Development Permit & Development Variance Permit Planner Initials DP21-0199/DVP21-0200



This permit relates to land in the City of Kelowna municipally known as

1274 Devonshire Avenue

and legally known as

Lot A District Lot 137 ODYD Plan EPP115830

and permits the land to be used for the following development:

Apartment Housing

USE as per Zoning Bylaw

Multiple Dwelling Housing

The present owner and any subsequent owner of the above described land must comply with any attached terms and conditions.

<u>Date of Council Decision</u> April 12, 2022

Decision By: COUNCIL

<u>Development Permit Area:</u> Form and Character

Existing Zone: RM5 – Medium Density Multiple Housing

Future Land Use Designation: UC- Urban Centres

This is NOT a Building Permit.

In addition to your Development Permit, a Building Permit may be required prior to any work commencing. For further information, contact the City of Kelowna, Development Services Branch.

NOTICE

This permit does not relieve the owner or the owner's authorized agent from full compliance with the requirements of any federal, provincial or other municipal legislation, or the terms and conditions of any easement, covenant, building scheme or agreement affecting the building or land.

Owner: Five Bridges Developments Inc., Inc. No BC1289900

Applicant: Aplin Martin

Terry Barton Date

Community Planning Department Manager Planning & Development Services

1. SCOPE OF APPROVAL

This Development Permit applies to and only to those lands within the Municipality as described above, and any and all buildings, structures and other development thereon.

This Development Permit is issued subject to compliance with all of the Bylaws of the Municipality applicable thereto, except as specifically varied or supplemented by this permit, noted in the Terms and Conditions below.

The issuance of a permit limits the permit holder to be in strict compliance with regulations of the Zoning Bylaw and all other Bylaws unless specific variances have been authorized by the Development Permit. No implied variances from bylaw provisions shall be granted by virtue of drawing notations that are inconsistent with bylaw provisions and that may not have been identified as required Variances by the applicant or Municipal staff.

2. CONDITIONS OF APPROVAL

- a) The dimensions and siting of the building to be constructed on the land be in accordance with Schedule "A";
- b) The exterior design and finish of the building to be constructed on the land be in accordance with Schedule "B";
- c) Landscaping to be provided on the land be in accordance with Schedule "C"; and
- d) The applicant be required to post with the City a Landscape Performance Security deposit in the form of a "Letter of Credit" in the amount of 125% of the estimated value of the landscaping, as determined by a Registered Landscape Architect.
- e) The applicant be required to enter into a Car-Share Agreement for a minimum of two years from the date of Building Occupancy as set out in Attachment D attached to the Report from the Development Planning Department date April 12, 2022;

AND THAT variances to the following sections of Zoning Bylaw No. 8000 be granted:

Section 13.11.6(b): RM5 - Medium Density Multiple Housing Development Regulations

To vary the required maximum site coverage from 50% permitted to 58.4% proposed;

Section 13.11.6(b): RM5 - Medium Density Multiple Housing Development Regulations

To vary the required maximum site coverage of buildings, driveways and parking areas from 65% permitted to 76.7% proposed;

Section 13.11.6(c): RM5 - Medium Density Multiple Housing Development Regulations

To vary the required maximum height from 18.0 m or 4.5 storeys permitted to 20.5 m & 6 storeys proposed.

This Development Permit is valid for two (2) years from the date of approval, with no opportunity to extend.

3. PERFORMANCE SECURITY

As a condition of the issuance of this Permit, Council is holding the security set out below to ensure that development is carried out in accordance with the terms and conditions of this Permit. Should any interest be earned upon the security, it shall accrue to the Developer and be paid to the Developer or his or her designate if the security is returned. The condition of the posting of the security is that should the Developer fail to carry out the development hereby authorized, according to the terms and conditions of this Permit within the time provided, the Municipality may use enter into an agreement with the property owner of the day to have the work carried out, and any surplus shall be paid over to the property own of the day. Should the Developer carry out the development permitted by this Permit within the time set out above, the security shall be returned to the Developer or his or her designate. There is filed accordingly:

- a) An Irrevocable Letter of Credit in the amount of \$247,518.75 or
- b) A certified cheque in the amount of \$\$247,518.75

Before any bond or security required under this Permit is reduced or released, the Developer will provide the City with a statutory declaration certifying that all labour, material, workers' compensation and other taxes and costs have been paid.

4. Contribution for DCC Upgrades

Prior to issuance of the Building Permit for the development site, the applicant will provide a monetary contribution for area upgrades as a certified cheque in the amount of \$\$250,000.00.

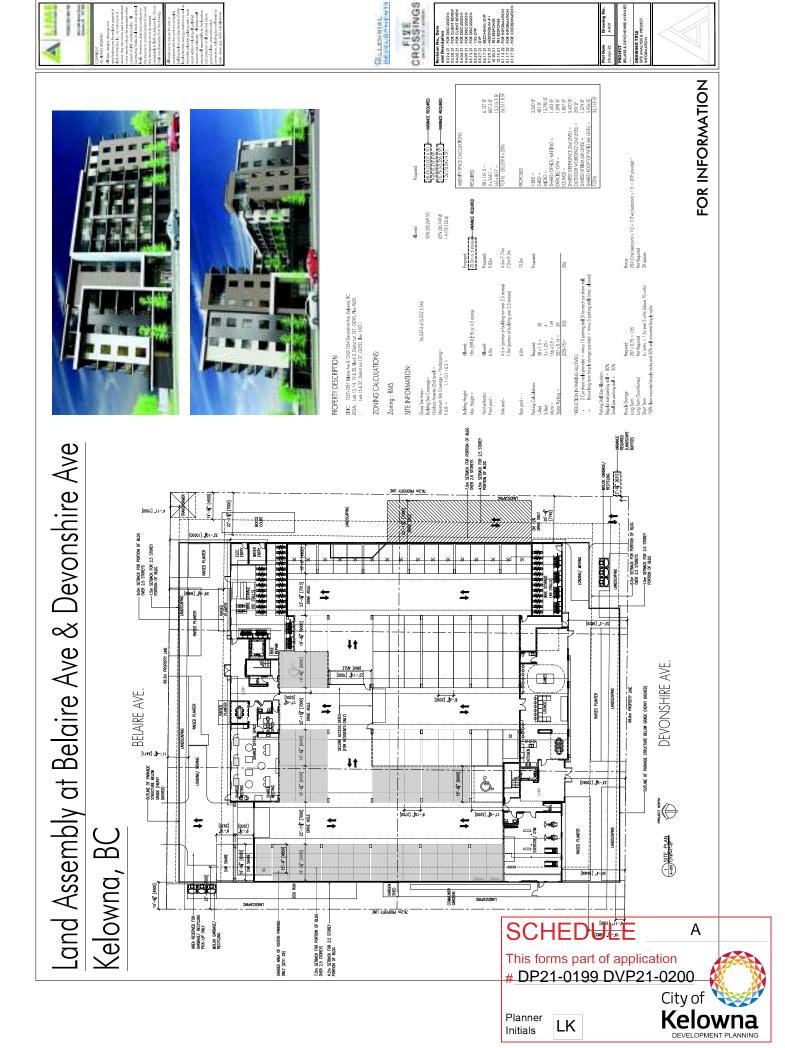
5. INDEMNIFICATION

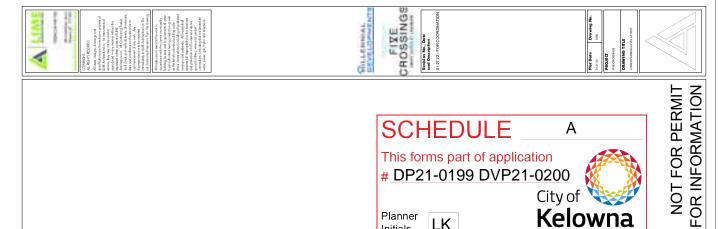
Upon commencement of the works authorized by this Permit the Developer covenants and agrees to save harmless and effectually indemnify the Municipality against:

a) All actions and proceedings, costs, damages, expenses, claims, and demands whatsoever and by whomsoever brought, by reason of the Municipality said Permit.

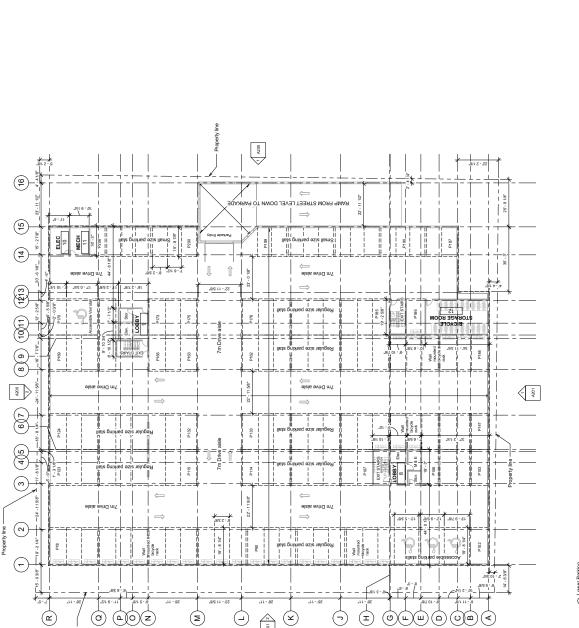
All costs, expenses, claims that may be incurred by the Municipality where the construction, engineering or other types of works as called for by the Permit results in damages to any property owned in whole or in part by the Municipality or which the Municipality by duty or custom is obliged, directly or indirectly in any way or to any degree, to construct, repair, or maintain.

The PERMIT HOLDER is the <u>CURRENT LAND OWNER</u>. Security shall <u>ONLY</u> be returned to the signatory of the Landscape Agreement or their designates.





