMS operated	xx,xxx
E AMS Sub-leases – Sub-Lessee operated	<u>x,xxx</u>
Total	xxx,xxx
Maximum permitted AMS Commercial Area	42,000