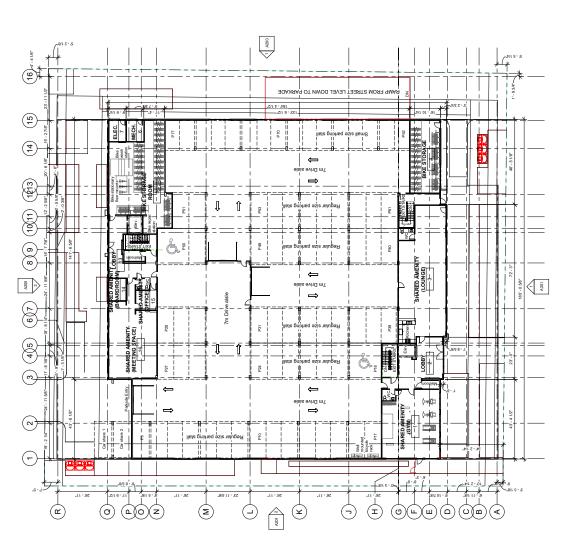


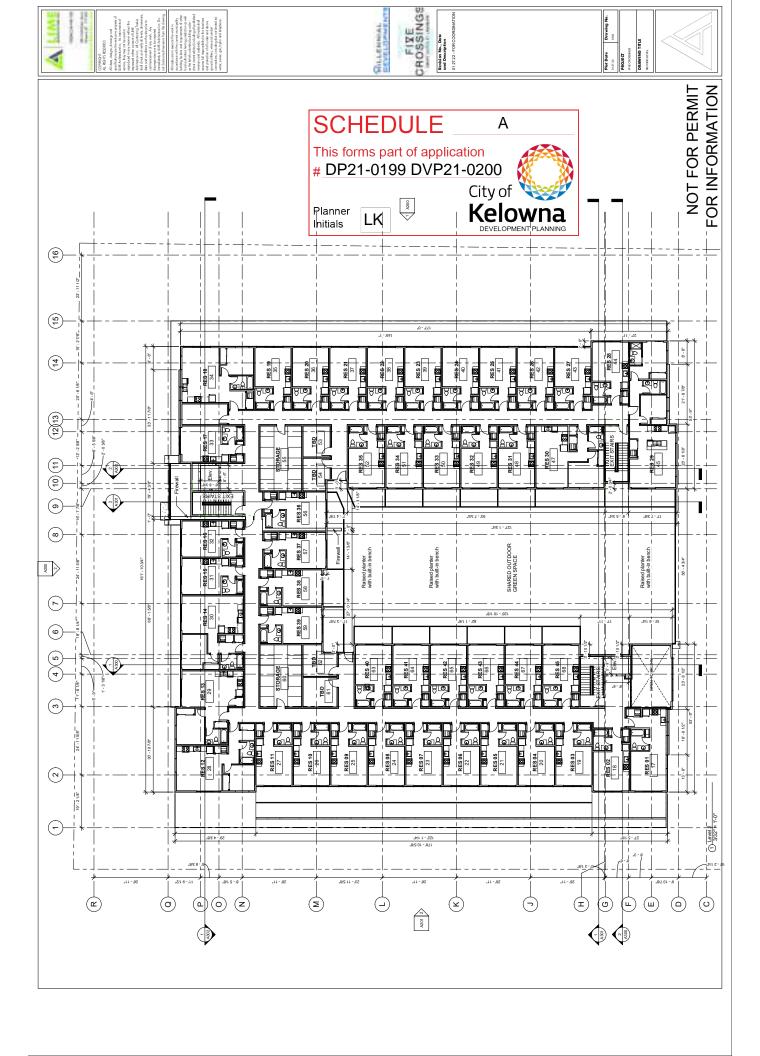


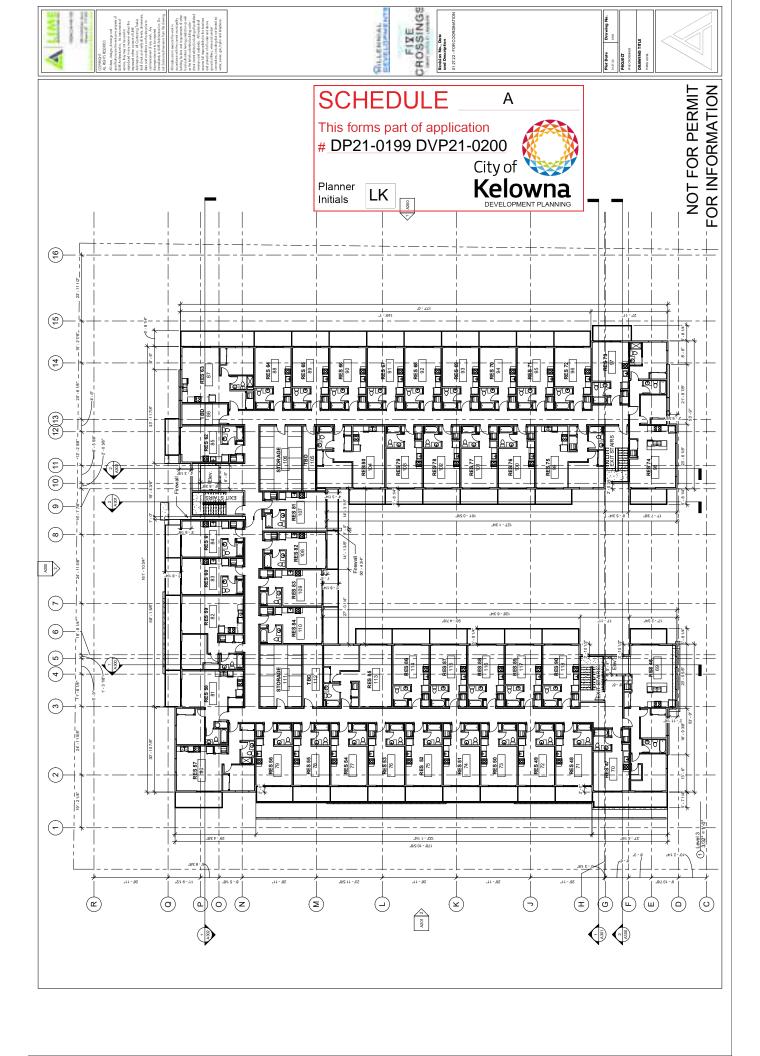


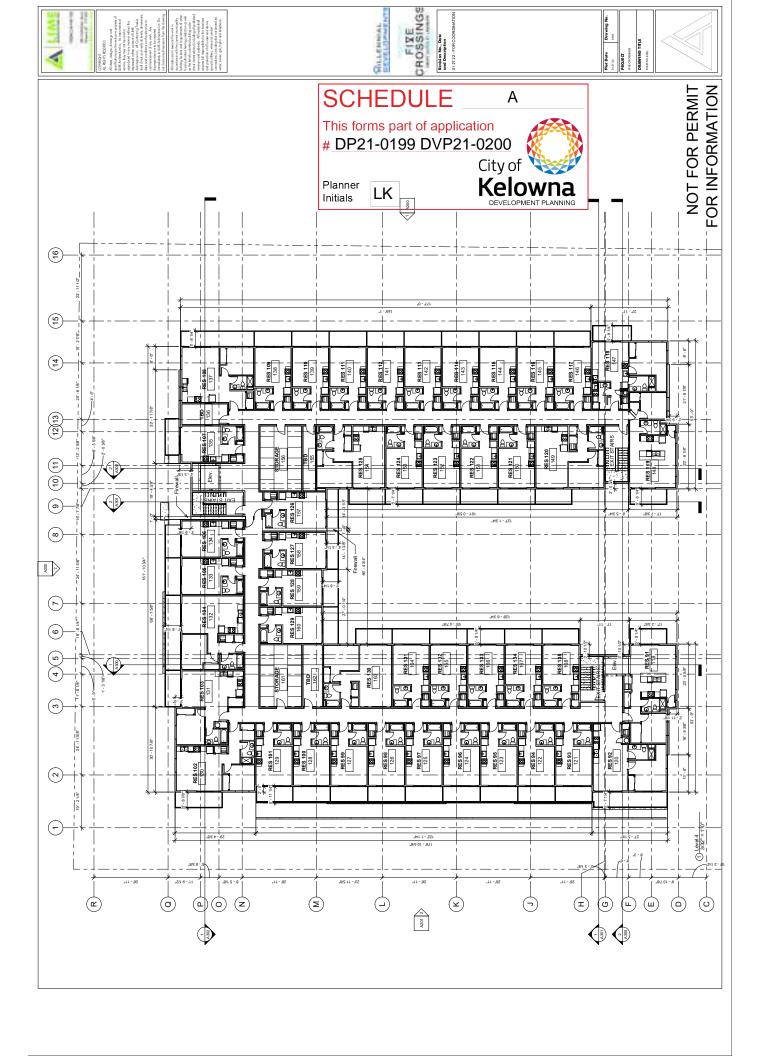
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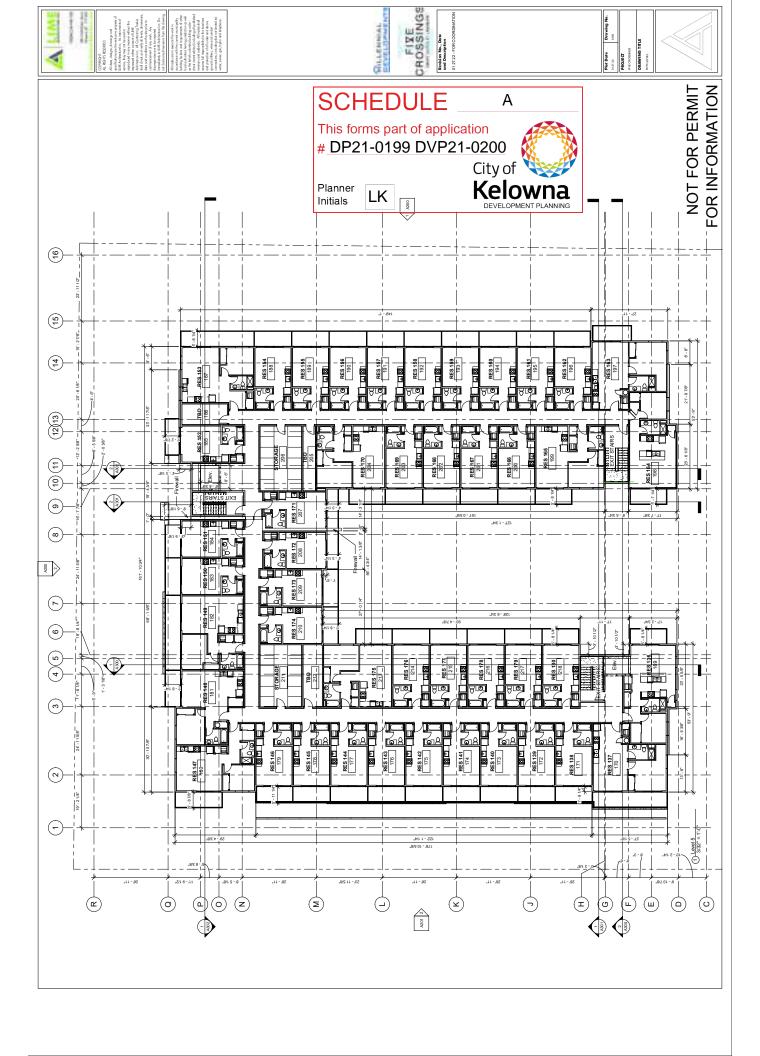


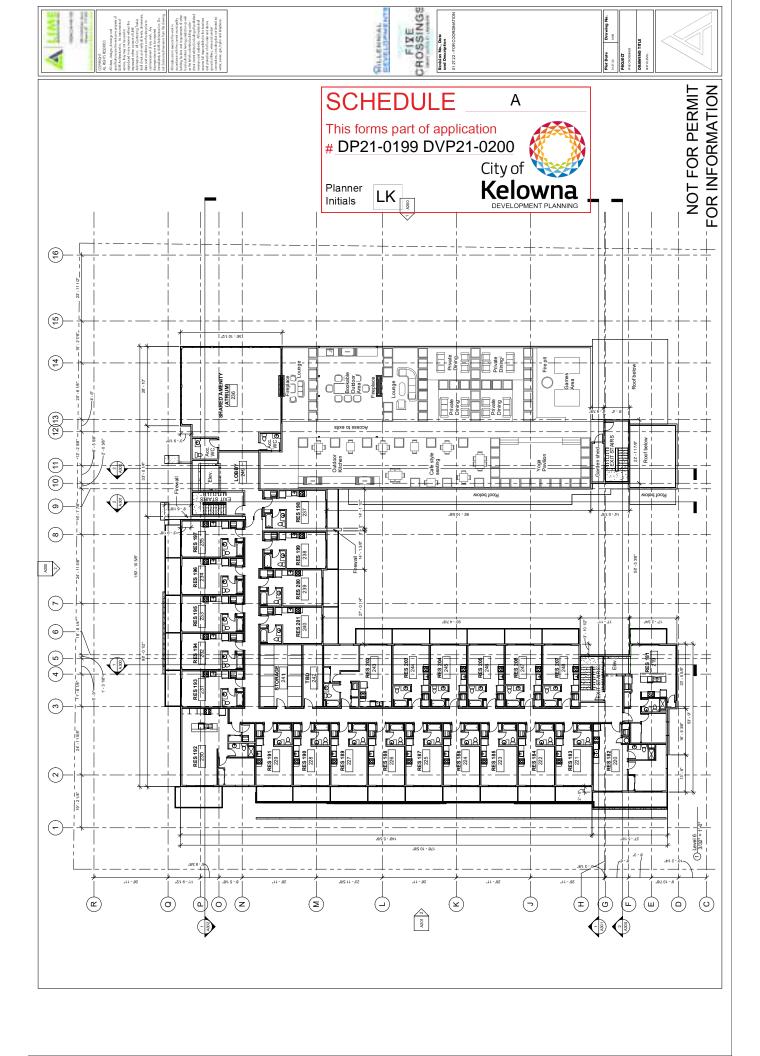


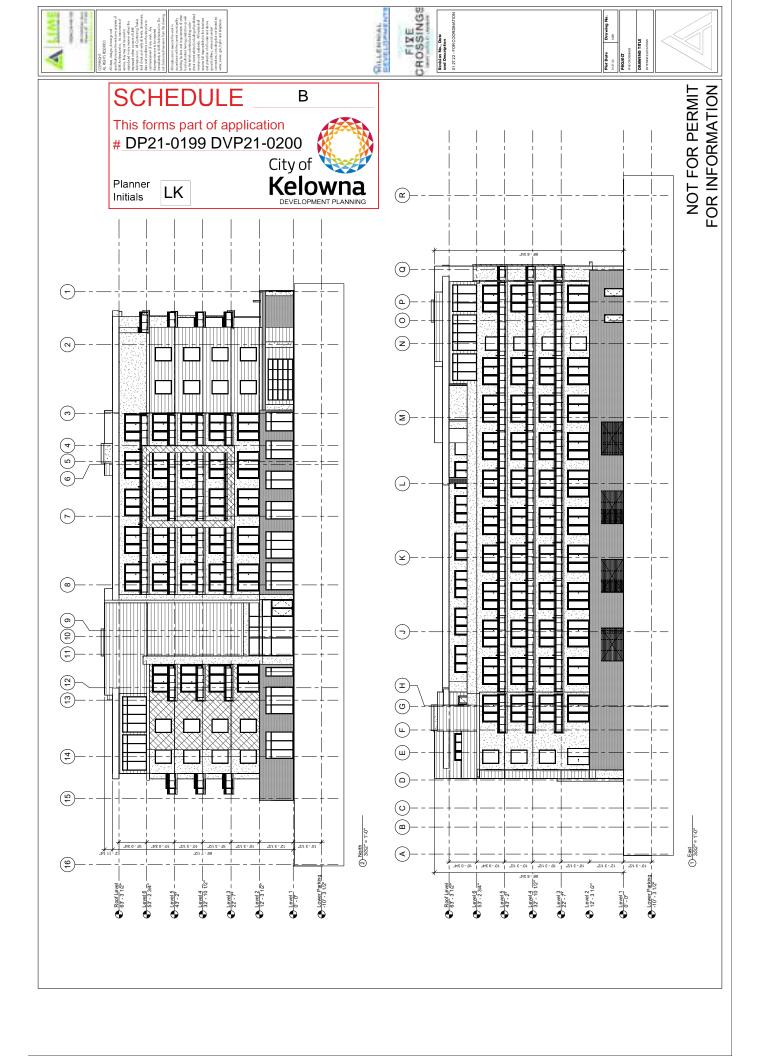


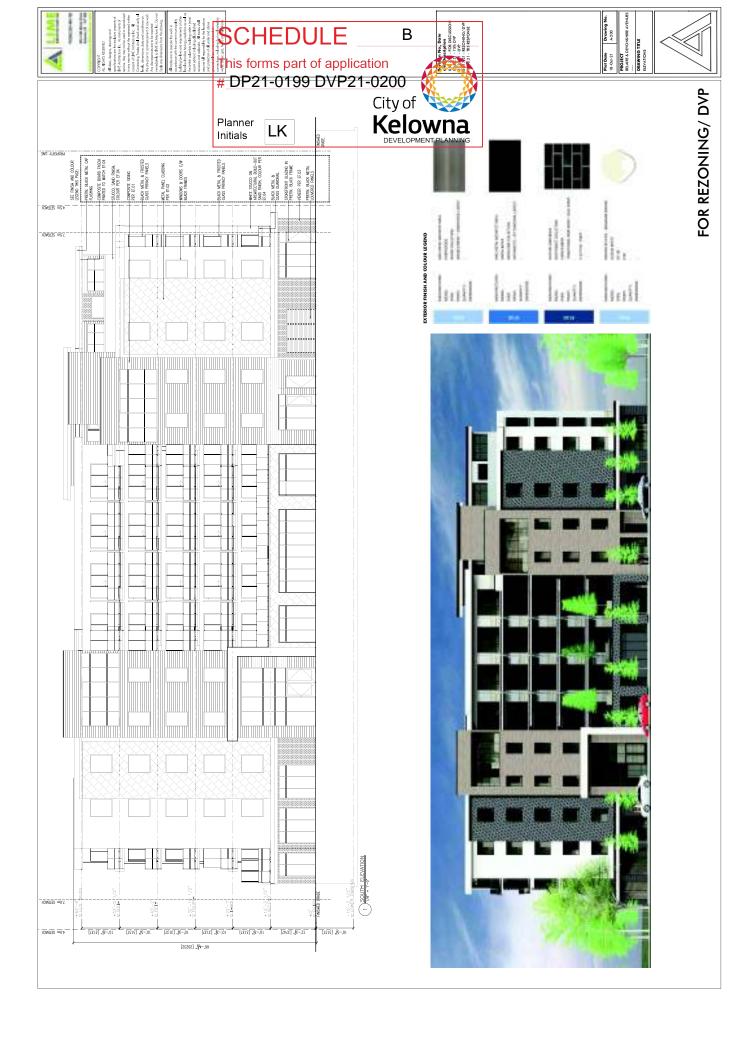


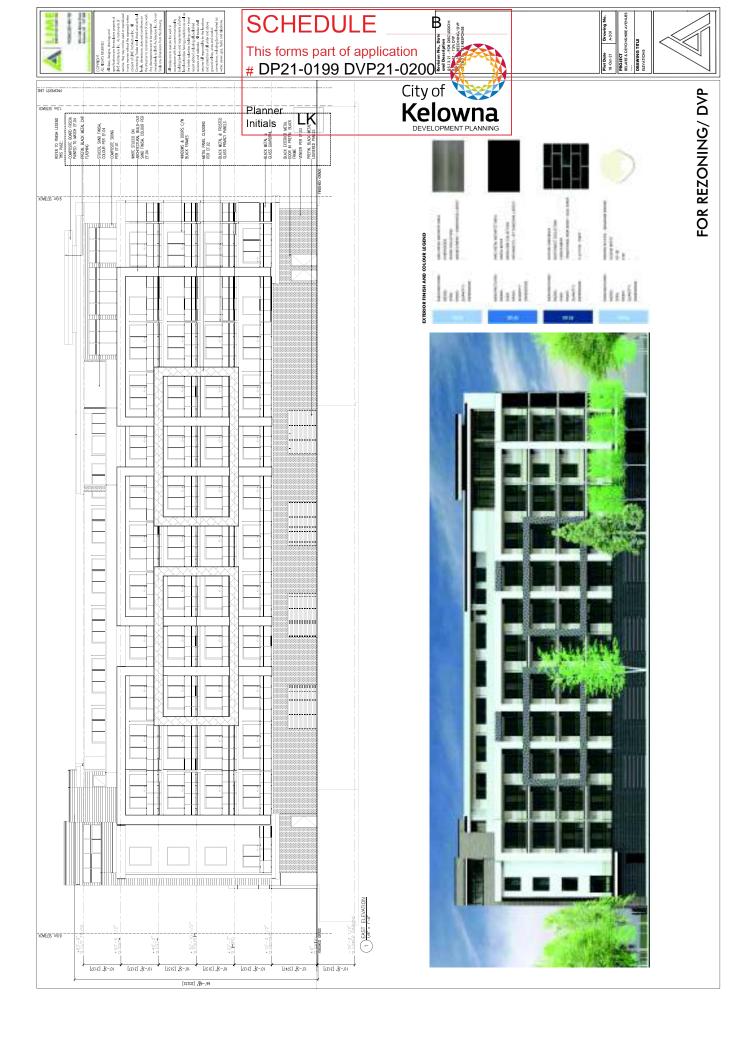


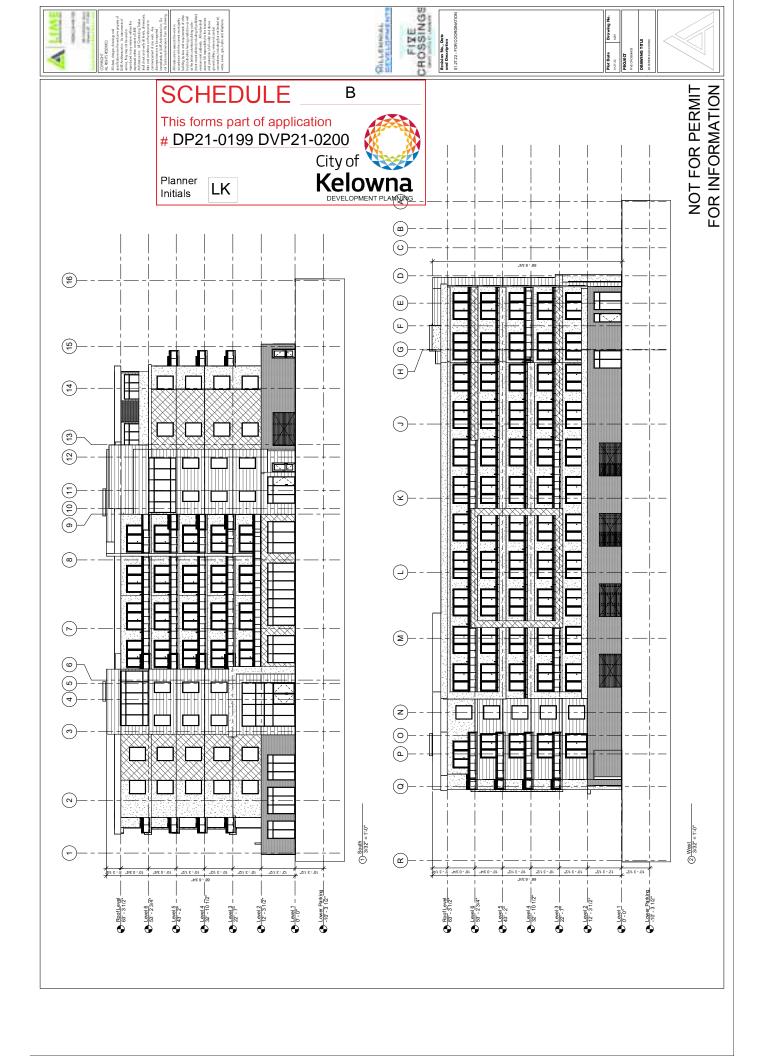


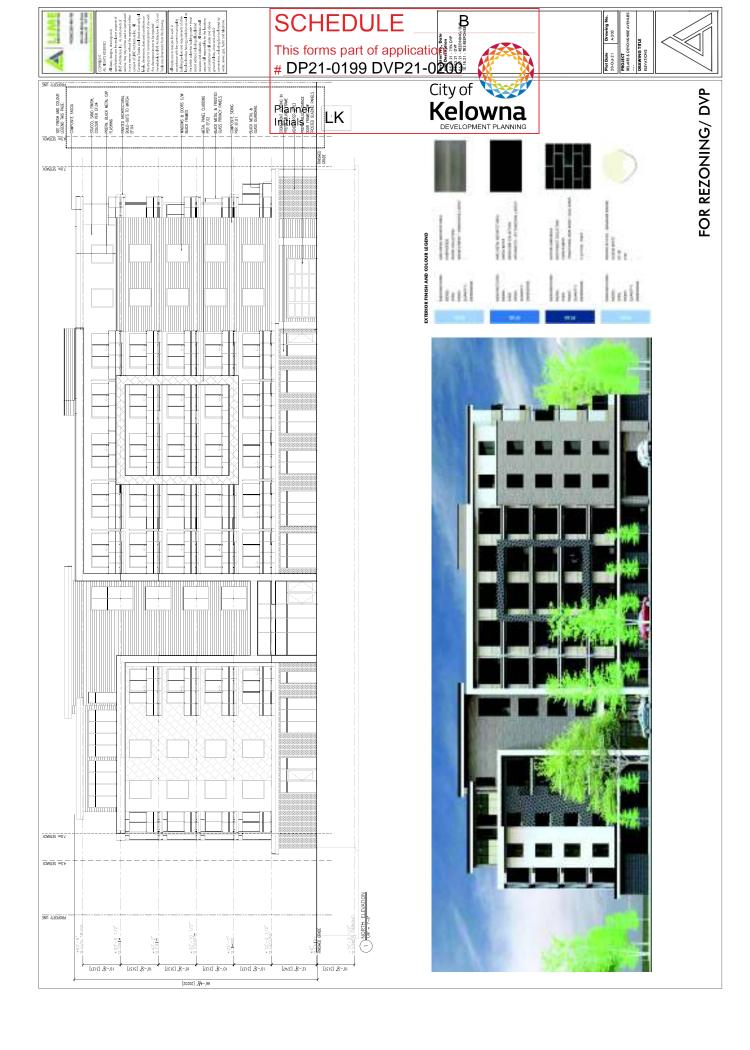


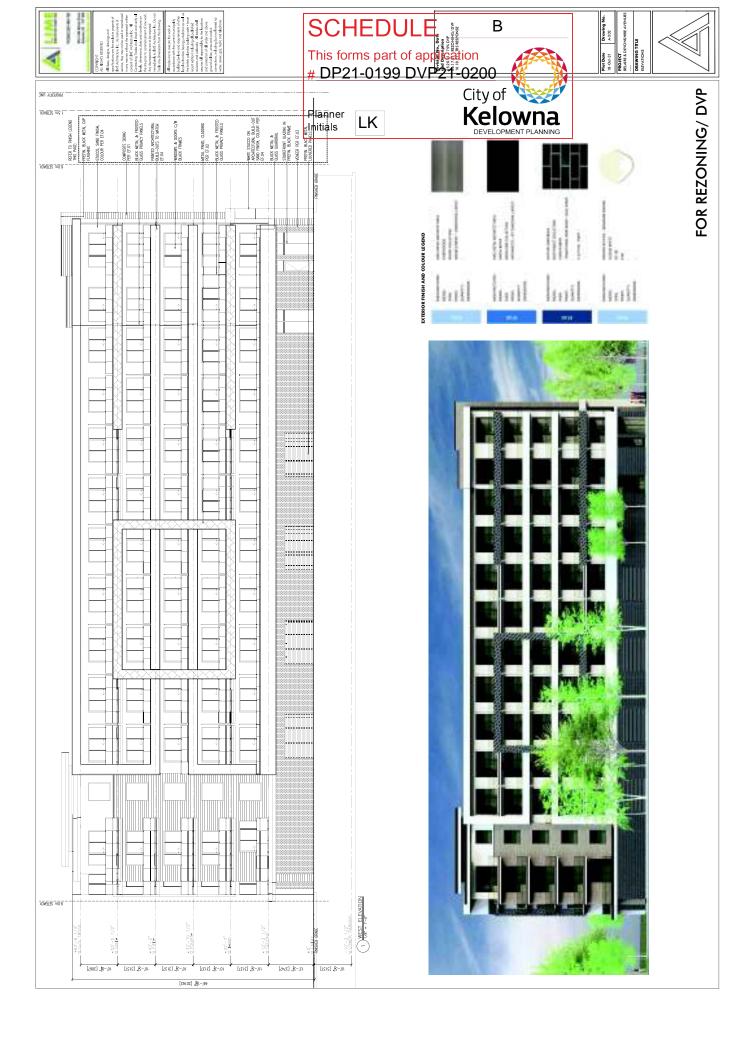


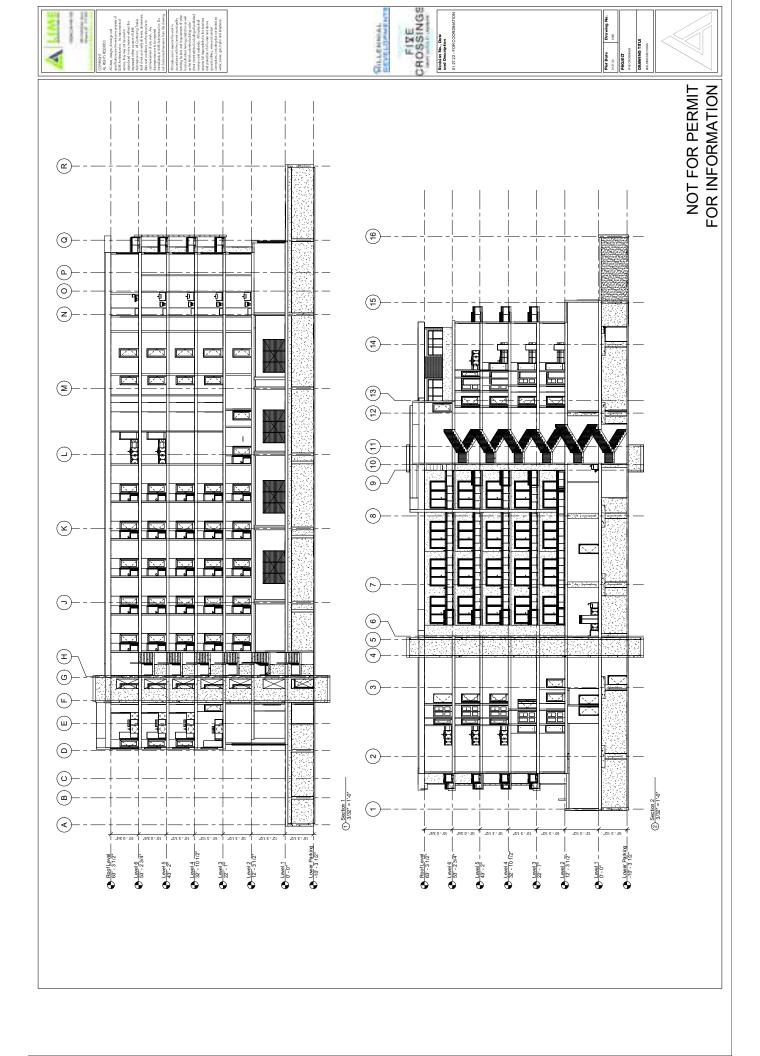


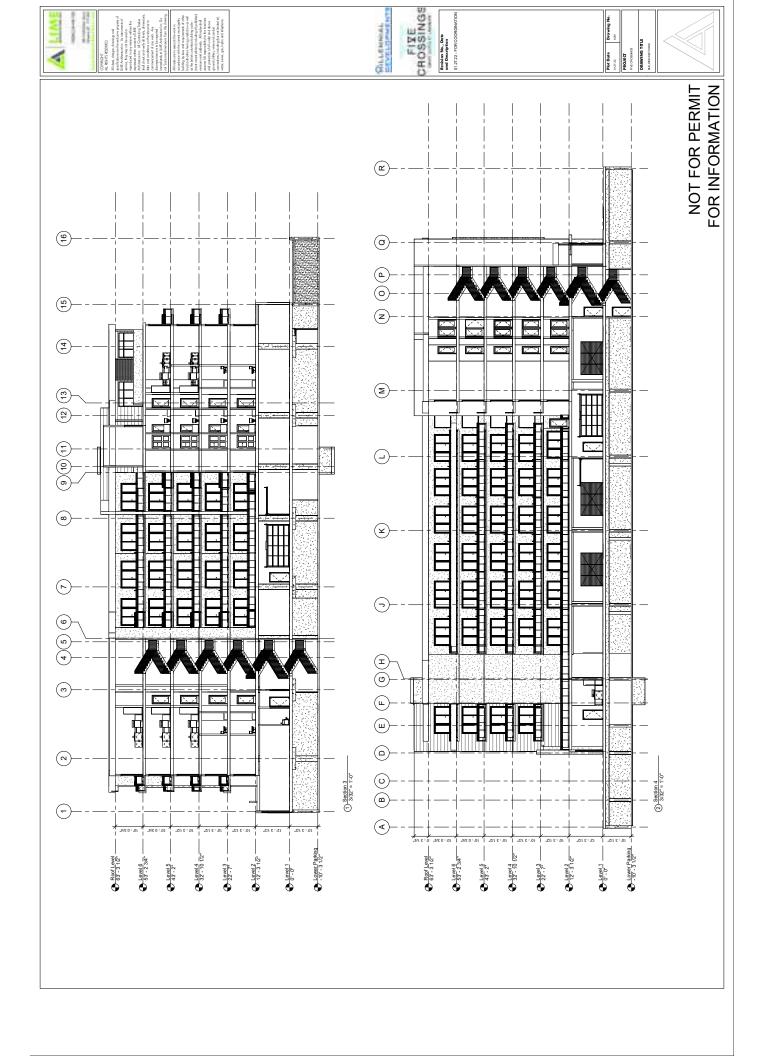


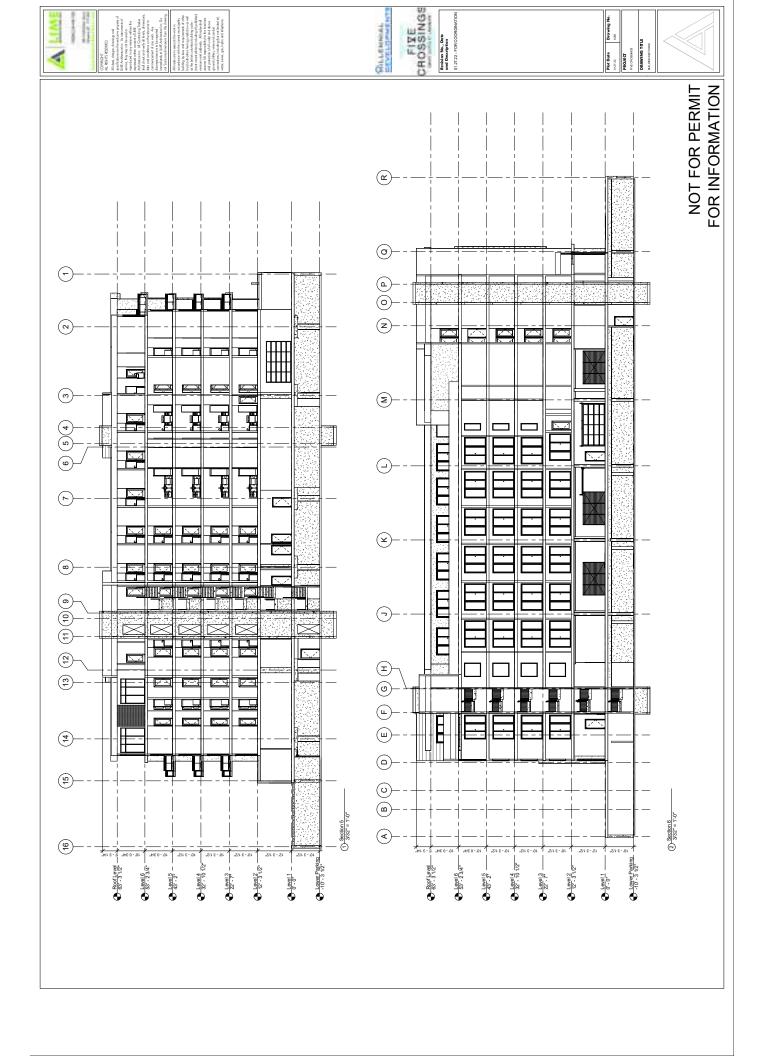




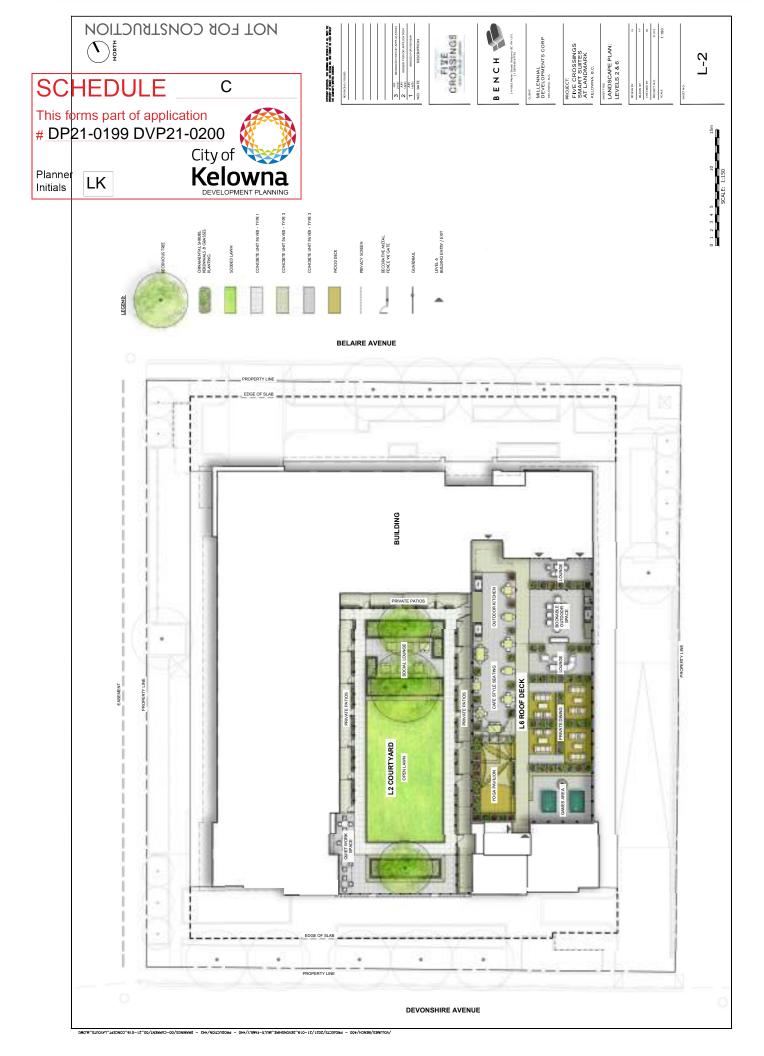














DEVELOPMENT PERMIT GUIDELINES

Chapter 2 - The Design Foundations: apply to all projects and provide the overarching principles for supporting creativity, innovation and design excellence in Kelowna.

- Facilitate Active Mobility
- Use Placemaking to Strengthen Neighbourhood Identity
- Create Lively and Attractive Streets & Public Spaces
- · Design Buildings to the Human Scale
- Strive for Design Excellence

The General Residential and Mixed Use Guidelines: provide the key guidelines that all residential and mixed use projects should strive to achieve to support the Design Foundations.

 The General Guidelines are supplement by typology-specific guidelines (e.g., Townhouses & Infill on page 18-19, High-Rise Residential and Mixed-Use on page 18-42), which provide additional guidance about form and character.

Chapter 2 - Design Foundations Apply To All Projects Page 18-8

Section 2.1 - General Residential and Mixed Use Design Guidelines
Page 18-9

Section 2.2 - Achieving High Performance Page 18-17

Chapter 3
Townhouses & Infill

Page 18-19

Chapter 4 Low & Mid-Rise Residential & Mixed Use

Page 18-34

Chapter 5 High-Rise Residential & Mixed Use Page 18-42

*Note: Refer to the Design Foundations and the Guidelines associated with the specific building typology.

FORM & CHARACTER - DEVELOPMENT PERMIT GUIDELINES

Consideration has been given to the following guidelines as identified in Chapter 18 of the City of Kelowna 2040 Official Community Plan:

RATE PROPOSALS COMPLIANCE TO PERTINENT GUIDELINE (1 is least complying & 5 is highly complying)	N/A	1	2	3	4	5
CHAPTER 4.0: LOW & MID-RISE RESIDENTIAL & MIXED USE						
4.1 Guidelines						
4.1.1 Relationship to the Street						
Lobby area and main building entrance is clearly visible from the fronting street and sidewalk.						✓
Wherever possible, blank walls at grade are not encouraged.					✓	
Enclosed parking garages are located away from street frontages or public open space.					√	
Ground oriented units with entries or glazing have been provided to avoid the blank/dead frontage along the street.						✓
When unavoidable, blank walls have been screened with landscaping or have been incorporated with a patio/café or special materials have been provided to make them visually interesting.					✓	
Commercial & Mixed-use Buildings		1	1	1		
Proposed built form has a continuous active and transparent retail frontage at grade and provides a visual connection between the public and private realm.	√					
Buildings have been sited using a common 'build to' line at or near the front property line to maintain a continuous street frontage. Some variation (1-3m maximum) can be accommodated in ground level set backs to support pedestrian and retail activity by, for example, incorporating a recessed entryway, small entry plaza, or sidewalk café.	✓					
Frequent entrances (every 15 m maximum) into commercial street frontages have been incorporated to create punctuation and rhythm along the street, visual interest, and support pedestrian activity.	√					
Residential and Mixed-use Buildings						
Residential buildings at the ground floor have a set back between 3-5m from the property line to create a semi-private entry or transition zone to individual units and to allow for an elevated front entryway or raised patio.	✓					
A maximum 1.2m desired height (e.g., 5-6 steps) for front entryways has been provided. Where the water table requires this to be higher, in these cases, larger patio has been provided and parking has been screened with ramps, stairs, and landscaping.	✓					
Ground floor units accessible from the fronting street or public open spaces have been provided with individual entrances.	√					
Buildings are sited and oriented so that windows and balconies are overlooking public streets, parks, walkways, and shared amenity spaces while minimizing views into private residences.					✓	

RATE PROPOSALS COMPLIANCE TO PERTINENT GUIDELINE	N/A	1	2	3	4	5
(1 is least complying & 5 is highly complying)						
4.1.2 Scale and Massing		1	1			т,
Proposed residential building façade has a length of 6om (4om length is preferred).						*
Buildings over 40m in length are incorporating significant horizontal and vertical breaks in façade.						~
Commercial building facades are incorporating significant break at approximately 35m intervals.	√					
Proposed residential building has a maximum width of 24m.	√					
4.1.3 Site Planning					1	
On sloping sites, building floor levels are following the natural grade and avoiding the blank wall situation.	✓					
Buildings are sited to be parallel to the street and have a distinct front-to-back orientation to public street and open spaces and to rear yards, parking, and/or interior courtyards.						√
Building sides that are interfacing with streets, mid-block connections, and other open spaces (building fronts) are positively framing and activating streets and open spaces and supporting pedestrian activity.	√					
Larger buildings are broken up with mid-block connections which have public accessibility wherever possible.	√					
Ground floors adjacent to mid block connections have entrances and windows facing the mid block connection.	√					
4.1.4 Site Servicing, Access, and Parking		1	1		ı	
Vehicular access is provided from the lane.	✓					
Where there is no lane, and where the re-introduction of a lane is difficult						✓
or not possible, access is provided from the street, provided:						
 Access is from a secondary street, where possible, or from the long face of the block; 						
 Impacts on pedestrians and the streetscape is minimized; and, There is no more than one curb cut per property. 						
Above grade structure parking should only be provided in instances where the site or high water table does not allow for other parking forms.						✓

RATE PROPOSALS COMPLIANCE TO PERTINENT GUIDELINE	N/A	1	2	3	4	5
(1 is least complying & 5 is highly complying)						
When parking cannot be located underground due to the high water						✓
table and is to be provided above ground, screen the parking structure						
from public view as follows:						
 On portions of the building that front a retail or main street, 						
line the above ground parking with active retail frontage;						
 On portions of the building that front onto non-retail streets, 						
line the above ground parking with an active residential						
frontage, such as ground oriented townhouse units;						
 When active frontages are not able to be accommodated, 						
screen parking structures by using architectural or						
landscaped screening elements;						
 On corner sites, screen the parking structure from public view 						
on both fronting streets using the appropriate strategy listed						
above.						
Buildings with ground floor residential may integrate half-storey	✓					
underground parking to a maximum of 1.2m above grade, with the						
following considerations:						
Semi-private spaces should be located above to soften the edge						
and be at a comfortable distance from street activity; and						
Where conditions such as the high water table do not allow for						
this condition, up to 2m is permitted, provided that entryways,						
stairs, landscaped terraces, and patios are integrated and that						
blank walls and barriers to accessibility are minimized.						
4.1.5 Publicly Accessible and Private Open Spaces		1	1			
Publicly accessible private spaces (e.g,. private courtyards accessible and						✓
available to the public) have been integrated with public open areas to						
create seamless, contiguous spaces.						
Semi-private open spaces have been located to maximize sunlight						✓
penetration, minimize noise disruptions, and minimize 'overlook' from						•
adjacent units.						
Outdoor Amenity Areas: design plazas and parks to:						
Contain 'three edges' (e.g., building frontage on three sides)						
where possible and be sized to accommodate a variety of						
activities;						
Be animated with active uses at the ground level; and,						
Be located in sunny, south facing areas.						
Internal courtyard design provides:						✓
 amenities such as play areas, barbecues, and outdoor seating 						
where appropriate.						
a balance of hardeeans and coffeeans areas to most the energific						
• a Dalance of Haruscabe and Softscape areas to meet the specific						
 a balance of hardscape and softscape areas to meet the specific needs of surrounding residents and/or users. 						
needs of surrounding residents and/or users.						✓
· · · · · · · · · · · · · · · · · · ·						√

RATE PROPOSALS COMPLIANCE TO PERTINENT GUIDELINE	N/A	1	2	3	4	5
(1 is least complying & 5 is highly complying)						
Shared rooftop amenity spaces (such as outdoor recreation space and						✓
rooftop gardens on the top of a parkade) are designed to be accessible to						
residents and to ensure a balance of amenity and privacy by:						
 Limiting sight lines from overlooking residential units to outdoor 						
amenity space areas through the use of pergolas or covered						
areas where privacy is desired; and						
 Controlling sight lines from the outdoor amenity space 						
into adjacent or nearby residential units.						
Reduce the heat island effect by including plants or designing a green						✓
roof, with the following considerations:						
 Secure trees and tall shrubs to the roof deck; and 						
 Ensure soil depths and types are appropriate for proposed plants 						
and ensure drainage is accommodated.						
4.1.6 Building Articulation, Features & Materials		<u> </u>	<u> </u>	<u> </u>	<u> </u>	1
						./
Articulate building facades into intervals that are a maximum of 15m						•
wide for mixed-use buildings and 20m wide for residential buildings.						
Strategies for articulating buildings should consider the potential						
impacts on energy performance (see 2.2.1), and include:						
Façade Modulation – stepping back or extending forward a						
portion of the façade to create a series of intervals in the facade;						
 Repeating window patterns at intervals that correspond to 						
extensions and step backs (articulation) in the building facade;						
 Providing a porch, patio, deck, or covered entry for each interval; 						
 Providing a bay window or balcony for each interval, while 						
balancing the significant potential for heat loss through thermal						
bridge connections which could impact energy performance;						
 Changing the roof line by alternating dormers, stepped roofs, 						
gables, or other roof elements to reinforce the modulation or						
articulation interval;						
 Changing the materials with the change in building plane; and 						
 Provide a lighting fixture, trellis, tree, or other landscape feature 						
within each interval.						
Break up the building mass by incorporating elements that define a				✓		
building's base, middle and top.						
Use an integrated, consistent range of materials and colors and provide					\checkmark	
variety by, for example, using accent colors.						
Articulate the facade using design elements that are inherent to the						✓
building as opposed to being decorative. For example, create depth in						
building facades by recessing window frames or partially recessing						
balconies to allow shadows to add detail and variety as a byproduct of						
massing.						
Incorporate distinct architectural treatments for corner sites and highly			✓			
visible buildings such as varying the roofline (See Figure 41), articulating						
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the facade, adding pedestrian space, increasing the number and size of						
windows, and adding awnings and canopies.						

RATE PROPOSALS COMPLIANCE TO PERTINENT GUIDELINE	N/A	1	2	3	4	5
(1 is least complying & 5 is highly complying)						
Provide weather protection (e.g. awnings, canopies, overhangs, etc.)			✓			
along all commercial streets and plazas (See Figure 42), with particular						
attention to the following locations:						
 Primary building entrances, 						
 Adjacent to bus zones and street corners where people wait for 						
traffic lights;						
 Over store fronts and display windows; and 						
 Any other areas where significant waiting or browsing by people 						
OCCUrs.						
Architecturally-integrate awnings, canopies, and overhangs to the					✓	
building and incorporate architectural design features of buildings from						
which they are supported.						
Place and locate awnings and canopies to reflect the building's				✓		
architecture and fenestration pattern.						
Place awnings and canopies to balance weather protection with daylight					✓	
penetration. Avoid continuous opaque canopies that run the full length						
Signage		,	,	,	,	
Provides attractive signage on commercial buildings that identifies uses	✓					
and shops clearly but which is scaled to the pedestrian rather than the						
motorist. Some exceptions can be made for buildings located on						
highways and/or major arterials in alignment with the City's Sign Bylaw.						
Avoid the following types of signage:	✓					
 Internally lit plastic box signs; 						
Pylon (stand alone) signs; and						
Rooftop signs.						
Uniquely branded or colored signs are encouraged to help establish a	✓					
special character to different neighbourhoods.						





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Re: **Design Rationale Summary**

Development of 1281-1299 Belaire Avenue & 1264-1284 Devonshire Avenue, Kelowna BC (The Site)

Dear City of Kelowna Planning Department,

Further to submitted information as it pertains to the Rezoning/DVP application associated with the proposed Development at The Site (referred to as Five Crossings) in Kelowna, we offer the following Design Rationale summary for the project:

Located in the heart of the Capri Landmark urban centre, the vision for the project was to design a residential building that aligned with the data obtained by the Developer through an extensive housing study. In response to the study and the achievable finished floor area available per the proposed RM5 zone, the building design includes 206 residential units of which 165 are referred to as 312 square foot micro suites with the remaining 41 units being a mix of 1 and 2 bedroom residences (refer to the Developer's "Unit Composition Rationale" document to be read in conjunction with this summary document). The overall concept of the building was in response to several influences that were considered during the design process. One of the most important concepts was recognizing that the Developer opted to provide generous amenity spaces to compliment the proposed unit mix. Further to the proposed unit mix and amenity spaces, the Developer has taken an innovated approach toward the creation of a "Smart Building". The "Smart Building" idea includes holistic integration of communication and energy saving technologies throughout the building as well as creative use of modular storage and conveniences within each of the residences. This approach results in the provision of more attainable residence in response to the market analysis for the immediate area while creating a comfortable place to live that benefit from generous shared amenities with the added convenience of integrated technologies.

In response to the shared amenity options, the project concept evolved to include a division between a more public accessible portion of the building at the ground level from the more private residences located in storeys 2 through 6. This division helped to create a transparent design at the street level that creates an inviting overall form and allows for direct connection between those inside the building and the street. The use of the word transparent regarding the building design is quite literal. The intent of the project is to employ cutting edge glazed exterior systems (triple glazed, high performance vision panels) at the public amenity and entry spaces. The use of these types of systems will ensure physical shading systems are not required and ensure a visual connection is maintained between the users of the entry level spaces and the street scape. This visual connection between inside and outside ensures engagement between the pedestrian scale traffic on the street and the activities within the building. Choosing to locate amenity spaces through the entry level compliments the transparent architecture approach and emphasizes the importance of shared facilities to compliment the smart suite lifestyle. More specifically, the Five Crossings project offers generous amenity spaces that include shared offices, lounge, gymnasium, bike storage and repair shop on the entry level, terraced greenspace on the second level and a rooftop patio and atrium, all intended to compliment the more compact suites. Part of the reason the Developer can provide the extensive amenities for building users is due to the reduced Development Cost Charges (DCC's) incurred because of the proportion of residences being offered that are DCC exempt. While the cost of the additional amenities represents the Developer's commitment to enhance the project for the benefit of the neighbourhood, the Developer is also proposing a voluntary DCC contribution to the City of Kelowna of an additional \$250,000 for the benefit of the community at large.



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To keep the overall massing and height of the building complimentary to existing and proposed new projects in the immediate area, the residences above the entry level were laid out in a U shape. The U shape approach results in a south oriented internal courtyard that further increases the sense of privacy for the residences that are oriented toward the centre of the U, as well as resulting in a generous green space for all residences to share above the entry level. This raised courtyard at the centre of the building design was important for both the well being of the residents and the introduction of additional green space. The additional green space works together with the lower height design concept and results in additional green space to compensate for the building footprint that exceeds the allowable site coverage under RM5. Accordingly, the courtyard green space and other outdoor amenity spaces at the roof level more than compensate for the additional site coverage taken by the building footprint. One additional aspect of the U shape design in lieu of a large residential block is that it takes additional building height to achieve the FAR allowed under RM5 that was viewed as an acceptable characteristic of the project. These variances (height and site coverage) were reviewed and discussed in detail with the City of Kelowna Planning department in pre-application meetings for the project. It was agreed that the site coverage and additional height were appropriate for the immediate area and that the increase in setbacks and generous second level green space were excellent responses to offset the variances being requested.

Proposed Project Variances:

Description:	Zone Requirement	Variance Proposed
Site Coverage: Building + Hardscape	65%	76.7%
Building Height	18m or 4.5 Storeys	20.2 m and 6 Storeys

Another unique feature of the project is that it fronts onto two separate avenues (namely: Belaire to the north and Devonshire to the south). In response to this feature, the building was developed with a two front doors concept. Not only front doors to pedestrians (who can access the entire building from either avenue via the U shape and double elevators proposed) but also to vehicles. The access off Belaire provide access to all visitor parking as well as a portion of the assigned parking for the residents. The Devonshire access includes a ramp down to the lower parkade for most of the assigned spaces. Splitting the access will help ensure a sharing of vehicle traffic to both sides of the project without congesting one avenue over the other. To reduce the emphasis on the vehicle access points, double height lobbies are proposed at both entries with direct access to different amenities and a division of mailboxes to encourage equal sharing of the entrances by the residents of the building and to establish a priority to the human scale aspects of the building's entries.

The form and character of the project design was inspired by the Developers vision and preferences, blended with influences from a similar sized development proposal located a few properties to the east at the corners of Belaire and Pridham Avenues and Chandler Street. Overall, the project design includes modern accents that blend horizontal and vertical elements in playful and creative ways. Material selections will blend faux wood exterior with metal panels and stucco surfaces to create contrast and interest in the overall form along with charcoal brick elements at the entry level to help ground the building. Accent lighting will be strategic and help highlight specific portions of the building to further strengthen the connection between building and neighbourhood (Refer to renderings on the next page).



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Evening Study of Five Crossings



Day Study of Five Crossings

The day study rendering is intended to more clearly illustrate the various materials and colour proposed for the building:

- i. Metal panel locations are illustrated with the angled rectangular pattern and are illustrated with a reflective finish in the above rendering to accurately represent the proposed panel product.
- ii. Faux wood can be seen above the central entry and on the right-hand side of the rendering.
- iii. Lighter coloured stucco with black accents highlights portion of the building and creates contrast between accent elements.
- iv. Charcoal brick is illustrated at the entry level as a grounding element for the building.



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Further to the more modern overall form and character, the orientation of the U shape toward the south will take advantage of the natural light to brighten the internal living spaces as well as align the building orientation and Devonshire front door toward the existing park immediately to the south. Overall, the building massing includes side yard setbacks that exceed the minimums allowed, thereby being sensitive to existing homes and future adjacent developments in the area. Front and rear (considered both front doors) also exceed minimum setback requirements thereby allowing for generous pedestrian areas in front of the building while relieving the street itself from the overall mass. Even with the generous front door setbacks, as a collaborative team, we are excited at how the building will engage pedestrians at a human scale.

Nearby amenities include shopping, personal services, and restaurants, thus allowing most errands from the location to be accomplished by foot or bicycle. To further reduce the reliance on personal vehicles and reduce the overall number of vehicles anticipated for the project, two car-share spaces have been included in the parkade. With the surrounding area quickly evolving and densifying, this proposed development is in full alignment with the changing community and will be perfectly situated to accommodate the shifting needs of Kelowna residents. Given the proximity to Capri Mall, we feel the proposed development aligns with the City's vision and our own when it comes to a healthy community that is less reliant on automotive means of transportation.

In summary, the rationale for this project is as follows:

- i. Provide a thoughtful, "Smart Building" infill design on a property located in the heart of an existing urban centre of Kelowna.
- ii. Provide much needed residential units and unit types to an area of Kelowna experiencing an increased demand for compact living.
- iii. Propose a residential development that meets the City of Kelowna Parking Bylaw requirements and includes two car-share spaces as part of helping reduce the reliance on vehicle use in an environmentally responsible way.
- iv. Create a residential development whose proposed variances (site coverage and building height) have been addressed in conjunction with the City of Kelowna Planning Department to ensure they align with the City's vision for the area, and to the benefit of the project's success.

This proposed development recognizes the City of Kelowna's strategic approach to overall residential growth including better use of precious developable land in accordance with the City's OCP/Future Land Use, Healthy City Strategy, and planning initiatives and aligns with the City's long-term vision. Accordingly, our team looks forward to community support in response to this Rezoning/Development Variance Permit application.

LIME Architecture Inc.

FIVE CROSSINGS

SMART SUITES AT LANDMARK

FIVE CROSSINGS DEVELOPMENT

Suite 1100 - 1631 Dickson Ave Kelowna, BC V1Y 0B5



250.718.1609



FiveCrossingsKelowna.com

To: Lydia Korolchuk Planner Specialist | City of Kelowna 250-470-0631 | <u>Ikorolchuk@kelowna.ca</u>

Dear Lydia,

The purpose of this letter is to provide Planning Staff with more detailed rationale regarding the unit composition selected for Five Crossings, and to communicate the overall vision for the development.

One of the factors that sets Millennial Developments apart from other developers is our reliance on market data to inform our decisions. Prior to the selection of any project, a detailed market analysis is completed to determine the optimal location, housing type, and unit composition to fit the need identified within the community. During this process for Five Crossings, we identified a need for attainable housing options for the 20-34 age demographic within the Five Urban Centers as defined by the City of Kelowna. The Capri Urban Center was selected for the location because of its proximity to downtown and the Landmark Business Park. With the planned downtown UBC campus and its projected addition of 7000 students per year by 2040, expansion of the Landmark Business Park, and the opening of the Okanagan College New Health and Sciences Center, housing for students and young professionals will be an ongoing need for the City of Kelowna and the Capri Urban Center specifically.

As stated, in the Healthy Housing Vision developed by the City of Kelowna; "The housing needs of all Kelowna residents are met through attainable, accessible and diverse housing options". To align with this vision, Five Crossings aims to lower the barrier of entry for first-time homebuyers by offering attainable housing starting in the mid-\$200 thousands. We understand that one of the City's mandates is to address the "Missing Middle" in the housing market. Five Crossings will directly support that mandate by allowing a demographic that has been shut out of the market, to participate and realize the appreciation that comes from home ownership, allowing them to graduate to housing types traditionally considered "middle" real estate. This sentiment is echoed in a May 14, 2021, article in the Vancouver Sun, titled "First-time homebuyers in B.C. are increasingly anxious over insufficient down payments", which stated:

"The hurdle causing anxiety for first-time homebuyers is saving for a down payment in an environment of rising home prices in many parts of the country," said Stuart Levings, president, and CEO of Sagen, in a news release. "While some have parents who can step in, many do not, and they are struggling to get into the market."

With condo prices in the Central Okanagan in August up 22.6% YOY to \$473,100 even the most affordable housing option is becoming not viable for many first-time homebuyers in Kelowna. By offering homes starting in the mid-\$200 thousands, Five Crossings will lower the down payment required to enter the market, making homeownership more achievable for a greater portion of the population.

Based on the location and the market need identified, Five Crossings is focused on three buyer types:

- 1. First-time homebuyers
- 2. Young professionals

3. Students

To achieve this aim, it was imperative that we offer a unit mix that is attainable to the largest percentage of these buyers. This was determined by analyzing average incomes for these demographics, along with the Capri Urban Center and Kelowna as a whole and comparing that to the federal mortgage stress test. Data regarding the average household income for the Capri Urban Center can be seen on page 6 of the "Data Driven Development Planning" document that accompanied the Five Crossing Applications. After analyzing these data points in combination with condo inventories by bedroom type, average DOM and average pricing, along with our development footprint, we determined the optimal unit mix to be 80% micro-suites, 18.5% 1 bedrooms and 1.5% 2 bedrooms. The lower percentage of 2-bedroom units and the exclusion of 3-bedroom units was determined for two reasons:

- The larger square footage offered in the 2 and 3-bedroom units makes them unaffordable for a large
 percent of the three buyer types identified. Specifically, in multi-story buildings where there are strata
 fees on top of mortgage payments, the monthly expenditure becomes disproportionately expensive
 for larger units, which makes them harder to qualify for financing.
- 2. In our discussion with our sales team and other developers, along with our own experience, we find limited interest in 3-bedroom condo units. Market data shows that buyers looking for 3-bedroom home types preferred ground-oriented (fee simple) townhomes, as they were typically expanding the size of their families. This can be seen by the longer average DOM for 3-bedroom condos and higher rental vacancy rates when compared to micro-suites and 1-bedroom condos.

Five Crossings at its core is a Smart (Micro) Suite focused development designed to pair smaller square footage units with ample amenity space to create a unique housing option which offers homeowners access to many core amenities without having to leave the development. Five Crossings has been designed to "Simplify life without compromising on lifestyle". The Design Vision for Five Crossings is to create a development that will enhance the lifestyle of its owners by blending work, play, community, and wellness into a thoughtful design supported by cutting-edge technology. Technological components will include touchscreen intercoms in each lobby, app-based amenity scheduling tools, touchless garage entry, smart locks & thermostats in all units, and smart appliances.

To note, 100% of the cost savings realized from the Provincial DCC exemption on the micro-suite unit types has been directly reinvested back into the project's amenities spaces. This has allowed us to increase the percentage of amenity space compared to sellable space, to a ratio that has not been seen in Kelowna and will set the bar for multifamily amenity spaces for years to come.

We believe this development will be an excellent complement to the Kelowna Innovation Center, the downtown UBC campus, and that it aligns with the City's focus on densification of the Capri Landmark Urban Center. **The development will also provide much needed affordable rentals close to the downtown core**.

To help planning staff understand the vison for the development, including the amenity spaces, I have listed them below and provided renderings with features highlighted on the following pages. Please note that some of the rendering are in Photo-Realistic form while others are still in the original sketch-up model or architectural plan. All renderings, however, represent the actual materials and colors we are proposing to use.

Best regards,

Ryan Tamblyn

CEO

Millennial Developments Corp

<u>rtamblyn@millennialdev.ca</u> <u>www.millennialdevelopments.ca</u>

Amenity Spaces:

- 1. Belaire Grand Lobby
- 2. Devonshire Grand Lobby
- 3. Gym
- 4. Shared Workspace
- 5. Lounge
- 6. Bike Storage & Repair Shop
- 7. Secondary Bike Storage
- 8. Second Level Greenspace (Private Park)
- 9. Rooftop Atrium
- 10. Rooftop Patio
- 11. Community Garden
- 12. Bocce Ball Court
- 13. Dog Run
- 14. Devonshire Café Style Exterior Patio
- 15. Belaire Café Style Exterior Patio



CO-OPERATIVE CARSHARING AGREEMENT

THIS AGREEMENT made the 17 day of January, 2022 **BETWEEN**:

MODO CO-OPERATIVE

200 - 470 Granville Street Vancouver, B.C. V6C 1V5

("Modo")

AND:

Five Bridges Development LP 1100-1631 Dickson Ave. Kelowna, BC V1Y 0B5

("Developer")

WHEREAS:

A. Developer is the registered owner of those certain lands located in Kelowna, in the Province of British Columbia and legally described as follows:

1264 Devonshire Ave Kelowna, BC V1Y 6B7 PID 009-696-075 Lot 19, Block 2, District Lot 137, Osoyoos Division Yale District Plan 9625

1274 Devonshire Ave Kelowna BC V1Y 6B7
PID 009-696-113
Lot 20 Block 2, District Lot 137, Osoyoos Division Yale District Plan 9625

1284 Devonshire Ave Kelowna BC V1Y 6B7 PID 009-628-487 Lot 15, District Lot 137, Osoyoos Division Yale District Plan 10011

1281 Belaire Ave Kelowna BC V1Y 6B8 PID 009-695-966 Lot 13, Block 2, District Lot 137, Osoyoos Division Yale District Plan 9625

1291 Belaire Ave Kelowna BC V1Y 6B8 PID 009-695-991 Lot 14, Block 2, District Lot 137, Osoyoos Division Yale District Plan 9625

1299 Belaire Ave Kelowna BC V1Y 6B8 PID 009-628-614 Lot 27, District Lot 137, Osoyoos Division Yale District Plan 10011

- B. Developer is proposing to cause the construction of a new strata residential development (the "**Development**") on the Lands;
- C. It is intended that upon the completion of construction of the Development, the Strata will be subdivided by way of a strata plan (the "Strata Plan") pursuant to the Strata Property Act (British Columbia) in order to create approximately __206____ residential strata lots (collectively, the "Strata Lots", and each a "Strata Lot");
- D. Modo is a member-owned co-operative that facilitates carsharing for individuals and businesses as an alternative to privately-owned automobiles;
- E. As a condition of approving the Development, the City of Kelowna in British Columbia (the "Municipality") requires Developer to provide two (2) co-operative vehicles (each a "Shared Vehicle" and, collectively, the "Shared Vehicles") in connection with the Development and to be available as part of a service to share the use of the Shared Vehicles (the "Carsharing Program");
- F. In addition, the Municipality requires Developer to designate two (2) parking spaces at the Development for the exclusive use of the Shared Vehicles (the "Shared Vehicle Parking Spaces" as set out in Schedule A hereto) and free-of-charge to Modo;
- G. Modo will deliver the Shared Vehicles to the Shared Vehicle Parking Spaces and will make the Shared Vehicles available for use in accordance with the terms of this Agreement;
- H. Modo will, at its cost, operate, maintain, repair and insure the Shared Vehicles and administer the service to share the Shared Vehicles (collectively, the "Services");
- Developer and Modo intend that the Shared Vehicles will be available for use by all members of Modo (collectively, the "Modo Members" and each a "Modo Member"), including the Residents who become Modo Members; and
- J. Developer and Modo wish to set out in this Agreement the terms and conditions of the Carsharing Program as it pertains to the Development.

NOW THEREFORE in consideration of the sum of Ten (\$10.00) Dollars now paid by each party to the other (the receipt and sufficiency of which is hereby acknowledged) and in consideration of the mutual promises and covenants contained herein, the parties agree as follows:

ARTICLE 1 - DEFINITIONS

1.1 Definitions. In this Agreement, the following terms have the following meanings:

- (a) "Agreement" means this agreement, any schedules attached hereto which are referred to in this agreement, and every properly executed instrument which by its terms amends, modifies, supplements, or extends this agreement;
- (b) "**Arbitrator**" has the meaning set out in section 13.1(e);
- (c) "Carsharing Program" has the meaning set out in Recital E;
- (d) "Commencement Date" means the date on which the Occupancy Permit is issued by the Municipality;
- (e) "Contract Fees" means collectively the Project Fee and the Phased Shared Vehicle Project Fee, and "Contract Fee" means any one of them;
- (f) "Developer" means the party defined as Developer on the first page of this Agreement and any of its heirs, executors, administrators, successors, assigns, subsidiaries or nominees who may assume the right, title or interest in the Development and/or this Agreement from Developer named herein, and expressly includes any party which may manage or operate the Development for Developer from time to time;
- (g) "Development" has the meaning set out in Recital B;
- (h) "**Driving Credits**" has the meaning set out in section 7.2;
- (i) "Estimated Occupancy Date" has the meaning set out in section 3.5;
- (j) "EV Stations" means two (2) electric vehicle charging stations (which specifications are defined in Schedule B) to be provided, installed, maintained and replaced by Developer, at Developer's sole cost, to be used for the sole purpose of charging the Shared Vehicles and to be located next to the Shared Vehicle Parking Spaces;
- (k) "Lands" has the meaning set out in Recital A;
- (I) "Marketing Program" has the meaning set out in section 7.2;
- (m) "Mediator" means a member in good standing of the Arbitrators Association of British Columbia or Mediate BC;
- (n) "Membership Holder" means the Strata Corporation;
- (o) "Membership Shares" means membership shares in Modo;
- (p) "Modo Members" has the meaning set out in Recital I;
- (q) "Municipality" has the meaning set out in Recital E;

- (r) "Occupancy Permit" means the first occupancy permit issued by the Municipality in respect of the Development;
- (s) "Partner User" means a Resident (as defined below) who benefits from Modo membership privileges by way of the Partnership Membership;
- (t) "Partnership Membership" means the Membership Holder membership in Modo by way of ownership of the Subject Shares (as defined in section 2.1);
- (u) "Phased Shared Vehicle Project Fee" has the meaning set out in section 2.4;
- (v) "Phased Shared Vehicle Purchase Notice" has the meaning set out in section 2.4;
- (w) "**Project Fee**" has the meaning set out in section 2.1;
- "Residents" means, collectively, the residents of the Development and "Resident" means any one of them and, for greater certainty, "Residents" includes any of the following persons who are residents of the Development: owners of Strata Lots and tenants of Strata Lots;
- (y) "Rules" has the meaning set out in section 5.4(a);
- (z) "Services" has the meaning set out in Recital H;
- (aa) "Shared Vehicle Deployment Sequence" has the meaning set out in section 2.4;
- (bb) "Shared Vehicle Minimum Term" means the term of three (3) years for each Shared Vehicle, commencing from the later of the Commencement Date or the first date that the applicable Shared Vehicle is made available for use by Modo Members at a Shared Vehicle Parking Space;
- (cc) "Shared Vehicles" has the meaning set out in Recital E;
- (dd) "Strata Corporation" means the strata corporation to be formed pursuant to the Strata Property Act upon deposit of the Strata Plan at the Kamloops Land Title Office;
- (ee) "Development" has the meaning set out in Recital B;
- (ff) "Strata" has the meaning set out in Recital A;
- (gg) "Strata Lots" has the meaning set out in Recital C, and "Strata Lot" means any one of them;

- (hh) "Strata Plan" has the meaning set out in Recital C;
- (ii) "Strata Property Act" means the Strata Property Act (British Columbia), as amended from time to time:
- (jj) "Subject Shares" has the meaning set out in section 2.1;
- (kk) "Sustainable Usage Levels" means the level of use of the Modo vehicles by members that remains cost-effective to meet Modo's usage goals; and.
- (II) "Term" means the term of this Agreement as described in section 9.1.

ARTICLE 2 - PROJECT FEE

- 2.1 At least sixty (60) days prior to Estimated Occupancy Date, Developer will pay to Modo the aggregate sum of \$30,000.00 plus GST (the "**Project Fee**"), representing the following:
 - (a) \$1,000.00 for the purchase of one hundred (100) Membership Shares (the "**Subject Shares**"); and
 - (b) the Project Fee minus \$1,000.00 to be used by Modo toward the ownership costs of Shared Vehicles.
- 2.2 Upon payment of the Project Fee, Modo will issue the Subject Shares and will issue a receipt to Developer confirming payment of the Project Fee to Modo.
- 2.3 Developer agrees that Modo will not be under any obligation whatsoever to provide the Services or issue the Subject Shares if Modo has not received full payment of the Project Fee from Developer by the required deadline set out in section 2.1 of this Agreement.
- When utilization of the Carsharing Program justifies, as determined by Modo, an additional Shared Vehicle to be located in a Shared Vehicle Parking Space and pursuant to the deployment sequence of the Shared Vehicles (the "Shared Vehicle Deployment Sequence") as set out in Schedule C hereto, Modo will provide written notice (the "Phased Shared Vehicle Purchase Notice") to Developer, and Developer will pay to Modo the sum of \$30,000 plus GST (the "Phased Shared Vehicle Project Fee") to be used by Modo toward the ownership costs of such additional Shared Vehicle.
- 2.5 Upon payment of a Phased Shared Vehicle Project Fee, Modo will issue a receipt to Developer confirming payment of such Phased Shared Vehicle Project Fee to Modo.
- 2.6 If the Occupancy Permit is issued later than the year 2024, each Contract Fee will increase by 4% for each year thereafter, on January 1st of such year and until

the Occupancy Permit is issued, including the year the Occupancy Permit is issued.

ARTICLE 3 - BENEFITS AND OBLIGATIONS OF DEVELOPER

- 3.1 Developer agrees to designate the Shared Vehicle Parking Spaces for the exclusive use of Modo, in compliance with the standards set out in Schedule B and free-of-charge to Modo from the Commencement Date and throughout the Term.
- 3.2 Developer agrees that throughout the Term, subject to section 11.5, the Shared Vehicle Parking Spaces will be accessible to Modo Members on a 24 hours a day, 7 days a week basis.
- 3.3 Developer permits Modo to directly authorize removal of unauthorized vehicles parked in the Shared Vehicle Parking Spaces through the towing company contracted by Developer, or a towing company of Modo's choice in the event there is not a designated contractor or if that contractor is unavailable. The unauthorized vehicle(s) parked in the Shared Vehicle Parking Spaces would be removed at the vehicle owners' risk and expense.
- 3.4 Developer will ensure that the EV Stations are operational and for the exclusive use of Modo from the Commencement Date and throughout the Term.
- 3.5 At least sixty (60) calendar days prior to the date Developer anticipates that the Occupancy Permit will be issued, Developer will provide written notice to Modo of such estimated date (the "Estimated Occupancy Date").
- 3.6 Promptly upon issuance of the Occupancy Permit, Developer will further provide Modo with written notice of the Commencement Date.
- 3.7 Upon completion of Developer's obligations under section 2.1 and assumption of this Agreement by the Membership Holder pursuant to section 4.1, Developer will cause the Subject Shares, which together form the Partnership Membership, to be transferred to and registered in the name of the Membership Holder and the Membership Holder will hold the Subject Shares on behalf of and for the benefit of the Residents, subject to section 5.4.
- 3.8 Developer warrants that it will cause its subsidiaries and any party which may manage or operate the Development from time to time to comply with the terms of this Agreement and will cause any of its successors or permitted assigns to enter into an assumption agreement, provided that, upon such assumption, Developer will be released of its obligations hereunder to the extent its obligations are so assumed.

ARTICLE 4 - ASSUMPTION BY MEMBERSHIP HOLDER

- 4.1 Developer will cause the Strata Corporation created upon the filing of the Strata Plan to execute an assignment and assumption agreement pursuant to which Developer will assign its interest in this Agreement to the Strata Corporation and the Strata Corporation will assume all of Developer's obligations under this Agreement and any other obligations herein which are expressly identified as obligations of the Strata Corporation and Membership Holder. If the Subject Shares were issued to Developer prior to such assumption, then Developer will transfer an undivided interest in the Subject Shares to the Strata Corporation concurrently with such assumption, and Modo hereby consents to such transfer.
- 4.2 Effective upon the assumption of this Agreement by the Membership Holder pursuant to section 4.1, Developer and its nominees, subsidiaries and other affiliates will have no further obligations or liabilities whatsoever hereunder, except that Developer (and not the Membership Holder) will continue to be liable for Developer's obligations under section 2.4.

ARTICLE 5 - BENEFITS AND OBLIGATIONS OF THE MEMBERSHIP HOLDER

- 5.1 The parties agree that the Subject Shares will be registered in the name of the Membership Holder. The Membership Holder will be the legal owner of all the Subject Shares, and their beneficial interest will vest in the Residents in accordance with this Agreement.
- 5.2 The Subject Shares, and the benefit of the Partnership Membership, will not be allocated or divided in any manner as between the Residents, and there will be no limit on the number of Residents of any Strata Lot that may apply to be Partner Users at any given time (subject to the overall limit on the number of Partner Users set out in section 6.1).
- 5.3 Residents will not automatically become Modo Members and must apply to join Modo and meet Modo's membership requirements in order to be eligible to use the Shared Vehicles and participate in the Carsharing Program.
- The Membership Holder agrees on behalf of the Residents that, upon assuming this Agreement, it will:
 - (a) administer the Partnership Membership in accordance with the rules set out in Schedule D hereto (the "Rules");
 - (b) the Membership Holder will use reasonable commercial efforts to make available to Residents the Rules; and
 - (c) at all times retain ownership of the Subject Shares.

- 5.5 Every six (6) calendar months during the Term (commencing within six (6) months after the Commencement Date), Modo will provide the Strata Corporation in writing with the name of each Partner User.
- 5.6 Within thirty (30) days after receipt of the information, referred to in section 5.5, the Membership Holder will confirm to Modo in writing which Partner Users have ceased to be Residents of their respective Strata Lots, and Modo will cancel such Partner Users' benefits of the Partnership Membership and such former Residents will cease to be Partner Users.
- 5.7 Modo covenants and agrees that the Partnership Membership will grant Partner Users the benefit of usage of Modo vehicles at the same usage rates as shareholders of Modo but without voting rights.
- 5.8 Modo will be the sole provider of the Carsharing Program in respect of the Shared Vehicles during the Term.
- 5.9 The Strata Corporation agrees to pay for the electricity withdrawn from the EV Stations when due and Modo will reimburse the Strata Corporation in accordance with section 6.12.

ARTICLE 6 - BENEFITS AND OBLIGATIONS OF MODO

- 6.1 Modo agrees that the Partnership Membership will allow up to a maximum number of Residents to be Partner Users at any given time equal to the Contract Fees paid hereunder divided by \$500, rounded down to the closest whole number. For greater certainty, once the foregoing number of Partner Users has been reached, no other Resident may become a Partner User unless an existing Partner User ceases to be a Partner User.
- Any number of Residents of any given Strata Lot may apply to Modo to become Partner Users, and each such Resident who becomes a Partner User will count as a separate Partner User for the purposes of the limit set out in section 6.1.
- 6.3 Modo will use the Contract Fees, less the amount required to purchase the Subject Shares, toward the ownership costs of two (2) new four-wheeled automobiles with electric motorization for use as the Shared Vehicles, and will, forthwith upon the purchase of each Shared Vehicle, provide Developer with a copy of such Shared Vehicle's registration evidencing that such Shared Vehicle is registered in the name of Modo together with proof of insurance.
- 6.4 Modo will deliver the Shared Vehicles to the Shared Vehicle Parking Spaces and will make the Shared Vehicles available for use by Modo Members in accordance with the terms of this Agreement and pursuant to the Shared Vehicle Deployment Sequence.

- In the event that the Occupancy Permit is not issued within thirty (30) days after the Estimated Occupancy Date, Modo reserves the right to park the Shared Vehicles at another location suitable for its use within the Carsharing Program and make them available for use by Modo Members, provided always that Modo will deliver the Shared Vehicles to the Shared Vehicle Parking Spaces by no later than the date(s) set out in the Shared Vehicle Deployment Sequence.
- 6.6 Modo agrees to provide the Shared Vehicles for the use of Modo Members and to cause the Shared Vehicles to be parked in the Shared Vehicle Parking Spaces at all times when not in use by a Modo Member and when not being repaired or serviced.
- 6.7 Modo and Developer agree that Modo will not be responsible for any costs related to the use of and access to the Shared Vehicle Parking Spaces during the Term, including, without limitation, the maintenance of the Shared Vehicle Parking Spaces.
- 6.8 Notwithstanding the foregoing, Modo must promptly and at its own expense clean up any oil or other substance which spills or leaks from a Shared Vehicle into or onto any part of the Development, failing which Developer may clean up such spill or leak, and Modo will, forthwith on demand reimburse Developer for the cost thereof.
- 6.9 Modo will at its sole expense provide Developer with appropriate signage for the Shared Vehicle Parking Spaces.
- 6.10 Modo will be solely responsible for providing and paying for the Services, including but not limited to the operation, administration, maintenance, repair, replacement and insurance costs in respect of the Shared Vehicles and the Carsharing Program in a prudent manner. If a Shared Vehicle is damaged beyond repair during the Shared Vehicle Minimum Term for such Shared Vehicle, then Modo will promptly replace such Shared Vehicle with a vehicle of at least equivalent value and function and such replacement vehicle will constitute the Shared Vehicle for all purposes hereunder.
- 6.11 Modo acknowledges and agrees that Developer and the Membership Holder will not be responsible for any costs associated with the Shared Vehicles, the Carsharing Program or the Services, including, without limitation, any applicable taxes or delivery fees in respect of the purchase of the Shared Vehicles or any user or membership fees of any of the Residents, other than the payment of the Contract Fees and the maintenance, use of and access to the Shared Vehicle Parking Spaces and EV Stations.
- 6.12 Modo will reimburse the Strata Corporation the amount paid by the Strata Corporation for the electricity withdrawn from the EV Stations, based on data logs and reports from the EV Stations. The reimbursement will be made in arrears on

- a yearly basis, starting on the Commencement Date or such other date as may be agreed upon by the Strata Corporation and Modo.
- 6.13 Modo reserves the right to temporarily relocate the Shared Vehicles parked in the Shared Vehicle Parking Spaces if use of the Shared Vehicle Parking Spaces is not possible in accordance with section 3.1 or 3.2 for a duration greater than twenty-four (24) consecutive hours and until use of the Shared Vehicle Parking Spaces has been re-established in accordance with sections 3.1 and 3.2. Promptly following use being made possible in accordance with sections 3.1 and 3.2, Modo will relocate the Shared Vehicles back to the Shared Vehicle Parking Spaces.
- Modo reserves the right to temporarily relocate the Shared Vehicles parked in the Shared Vehicle Parking Spaces if status or use of the EV Stations is not in accordance with section Error! Reference source not found. for a duration greater than twenty-four (24) consecutive hours and until status and use of the EV Stations have been re-established in accordance with section Error! Reference source not found. Promptly following status and use of the EV Stations being re-established in accordance with section Error! Reference source not found., Modo will relocate the Shared Vehicles back to the Shared Vehicle Parking Spaces.
- 6.15 Modo will provide orientation to all Residents wishing to participate in the Carsharing Program or use Modo vehicles.
- 6.16 Modo will provide Developer with marketing materials to promote participation in the Services to Residents and prospective residents of the Development.
- 6.17 Modo confirms and agrees that, in accordance with Modo's membership documentation, each Resident will be individually responsible for any and all actions, causes of action, costs or claims of whatsoever type or nature levied or made by Modo or by any other person as a result of or in connection with such Resident's participation in the Services or otherwise arising from the Subject Shares of, or membership in, Modo held by the Membership Holder or itsaffiliates, subsidiaries, successors or assigns.
- 6.18 Modo represents and warrants that there are no other obligations associated with the holding of the Subject Shares beyond those which are contemplated in this Agreement, in the rules and policies of Modo regarding its shares, or at law.

ARTICLE 7 - MARKETING AND MONITORING

- 7.1 Modo acknowledges that the premises within the Development will be occupied by Residents that will change over time.
- 7.2 Modo will establish a marketing program (the "Marketing Program") where Modo will, within fifteen (15) days following the Commencement Date, credit

- \$100 of driving credits ("**Driving Credits**") to the Modo account of each Resident who becomes a Modo Member for the first time, which Driving Credits will only be applied to fees for usage of Modo vehicles, for the duration of the Term.
- 7.3 Throughout the duration of the sale and closing stages of the Development, Developer agrees to communicate the benefits of the Carsharing Program to prospective residents and Residents. This will be done through Developer's existing communications channels such as email, website, collateral, sales agents and property managers, with the intent to raise awareness and usage of the Services, and with the information and materials in support provided by Modo, including:
 - (a) a short description of Modo, the Services, the Driving Credits and the Partnership Membership on the Development's website;
 - (b) to the extent permitted by law, a direct email or mail to the Residents shortly after such Residents have moved in the Development, with a link to a dedicated "welcome" page on Modo's website;
 - (c) to the extent permitted by law, a follow up direct email or mail to the Residents six (6) months after first occupation of the Development, with a link to a dedicated "welcome" page on Modo's website; and
 - (d) a small notice (sticker or poster) in a prominent location (i.e. elevator, community room), providing a short description of the Services, the Driving Credits and the Partnership Membership.
 - and the Membership Holder consents and agrees to the foregoing and will take such steps as reasonably required to assist Developer in carrying out the foregoing obligations.
- 7.4 From the date of this Agreement until the termination of this Agreement,
 Developer and Modo will allow use of each other's graphics in advertising and
 promotional activities conducted by either party. Such use of graphics must be in
 a manner whereby the graphics remain in their original form and each party will
 use the most recent version of the other party's graphics (as approved by each
 party in writing).
- 7.5 Developer and Modo will only use each other's wordmarks, logos or trade names pursuant to section 7.4 solely in connection with activities relating to the Development. Any other use must receive the prior written approval of each party (by mail or electronic mail).
- 7.6 The Membership Holder will permit Modo to assess, not more than once a year, the impacts of its Services by facilitating the administration of assessment measures including, but not limited to (and to the extent permitted by law), the distribution of emails, surveys and questionnaires for the Residents relative to the

Services, provided that the Residents, in their sole discretion, may elect not to participate in any such assessment measures.

ARTICLE 8 - SECURITY INTEREST

- 8.1 Subject to receipt of the Contract Fees, Modo agrees to grant to Developer a security interest in the Shared Vehicles and to execute a security agreement in the form attached as Schedule E hereto.
- 8.2 Modo acknowledges and agrees that Developer may register a security interest in the Shared Vehicles for a term equal to the Shared Vehicle Minimum Term in the British Columbia Personal Property Registry.

ARTICLE 9 - NO FIXED TERM

9.1 The term (the "**Term**") will commence on the date this Agreement is executed by the parties. This Agreement will not have a fixed term and will continue in full force and effect until terminated in accordance with the terms hereof provided that Modo agrees to provide the Services for a minimum term equal to the Shared Vehicle Minimum Term.

ARTICLE 10 - MUTUAL REPRESENTATIONS

- 10.1 Each party represents and warrants to the other that:
 - (a) it is an entity duly organized and validly existing under the laws of its jurisdiction of organization or incorporation;
 - (b) it has the requisite corporate power and authority to enter into this Agreement and to carry out its obligations under this Agreement; and
 - (c) such party's obligations under this Agreement constitute legal, valid and binding obligations, enforceable against such party in accordance with the terms herein.

ARTICLE 11 - TERMINATION AND AMENDMENT

- 11.1 Developer and Modo agree that, if after execution of this Agreement, Developer does not receive approval for a development permit, a building permit or any other permit necessary to construct and complete the Development from the Municipality then Developer will give notice of same and thereafter this Agreement will be terminated and both parties will be relieved of their obligations herein, except as expressly set out herein.
- 11.2 No amendment, addition, deletion or other modification to this Agreement will be effective unless in writing and signed by each party.

- 11.3 During a Shared Vehicle Minimum Term, this Agreement may not be amended or terminated without the prior written consent of the Director of Engineering and Public Works of the Municipality.
- 11.4 Notwithstanding sections 11.2 and 11.3, Modo reserves the right to make reasonable amendments to the rules governing the Membership Shares and ownership of the Subject Shares as set out in Schedule D, so long as such changes apply equally to each group of Residents. Upon any amendments, Modo will immediately notify the Membership Holder, following which the Membership Holder will notify the Residents of such amendments.
- Developer and Modo agree that, if the usage of a Shared Vehicle falls below Sustainable Usage Levels, and only after the Shared Vehicle Minimum Term of such Shared Vehicle has expired, Modo may exercise its right, in its sole discretion, to: (i) replace such Shared Vehicle with any vehicle of Modo's choice, or (ii) relocate such Shared Vehicle from the Shared Vehicle Parking Spaces, in each case so as to ensure that the terms of the Agreement are not oppressive to Modo or its members.
- 11.6 In the event of relocation of all Shared Vehicles pursuant to section 11.5, then the Shared Vehicle Parking Spaces will no longer need to be made available to Modo and sections 3.1 to Error! Reference source not found., 5.8 and 6.6 will cease to apply, and Modo will not be obligated hereunder to provide the Services or make the Shared Vehicles available for use of Residents, but, for greater certainty, the Partnership Membership will continue in effect. For the avoidance of doubt, in the event of a replacement of a Shared Vehicle pursuant to section 11.5, this section 11.6 will not apply.



- 11.7 If the Development is destroyed and not rebuilt in a form substantially similar to the original buildings, any of the parties may terminate this Agreement and in such case Modo will cancel the Subject Shares held by the Membership Holder, and the Membership Holder will not be entitled to a refund of the purchase price paid for the Subject Shares or any part thereof.
- 11.8 Either party will have the right to terminate this Agreement forthwith on the dissolution, winding up or bankruptcy of the other party.

ARTICLE 12 - DEFAULT

A party claiming default under the terms of this Agreement must provide the defaulting party with written notice of the default. If the defaulting party fails to correct the default within thirty (30) days of receipt of such written notice, the party claiming default may deliver notice of dispute in accordance with section 13.1(a) and proceed with the dispute resolution procedures provided for in ARTICLE 13 -.

ARTICLE 13 - DISPUTE RESOLUTION

- 13.1 If a dispute arises between the parties in connection with this Agreement, then Developer and Modo agree to use the following procedure to resolve the dispute:
 - (a) the party initiating the dispute will send a notice of dispute in writing to the other party which notice will contain the particulars of the matter in dispute and the relevant provisions of the Agreement. The responding party will send a notice of reply in writing to the other party to the dispute within ten (10) days after receipt of the notice of dispute, setting out particulars of its response and any relevant provisions of the Agreement;
 - (b) after a period of ten (10) days following receipt of a responding party's written notice of reply, the parties will request the Mediator to assist the parties to reach agreement on any unresolved dispute. The Mediator will conduct a non-binding mediation of the dispute according to the rules and procedures as determined by the Mediator;
 - (c) if the dispute remains unresolved for thirty (30) calendar days after a notice of dispute has been issued as per section 13.1 (a)., or if a default is not cured within thirty (30) calendar days after either party notifies the other of such default, the parties will agree upon and appoint a mediator for the purpose of mediating such dispute. The appointment of the Mediator will be carried out in accordance with the terms and conditions of an agreement to be entered into between the parties and the Mediator which will set out the terms of reference for the engagement of the Mediator. The Mediator will conduct a non-binding mediation of the dispute according to the rules and procedures as determined by the Mediator. If the parties fail or neglect to agree upon a Mediator within ten (10) days following receipt of the responding party's written notice of reply referred to in section 13.1(b), the dispute will be resolved by an Arbitrator (as defined below) in accordance with section 13.1(e). No individual with any direct or indirect interest in the subject matter of this Agreement or any direct or indirect interest in the parties to this Agreement may be appointed as a Mediator;
 - (d) if the dispute has not been resolved within ten (10) days after the Mediator has been appointed under section 13.1(c), or within such further period agreed to by the parties, the Mediator will terminate the mediated negotiations by giving notice in writing to both parties:
 - (e) except for claims for injunctive relief, all claims and disputes between the parties to this Agreement arising out of or relating to this Agreement which are not resolved by the Mediator in accordance with section 13.1, will be decided by final and binding arbitration before a single arbitrator (the "Arbitrator") in accordance with the Arbitration Act (British Columbia). The parties will agree upon the Arbitrator within fifteen (15) days of the Mediator

terminating the mediated negotiations. Failing such agreement between the parties, such Arbitrator will be finally chosen by reference to a Judge of the Supreme Court of British Columbia. The Arbitrator will not have any direct or indirect interest in the subject matter of the Development or any direct or indirect interest in either party of subsidiaries of the parties to this Agreement. No arbitration arising out of or relating to this Agreement will include, by consolidation or joinder or in any other manner, an additional person not a party to this Agreement, except by written consent containing specific reference to this Agreement and signed by each party and any other person sought to be joined. This provision will be specifically enforceable in any Court of competent jurisdiction;

- (f) the parties covenant and agree that the Arbitrator appointed hereunder has the power to, among other things, specifically declare that a party to this Agreement is in default of the terms of the Agreement and, in appropriate circumstances, declare that the Agreement is terminated and award damages for breach of contract or otherwise;
- (g) an award or order rendered by the Arbitrator will be final and binding upon the parties, and judgment may be entered upon it in accordance with applicable law in any Court having jurisdiction within the Province of British Columbia;
- (h) unless otherwise agreed in writing by the parties, the parties will continue to meet their obligations under this Agreement while the mediation and arbitration processes are continuing; and
- (i) the parties will each bear their own costs in connection with the foregoing and all costs of the arbitration (including the Mediator and the Arbitrator) will be shared equally by the parties.
- 13.2 The dispute resolution provisions of section 13.1 will survive termination of this Agreement in respect of any dispute resolution process that is commenced under section 13.1 prior to the date of termination.

ARTICLE 14 - NOTICES

- 14.1 Notices under this Agreement will be provided in writing to the following addresses or electronic mail addresses set out below:
 - (a) Developer:
 - 1100-1631 Dickson Ave,. Kelowna, BC, V1Y 0B5
 - Email: rtamblyn@millennialdev.ca
 - (b) Modo

- 200 470 Granville Street, Vancouver, BC, V6C 1V5
- Email: info@Modo.coop
- 14.2 All notices will be deemed to have been delivered on the date of delivery, if delivered, and on the next business day following their posting in B.C. or emailing.
- 14.3 Addresses for notices may be amended by written notice from one party to the other.

ARTICLE 15 - ASSIGNMENT

15.1 Neither party will transfer or assign this Agreement to any other party without the prior written consent of the parties to this Agreement, which consent will not be unreasonably withheld. Notwithstanding the foregoing, Developer may assign this Agreement to the Strata Corporation without Modo's prior consent but on notice to Modo, which notice will include the contact information of the parties to which the Agreement is being assigned.

ARTICLE 16 - INDEMNITY

16.1 Each party agrees to indemnify and save harmless the other party from and against all losses, costs, damages, suits, actions, causes of action, claims or demands in any way resulting from, connected with or arising out of the first party's breach of its obligations under this Agreement. This section 16.1 will survive the termination of the Agreement.

ARTICLE 17 - GENERAL

- 17.1 Nothing in this Agreement nor the acts of the parties will be construed, implied or deemed to create an agency, partnership or joint venture relationship between the parties. Neither party has the right or authority to, and will not, assume or create any obligation of any nature whatsoever on behalf of the other party or bind the other party in any respect whatsoever.
- 17.2 This Agreement constitutes the entire agreement between the parties with respect to the subject-matter hereof and cancels and supersedes any prior understandings and agreements between the parties with respect thereto. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the parties other than as expressly set forth in this Agreement.
- 17.3 Any provision of this Agreement that is or becomes unenforceable will be unenforceable to the extent of such unenforceability without invalidating the remaining provisions hereof.

- 17.4 Any waiver or consent will be effective only in the instance and for the purpose for which it is given. No failure or delay on the part of either party in exercising any right, power or privilege under this Agreement will constitute a waiver thereof nor will any single or partial exercise of any right, power or privilege preclude any other or further exercise thereof or the exercise thereof or the exercise of any other right, power or privilege.
- 17.5 This Agreement will enure to the benefit of and be binding upon the parties and their heirs, executors, administrators, personal representatives, respective successors and permitted assigns.
- 17.6 The parties will at all times do, execute, acknowledge and deliver such acts, deeds, agreements and other instruments as may be reasonably necessary or desirable to give full force and effect to the terms of this Agreement.
- 17.7 This Agreement will be governed by and construed in accordance with the laws of the Province of British Columbia, and the federal laws of Canada applicable therein and each party irrevocably attorns to the exclusive jurisdiction of the courts of the Province of British Columbia.
- 17.8 This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original and all of which taken together will be deemed to constitute one and the same instrument. Delivery of an executed counterpart of this Agreement by facsimile or electronic means will be equally effective as delivery of a manually executed counterpart thereof.

IN WITNESS WHEREOF the parties have executed this Agreement as of the date first written above.

By Modo:

MODO CO-OPERATIVE, by its authorized signatory

By:

Name: Patrick Navel

By Developer:

Five Bridges Development LP, by its authorized signatory

Ryan Tambles. -

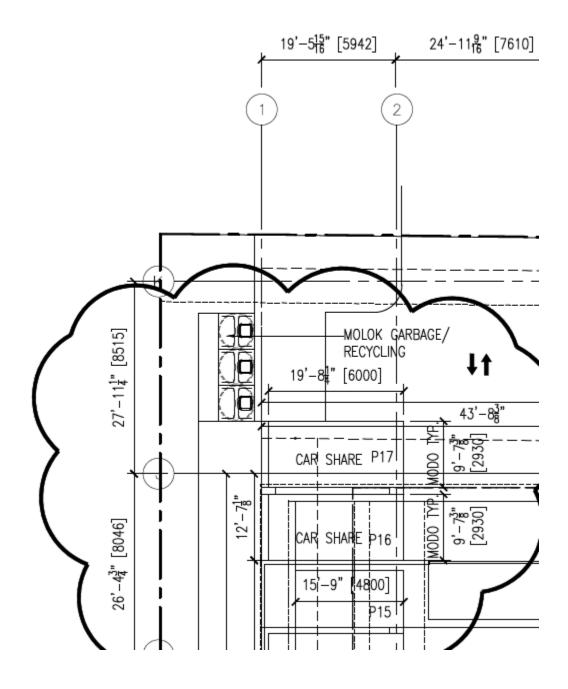
Name: Ryan Tamblyn

Title: CEO

SCHEDULE A SHARED VEHICLE PARKING SPACES

[NDLR: Insert plan showing location and dimensions of parking spaces]

Also: See documents attached



SCHEDULE B CONSTRUCTION STANDARDS FOR SHARED VEHICLE PARKING SPACE

The Shared Vehicle Parking Space shall be constructed to the satisfaction of the Director of Engineering and Public Works and the Chief Building Official of the municipality where the Shared Vehicle Parking Space is being constructed, and in accordance with the following specifications and requirements:

1. General

The Shared Vehicle Parking Space shall be constructed, finished and designated in accordance with applicable municipal building permits, by-laws, policies and guidelines, including the municipal standards as required by the Parking By-law and Building By-law applying to the property upon which the Shared Vehicle Parking Space is being constructed.

2. Dimensions

The Shared Vehicle Parking Space dimensions shall be standardized:

- The minimum height shall be 2.0 meters.
- The minimum width shall be 2.9 meters.
- The minimum length shall be 5.5 meters.

Tandem parking shall not be permitted. Perpendicular and angle parking shall be preferred.

Where one side of a Shared Vehicle Parking Space abuts any portion of a fence or structure, there shall be a horizontal clearance of at least 30 centimetres between such side of the Shared Vehicle Parking Space and the said fence or structure.

3. Location

It is preferred to locate the Shared Vehicle Parking Space at either street level or lane level. If locating the Shared Vehicle Parking Space at street level or lane level is not feasible, the Shared Vehicle Parking Space shall be located at the parking level of the parkade closest to the street level, second only in selection to the siting of disability parking spaces.

If the Shared Vehicle Parking Space is located underground or above ground, the location of the Shared Vehicle Parking Space will be chosen to ensure the greatest possible visibility of the space and most convenient access to the building, second only in selection to the siting of disability parking spaces.

When several Shared Vehicle Parking Spaces are provided, the spaces shall be located next to each other or in close proximity.

4. Access

Permitted users of the Shared Vehicle to be parked on the Shared Vehicle Parking Space must have the ability to access the Shared Vehicle Parking Space 24 hours a day, 7 days a week.

The procedure for permitted users to self-access the Shared Vehicle Parking Space by foot when the Shared Vehicle Parking Space is located in a gated parkade shall consist in typing a code on a keypad or swiping a key fob on a fob reader. The procedure shall be simple and consistent to prevent access disruption.

In the event that a keypad is being used to provide access to the Shared Vehicle Parking Space, it should be possible to change the code of the keypad over time.

The procedure for permitted users to depart from and return to the parkade with a Shared Vehicle when the Shared Vehicle Parking Space for the Shared Vehicle is located in a gated parkade shall consist in typing a code on a keypad or swiping a key fob on a fob reader or using a remote control. The procedure shall not require for the permitted users to step out of the Shared Vehicle to perform the procedure.

In the event that remote controls are being used for permitted users to depart from and return to the parkade with a Shared Vehicle, Modo shall be provided with one more remote control than the number of Shared Vehicles to be parked in the parkade.

The location of the Shared Vehicle Parking Space and procedure to access the Shared Vehicle Parking Space in a gated parkade shall be designed to mitigate potential security concerns from users of the parkade.

5. Maneuverability

The location of the Shared Vehicle Parking Space will be chosen to ensure the Shared Vehicle can be parked in the Shared Vehicle Parking Space driving forward with an angle of approach between 0° and 90°.

An angle of approach to park the Shared Vehicle in the Shared Vehicle Parking Space between 90° and 180° or the need to park the Shared Vehicle in reverse shall not be permitted.

The location of the Shared Vehicle Parking Space shall not require a maneuver more complex than a three-point turn to drive the Shared Vehicle out of the Shared Vehicle Parking Space.

If the Shared Vehicle Parking Space is located in a parkade with an entry/exit ramp, the location of the Shared Vehicle Parking Space shall not require for the Shared Vehicle to be driven in reverse to exit the parkade.

6. Signage

The Shared Vehicle Parking Space shall be clearly designated with signage and pavement markings.

Clear, visible and legible signs shall be placed directing users of the Shared Vehicle to the location of the Shared Vehicle Parking Space, indicating which parking space is the Shared Vehicle Parking Space and marking it as being reserved for the exclusive purpose of parking a Shared Vehicle.

A symbol (similar to that approved for a disability space) shall be stamped/painted on the Shared Vehicle Parking Space.

7. Lighting

The Shared Vehicle Parking Stall shall be illuminated to the satisfaction of the Director of Engineering and Public Works of the municipality where the Shared Vehicle Parking Space is being constructed with:

- average illumination levels of 11 Lux with a uniformity ratio (average level to minimum level) of 3:1;
- luminaires situated in such a way so as not to directly throw light onto streets, lanes, or adjacent properties; and
- a photocell or equivalent switch that will activate the lighting system when ambient light levels are 11 Lux or less.

8. Connectivity

Sufficient 3G and/or 4G LTE cellular network reception signal of the cellular network used for the operation of the Shared Vehicle shall be supplied at the Shared Vehicle Parking Space to ensure the reliable operation of the Shared Vehicle service, with:

- a Received Signal Strength Indicator (RSSI) for 3G cellular network superior to -86 dBm; and
- a Reference Signal Received Power (RSRP) for 4G LTE cellular network superior to -106 dBm.

9. Electric Vehicle charging infrastructure

The Shared Vehicle Parking Space shall be provided with an energized Level 2 electric vehicle charging station connected to an electrical current of 240 or 208 Volts and with a minimum power of 40 Amps. The Level 2 electric vehicle charging station shall have (i) access control using RFID cards and (ii) networking/telematic functions to remotely monitor and collect utilization data.

SCHEDULE C SHARED VEHICLE DEPLOYMENT SEQUENCE

Shared Vehicle	Commencement of Shared Vehicle deployment	Conditions for deployment of the Shared Vehicle
Shared Vehicle #1	Within seven (7) days after the Commencement Date.	 The Project Fee has been paid to Modo at least 60 days prior to the Commencement Date as per section 2.1 of this Agreement; The Shared Vehicle Parking Spaces are available to Modo as per sections 3.1 and 3.2.of this Agreement; and At least one (1) EV Station is operational and accessible to Modo as per section 3.4 this Agreement.
Shared Vehicle #2	Within 60 days after all conditions set out in the column titled "Conditions for deployment of the Shared Vehicle" for Shared Vehicle #2 are met or earlier if deemed appropriate by Modo.	 Aggregate utilization of all Modo vehicles located within one (1) kilometre radius of the Development is equal or superior to the 40th percentile of Modo's vehicle fleet overall during an entire fiscal quarter; The Shared Vehicle Parking Spaces are available to Modo as per sections 3.1 and 3.2 of this Agreement; The Phased Shared Vehicle Project Fee has been paid to Modo as per section 2.4 of this Agreement for purchase of Shared Vehicle #2; Shared Vehicle #1 is available to Modo Members as part of the Carsharing Program; and Two (2) EV Stations are operational and accessible to Modo as per section 3.4 of this Agreement.

SCHEDULE D PARTNERSHIP MEMBERSHIP RULES

- 1. The following terms have the following meanings:
 - (a) "**Development**" means the residential Development known as Five Crossings located at Kelowna. British Columbia.
 - (b) "Membership Holder" means, the Strata Corporation;
 - (c) "Modo" means Modo Co-operative;
 - (d) "Residents" means, collectively, residents of the Development, and each such resident is referred to herein as a "Resident";
 - (e) "Strata Corporation" means the strata corporation for the Development; and
- 2. The Membership Holder has assumed, or will assume, an agreement (the "Cooperative Carsharing Agreement") with Modo pursuant to which Modo granted to the Membership Holder a Modo partnership membership (the "Membership") by issuing to the Membership Holder a certain number of membership shares in Modo (the "Modo Shares") for the benefit of Residents, as set out in the Co-operative Carsharing Agreement, so Residents can benefit from Modo membership privileges without the need to themselves pay Modo membership fees.
- 3. The Membership Holder will be the legal owner of the Modo Shares, and a certain number of Residents, as further set out in the Co-operative Carsharing Agreement, may, on a continuing basis, enjoy the benefits of the Membership subject to meeting Modo's eligibility requirements as set out on Modo's website from time to time and as set out herein (the "Membership Eligibility Criteria").
- 4. Residents who are granted the rights and benefits of the Membership from time to time (the "Partner Users" and, each a "Partner User") will benefit from the same price plan for usage of Modo vehicles as other member shareholders of Modo but, for clarity, will not have any voting rights in respect of the Membership or Modo.
- 5. Any Resident may apply to become a Partner User, provided that membership privileges will be granted to applying and eligible Residents on a first-come, first-served basis.
- 6. In order for a Resident to become a Partner User, the Resident must submit to Modo, an application including (but not limited) to the following:

- (a) the applicant Resident, if the holder of a driver's licence issued in British Columbia, Canada, must prove current residency at the Development by providing Modo with a copy of its current driver's records indicating their address within the Development;
- (b) the applicant Resident, if the holder of a driver's licence issued outside of British Columbia, Canada, must prove current residency at the Development by providing Modo with a copy of a bill indicating the name of the Resident and their address within the Development; and
- (c) the applicant Resident, must provide contact information and such other information regarding the Resident as may be reasonably required by Modo for the purposes of determining if the Resident qualifies for the Membership Eligibility Criteria.
- 7. Each Partner User will be responsible for and will save the Membership Holder harmless from any and all liabilities incurred by the Membership Holder and any and all actions, causes of action, costs or claims of whatsoever type or nature levied or made against the Membership Holder by Modo or by any other person, to the extent resulting from such Partner User's participation in the Membership and except to the extent resulting from the negligence or willful misconduct of the Membership Holder.
- 8. A Resident may only be a Partner User and may only exercise the rights and benefits of the Membership while such Resident meets the Membership Eligibility Criteria.
- 9. If at any time Resident who is a Partner User ceases to meet the Membership Eligibility Criteria, then the Resident will cease to be a Partner User and may only reapply to be a Partner User when the Resident again meets the Membership Eligibility Criteria.
- 10. Except as otherwise provided in these rules, a Partner User may only enjoy and exercise the benefits of the Membership while the Partner User is a Resident, and the benefits that a Partner User enjoys under the Membership may not under any circumstances be assigned, transferred or sold by the Partner User to any party.
- 11. If a Partner User does not book a Modo vehicle at least once during a period of twelve (12) consecutive months, Modo may cancel such Partner User's participation in the Membership.
- 12. The Modo Shares remain at all times in the name of the Membership Holder.
- 13. Partner Users may only make use of Modo vehicles in accordance with the policies and rules of Modo.

14. These rules will have no further force or effect upon termination of the Co-operative Carsharing Agreement.

SCHEDULE E SECURITY AGREEMENT

BY: MODO CO-OPERATIVE 200 - 470 Granville Street, Vancouver, B.C. V6C IV5	
	(the "Grantor")
IN FAVOUR OF:	
	(the "Secured Party")
WHEREAS: A. The Secured Party	nas financed the acquisition by the Grantor of the following vehicles:
Make/Model: Vehicle Identific	ation Number:
Make/Model: Vehicle Identific	ation Number:
(the " Shared V	hicles"): and

B. The Grantor has agreed to deliver this Agreement to create security over the interest it has in the Shared Vehicles for the benefit of the Secured Party.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the premises and the covenants and agreements herein contained the Grantor and the Secured Party hereby agree as follows:

- Security Interest in the Shared Vehicles. As security for the performance by the Grantor of its obligations set forth in the Co-operative Carsharing Agreement attached hereto (the "Co-op Car Agreement"), the Grantor grants to the Secured Party a security interest (the "Security Interest") in all of its present and future right, title and interest in and to the Shared Vehicles.
- 2. Grant of Security Interest in Proceeds of Collateral. The Grantor also grants the Secured Party a security interest in the proceeds derived directly or indirectly from any dealing with the Shared Vehicles, including but not limited to, accounts receivable, bills of exchange, insurance proceeds, chattel paper, intangibles, motor vehicles, and all other after acquired property constituting proceeds. The Grantor acknowledges that the Security Interest hereby created attaches upon the execution of this Security Agreement, that the value has been given and that the Grantor has rights in the Shared Vehicles.

- 3. **Use and Location of the Shared Vehicles.** The Grantor will not sell, lease or otherwise dispose of the Shared Vehicles without the prior written consent of the Secured Party and the Grantor will keep the Shared Vehicles in good condition, reasonable wear and tear excepted.
- 4. **No Liens on Shared Vehicles.** The Grantor will not permit any lien, charge, encumbrance or security interest (each, a "Lien") to attach to the Shared Vehicles which ranks prior to or equal with or could in any event rank prior to the equal with the rank of the Security Interest. The Grantor will not enter into any agreement with any person which would obtain prior or equal rank for any Lien over the rank of the 'Security Interest'.
- 5. **Name of Grantor.** The Grantor covenants not to change its name without giving fifteen (15) days' prior written notice to the Secured Party (so as to enable the Secured Party to amend its registration in respect of this Agreement and protect its rights hereunder).
- 6. **Default.** It will be a "Default" under this Agreement if:
 - (a) the Grantor breaches or fails to perform any of the terms, conditions, obligations or covenants to be observed and performed by the Grantor under the Co-op Car Agreement, and persists in such failure or breach after thirty (30) days' notice by the Secured Party requiring that the Grantor remedy such failure or breach,
 - (b) the Grantor commits an act of bankruptcy or becomes insolvent or files a proposal or a notice of intention to file a proposal,
 - (c) an assignment for the benefit of creditors under applicable bankruptcy or similar legislation is made or a petition is filed,
 - (d) an order is made, a resolution is passed, or any other step is taken for the bankruptcy, liquidation, dissolution or winding-up of the Grantor or for any arrangement or composition of its debts, or
 - (e) a receiver, receiver and manager or receiver-manager of the Grantor is appointed.
- 7. **Remedies.** The Security Interest is immediately enforceable, upon the occurrence of a Default, and the Secured Party, at its option, may exercise at any time following such Default any or all of the rights, remedies, privileges and powers available to it under this Agreement, the Personal Property Security Act (British Columbia) or any other applicable legislation. All rights, remedies, privileges and powers of the Secured Party hereunder are cumulative and no such right, remedy, privilege or power is exhaustive but is in addition to each other right, remedy, privilege and power of the Secured Party hereunder or under any other agreement, instrument or document now or hereafter existing at law or in equity or by statute.
- 8. **Costs of Enforcement.** The Grantor will be responsible for payment of all costs, charges and expenses (including legal costs on a solicitor and own client basis) of the Secured Party of and incidental to any proceeding taken to enforce the remedies of this Agreement.

- 9. **Loss, Injury or Destruction.** The loss, injury or destruction of the Shared Vehicle will not operate in any manner to release the Grantor from its obligations to the Secured Party under the Co-op Car Agreement.
- 10. **Term**. The Security Interest granted hereunder will terminate and be of no further force and effect as of the expiry of the Shared Vehicle Minimum Term (as defined in the Co-Op Car Agreement) for the Shared Vehicles.
- 11. **Amendment.** This Agreement may be altered or amended only by an agreement in writing signed by the parties hereto.
- 12. **Binding Effect.** This Agreement will enure to the benefit of and be binding upon the heirs, executors, administrators, legal and personal representatives, successors and permitted assigns of the parties, as applicable.
- 13. **Governing Law.** This Agreement is governed by and will be construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.
- 14. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original and all of which taken together will he deemed to constitute one and the same instrument.
- 15. **Execution by Electronic Means**. This Agreement may be executed by the Grantors and transmitted by facsimile or other electronic means, and when it is executed and transmitted this Agreement will be for all purposes as effective as if the Grantor had delivered an executed original Agreement.

	TNESS WHEREOF the Grantor has executed this Agreement on the day of,
MODO	CO-OPERATIVE, by its authorized signatory
Ву:	Name: