

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

WEICHANG YANG

Applicant

- and -

BESCO INTERNATIONAL INVESTMENT CO., LTD.

Respondent

**APPLICATION UNDER section 243(1) of the *Bankruptcy and Insolvency Act*, RSC, 1985, c B-3,
as amended, and section 101 of the *Courts of Justice Act*, RSO 1990, c C.43, as amended**

APPLICATION RECORD

September 18, 2018

FASKEN MARTINEAU DuMOULIN LLP
Barristers and Solicitors
333 Bay Street - Suite 2400
Bay Adelaide Centre, Box 20
Toronto, ON M5H 2T6

Stuart Brotman [LSO# 43430D]
Tel: 416 865 5419
Fax: 416 364 7813
Email: sbrotman@fasken.com

Dylan Chochla [LSO# 62137I]
Tel: 416 868 3425
Fax: 416 364 7813
Email: dchochla@fasken.com

Lawyers for the Applicant

TO: **REBECCA HUANG & ASSOCIATES**
Barristers
Suite 311, 330 Bay Street
Toronto, ON M5H 2S8

Rebecca Huang
Tel: 416 306 8450
Fax: 416 306 8451
Email: rhuang@rh-law.ca

Lawyers for the Respondent, Besco International Investment Co., Ltd.

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Tab 1

CV-18-00605366-00A
Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
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WEICHANG YANG

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- and -

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APPLICATION UNDER section 243(1) of the *Bankruptcy and Insolvency Act*, RSC, 1985, c B-3, as amended, and section 101 of the *Courts of Justice Act*, RSO 1990, c C.43, as amended

NOTICE OF APPLICATION

TO THE RESPONDENT:

A LEGAL PROCEEDING HAS BEEN COMMENCED by the applicant. The claim made by the applicant appears on the following pages.

THIS APPLICATION will come on for a hearing on a date to be scheduled at a 9:30 a.m. appointment before a Judge of the Ontario Superior Court of Justice (Commercial List), at the Court House at 330 University Avenue, Toronto, Ontario.

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application, you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38A prescribed by the Rules of Civil Procedure, serve it on the applicant's lawyer or, where the applicant does not have a lawyer, serve it on the applicant, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

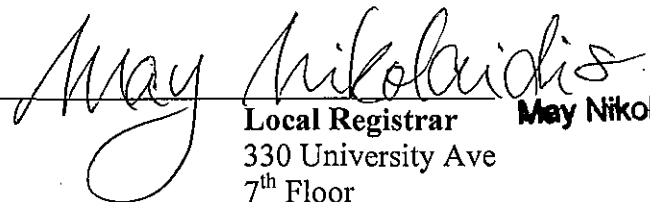
IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance,

serve a copy of the evidence on the applicant's lawyer or, where the applicant does not have a lawyer, serve it on the applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but at least four days before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO OPPOSE THIS APPLICATION BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

Date: September 18, 2018

Issued by:



Local Registrar
330 University Ave
7th Floor
Toronto, Ontario
M5G 1R7

May Nikolaidis

TO: **REBECCA HUANG & ASSOCIATES**
Barristers
Suite 311, 330 Bay Street
Toronto, ON M5H 2S8

Rebecca Huang
Tel: 416 306 8450
Fax: 416 306 8451
Email: rhuang@rh-law.ca

Lawyers for the Respondent, Besco International Investment Co., Ltd.

APPLICATION

1. THE APPLICANT MAKES AN APPLICATION FOR:

- (a) an Order substantially in the form attached hereto as Schedule “A” (the “**Receivership Order**”),¹ *inter alia*:
- (i) abridging the time for service of the Notice of Application and the Application Record herein, if necessary, and validating service thereof;
 - (ii) appointing KSV Kofman Inc. (“**KSV**”) as receiver (in such capacity, the “**Receiver**”) of the real property of Besco International Investment Co., Ltd. (“**Besco**”) listed in Schedule “A” to the Receivership Order (the “**Real Property**”), together with all other assets, undertakings and properties of the Debtor acquired for, or used in relation to the Real Property, and all rents and other proceeds thereof (collectively, the “**Property**”) pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the “**BIA**”) and section 101 of the *Courts of Justice Act*, RSO 1990, c C.43, as amended (the “**CJA**”);
 - (iii) awarding the Applicant its costs of this proceeding, on a substantial indemnity basis, including HST charged thereon; and
- (b) such further and other relief as counsel may advise and this Honourable Court may deem just.

¹ A blackline of the Receivership Order against the Commercial List User’s Committee Model Order is attached at Schedule “B”

2. **THE GROUNDS FOR THIS APPLICATION ARE:**

- (a) Besco is indebted to the Applicant, on a secured basis, in the amount of \$3,577,893.60;
- (b) among other security, Besco granted a mortgage in favour of the Applicant against the Real Property (the “**Mortgage**”);
- (c) Besco, among others, executed a forbearance agreement (in May 2018) with the Applicant wherein it acknowledged that it is indebted to the Applicant, that it is in default of its obligations to the Applicant, the amount of indebtedness owing, and the validity and enforceability of the loan agreement, guarantee and security executed in connection with the indebtedness;
- (d) Besco is in default of its obligations to the Applicant;
- (e) Besco has failed or refused to repay the amount it owes to the Applicant, despite repeated demands for payment;
- (f) the Applicant delivered a notice of intention to enforce security pursuant to the BIA;
- (g) the Applicant also delivered a notice of sale under the *Mortgages Act* (Ontario) in respect of the Real Property (the “**Notice of Sale**”). The redemption period in the Notice of Sale expired on August 23, 2018;
- (h) on August 18, 2018 (five days before the expiry of the redemption period in the Notice of Sale), Besco delivered a notice of application seeking an order restraining the Applicant from selling the Real Property under the Mortgage;

- (i) the sale of the Real Property under the Mortgage is being contested by Besco. Besco raises issues that the sale of the Real Property under the Mortgage will interfere with the operation of Besco's business at the premises;
- (j) given the opposition from Besco to the Notice of Sale, the most expedient and appropriate mechanism for dealing with the enforcement of the Applicant's security is through the appointment of the Receiver;
- (k) the appointment of the Receiver is just in the circumstances;
- (l) the appointment of a receiver will allow the Receiver to have care and control of the Property, while allowing it to address any issues raised by Besco and to deal with the tenant at the Real Property;
- (m) the receivership proceeding will also provide a forum for Besco to raise any issues it may have with the sale of the Property or any related issues;
- (n) Besco executed a consent to the appointment of a receiver over its property in May, 2018; and
- (o) KSV has consented to its appointment as receiver;

Other Grounds

- (p) those further grounds as set out in the Affidavit of Weichang Yang, and the Exhibits thereto (the "Yang Affidavit"), to be filed;
- (q) section 243 of the BIA, and the BIA generally;
- (r) sections 96 and 101 of the CJA, and the CJA generally;

- (s) Rules 1.04, 1.05, 2.01, 2.03, 3.02, 14.05(3)(g), 16, 38, 40.01 and 45.01 of the Rules of Civil Procedure, RRO 1990, Reg. 194, as amended; and
- (t) such further and other grounds as counsel may advise and this Honourable Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

- (a) the Yang Affidavit, and the Exhibits thereto;
- (b) the consent of KSV to act as Receiver dated September 12, 2018; and
- (c) such other material as counsel may advise and this Honourable Court may permit.

September 18, 2018

FASKEN MARTINEAU DuMOULIN LLP
Barristers and Solicitors
333 Bay Street - Suite 2400
Bay Adelaide Centre, Box 20
Toronto, ON M5H 2T6

Stuart Brotman [LSO# 43430D]
Tel: 416 865 5419
Fax: 416 364 7813
Email: sbrotman@fasken.com

Dylan Chochla [LSO# 62137I]
Tel: 416 868 3425
Fax: 416 364 7813
Email: dchochla@fasken.com

Lawyers for the Applicant

Tab A

Schedule A

Court File No. @

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE)
JUSTICE)

WEEKDAY, THE @
DAY OF MONTH, 2018

BETWEEN:

WEICHANG YANG

Applicant

- and -

BESCO INTERNATIONAL INVESTMENT CO., LTD.

Respondent

APPLICATION UNDER section 243(1) of the *Bankruptcy and Insolvency Act*, RSC, 1985, c B-3, as amended, and section 101 of the *Courts of Justice Act*, RSO 1990, c C.43, as amended

**ORDER
(Appointing Receiver)**

THIS APPLICATION made by the applicant, Weichang Yang (the “**Applicant**”) for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”) and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the “**CJA**”) appointing KSV Kofman Inc. (“**KSV**”) as receiver and manager (in such capacities, the “**Receiver**”), without security, of the real property of Besco International Investment Co., Ltd. (the “**Debtor**”) listed in Schedule “A” hereto (the “**Real Property**”), together with all other assets, undertakings and properties of the Debtor acquired for, or used in

relation to the Real Property, and all rents and other proceeds thereof (collectively, the “Property”), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of the Applicant sworn September 12, 2018 and the Exhibits thereto, the affidavit of Hui Gang Sun sworn August 20, 2018 and the Exhibits thereto, the supplementary affidavit of Hui Gang Sun sworn August 31, 2018 and the Exhibits thereto, and the *facta* filed on behalf of the Applicant and the Debtor, and on hearing the submissions of counsel for the Applicant and counsel for the Debtor, no one else appearing although duly served as appears from the affidavit of service of Tamana Sadozai sworn September 12, 2018, and on reading the consent of KSV to act as the Receiver,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Application and the Application is hereby abridged and validated so that this application is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, KSV is hereby appointed Receiver, without security, of the Property.

RECEIVER’S POWERS

3. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the

- relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtor in relation to the Property, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor in relation to the Property;
 - (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
 - (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor in relation to the Property or any part or parts thereof;
 - (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor in relation to the Property and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
 - (g) to settle, extend or compromise any indebtedness owing to the Debtor in relation to the Property;
 - (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
 - (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter

instituted with respect to the Debtor in relation to the Property, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business with the approval of this Court, and notice under subsection 63(4) of the Ontario *Personal Property Security Act*, or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required.
- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;

- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for the Property;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have in relation to the Property; and
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations;

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons, including the Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. THIS COURT ORDERS that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being “**Persons**” and each being a “**Person**”) shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver’s request.

5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor in relation to the Property, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the “**Records**”) in that Person’s possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not

be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

7. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a “**Proceeding**”), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

8. THIS COURT ORDERS that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

9. THIS COURT ORDERS that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in

respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

10. THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor in relation to the Property, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

11. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtor in relation to the Property, or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor in relation to the Property, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

12. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the

collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the “**Post Receivership Accounts**”) and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

13. THIS COURT ORDERS that all employees of the Debtor shall remain the employees of the Debtor at all times. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

14. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a “**Sale**”). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

15. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, “**Possession**”) of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder, or their respective equivalents in any Province or Territory (the “**Environmental Legislation**”), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver’s duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER’S LIABILITY

16. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER’S ACCOUNTS

17. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the “**Receiver’s Charge**”) on the Property, as security for such fees and disbursements, both before and after the making of

this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

18. THIS COURT ORDERS that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

19. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP


20. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$250,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

21. THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

22. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "B" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.

23. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

SERVICE AND NOTICE

24. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL '

25. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

26. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

27. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

28. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

29. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

30. THIS COURT ORDERS that the Applicant shall have its costs of this application, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

31. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.



SCHEDULE "A"**PROPERTY DESCRIPTION**

PIN: 51082-0010 (LT)

Description: PT LT 1-2 CON 1 HOPE PT 2 9R2307 EXCEPT PT 1 39R9406; PORT HOPE

Address: 414 CROFT STREET, PORT HOPE, ONTARIO

SCHEDULE "B"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that KSV Kofman Inc., the receiver (the "Receiver") of certain real property owned by Besco International Investment Co., Ltd. (the "Debtor"), together with all other assets, undertakings and properties of the Debtor acquired for, or used in relation to the real property, and all rents and other proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the ___ day of _____, 2018 (the "Order") made in an action having Court file number __-CL-_____, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver

to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the ____ day of _____, 2018.

KSV Kofman Inc., solely in its capacity
as Receiver of the Property, and not in its
personal capacity

Per: _____

Name:

Title:

WEICHANG YANG

-and-

BESCO INTERNATIONAL INVESTMENT CO., LTD.

Applicant

Respondent

Court File No.:

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceedings commenced at Toronto

ORDER (APPOINTING RECEIVER)

FASKEN MARTINEAU DuMOULIN LLP

333 Bay Street, Suite 2400
Bay Adelaide Centre, Box 20
Toronto, ON M5H 2T6

Stuart Brotman [LSO# 43430D]

Tel: 416 865 5419

Fax: 416 364 7813

Email: sbrotman@fasken.com

Dylan Chochla [LSO# 62137I]

Tel: 416 868 3425

Fax: 416 364 7813

Email: dchochla@fasken.com

Lawyers for the Applicant

Tab B

Schedule B

Revised: January 21, 2014
s.243(1) BIA (National Receiver) and s. 101 CJA (Ontario) Receiver

Court File No. ———<@>

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE
JUSTICE

)
)
)

WEEKDAY, THE # <@>
DAY OF MONTH, 20YR2018

PLAINTIFF[†]

Plaintiff

BETWEEN:

WEICHANG YANG

Applicant

- and -

DEFENDANT

Defendant

BESCO INTERNATIONAL INVESTMENT CO., LTD.

Respondent

APPLICATION UNDER section 243(1) of the *Bankruptcy and Insolvency Act*, RSC, 1985, c B-3,
as amended, and section 101 of the *Courts of Justice Act*, RSO 1990, c C.43, as amended

[†]The Model Order Subcommittee notes that a receivership proceeding may be commenced by action or by application. This model order is drafted on the basis that the receivership proceeding is commenced by way of an action.

ORDER
(~~appointing~~Appointing Receiver)

THIS ~~MOTION~~APPLICATION made by the Plaintiff² applicant, Weichang Yang (the "Applicant") for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing ~~[RECEIVER'S NAME]~~KSV Kofman Inc. ("KSV") as receiver {and manager} (in such capacities, the "Receiver"), without security, of all of ~~the~~the real property of Besco International Investment Co., Ltd. (the "Debtor") listed in Schedule "A" hereto (the "Real Property"), together with all other assets, undertakings and properties of ~~[DEBTOR'S NAME] (the "Debtor")~~ acquired for, or used in relation to a ~~business carried on by the Debtor~~the Real Property, and all rents and other proceeds thereof (collectively, the "Property"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of ~~[NAME] the Applicant~~ sworn ~~[DATE] and the Exhibits thereto~~September <@>, 2018 and the Exhibits thereto, the affidavit of Hui Gang Sun sworn August 20, 2018 and the Exhibits thereto, the supplementary affidavit of Hui Gang Sun sworn August 31, 2018 and the Exhibits thereto, and the facta filed on behalf of the Applicant and the Debtor, and on hearing the submissions of counsel for [NAMES] the Applicant and counsel for the Debtor, no one else appearing for [NAME] although duly served as appears from the affidavit of service of [NAME] Tamana Sadozai sworn [DATE] September <@>, 2018, and on reading the consent of [RECEIVER'S NAME] KSV to act as the Receiver,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of ~~Motion~~Application and the ~~Motion~~Application is hereby abridged and validated³ so that this ~~motion~~application is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

² Section 243(1) of the BIA provides that the Court may appoint a receiver "on application by a secured creditor".

³ If service is effected in a manner other than as authorized by the Ontario *Rules of Civil Procedure*, an order validating irregular service is required pursuant to Rule 16.08 of the *Rules of Civil Procedure* and may be granted in appropriate circumstances.

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, ~~[RECEIVER'S NAME]~~KSV is hereby appointed Receiver, without security, of ~~all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the "Property")~~the Property.

RECEIVER'S POWERS

3. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtor in relation to the Property, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor in relation to the Property;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;

- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor in relation to the Property or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor in relation to the Property and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor in relation to the Property;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor in relation to the Property, the Property or the Receiver, and to settle or compromise any such proceedings.⁴ The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business;

⁴ This model order does not include specific authority permitting the Receiver to either file an assignment in bankruptcy on behalf of the Debtor, or to consent to the making of a bankruptcy order against the Debtor. A bankruptcy may have the effect of altering the priorities among creditors, and therefore the specific authority of the Court should be sought if the Receiver wishes to take one of these steps.

(i) ~~without the approval of this Court in respect of any transaction not exceeding \$ _____, provided that the aggregate consideration for all such transactions does not exceed \$ _____; and~~

(ii) ~~with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause; and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, [or section 31 of the Ontario *Mortgages Act*, as the case may be,]⁵ shall not be required; and in each case the Ontario *Bulk Sales Act* shall not apply.~~

- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the

⁵ ~~If the Receiver will be dealing with assets in other provinces, consider adding references to applicable statutes in other provinces. If this is done, those statutes must be reviewed to ensure that the Receiver is exempt from or can be exempted from such notice periods, and further that the Ontario Court has the jurisdiction to grant such an exemption.~~

foregoing, the ability to enter into occupation agreements for ~~any property owned or leased by the Debtor~~ the Property;

(q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have in relation to the Property; and

(r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations;

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons ~~(as defined below)~~, including the Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. THIS COURT ORDERS that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons") and each being a "Person") ~~shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control;~~ shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor in relation to the Property, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be

disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

~~7. THIS COURT ORDERS that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.~~

NO PROCEEDINGS AGAINST THE RECEIVER

~~7.~~ 8- THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a “Proceeding”), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

8. ~~9.~~ THIS COURT ORDERS that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

9. ~~10.~~ THIS COURT ORDERS that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

10. ~~11.~~ THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor in relation to the Property, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

11. ~~12.~~ THIS COURT ORDERS that all Persons having oral or written agreements with the Debtor in relation to the Property, or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor in relation to the Property, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall

be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

12. ~~13.~~ THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

13. ~~14.~~ THIS COURT ORDERS that all employees of the Debtor shall remain the employees of the Debtor ~~until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. at all times.~~ The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

14. ~~15.~~ THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "**Sale**"). Each prospective purchaser or bidder to

whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

15. ~~16-~~THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, **"Possession"**) of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "or their respective equivalents in any Province or Territory" **"Environmental Legislation"**), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

16. ~~17-~~THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this

Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

~~18.~~ 17. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.⁶

~~19.~~ 18. THIS COURT ORDERS that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

~~20.~~ 19. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

~~21.~~ 20. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$250,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it

⁶ Note that subsection 243(6) of the BIA provides that the Court may not make such an order "unless it is satisfied that the secured creditors who would be materially affected by the order were given reasonable notice and an opportunity to make representations".

may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

21. ~~22.~~ THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

22. ~~23.~~ THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "**A**" "**B**" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.

23. ~~24.~~ THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

SERVICE AND NOTICE

24. ~~25.~~ THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance

with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL '<@>'.

25. ~~26.~~ THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

26. ~~27.~~ THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

27. ~~28.~~ THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

28. ~~29.~~ THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

29. ~~30.~~ THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within

proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

30. ~~31.~~ THIS COURT ORDERS that the Plaintiff Applicant shall have its costs of this ~~motion~~application, up to and including entry and service of this Order, provided for by the terms of the Plaintiff Applicant's security or, if not so provided by the Plaintiff Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

31. ~~32.~~ THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

1 2 3

SCHEDULE "A"

PROPERTY DESCRIPTION

PIN: 51082-0010 (LT)

Description: PT LT 1-2 CON 1 HOPE PT 2 9R2307 EXCEPT PT 1 39R9406; PORT HOPE

Address: 414 CROFT STREET, PORT HOPE, ONTARIO

SCHEDULE "B"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that ~~{RECEIVER'S NAME}~~ KSV Kofman Inc., the receiver (the "Receiver") of the "**Receiver**") of certain real property owned by Besco International Investment Co., Ltd. (the "**Debtor**"), ~~together with all other~~ assets, undertakings and properties ~~{DEBTOR'S NAME} of the Debtor~~ acquired for, or used in relation to a ~~business carried on by the Debtor,~~ including the real property, and all rents and other proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the ___ day of _____, ~~20~~ 2018 (the "Order") made in an action having Court file number -CL-_____, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded ~~[daily]~~ [monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the _____ day of _____, 2018.

~~[RECEIVER'S NAME]~~ KSV Kofman Inc., solely
in its capacity
as Receiver of the Property, and not in its
personal capacity

Per: _____

Name:

Title:

WEICHANG YANG

-and-

BESCO INTERNATIONAL INVESTMENT CO., LTD.

Applicant

Respondent

Court File No.:

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceedings commenced at Toronto

ORDER (APPOINTING RECEIVER)

FASKEN MARTINEAU DuMOULIN LLP
333 Bay Street, Suite 2400
Bay Adelaide Centre, Box 20
Toronto, ON M5H 2T6

Stuart Brotman [LSO# 43430D]

Tel: 416 865 5419

Fax: 416 364 7813

Email: sbrotman@fasken.com

Dylan Chochla [LSO# 62137I]

Tel: 416 868 3425

Fax: 416 364 7813

Email: dchochla@fasken.com

Lawyers for the Applicant

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Document comparison by Workshare Compare on September-17-18 4:57:44 PM

Input:	
Document 1 ID	interwovenSite://WS_EAST/CANADA_WEST/92651967/1
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Document 2 ID	interwovenSite://WS_EAST/CANADA_WEST/92651967/3
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Moved cell	
Split/Merged cell	
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Statistics:	
	Count
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Deletions	151
Moved from	0

WEICHANG YANG
Applicant

-and-

BESCO INTERNATIONAL INVESTMENT CO., LTD.

CV-18-00605366-00CL Respondent

Court File No.:

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceedings commenced at Toronto

NOTICE OF APPLICATION

FASKEN MARTINEAU DuMOULIN LLP

333 Bay Street, Suite 2400
Bay Adelaide Centre, Box 20
Toronto, ON M5H 2T6

Stuart Brotman [LSO# 43430D]

Tel: 416 865 5419

Fax: 416 364 7813

Email: sbrotman@fasken.com

Dylan Chochla [LSO# 62137I]

Tel: 416 868 3425

Fax: 416 364 7813

Email: dchochla@fasken.com

Lawyers for the Applicant

Tab 2

Court File No. CV-18-603559-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

BESCO INTERNATIONAL INVESTMENT CO., LTD.

Applicant

- and -

WEICHANG YANG

Respondent

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

WEICHANG YANG

Applicant

- and -

BESCO INTERNATIONAL INVESTMENT CO., LTD.

Respondent

**APPLICATION UNDER section 243(1) of the *Bankruptcy and Insolvency Act*, RSC, 1985, c B-3,
as amended, and section 101 of the *Courts of Justice Act*, RSO 1990, c C.43, as amended**

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<i>WY</i>	<i>BY</i>

2018.09.17

**AFFIDAVIT OF WEICHANG YANG
(SWORN SEPTEMBER 17th, 2018)**

I, Weichang Yang, of Beijing, China, MAKE OATH AND SAY:

1. Huigang Sun (the “**Borrower**” or “**Mr. Sun**”) is indebted to me. The applicant, Besco International Investment Co., Ltd. (“**Besco**”), is a guarantor of the obligations of the Borrower to me. I have been directly involved in the negotiation of the loan, guarantee and security documents between myself, the Borrower, and Besco, as applicable, that are the subject of these proceedings.

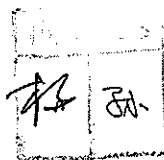
2. Based on my direct involvement with the negotiation and execution of the loan, guarantee and security documents, and having read the documents referred to herein and marked as exhibits, I have knowledge of the matters set forth herein. Where matters are stated as being based on information received from others, I have identified the source of the information, and I believe it to be true.

3. All references to currency in this affidavit are references to Canadian dollars, unless otherwise indicated.

A. Overview of these Proceedings¹

4. I swear this affidavit in response to Besco’s application for an order, among other things, restraining me from continuing power of sale proceedings under the Replacement Mortgage to sell the property municipally known as 414 Croft Street, Port Hope, Ontario (the “**Property**”).

¹ Capitalized terms used under this heading but not otherwise defined have the meaning ascribed thereto in the subsequent sections of the affidavit.



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5. I also swear this affidavit in support of an application by me for, among other things, an order appointing KSV Kofman Inc. ("KSV") as receiver (in such capacity, the "Receiver") of the Property.

6. Besco has guaranteed repayment of any and all indebtedness of the Borrower to me. The Borrower is indebted to me pursuant to the terms of, among other agreements, the Loan Agreement.

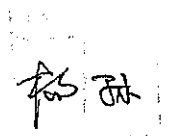
7. Besco's obligations to me are secured by, among other agreements, the GSA, the Initial Mortgage and the Replacement Mortgage.

8. As of September 14, 2018, Besco is indebted to me, on a secured basis, in the amount of \$3,577,893.60. Attached as Exhibit "A" is a copy of a payout statement reflecting Besco's indebtedness to me (the "Payout Statement").

9. The Borrower and Besco, among others, have previously acknowledged that they are indebted to me and that they are in default of their obligations to me, including, without limitation, pursuant to the terms of the Forbearance Agreement (executed in May, 2018).

10. As described in detail below, Besco is in default of its obligations to me. I have made demand upon Besco for repayment of its indebtedness to me. Besco has failed or refused to repay amounts owing to me.

11. On July 17, 2018, my counsel delivered to Besco, and others, the Notice of Sale in respect of the Property. The redemption period in the Notice of Sale expired on August 23, 2018.


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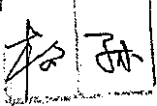
12. On August 18, 2018 (five days before the expiry of the redemption period in the Notice of Sale), Besco delivered a notice of application seeking an order restraining me from selling the Property.

13. Despite having acknowledged the validity and enforceability of the Guarantee in the Forbearance Agreement, executed by Besco in May, 2018 with the benefit of legal counsel (Dentons), Besco now denies liability under the Guarantee.

14. I believe that Besco is bringing this application for the purpose of delaying the sale of the Property under the Replacement Mortgage.

15. It is now apparent that the sale of the Property under the Replacement Mortgage is being contested by Besco. Besco also raises issues that the sale of the Property under the Replacement Mortgage will interfere with the operation of Besco's business at the premises. I am therefore bringing an application for the appointment of the Receiver. As described in further detail below, I am entitled to appoint a receiver under the GSA and the Replacement Mortgage.

16. I believe that the appointment of the Receiver is just in the circumstances, in particular given Besco's assertion that the sale of the Property under the Replacement Mortgage will unduly affect the business of Besco and its related companies. The appointment of a receiver will allow the Receiver to have care and control of the Property, while allowing it to address any issues raised by Besco and to deal with the tenant at the Property (Besco states in its affidavit that the tenant is Viceroy Houses Ltd., a company incorporated by Mr. Sun to run the manufacturing operations at the Property. Viceroy Houses Ltd. is also a guarantor of Mr. Sun's indebtedness to me). The receivership proceeding will also provide a forum for Besco to raise any issues it may have with the sale of the Property or any related issues.

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B. The Parties

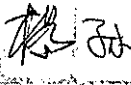
17. I am a business person residing in Beijing, China. I am the founder of Beijing Northern Investment Group, which is in the business of (among other businesses) providing private education in China through the 16 universities and colleges that it operates across mainland China.

18. The applicant, Besco, is a corporation incorporated pursuant to the *Business Corporations Act* (British Columbia), with its registered head office in Richmond, British Columbia. Besco is the registered owner of the Property. Besco guaranteed the Borrower's obligations to me pursuant to the Guarantee.

19. The non-party Borrower is a business person residing in Vancouver, British Columbia. The Borrower is indebted to me pursuant to the terms of the Loan Agreement. The Borrower is the sole director and officer of the guarantor Besco. Attached as **Exhibit "B"** is a copy of a B.C. company summary for Besco.

C. Loan & Security Documents*1) The Loan Agreement*

20. In and around March, 2017, the Borrower and I entered into an oral agreement whereby I agreed to provide the Borrower with an amount of Chinese currency and the Borrower agreed to promptly provide me with an amount of equivalent Canadian currency in return. In and around May, 2017, I (through various companies owned or controlled by me) advanced the equivalent of CDN \$5,000,000 in Chinese currency to the Borrower. The Borrower failed to provide me with the agreed to amount of Canadian currency in return.

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21. Following attempts by me to recover the amounts owing from the Borrower, the parties agreed to a repayment arrangement on terms memorialized in a promissory note (written in Chinese) dated June 14, 2017 issued by the Borrower to me in the amount of \$5,000,000 (the "Initial Promissory Note"). Attached as Exhibit "C" is a copy of the Initial Promissory Note, and a certified translation of the Initial Promissory Note by Transperfect Legal Solutions.

22. The Initial Promissory Note includes the following material provisions:

- (a) the Borrower promised to repay \$5,000,000 to me;
- (b) the Borrower agreed to pledge his personal assets as well as his assets in Canadian and Chinese companies as security for repayment of the Initial Promissory Note;
- (c) the Borrower agreed to repay the loan in full by July 20, 2017, with an interest rate of 0.1% per day commencing June 1, 2017; and
- (d) the Borrower agreed that I could bring legal proceedings in Canada to enforce the terms of the Initial Promissory Note.

23. On or about June 20, 2017, the Borrower paid me \$1,200,000 in respect of amounts owing under the Initial Promissory Note (as reflected in the Payout Statement previously attached as Exhibit "A").

24. On or about July 10, 2017, a company affiliated with the Borrower transferred \$300,000 to a bank account held by my wife, Ms. Jianhong Hou, which we applied to reduce the amount owing under the Initial Promissory Note (as reflected in the Payout Statement previously attached as Exhibit "A").

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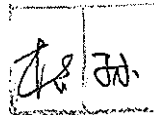
25. When the remaining balance owing under the Initial Promissory Note became due on July 20, 2017, the Borrower did not have the funds to repay the amount owing to me. The Borrower requested, and I agreed, to extend the maturity date of the loan.

26. In connection with the agreed extension of the maturity date, the Borrower and I entered into an English language loan agreement, governed by the laws of British Columbia, amending and restating the terms and conditions of the Initial Promissory Note. Besco, the Borrower and I, among others, entered into a loan agreement made as of July 20, 2017 (the "Loan Agreement"). Attached as Exhibit "D" is a copy of the Loan Agreement.

27. During the negotiation and execution of the Loan Agreement (and the ancillary documents contemplated therein), I was represented by Fasken Martineau DuMoulin LLP ("Fasken"), and the Borrower was represented by Dentons Canada LLP ("Dentons").

28. The material provisions of the Loan Agreement include the following:

- (a) the Borrower and Besco, among others, acknowledged and confirmed that the Borrower owed \$3,711,300 to me as of July 20, 2017;
- (b) the Borrower and Besco, among others, reaffirmed and agreed that any security contemplated under the Initial Promissory Note remained in full force and effect, and continued to guarantee and/or secure the payment and performance of the *Indebtedness (as defined in the Loan Agreement)*;
- (c) the Borrower agreed to repay \$500,000, together with accrued and unpaid interest thereon, to me on or before July 24, 2017, such amount to bear interest at the rate

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of 0.1% per day, both before and after maturity, default and judgment, until that installment was paid in full (the "**First Installment**");

- (d) the Borrower agreed to repay the balance owing to me, together with accrued and unpaid interest, on or before October 20, 2017 (the "**Maturity Date**"), such amount to bear interest at the rate of 15% per year, calculated and compounded monthly, both before and after maturity, default and judgment, until all Indebtedness was repaid in full;
- (e) Besco (and certain other guarantors) unconditionally and irrevocably guaranteed to me payment in full of the Indebtedness as it became due;
- (f) Besco, among other guarantors, acknowledged that: (i) the Borrower and Besco (and the other guarantors) were mutually dependent on each other in the conduct of their respective businesses; (ii) the extension of the loan by me to the Borrower, and the grant of the guarantee and indemnity contemplated in the Loan Agreement (and other loan documents) are in the interests of and to the advantage of Besco (and the other guarantors); and (iii) Besco (and the other guarantors) will derive significant commercial benefit from those arrangements;
- (g) upon the occurrence of an Event of Default (as defined in the Loan Agreement), I am entitled to: (i) declare all amounts outstanding under the Loan Agreement to be immediately due and payable; and (ii) enforce my rights upon any security held by me;
- (h) among other events of default, it is an event of default if: (i) the Borrower fails to perform any obligation in favour of me or to pay any amounts when due under the

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Loan Agreement; or (ii) the Borrower, among others, is in default under any document in favour of any creditor other than me;

- (i) the Loan Agreement may only be amended by a document executed by the party or parties against whom enforcement of the amendment is sought; and
- (j) the Loan Agreement is governed by the laws of British Columbia.

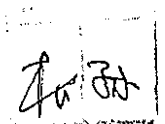
II) Besco Guarantee & Security

29. As part of the negotiation of the Loan Agreement, Besco and I entered into a guarantee agreement dated July 20, 2017 (the "Guarantee"). Attached as **Exhibit "E"** is a copy of the Guarantee.

30. Pursuant to the Guarantee, Besco guaranteed the repayment of any and all indebtedness of the Borrower to me. The liability of Besco under the Guarantee is unlimited. Among other terms, the Guarantee provides that I am not bound to exhaust my recourse against the Borrower or others or any security or other guarantees before being entitled to payment from Besco of the indebtedness owing. The Guarantee is governed by the laws of British Columbia.

31. The obligations of Besco to me are secured by, among other agreements, a general security agreement, dated July 20, 2017 (the "GSA"). Attached as **Exhibit "F"** is a copy of the GSA.

32. Pursuant to the GSA, Besco granted to me a security interest in all of its present and after-acquired personal property. The security was granted to me to secure the payment and performance of all present and future debts, liabilities and other obligations of Besco to me (the "Secured Obligations"). The GSA provides that Besco will be in default of its obligations under


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the GSA if it, among other things, defaults in the payment or performance of any of the Secured Obligations.

33. Upon a default under the GSA, I have the right to, among other remedies, appoint a receiver over the assets and property of Besco.

34. I registered my security interest in respect of the GSA under the *Personal Property Security Act* (Ontario). Attached as **Exhibit "G"** is a copy of a Ontario Personal Property Security Registration System search certificate with a currency date of September 11, 2018, which reflects a single registration in favour of me.

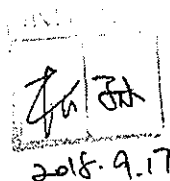
35. The obligations of Besco to me are also secured by, among other agreements, a collateral mortgage granted by Besco in favour of me in respect of the Property (the "**Initial Mortgage**"). Attached as **Exhibit "H"** is a copy of the Initial Mortgage.

36. I registered the Initial Mortgage on title to the Property on July 24, 2017 as Instrument No. ND153386. Attached as **Exhibit "I"** is a copy of the Parcel Register (Abbreviated) for Property Identifier 51082-0010 (LT) as of September 12, 2018, which reflects a registration in respect of the Initial Mortgage.

37. As discussed in further detail below, pursuant to the Forbearance Agreement, Besco (with the advice of Dentons) also executed the Replacement Mortgage.

III) Corporate Authorization

38. The Borrower and Besco executed the following additional documents, among others, in connection with the Loan Agreement, the Guarantee, the GSA and the Initial Mortgage (collectively referred to as the "**Documents**"):



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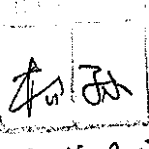
- (a) certified directors resolutions for Besco dated July 20 and November 8, 2017 authorizing Besco to enter into the Documents (among other documents);
- (b) officers certificates from Besco stating, among other things, that Mr. Sun (in his capacity as a director of Besco) reviewed and understood the nature and effect of the Documents (among other documents);
- (c) acknowledgement and direction from Besco authorizing Fasken to, among other things, register the Initial Mortgage on title to the Property; and
- (d) opinions from Dentons dated July 20 and November 8, 2017 stating, among other things, that Dentons had explained to Mr. Sun (as an authorized signatory of each of the Documents) each Document to which he is a party, plainly in his native language, and that Mr. Sun had acknowledged to Dentons that he fully understood the nature and effect of such Documents.

A copy of the directors resolutions, the officers certificates, the acknowledgement and direction, and the Dentons opinions are attached as Exhibits "J", "K", "L", and "M", respectively.

IV) Other Security

39. The Borrower's obligations to me are secured by certain other security agreements.

40. In addition to the Guarantee, the GSA and the Initial Mortgage provided by Besco, the obligations of the Borrower to me were also guaranteed by various other corporations (hereinafter referred to collectively with Besco as the "Guarantors"), all of which are owned or


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controlled by the Borrower, pursuant to certain guarantee agreements. The obligations of the Guarantors under those guarantees were secured by certain other security.

41. A list of the other guarantee and security documents (which I do not believe are material to this application) is attached to this affidavit as Schedule "A".

D. Forbearance Agreement & Replacement Mortgage

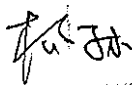
42. On or about July 26, 2017, the Borrower paid me \$502,500, representing the First Installment owing under the Loan Agreement (as reflected in the Payout Statement previously attached as Exhibit "A").

43. The Borrower also made periodic payments of interest accruing under the Loan Agreement, as detailed in the Payout Statement previously attached as Exhibit "A".

44. In his affidavit, Mr. Sun refers to a note (written in Chinese) that I sent to him on or about July 23, 2017. This note simply set out the balance owing to me after payment of the First Installment and the monthly interest accruing under the Loan Agreement. This note did not indicate any intention to amend the terms of the Loan Agreement or to extend the Maturity Date, as Mr. Sun appears to suggest at paragraph 42 of his affidavit.

45. On the Maturity Date, the Loan Agreement matured and the remaining indebtedness under the Loan Agreement became immediately due and owing. The Borrower failed or refused to repay the indebtedness on the Maturity Date.

46. At the request of the Borrower and the Guarantors, since the Maturity Date Mr. Sun and I discussed a possible postponement of the repayment of the indebtedness, without


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waiving my right to demand payment of the indebtedness. These discussions eventually broke down as the parties were unable to agree on terms of forbearance.

47. On or about March 14, 2018, Fasken (on my behalf) made demand upon the Borrower and the Guarantors for payment of the indebtedness under the Loan Agreement and Guarantees, as applicable, and delivered notices of intention to enforce security pursuant to section 244 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (“BIA”). Attached as Exhibits “N” and “O” is a copy of the demand on the Borrower and the demand on Besco (with enclosed notices of intention to enforce security).

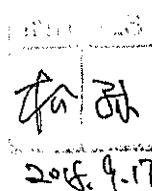
48. Following delivery of the demands, the Borrower and Guarantors requested, and I agreed, to forbear from enforcing my rights and remedies against the Borrower and the Guarantors. The terms of such forbearance were set out in a forbearance agreement dated on or about May 17, 2018 (the “Forbearance Agreement”). Attached hereto as Exhibit “P” is a copy of the Forbearance Agreement.

49. The Borrower and Guarantors were represented by Dentons during the negotiation and execution of the Forbearance Agreement.

50. Pursuant to the Forbearance Agreement, I agreed to, among other things, forbear from enforcing my rights and remedies against the Borrower and Guarantors until the earlier of August 20, 2018, or the occurrence of an Event of Default (as defined in the Forbearance Agreement) (the “Forbearance Period”).

51. In the Forbearance Agreement the Borrower and the Guarantors each acknowledged, among other things, that:

2018. 9.17

A rectangular stamp containing a handwritten signature in black ink and the date "2018. 9.17" written below it.

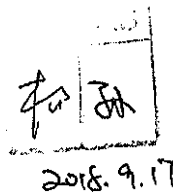
- 14 -

- (a) as of April 26, 2018, the Borrower was indebted to me in the amount of \$3,211,300, plus accrued interest in the amount of \$8,028, and expenses, pursuant to the Loan Agreement;
- (b) the indebtedness is due and owing;
- (c) the Loan Agreement, the Guarantee, the indebtedness, the GSA, and the Initial Mortgage constitute valid, binding and enforceable obligations of Besco (among others) to me and that Besco has no defence to any obligation or liability thereunder or in respect thereof; and
- (d) the Borrower and Besco (among others) are in default of their obligations to me.

52. Among other provisions, the Forbearance Agreement contained the following conditions precedent to forbearance:

- (a) the Borrower shall have executed and delivered to me (or as I may direct in writing) a replacement collateral mortgage in respect of the Property (the "**Replacement Mortgage**"); and
- (b) the Borrower and the Guarantors shall have delivered to me a consent to the appointment of a receiver over the property and assets of the Borrower, Besco, and certain other guarantors (the "**Consent to Receivership**").

53. The parties executed the Forbearance Agreement on or about May 28, 2018, and the Borrower delivered to me the Replacement Mortgage and the Consent to Receivership. Attached as Exhibits "Q" and "R", respectively, are the Replacement Mortgage and the Consent to Receivership.

Handwritten signature and date: 2018. 9. 17


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54. Besco also executed an acknowledgement and direction authorizing Fasken to, among other things, register the Replacement Mortgage on title to the Property. A copy of the acknowledgement and direction is attached as Exhibit "S".

55. Fasken registered the Replacement Mortgage on title to the Property on or about May 28, 2018 as Instrument No. ND166861. A copy of the Parcel Register (Abbreviated) for Property Identifier 51082-0010 (LT) was previously attached as Exhibit "I", which reflects a registration in respect of the Replacement Mortgage.

56. Among other provisions, the Replacement Mortgage contains the following material terms:

- (a) the principal amount owing is \$5,000,000, bearing interest at the rate of 36.5%;
- (b) it incorporates Standard Charge Terms No. 200033;
- (c) it is given as collateral security for the payment and performance of all indebtedness, obligations and liabilities of Besco to me, including, without limitation, amounts owing pursuant to the Loan Agreement, the Guarantee, and the Replacement Mortgage (the "Secured Obligations");
- (d) I may declare the Secured Obligations to be immediately due and payable if an Event of Default (as defined under the Loan Agreement) has occurred. An Event of Default (as defined in the Loan Agreement) and/or a default under the Guarantee constitute a default under the Replacement Mortgage entitling me to exercise all rights and remedies under the Replacement Mortgage, the Loan Agreement, the Guarantee, in law, in equity or otherwise;



2018. 9. 17

- 16 -

- (e) upon my rights and remedies under the Replacement Mortgage becoming enforceable, I may, among other remedies: (i) appoint a receiver over the Property; and (ii) take possession of the Property and lease, sell or otherwise dispose of the Property; and
- (f) the Replacement Mortgage is governed by the laws of the province of Ontario.

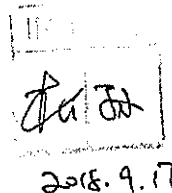
E. Default Under the Forbearance Agreement & Notice of Sale Under the *Mortgages Act* (Ontario)

57. On or about June 1, 2018, I was served with a petition to the Supreme Court of British Columbia commenced by the Bank of Montreal (“BMO”) naming the Borrower, myself, and others as respondents (the “BMO Petition”). The BMO Petition sought, among other relief, enforcement of a mortgage held by BMO against certain lands in Vancouver, British Columbia, and the appointment of a receiver. Attached as Exhibit “T” is a copy of the BMO Petition.

58. I also hold a mortgage in respect of the lands in Vancouver that were the subject of the BMO Petition, which the Borrower granted to me as security for his obligations under the Loan Agreement (the mortgage is listed in Schedule “A” hereto).

59. It is an event of default under the Forbearance Agreement if legal proceedings are commenced against the Borrower or any of the Guarantors, which, in my view, acting reasonably, would materially impair either (i) the realizable value of the property, assets and undertaking of the Borrower or the Guarantors; or (ii) the ability of the Borrower or the Guarantors to repay the indebtedness.

60. On June 13, 2018, Fasken wrote to Dentons to advise that: (i) the commencement of the BMO Petition constituted an event of default under the Forbearance Agreement, (ii) the



 2018. 9. 17

- 17 -

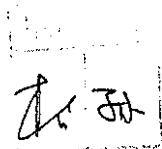
Forbearance Period had terminated, (iii) the indebtedness owing under the Loan Agreement was immediately due and payable, (iv) my security is enforceable immediately, and (v) I had given instructions to enforce my security under the Replacement Mortgage. Enclosed with the letter was a further notice of intention to enforce security under the BIA in respect of the Replacement Mortgage. Attached as **Exhibit "U"** is a copy of the letter dated June 13, 2018 and the enclosed notice of intention to enforce security.

61. On July 17, 2018, Fasken wrote to Dentons, among others, enclosing a notice of sale in respect of the Property (the "**Notice of Sale**"). The Notice of Sale was also sent to the "occupant" of the Property and to the Municipality of Port Hope (which, as described below, is owed significant property tax arrears from Besco). Attached as **Exhibit "V"** is a copy of the letter and the enclosed Notice of Sale.

F. Besco's Injunction Application

62. On July 27, 2018, Fasken was contacted by Rebecca Huang, a lawyer at Rebecca Huang & Associates, who advised that she was in the process of being retained by Besco as its litigation counsel in Ontario in respect of the Notice of Sale, and requesting that I not take any steps with respect to the Property without further notice to her. Attached as **Exhibit "W"** is a copy of the email from Ms. Huang.

63. On August 10, 2018, a representative of Mr. Sun delivered the following two cheques to my representative, Mr. Xin Qi: (i) a cheque dated April 15, 2018 in the amount of \$500,000; and (ii) a cheque dated June 20, 2018 in the amount of \$40,140. The representative of Mr. Sun advised Mr. Qi that Mr. Sun would confirm when there was sufficient balance in his bank account for the cheques to be deposited. Attached as **Exhibit "X"** is a copy of the two cheques.

A handwritten signature in black ink, appearing to be 'X. Qi', is enclosed in a rectangular box. Below the box, the date '2018. 9. 17' is written in black ink.

2018. 9. 17

- 18 -

64. On August 16, 2018, Sarah Turney of Fasken wrote to Ms. Huang to advise her that my representative had received the two cheques from Mr. Sun, which appeared to be payments sent in respect of the Replacement Mortgage, and to confirm that I would deposit the cheques as a partial payment toward the outstanding balance due under the Replacement Mortgage. Attached as **Exhibit "Y"** is a copy of the letter from Fasken.

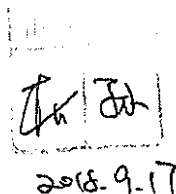
65. As of the date of swearing this affidavit, Mr. Sun has not confirmed that I can deposit the cheques. I continue to hold the cheques but have not cashed them.

66. On August 27, 2018, Ms. Huang wrote to Dylan Chochla of Fasken advising him that Besco had provided her with the following two cheques: (i) a cheque dated July 20, 2018 in the amount of \$40,140; and (ii) a cheque dated August 20, 2018 in the amount of \$40,140. Ms. Huang advised Mr. Chochla that she would forward those cheques to Mr. Chochla's office. I am advised by Mr. Chochla that, as of the date of swearing this affidavit, he has not received the cheques. Attached as **Exhibit "Z"** is a copy of the email from Ms. Huang, and the pictures of the two cheques that were attached thereto.

G. Other Creditors of Besco

67. In addition to the amounts owing to me, Besco is indebted to the Municipality of Port Hope in the amount of \$839,897.02 for tax arrears and penalties owing in respect of the Property. Attached as **Exhibit "AA"** is a copy of a letter dated August 8, 2018 from counsel to the Municipality of Port Hope.

68. It appears that I am the only secured creditor of Besco. The Ontario Personal Property Security Registration System search certificate, previously attached as Exhibit "G", discloses only one registration which is in favour me.

A handwritten signature in black ink, appearing to be 'J. Sun', is written inside a rectangular box. Below the box, the date '2018.9.17' is written in black ink.

- 19 -

69. A search of the British Columbia Personal Property Security Registration System against Besco also discloses a single registration in favour of me. Attached as Exhibit "BB" is a copy of the British Columbia search result.

70. The Parcel Register (Abbreviated) for Property Identifier 51082-0010 (LT), previously attached as Exhibit "I", discloses two charges in favour of me, being the Mortgage and the Replacement Mortgage. There are no other charges registered against the Property.

71. It appears that the Borrower and Besco are unable to meet their financial commitments as they become due, having regard to: (i) the Borrower and Besco's failure to repay amounts owing to me despite repeated and lengthy accommodations and extensions that I have granted to them; (ii) the BMO Petition; and (iii) the significant tax arrears owing to the Municipality of Port Hope.

H. Accounting

72. As of September 14, 2018, the amount outstanding under the Loan Agreement (as reflected in the Payout Statement previously attached as Exhibit "A") is \$3,577,893.60, broken down as follows:

- (a) \$3,211,300 (principal);
- (b) \$157,292.63 (interest until September 14, 2018); and
- (c) \$209,300.97 (costs).²

73. A breakdown of the amount of interest owing is reflected in the amortization schedule attached hereto as Exhibit "CC".

² I will continue to incur costs in relation to this matter and reserve my right to claim all costs that I have incurred in relation to this matter against Besco

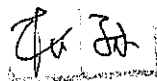
2018.9.17

- 20 -

74. The \$209,300.97 in outstanding reimbursable costs claimed by me are primarily in respect of legal fees incurred to date in the negotiation and execution of the loan and security documents and steps related to the enforcement of my rights thereunder. The legal fees incurred to date are broken down into the following categories:

- (a) negotiation and execution of the Loan Agreement and related guarantees and security documents, including the Guarantee, the Initial Mortgage and the GSA - \$52,052.50;
- (b) preparation and issuance of demands under the Loan Agreement and related guarantees - \$25,325.44;
- (c) negotiation and execution of the Forbearance Agreement and ancillary documents - \$47,295.22;
- (d) preparation and issuance of demands under the Forbearance Agreement and the Replacement Mortgage - \$12,588.60;
- (e) preparation and issuance of the Notice of Sale - \$16,199.51; and
- (f) responding to this application - \$55,839.70.

75. In addition to the amounts owing to me, Besco is indebted to the Municipality of Port Hope in the amount of \$839,897.02, which was confirmed through the Municipality's counsel, as reflected in the letter previously attached as Exhibit "AA".



2018.9.17

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76. If the Court grants the requested order appointing the Receiver, any issues that Besco may raise in respect of the amount of legal fees or other costs claimed by me can be addressed in that proceeding.

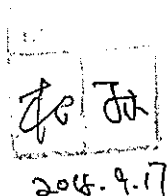
I. Appointment of the Receiver

77. As described above, Besco is in default of its obligations to me under the Loan Agreement, the Guarantee, the GSA, the Replacement Mortgage and the Forbearance Agreement. As of the date of swearing this affidavit Besco has failed or refused to repay amounts owing to me.

78. As described above at paragraph 51, in the Forbearance Agreement (executed in May 2018) the Borrower and the Guarantors each acknowledged that they were in default of their obligations to me, the amount of indebtedness owing and the validity and enforceability of the Loan Agreement, and the guarantees and security executed in connection therewith, including the Guarantee, the Initial Mortgage and the GSA. They also consented to the appointment of a receiver upon the occurrence of an event of default under the Forbearance Agreement.

79. Besco was represented by Dentons during the negotiation and execution of each of the loan and security documents, including the Forbearance Agreement and the Replacement Mortgage.

80. I am entitled to enforce my rights and remedies under the Replacement Mortgage, which include, without limitation, a sale of the Property. Besco, with the advice of counsel, executed an acknowledgement and direction authorizing Fasken to register the Replacement Mortgage against title to the Property.

A handwritten signature in black ink, appearing to be 'J. J.', is written over a rectangular stamp. Below the signature, the date '2018.9.17' is handwritten.

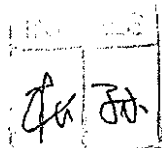
- 22 -

81. Given the opposition from Besco to the Notice of Sale, I believe the most expedient and appropriate mechanism for dealing with the enforcement of my security is through the appointment of the Receiver.

82. The appointment of the Receiver will allow the Receiver to have care and control of the Property, to deal with the tenant at the premises while pursuing a sale of the Property, and to address any issues that have been (or which may be) raised by Besco or the Borrower. In the circumstances, it is fair and just to appoint the Receiver over the Property.

83. Besco has consented to the appointment of the Receiver. A copy of the Consent to Receivership was previously attached as Exhibit "R".

84. KSV has consented to its appointment as receiver. A copy of the consent is attached hereto as **Exhibit "DD"**.

A rectangular stamp containing a handwritten signature and the date 2018.9.17. The signature appears to be 'A. 孙'.

2018.9.17

J. Purpose of Affidavit

85. This affidavit is sworn in response to the injunctive and other relief sought by the Borrower, and in support of my application for an order appointing the Receiver over the Property.

SWORN BEFORE ME at Beijing, China,)
this 17th day of September, 2018 by)
the deponent WEICHANG YANG, through)
the interpretation of)
RAN SUN)
a person fluent in the Chinese and English)
languages, the above having been sworn that)
s/he had truly, distinctly and audibly)
interpreted the contents of this document, and)
that s/he would truly and faithfully interpret)
to the said deponent the oath about to be)
administered by him/her.)

Handwritten initials: 孙

Interpreter

Handwritten signature of Weichang Yang

WEICHANG YANG

Handwritten signature of Jantzen C. M. Chu

Commissioner for Taking Affidavits
(or as may be)

(A commissioner for taking Affidavits for the Province of British Columbia)

Jantzen C. M. Chu, Barrister & Solicitor, Notary
Barrister & Solicitor, Province of British Columbia, Canada
Suite 618, 3381 Cambie Street, Vancouver, B.C. V5Z 4R3
Oriental Kenzo Plaza, Dong Cheng District, Beijing, China
China: +86- 135.2088.0208 Email: bc_lawyer@163.com
Canada: +1- 778.898.8787 Facsimile: +1- 604.430.8613

(ATTENDANCE TO SWEARING OF AFFIDAVIT ONLY)
(NO ADVICE SOUGHT, NONE GIVEN)

INITIALS
Handwritten initials: 孙

2018.9.17

INITIALS
Handwritten initials: 孙

2018.9.17

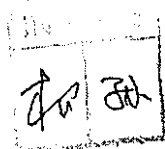


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2018. 9. 17

SCHEDULE "A"

- (a) a general security agreement given by the Borrower to me dated July 20, 2017;
- (b) a collateral mortgage by the Borrower, as mortgagor, in favour of me, as mortgagee, for purposes of mortgaging the real property legally described by PID: 006-486-126, Lot 34 of Lot 9 Block 15 District Lot 526 Plan 5019, as more particularly described therein (the "**Vancouver Lands**");
- (c) a stock power of attorney by the shareholder(s) of Royal Union Base Group Limited ("**Royal Union**"), a company owned or controlled by the Borrower, in favour of me with respect to transfer of shares in the capital of Royal Union;
- (d) a stock power of attorney by the shareholder(s) of Max Master Investments Limited ("**Max Master**"), a company owned or controlled by the Borrower, in favour of me with respect to transfer of shares in the capital of Max Master; and
- (e) share certificates of the pledged shares.
- (f) guarantee and postponement of claim by Viceroy Construction Ltd. ("**Viceroy Construction**") in favour of me with respect to all present and future liabilities of the Borrower;
- (g) guarantee and postponement of claim by Viceroy Houses Ltd. ("**Viceroy Houses**") in favour of me with respect to all present and future liabilities of the Borrower;
- (h) guarantee and postponement of claim by Royal Union in favour of me with respect to all present and future liabilities of the Borrower;
- (i) guarantee and postponement of claim by Max Master in favour of me with respect to all present and future liabilities of the Borrower;
- (j) general security agreement by Viceroy Construction in favour of me for purposes of granting a security interest in all present and after-acquired personal property, including, without limitation, shares and other securities;
- (k) general security agreement by Viceroy Houses in favour of me for purposes of granting a security interest in all present and after-acquired personal property, including, without limitation, shares and other securities;
- (l) general security agreement by Royal Union in favour of me for purposes of granting a security interest in all present and after-acquired personal property, including, without limitation, shares and other securities;
- (m) general security agreement by Max Master in favour of me for purposes of granting a security interest in all present and after-acquired personal property, including, without limitation, shares and other securities;



2018-9-17

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- (n) stock power of attorney by the shareholder(s) of Besco in favour of me with respect to transfer of shares in the capital of Besco;
- (o) stock power of attorney by the shareholder(s) of Viceroy Construction in favour of me with respect to transfer of shares in the capital of Viceroy Construction;
- (p) stock power of attorney by the shareholder(s) of Viceroy Houses in favour of me with respect to transfer of shares in the capital of Viceroy Houses;
- (q) share certificates of the pledged shares; and
- (r) collateral mortgage (including assignment of rents) by Viceroy Construction, as mortgagor in favour of me for purposes of mortgaging the real property located at or about Alnwick Township, Ontario, legally described by PIN: 51119-0167, BLK F PL 411 ALNWICK; ALNWICK/HALDIMAND.

ENCLOSURE
2016.9.17

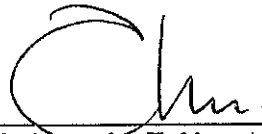
Tab A

THIS IS EXHIBIT "A"

referred to in the Affidavit of

Weichang Yang sworn before me this

17th day of September, 2018



***Commissioner for Taking Affidavits
(or as may be)***

(A commissioner for taking Affidavits for the Province of British Columbia)

Jantzen C. M. Chu, Barrister & Solicitor, Notary
Barrister & Solicitor, Province of British Columbia, Canada
Suite 618, 3381 Cambie Street, Vancouver, B.C. V5Z 4R3
Oriental Kenzo Plaza, Dong Cheng District, Beijing, China
China: +86- 135.2088.0208 Email: bc_lawyer@163.com
Canada: +1- 778.898.8787 Facsimile: +1- 604.430.8613

Loan Schedule - Mr. Huiqiang Sun Loan
As at September 14, 2018

Date	Description	Total Payment Amount Received	Principal Payment Received Amount	Interest Payment Received Amount	Principal Amount Up to Date	Interest Accrued Amount Up to Date
01-Jun-17	Loan			-	5,000,000.00	
20-Jun-17	Principal payment	1,200,000.00	1,200,000.00	-	3,800,000.00	
10-Jul-17	Principal and interest payment	300,000.00	88,700.00	211,300.00	3,711,300.00	
26-Jul-17	Principal and interest payment	502,500.00	500,000.00	2,500.00	3,211,300.00	
20-Aug-17	Interest payment	40,140.00	-	40,140.00		
20-Sep-17	Interest payment	40,140.00	-	40,140.00		
20-Oct-17	Interest payment	40,140.00	-	40,140.00		
28-Nov-17	Interest payment	40,140.00	-	40,140.00		
20-Dec-17	Interest payment	40,140.00	-	40,140.00		
19-Jan-18	Interest payment	40,140.00	-	40,140.00		
27-Feb-18	Interest payment	40,140.00	-	40,140.00		
20-Mar-18	Interest payment	40,140.00	-	40,140.00		
20-Apr-18	Interest payment	40,140.00	-	40,140.00		
18-May-18	Interest payment	40,140.00	-	40,140.00		
Until 2018-09-14	Interest accrual					157,292.63
14-Sep-18	Total	2,403,900.00	1,788,700.00	615,200.00	3,211,300.00	157,292.63

PRINCIPAL & UNPAID INTEREST:	3,368,592.63
COSTS OWING:	209,300.97
TOTAL AMOUNT OWING:	3,577,893.60
PROPERTY TAXES OWING:	839,897.02
AMOUNT TO REDEEM MORTGAGE:	4,417,790.62

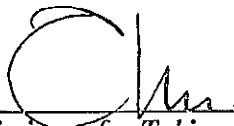
Tab B

THIS IS EXHIBIT "B"

referred to in the Affidavit of

Weichang Yang sworn before me this

17th day of September, 2018



*Commissioner for Taking Affidavits
(or as may be)*

(A commissioner for taking Affidavits for the Province of British Columbia)

Jantzen C. M. Chu, Barrister & Solicitor, Notary
Barrister & Solicitor, Province of British Columbia, Canada
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Oriental Kenzo Plaza, Dong Cheng District, Beijing, China
China: +86- 135.2088.0208 Email: bc_lawyer@163.com
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BC Registry
Services

Mailing Address:
PO Box 9431 Stn Prov Govt
Victoria BC V8W 9V3
www.corporateonline.gov.bc.ca

Location:
2nd Floor - 940 Blanshard Street
Victoria BC
1 877 526-1526

BC Company Summary

For
BESCO INTERNATIONAL INVESTMENT CO., LTD.

Date and Time of Search: September 08, 2018 10:33 AM Pacific Time

Currency Date: June 22, 2018

ACTIVE

Incorporation Number: BC0848291

Name of Company: BESCO INTERNATIONAL INVESTMENT CO., LTD.

Recognition Date and Time: Incorporated on March 23, 2009 10:23 PM Pacific Time In Liquidation: No

Last Annual Report Filed: March 23, 2018 Receiver: No

REGISTERED OFFICE INFORMATION

Mailing Address:
120-4611 VIKING WAY
RICHMOND BC V6Y 2K9
CANADA

Delivery Address:
120-4611 VIKING WAY
RICHMOND BC V6Y 2K9
CANADA

RECORDS OFFICE INFORMATION

Mailing Address:
120-4611 VIKING WAY
RICHMOND BC V6Y 2K9
CANADA

Delivery Address:
120-4611 VIKING WAY
RICHMOND BC V6Y 2K9
CANADA

DIRECTOR INFORMATION

Last Name, First Name, Middle Name:
SUN, HUIGANG

Mailing Address:
120-4611 VIKING WAY
RICHMOND BC V6V 2K9
CANADA

Delivery Address:
120-4611 VIKING WAY
RICHMOND BC V6V 2K9
CANADA

OFFICER INFORMATION AS AT March 23, 2018

Last Name, First Name, Middle Name:

SUN, HUIGANG

Office(s) Held: (CEO)

Mailing Address:

120-4611 VIKING WAY
RICHMOND BC V6V 2K9
CANADA

Delivery Address:

120-4611 VIKING WAY
RICHMOND BC V6V 2K9
CANADA

.....

Tab C

THIS IS EXHIBIT "C"

referred to in the Affidavit of

Weichang Yang sworn before me this

17th day of September, 2018



***Commissioner for Taking Affidavits
(or as may be)***

(A commissioner for taking Affidavits for the Province of British Columbia)

Jantzen C. M. Chu, Barrister & Solicitor, Notary
Barrister & Solicitor, Province of British Columbia, Canada
Suite 618, 3381 Cambie Street, Vancouver, B.C. V5Z 4R3
Oriental Kenzo Plaza, Dong Cheng District, Beijing, China
China: +86- 135.2088.0208 Email: bc_lawyer@163.com
Canada: +1- 778.898.8787 Facsimile: +1- 604.430.8613

借款情况说明并承诺书

079

我经朋友介绍与杨炜长相识,我于2017年5月26日提出向杨炜长借款2543.15万元人民币。2017年5月30日,我将国内账户:哈尔滨宇安实业有限公司,开户行:锦州银行股份有限公司哈尔滨群里支行,账号:410100178292673,发给了杨炜长,我让杨炜长将款打入该账号。

杨炜长于2017年5月31日通过北京工商大学嘉华学院汇入508.63万元,首都师范大学科德学院汇入661.219万元,重庆大学城市科技学院汇入864.671万元,哈尔滨商业大学广厦学院汇入508.63万元,总计打入该账户人民币:2543.15万元整,按照当时汇率5.0863折合500万加币。

现在我承诺并保证:

一、我同意以我个人及我拥有的加拿大公司及中国公司的资产承担上述借款的偿还及担保相应责任;

二、我在2017年7月20日前将所借款项偿还完毕,并自2017年6月1日起按日1%利率计息;

三、如果借款在2017年7月20日前未还清,我同意无条件将我个人名下的在加拿大或中国的资产及我拥有的在加拿大或中国公司的股权、资产抵押或质押给杨炜长及其指定的机构或个人;

四、我同意并保证在所借款项偿还完毕前,对我个人名下的在加拿大或中国的资产及我拥有的在加拿大或中国公司的股权、资产将不会进行任何转让或抵押;如若发生转让或抵押行为,则一律视为无效,且杨炜长或四家汇款的学校可采取任何法律行动;

五、我同意在2017年6月23日前,我将会提供我个人名下的在加拿大和中国的资产及我拥有的在加拿大和中国公司的股权、资产的所有明细;

六、如有任何问题,我同意杨炜长或四家汇款的学校可以按加拿大法律在加拿大起诉我,也可以按中国法律在中国起诉我,我同意偿还本金及利息,并承担杨炜长为实现其借款债权所产生的全部费用,包括但不限于律师费、诉讼费等。

情况说明及承诺人:

签名% Sun 孙慧刚

全英文名% Sun Huiqiang Sun

居住地址% Sun 1922 W 44th Ave. Vancouver, BC V6M 2E7

驾照号% Sun DL. S595430 2017.06.14

孙慧刚中国资产：

- 1、 哈尔滨南岗区长江路 179 号金源花园 B
栋 25 楼 2501 室
- 2、 哈尔滨道里区西九道街龙电大厦 1001 室
- 3、 哈尔滨市南岗区长江路 157 号盟科汇 526
室
- 4、 黑龙江远东木业有限公司
- 5、 辽宁远东木业有限公司
- 6、 哈尔滨农商银行（5%股份）
- 7、 海南省三亚市亚龙湾公主郡一期三号别墅
- 8、 北京（四合院）一处

孙慧刚加拿大资产：

- 1、 Viceroy houses Ltd(80%股权)
- 2、 Viceroy construction Ltd
- 3、 Besco International Ltd

4、 温哥华西区别墅一处



TRANSPERFECT

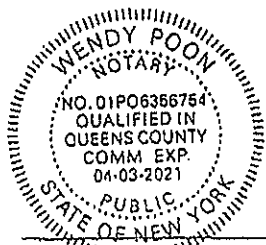
City of New York, State of New York, County of New York

I, Anders Ekholm, hereby certify that the document "Initial Promissory Note (Chinese)" is, to the best of my knowledge and belief, a true and accurate translation from Chinese into English.

Anders Ekholm

Sworn to before me this
May 4, 2018

Signature, Notary Public



Stamp, Notary Public

Handwritten text indicated in italics
Description of Loan and Promissory Note

I got to know Weichang Yang through a friend, and on May 26, 2017 proposed borrowing RMB 25,431,500 yuan from him. On May 30, 2017, I provided Weichang Yang with the domestic account bank information for Harbin Yuan Industrial Co., Ltd.; Jinzhou Bank Co., Ltd. Harbin Qunli Branch, account no.: 410100178292673, and had him make the payment into this account.

On May 31, 2017, Weichang Yang remitted 5,086,300 yuan through Beijing Technology and Business University Canvard College, remitted 6,612,190 yuan through Capital Normal University College of Cape Cod, remitted 8,646,710 yuan through Chongqing University City College of Science and Technology, and remitted 5,086,300 yuan through Harbin Commerce University Guangxia College, thereby remitted a total of RMB 25,431,500 yuan into the account, which was converted into CAD 5,000,000 in accordance with the exchange rate at the time of 5.0863.

I hereby promise and guarantee the following:

1. I agree to assume corresponding responsibility for repayment and guarantee in connection with the above-referenced loan with my personal assets as well as my assets in Canadian and Chinese companies;

2. I will repay the loan in full by July 20, 2017, with an interest rate of 1% per day commencing June 1, 2017;

3. If the loan is not fully repaid by July 20, 2017, I agree to unconditionally mortgage or pledge the assets in Canada or China under my name, as well as my shares and assets in Canadian or Chinese companies, to Weichang Yang and any organizations or individuals designated by him;

4. I agree and guarantee that I shall not make any transfers or mortgages of the assets in Canada or China under my name, as well as my shares and assets in Canadian or Chinese companies, prior to repayment of the loan; that any such transfer or mortgage shall be deemed null and void; and that Weichang Yang or the four schools involved in the remittances may take any legal action;

5. I agree to provide all details concerning the assets in Canada or China under my name, as well as my shares and assets in Canadian or Chinese companies, prior to June 23, 2017;

6. In the event of any problems, I agree that Weichang Yang or the four schools involved in the remittances may bring legal actions against me in Canada in accordance with Canadian law, and may also bring legal actions against me in China in accordance with Chinese law. I agree to repay the principal and interest, and to bear all costs arising out of the pursuit of Weichang Yang's claims in connection with the loan, including but not limited to attorneys' fees and litigation costs, etc.

Party to Loan Description and Promisor:

Signature %: Sun [signature:] Huigang Sun

Full English Name %: Sun [signature:] Huigang Sun

Residential Address %: Sun 1922 W. 44th Ave
Vancouver V6M 2E7

Driver's License No. %: Sun DL.8595430 2017.06.14

Huigang Sun's Chinese Assets:

- 1、 Rm. 2501, 25F, Bldg. B, Jinyuan Garden, No. 179 Changjiang Road, Nangang District, Harbin
- 2、 Rm. 1001, Longdian Building, West 9th Street, Daoli District, Harbin
- 3、 Rm. 526, Mengkehui, No. 157 Changjiang Road, Nangang District, Harbin
- 4、 Heilongjiang Far East Forest Co., Ltd.
- 5、 Liaoning Far East Forest Co., Ltd.
- 6、 Harbin Rural Commercial Bank (5% stake)
- 7、 Villa at No. 3, Phase 1, Yalong Bay Princess County, Sanya, Hainan
- 8、 One Beijing (courtyard) house

Huigang Sun's Canadian Assets:

- 1、 Viceroy houses Ltd(80% stake)
- 2、 Viceroy construction Ltd
- 3、 Besco International Ltd
- 4、 Villa in West Vancouver

Tab D

THIS IS EXHIBIT "D"

referred to in the Affidavit of

Weichang Yang sworn before me this

17th day of September, 2018



***Commissioner for Taking Affidavits
(or as may be)***

(A commissioner for taking Affidavits for the Province of British Columbia)

Jantzen C. M. Chu, Barrister & Solicitor, Notary
Barrister & Solicitor, Province of British Columbia, Canada
Suite 618, 3381 Cambie Street, Vancouver, B.C. V5Z 4R3
Oriental Kenzo Plaza, Dong Cheng District, Beijing, China
China: +86- 135.2088.0208 Email: bc_lawyer@163.com
Canada: +1- 778.898.8787 Facsimile: +1- 604.430.8613

LOAN AGREEMENT

THIS AGREEMENT made as of July 20, 2017,

BETWEEN:

HUIGANG SUN, a businessperson having an address at 1922 West 44th
Avenue, Vancouver, BC, V6M 2E7

(the "Borrower")

AND:

BESCO INTERNATIONAL INVESTMENT CO., LTD., a British
Columbia company having the Incorporation Number BC0848291 and an
address at 809 - 6081 No. 3 Road, Richmond, BC V6Y 2B2

("Besco")

AND:

VICEROY HOUSES LTD., a British Columbia company having the
Incorporation Number BC1031157 and an address at 12211 Horseshoe
Way, Richmond, BC V7A 4V4

("Viceroy Houses")

AND:

VICEROY CONSTRUCTION LTD., a British Columbia company
having the Incorporation Number BC1065867 and an address at 12211
Horseshoe Way, Richmond, BC V7A 4V4

("Viceroy Construction")

AND:

ROYAL UNION BASE GROUP LIMITED, a British Columbia
company having the Incorporation Number BC1077342 and an address at
12211 Horseshoe Way, Richmond, BC V7A 4V4

("Royal Union")

AND:

MAX MASTER INVESTMENTS LIMITED, a British Columbia company having the Incorporation Number BC1079886 and an address at 2700, 1055 West Georgia Street, Vancouver, BC V6E 3P3

("Max Master")

AND:

WEICHANG YANG, a businessperson having an address at No. 8 Beisanjie Fucheng Road, Haidian District, Beijing, China

(the "Lender")

WHEREAS:

- A. At the request of the Borrower, the Lender has advanced and caused to be advanced sums in an aggregate principal amount equivalent to \$5,000,000 to the Borrower (the "Loan").
- B. The Borrower has executed and delivered in favour of the Lender a promissory note (written in Chinese) dated June 14, 2017, as evidence of the promise by the Borrower to pay the Loan together with interest and other amounts set out therein to and in favour of the Lender (the "Initial Promissory Note").
- C. The Borrower has repaid certain amounts to the Lender, and as a result of such repayments, the aggregate outstanding amount of indebtedness owing by the Borrower to the Lender under the Initial Promissory Note (including, without limitation, all accrued and unpaid interest) as of the Effective Date (as defined below) is \$3,711,300.00 (the "Outstanding Amount").
- D. The parties to this Agreement have agreed to amend and restate the terms and conditions of the Initial Promissory Note, upon the terms and conditions contained in this Agreement.

NOW THEREFORE in consideration of the mutual obligations contained herein and for other consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

1. INTERPRETATION

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

- (a) "Canadian Dollars" and the symbol "\$" each means dollars which are the lawful currency of Canada;
- (b) "Effective Date" means the date of this Agreement;

- 3 -

- (e) "Event of Default" has the meaning ascribed to such term in section 5.1;
- (d) "First Instalment" means \$500,000;
- (e) "Guarantors" means Besco, Viceroy House, Viceroy Construction, Royal Union and Max Master and "Guarantor" means an applicable one of them, as the context requires;
- (f) "Indebtedness" means all present and future obligations, indebtedness and liabilities, direct and indirect, of the Loan Parties or any one or more of them to the Lender arising under and pursuant to the Loan Documents or any one or more of them (including for greater certainty the Outstanding Amount, all accrued and unpaid interest thereon, and all fees, costs and expenses payable hereunder or under other Loan Documents);
- (g) "Loan Documents" means this Agreement and the Security Documents, and "Loan Document" means an applicable one of them, as the context requires;
- (h) "Loan Parties" means the Borrower and the Guarantors, and "Loan Party" means an applicable one of them, as the context requires;
- (i) "Net Outstanding Amount" means the net amount as a result of the Outstanding Amount minus the First Instalment;
- (j) "Security Documents" means those documents referred to in Schedule A attached hereto (which Schedule A may be updated from time to time) and any and all other agreements, instruments or documents now or hereafter executed and delivered by the Loan Parties or any one or more of them as security for the payment or performance of the Indebtedness, as any of the foregoing may have been, or may hereafter be, amended, modified or supplemented.

1.2 Amendment and Restatement. This Agreement is an amendment and restatement of the Initial Promissory Note and not a novation of the Initial Promissory Note. For greater certainty, all obligations, indebtedness and liabilities under the Initial Promissory Note that remain outstanding on the Effective Date shall, with effect from the Effective Date, constitute Indebtedness hereunder, governed by the terms hereof and shall continue to be secured by the Security Documents. Such obligations, indebtedness and liabilities shall be continuing in all respects, and this Agreement shall not be deemed to be evidence of, or result in, a novation of such obligations, indebtedness and liabilities. This Agreement reflects amendments to the Initial Promissory Note and has been restated for the purposes of reflecting amendments to the Initial Promissory Note which the Lender and the Loan Parties have agreed upon.

1.3 Reaffirmation. Each Loan Party reaffirms and agrees that any security contemplated under the Initial Promissory Note is and shall remain in full force and effect, and continues and shall continue to guarantee and/or secure the payment and performance of the Indebtedness.

2. LOAN FACILITY AND PROMISE TO PAY

2.1 Acknowledgement of Outstanding Indebtedness. Each Loan Party acknowledges and confirms that the Borrower owes the Outstanding Amount to the Lender as of the Effective Date.

2.2 Interest.

- (a) Commencing from the Effective Date, interest shall accrue on the First Instalment at the interest rate of 0.1% per day, calculated daily, both before and after maturity, default and judgment, until the First Instalment is paid in full; and
- (b) Commencing from the Effective Date, interest shall accrue on the Net Outstanding Amount at the interest rate of 15% per annum, calculated and compounded monthly, both before and after maturity, default and judgment, until all Indebtedness are paid in full. The Borrower shall pay to the Lender monthly on the first day of each month the aggregate amount of accrued and unpaid interest in the manner directed by the Lender.

2.3 Maturity.

- (a) The Borrower promises to pay to the Lender the First Instalment, together with all accrued and unpaid interest thereon, on July 24, 2017, or such earlier date as may be required under this Agreement, in the manner directed by the Lender.
- (b) The Borrower promises to pay to the Lender the Outstanding Amount, together with all accrued and unpaid interest and all other amounts payable under the Loan Documents, on the day which is three months after the Effective Date, or such earlier date as may be required under this Agreement, in the manner directed by the Lender.

2.4 Acknowledgement of Benefit. Each Guarantor acknowledges that in view of its business relations with the Borrower and the other Loan Parties (i) such Guarantor, the Borrower and the other Loan Parties are mutually dependent on each other in the conduct of their respective businesses and do business together as an integrated business enterprise, (ii) the extension of loans and credit by the Lender to the Borrower, and the grant of the guarantee and indemnity contemplated herein and in the other Loan Documents are in the interests of and to the advantage of such Guarantor, and (iii) such Guarantor will derive significant commercial benefit from these arrangements.

2.5 Guarantee. Each Guarantor unconditionally and irrevocably guarantees to the Lender payment in full and performance in full of the Indebtedness as they become due from time to time in accordance with the express provisions of each of the applicable Loan Documents.

2.6 Indemnity. Each Guarantor shall unconditionally and irrevocably pay to the Lender all such amounts as shall be required from time to time to ensure that the Lender is fully indemnified against and saved fully harmless from and against all losses and expenses which the Lender may at any time suffer or incur by reason of or otherwise in connection with the unenforceability or invalidity of the Indebtedness for any reason whatsoever, including, without limitation, by operation of any insolvency law, any laws affecting creditors' rights generally or general principles of equity.

3. REPRESENTATIONS AND COVENANTS

3.1 General. Each Loan Party represents and warrants to the Lender that each statement made in this Agreement and in any other document provided to the Lender in connection with the Loan is true, complete and accurate. Each Loan Party will strictly observe and perform each of the covenants and obligations set out herein and/or in other Loan Documents except to the extent that the Lender may from time to time in his absolute discretion, by prior written notice or consent, waive such compliance.

3.2 Authority. Each Loan Party represents and warrants to the Lender that:

- (a) he or it has good right, full power and lawful authority to enter into this Agreement and other Loan Documents and to incur the obligations provided for herein or therein;
- (b) in the case of any Loan Party which is a company, all necessary resolutions have been passed and all other necessary steps have been taken to authorize the execution and delivery of this Agreement and other Loan Documents and the performance of its obligations thereunder; and
- (c) each Loan Document to which he or it is party constitutes legal, valid and binding obligations of him or it, enforceable against him or it in accordance with its terms, subject to (i) applicable bankruptcy, reorganization, moratorium or similar laws affecting creditors' rights generally, (ii) the fact that specific performance and injunctive relief may only be given at the discretion of the courts, and (iii) the equitable or statutory powers of the courts to stay proceedings before them and to stay the execution of judgments.

3.3 Prepayment. The Borrower may prepay, without bonus or penalty, the whole or any portion of the outstanding balance of the Outstanding Amount to the Lender provided that any accrued but unpaid interest, applicable to the amount so prepaid, to the date of such prepayment must be paid in full at the time of such prepayment.

3.4 Maximum Rate of Interest. The Loan Parties and the Lender agree that, notwithstanding any provisions to the contrary contained herein or in any other agreement between the parties, no Interest (as hereinafter defined) payable on the Credit Advanced (as hereinafter defined) hereunder or in any other Loan Document will be payable in excess of that permitted by the laws of Canada. If the effective annual rate of Interest, calculated in accordance with generally accepted actuarial practices and principles, paid pursuant hereto or to any other Loan Document would exceed 60% on the Credit Advanced hereunder, then:

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- (a) the amount of any fees payable in connection therewith will be reduced to the extent necessary to eliminate such excess;
- (b) any remaining excess that has been paid will be credited towards prepayment of the Outstanding Amount outstanding; and
- (c) any overpayment that may remain after such crediting will be returned forthwith to the Borrower pursuant to applicable law.

In this section 3.4, the terms "Interest" and "Credit Advanced" shall have the meanings ascribed thereto in section 347 of the *Criminal Code* of Canada.

3.5 No Disposal etc. Each Loan Party will not sell, lease, encumber, or otherwise dispose nor suffer to be sold, leased, encumbered, or otherwise disposed of any of his or its property, except otherwise permitted by the Lender in writing.

4. GRANT OF SECURITY

4.1 Security. As continuing security for the payment and performance of the Indebtedness, each Loan Party charges, mortgages, hypothecates, pledges and assigns and grants a security interest in, or causes to be charged, mortgaged, hypothecated, pledged and assigned and granted a security interest in, to and in favour of the Lender, all property, real and personal, tangible and intangible, movable and immovable, of whatever nature and kind, wherever located in which such Loan Party now or hereafter has rights, and grants and causes to be granted the Security Documents.

5. RIGHTS, REMEDIES AND DISCLAIMERS

5.1 General. The occurrence of any of the following events will constitute an event of default (an "Event of Default"):

- (a) any Loan Party fails to observe or perform any covenant, agreement, condition or obligation in favour of the Lender, whether or not contained herein, including, without limitation, a failure by the Borrower to pay the First Instalment or any outstanding balance of the Outstanding Amount together with any accrued interest and other amounts payable when due;
- (b) any representation, warranty or statement made by or on behalf of any Loan Party to the Lender, whether or not herein contained, proves to have been materially incorrect as of the date made;
- (c) any Loan Party is in default under any document in favour of any creditor other than the Lender;
- (d) the Borrower dies or is declared incompetent;
- (e) any Loan Party commits an act of bankruptcy within the meaning of the *Bankruptcy and Insolvency Act* (Canada) or similar legislation or becomes

- 7 -

bankrupt or insolvent, or a petition in bankruptcy is filed against such Loan Party, or any authorized assignment for the benefit of creditors is made by such Loan Party, or a receiver or trustee or similar official is appointed for such Loan Party or for any of the assets of such Loan Party, or there is instituted by or against such Loan Party any other type of insolvency proceedings under the *Bankruptcy and Insolvency Act* (Canada) or similar legislation;

- (f) any proceedings with respect to any Loan Party are commenced under any legislation for the benefit of creditors or relating to bankrupt or insolvent debtors; and/or
- (g) the Lender in his sole discretion reasonably believe that any Loan Party has undergone or will undergo an event which has or will materially affect the ability of such Loan Party to perform his or its obligations to the Lender.

5.2 Acceleration. Upon the occurrence of an Event of Default, the Lender may declare (with notification to the Borrower pursuant to applicable law) any or all of the Outstanding Amount, and any accrued but unpaid interest and any other amounts payable hereunder or under other Loan Documents, to be immediately due and payable.

5.3 Realization. Upon the occurrence of an Event of Default, the Lender may enforce the rights upon any security held by the Lender. Any proceeds received from any such sale or disposition shall be applied by the Lender to amounts payable hereunder or under other Loan Documents in such manner as he may deem appropriate, in his discretion. The Borrower shall remain liable for any remaining balance of amounts payable after application of such sale proceeds against the amounts payable hereunder or under other Loan Documents.

5.4 Waiver. The Lender may from time to time waive in whole or in part any right, remedy, breach or default under any provision of this Agreement or other Loan Documents, but any such waiver on any particular occasion will not be deemed to be a waiver of any such right, remedy, breach or default thereafter or of any other right, remedy, breach or default. No waiver will be effective unless in writing and executed by the Lender and, without limitation, no failure to exercise or delay in exercising any right or remedy of the Lender will operate as a waiver of such right or remedy.

6. OTHER AGREEMENTS

6.1 Further Assurances. Each Loan Party shall at all times do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered all such further acts, deeds, transfers, mortgages, title insurances, pledges and charges, assignments, documents and assurances as the Lender may require in order to give effect to the provisions of this Agreement or any other Loan Document and for the better securing or perfecting the security granted to the Lender and the priority accorded thereto. Upon the request of the Lender, each Loan Party shall specifically mortgage, pledge, charge, grant a security interest in, or assign in favour of the Lender any collateral in which such Loan Party now or hereafter has rights and shall execute all documents required by the Lender in connection therewith. Each Loan Party constitutes and appoints the Lender to be his or its attorney with full power of substitution to do

on such Loan Party's behalf anything that such Loan Party can lawfully do by an attorney, including, without limitation, to do, make and execute all such assignments, documents, acts, matters or things, with the right to use the name of such Loan Party, whenever and wherever he deems necessary or expedient. Such power of attorney, being granted by way of security and coupled with an interest, is irrevocable until the Indebtedness are paid in full. Such power of attorney shall not be exercisable by the Lender (a) unless an Event of Default has occurred and while it is continuing or (b) unless the Lender has requested any Loan Party to take any action required pursuant to this Section 6.1 and such Loan Party has failed to do so.

6.2 Expenses of the Lender. All expenses, disbursements, fees and other expenses (including, without limitation, legal fees, title insurance cost and other expenses) incurred by the Loan Parties and the Lender, or any one of them, in connection with the transactions contemplated by this Agreement (whether or not consummated or entered into) and any enforcement of rights under any Loan Documents shall be solely on account of the Borrower, and shall be paid forthwith by the Borrower.

6.3 Place and Time of Payments. All payments to be made by any Loan Party to the Lender hereunder or under any other Loan Document, shall be made to the Lender at his address set out on page 1 of this Agreement or at such other address as may be designated by the Lender from time to time.

6.4 Presentment and Other Notices. To the extent permitted by law, each Loan Party waives demand, presentment, protest, notice of non-payment, notice of protest, notice of intention to accelerate and notice of acceleration.

6.5 No Merger. Neither this Agreement nor the agreements set out herein will merge or discharge any obligations of any Loan Party or any instrument by which the same may be evidenced.

6.6 Judgments. The taking of a judgment against any Loan Party on any of the agreements herein contained will not operate as a merger of those agreements or affect the Lender's right to recover the Outstanding Amount together with interest at the rates payable thereon and other amounts payable if the First Instalment or any outstanding balance of the Outstanding Amount is not paid when due.

6.7 Time. Time is of the essence of this Agreement and other Loan Documents.

6.8 Amendment. This Agreement may only be amended by a document executed by the party or parties against whom enforcement of the amendment is sought.

6.9 Assignment. No Loan Party may assign this Agreement or any other Loan Documents to which he or it is party.

6.10 Communication. No notice, consent or other communication in connection herewith will be effective unless it is in writing and is executed by the party giving the same. Any such communication may be given by delivery or mail to the address for the intended party set out on the first page hereof, or such other address of which the intended party may have given notice by means of an effective notice hereunder. Any such communication given by mail will

be deemed to have been given on the earlier of the date of actual receipt or, except when postal services are not functioning, on the third business day after the date of mailing. Any such communication given by delivery will be deemed to have been given on the next business day following the date of delivery.

6.11 **Release.** The Loan Parties will be entitled to a release of this Agreement and other Loan Documents upon full payment, observance, performance and satisfaction of all Indebtedness and upon request by the Borrower for a written release, at the sole expense of the Borrower. No release or acknowledgement of satisfaction of this Agreement and other Loan Documents will be effective unless in writing and executed by the Lender.

6.12 **Relationship of Parties.** The relationship of the Lender and the Loan Parties hereunder and under other Loan Documents is strictly that of lender and borrower / guarantors. Nothing contained herein or in other Loan Documents shall be read or construed as creating a joint venture, partnership, adventure in the nature of trade or any other form of relationship other than as lender and borrower / guarantors. Except to the extent that the Borrower may be authorized to act on behalf of one or more of the Guarantors, none of the parties hereto is authorized to act as agent for any of the other parties hereto.

7. **INTERPRETATION**

7.1 **Governing Law.** This Agreement will be governed by the laws of British Columbia and the laws of Canada applicable therein. Each of the parties hereby submits and attorns to the non-exclusive jurisdiction of the courts of the Province of British Columbia.

7.2 **Successors.** This Agreement will enure to the benefit of and be binding upon the parties and their respective heirs, personal representatives, successors and permitted assigns.

7.3 **Severability.** The invalidity or unenforceability of any provision of this Agreement will not affect the remaining provisions or the remainder of the impugned provision.

7.4 **Number and Gender.** Unless the context otherwise requires, words importing the singular will include the plural and *vice versa*, and words importing gender will include all genders.

7.5 **Headings.** Headings have been inserted for convenience of reference only and are not to affect interpretation.

7.6 **Entire Agreement/Conflicting Terms.** The Lender has not made any representation or agreement or undertaken any obligation in connection with the subject matter of this Agreement other than as specifically set out herein and in any other document executed by the Lender. This Agreement and any other documents or instruments contemplated herein shall constitute the entire agreement and understanding among the Borrower, the Guarantors and the Lender relating to the subject matter hereof.

7.7 **Execution in Counterpart and Delivery by Electronic Transmission.** This Agreement may be executed in counterparts and delivered by means of electronic transmission

of documents and if so executed, all counterparts or electronic copies shall be read and construed together as if they formed one originally executed instrument.

[Signatures follow this page]

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

Borrower:

SIGNED, SEALED AND DELIVERED by)
HUIGANG SUN in the presence of:)

Witness )

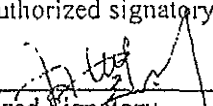
Address WEI SHAO)
Barrister & Solicitor)
DENTONS CANADA LLP)
20th Floor, 250 Howe Street)
Vancouver, B.C. V6C 3R8)
Telephone (604) 687-4460)
Occupation)



HUIGANG SUN

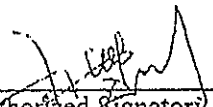
Guarantors:

BESCO INTERNATIONAL)
INVESTMENT CO., LTD.)
by its authorized signatory:)



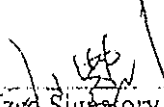
Authorized Signatory)
Name: Huigang Sun)
Title:)

VICEROY HOUSES LTD.)
by its authorized signatory:)



Authorized Signatory)
Name: Huigang Sun)
Title:)

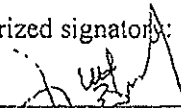
VICEROY CONSTRUCTION LTD.)
by its authorized signatory:)



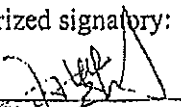
Authorized Signatory)
Name: Huigang Sun)
Title:)

Guarantors:

ROYAL UNION BASE GROUP)
LIMITED)
by its authorized signatory:)


_____)
Authorized Signatory)
Name:)
Title:)

MAX MASTER INVESTMENTS)
LIMITED)
by its authorized signatory:)


_____)
Authorized Signatory)
Name:)
Title:)



Lender:

WEICHANG YANG



Signature page of Loan Agreement

Schedule A

Security Documents

The collateral mortgage (including assignment of rents) by the Borrower, as mortgagor, in favour of the Lender for purposes of mortgaging the real property legally described by PID: 006-486-126, Lot 34 of Lot 9 Block 15 District Lot 526 Plan 5019.

The collateral mortgage (including assignment of rents) by Besco, as mortgagor in favour of the Lender for purposes of mortgaging the real property located at or about 414 Croft Street, Port Hope, Ontario, legally described by PIN: 51082-0010, PT LT 1-2 CON 1 HOPE PT2 9R2307 EXCEPT PT 1 39R9406; PORT HOPE.

The general security agreement by Besco in favour of the Lender for purposes of granting a security interest in all present and after-acquired personal property, including, without limitation, shares and other securities.

The general security agreement by the Borrower in favour of the Lender for purposes of granting a security interest in all present and after-acquired personal property, including, without limitation, shares and other securities.

The general security agreement by Viceroy Construction in favour of the Lender for purposes of granting a security interest in all present and after-acquired personal property, including, without limitation, shares and other securities.

The general security agreement by Viceroy Houses in favour of the Lender for purposes of granting a security interest in all present and after-acquired personal property, including, without limitation, shares and other securities.

The general security agreement by Royal Union in favour of the Lender for purposes of granting a security interest in all present and after-acquired personal property, including, without limitation, shares and other securities.

The general security agreement by Max Master in favour of the Lender for purposes of granting a security interest in all present and after-acquired personal property, including, without limitation, shares and other securities.

The guarantee and postponement of claim by Besco in favour of the Lender with respect to all present and future liabilities of the Borrower.

The guarantee and postponement of claim by Viceroy Construction in favour of the Lender with respect to all present and future liabilities of the Borrower.

The guarantee and postponement of claim by Viceroy Houses in favour of the Lender with respect to all present and future liabilities of the Borrower.

The guarantee and postponement of claim by Royal Union in favour of the Lender with respect to all present and future liabilities of the Borrower.

The guarantee and postponement of claim by Max Master in favour of the Lender with respect to all present and future liabilities of the Borrower.

The stock power of attorney by the shareholder(s) of Besco in favour of the Lender with respect to transfer of shares in the capital of Besco.

The stock power of attorney by the shareholder(s) of Viceroy Construction in favour of the Lender with respect to transfer of shares in the capital of Viceroy Construction.

The stock power of attorney by the shareholder(s) of Viceroy Houses in favour of the Lender with respect to transfer of shares in the capital of Viceroy Houses.

The stock power of attorney by the shareholder(s) of Royal Union in favour of the Lender with respect to transfer of shares in the capital of Royal Union.

The stock power of attorney by the shareholder(s) of Max Master in favour of the Lender with respect to transfer of shares in the capital of Max Master.

The collateral mortgage (including assignment of rents) by Viceroy Construction, as mortgagor in favour of the Lender for purposes of mortgaging the real property located at or about Alnwick Township, Ontario, legally described by PIN: 51119-0167, BLK F PL 411 ALNWICK; ALNWICK/HALDIMAND.

And any additional specific security as may be required by the Lender.

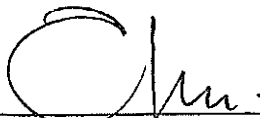
Tab E

THIS IS EXHIBIT "E"

referred to in the Affidavit of

Weichang Yang sworn before me this

17th day of September, 2018



***Commissioner for Taking Affidavits
(or as may be)***

(A commissioner for taking Affidavits for the Province of British Columbia)

Jantzen C. M. Chu, Barrister & Solicitor, Notary
Barrister & Solicitor, Province of British Columbia, Canada
Suite 618, 3381 Cambie Street, Vancouver, B.C. V5Z 4R3
Oriental Kenzo Plaza, Dong Cheng District, Beijing, China
China: +86- 135.2088.0208 Email: bc_lawyer@163.com
Canada: +1- 778.898.8787 Facsimile: +1- 604.430.8613

GUARANTEE AND POSTPONEMENT OF CLAIM

TO: WEICHANG YANG
 No.8 Beisanjie Fucheng Road Haidian
 District Beijing China
 (the "Lender")

IN CONSIDERATION of the Lender dealing with HUIGANG SUN, a businessperson having an address at 1922 West 44th Avenue, Vancouver, BC, V6M 2E7 (the "Debtor"), the undersigned hereby guarantees payment to the Lender, at the address indicated above, on demand, in lawful money of Canada, any and all Indebtedness of the Debtor to the Lender. The word "Indebtedness" is used herein in its most comprehensive sense, and without limiting its generality includes any and all advances, debts, obligations or liabilities of the Debtor owing to the Lender, whether direct or indirect, contingent or otherwise, present or future, mature or not, voluntary or involuntary, liquidated or unliquidated, and whether the Debtor may be liable individually or jointly with others, or whether recovery upon such Indebtedness may be or hereafter become barred or unenforceable, and whether incurred by or arising from agreement or dealings between the Lender and the Debtor or by or from any agreement or dealings within or outside the country with any third party by which the Lender may be or become in any manner whatsoever a creditor of the Debtor.

The liability of the Guarantor is unlimited.

THE UNDERSIGNED hereby agrees with the Lender as follows:

1. In this guarantee, the word "Guarantor" shall mean the undersigned and, if there is more than one guarantor, it shall mean each of them.
2. This guarantee shall be a continuing guarantee of all Indebtedness and shall apply to and secure any ultimate balance due or remaining unpaid to the Lender and this guarantee shall not be considered as wholly or partially satisfied by the payment or liquidation at any time of any sum of money for the time being due or remaining unpaid to the Lender.
3. The Lender shall not be bound to exhaust its recourse against the Debtor or others or any security or other guarantees before being entitled to payment from the Guarantor of the Indebtedness and it shall not be obliged to deliver its security before its whole claim has been paid.
4. The Guarantor's liability to make payment under this guarantee shall arise forthwith after demand for payment has been made in writing on the undersigned or any one of them, if more than one, and such demand shall be deemed to have been duly made when delivered to or served at the address of the undersigned or such one of them last known to the Lender, on the third business day following posting if sent by regular mail, postage prepaid, to such address.
5. This guarantee shall be in addition to and not in substitution for any other guarantees or other security which the Lender may now or hereafter hold in respect of the Indebtedness and the Lender shall be under no obligation to marshal in favour of the Guarantor

310739.00002/91521942.1

Guarantee and Postponement of Claim - Besco International Investment Co., Ltd.

- 2 -

any other guarantees or other security or any moneys or other assets which the Lender may be entitled to receive or may have a claim upon and no loss of or in respect of or unenforceability of any other guarantees or other security which the Lender may now or hereafter hold in respect of the Indebtedness, whether occasioned by the fault of the Lender or otherwise, shall in any way limit or lessen the Guarantor's liability.

6. Without prejudice to or in any way limiting or lessening the Guarantor's liability and without obtaining the consent of or giving notice to the Guarantor, the Lender may grant time, renewals, extensions, indulgences, releases and discharges to and accept compositions from or otherwise deal with the Debtor and others, including the Guarantor and any other guarantor, as the Lender may see fit.

7. This guarantee shall not be discharged or otherwise affected by the death or loss of capacity of the Debtor, by any change in the name of the Debtor, or in the membership of the Debtor, if a partnership, or in the objects, capital structure or constitution of the Debtor, if a corporation, or by the sale of the Debtor's business or any part thereof or by the Debtor amalgamating with a corporation, but shall, notwithstanding any such event, continue to apply to all Indebtedness whether theretofore or thereafter incurred and in the case of a change in the membership of a Debtor which is a partnership or in the case of liabilities of the resulting partnership or corporation, the term "Debtor" shall include each such resulting partnership and corporation.

8. All obligations, indebtedness, advances and liabilities, present and future, of the Debtor owing to the undersigned are hereby assigned to the Lender and postponed to the Indebtedness, and all moneys received by the undersigned in respect thereof shall be received in trust for the Lender and shall be paid over to the Lender forthwith upon receipt, the whole without in any way lessening or limiting the liability of the undersigned under this guarantee. This assignment and postponement is independent of and severable from the guarantee and shall remain in full force and effect until the guarantee may be fully discharged or terminated with respect to the undersigned, notwithstanding that the liability of the undersigned or any of them (if more than one) under this guarantee may have been discharged or terminated.

9. The Guarantor represents and warrants to the Lender that it is fully aware of the financial condition of the Debtor. The Guarantor acknowledges that the Lender has made no representations or warranties regarding the financial condition of the Debtor, that the Lender expressly disclaims any obligation to advise the Guarantor of any changes in the financial condition of the Debtor and hereby releases the Lender from any liability arising therefrom.

10. This guarantee embodies all the agreements between the parties hereto relative to the guarantee, assignment and postponement and none of the parties shall be bound by any representation or promise made by any person relative thereto which is not embodied herein and it is specifically agreed that the Lender shall not be bound by any representations or promises made by the Debtor to the Guarantor. Possession of this instrument by the Lender shall be conclusive evidence against the Guarantor that the instrument was not delivered in escrow or pursuant to any agreement that it should not be effective until any condition precedent or subsequent has been fulfilled.

11. This guarantee shall be binding upon every signatory hereof notwithstanding the non-execution hereof or of a similar guarantee by any other proposed signatory or signatories.

12. This guarantee shall not be discharged or affected by the death or incapacity of the undersigned or any of them, if more than one, and shall enure to the benefit of and be binding upon the Lender, its successors and assigns, and the Guarantor, its heirs, executors, administrators, successors and assigns.

13. This guarantee shall be governed in all respects by the laws of the Province of British Columbia and the laws of Canada applicable therein.

[remainder of page left intentionally blank]



SIGNED by the Guarantor under seal at Vancouver, British Columbia, this 20th day of July, 2017.

BESCO INTERNATIONAL INVESTMENT CO., LTD.

Per: [Signature]
Authorized Signatory

C/S



Tab F

THIS IS EXHIBIT "F"

***referred to in the Affidavit of
Weichang Yang sworn before me this
17th day of September, 2018***



***Commissioner for Taking Affidavits
(or as may be)***

(A commissioner for taking Affidavits for the Province of British Columbia)

Jantzen C. M. Chu, Barrister & Solicitor, Notary
Barrister & Solicitor, Province of British Columbia, Canada
Suite 618, 3381 Cambie Street, Vancouver, B.C. V5Z 4R3
Oriental Kenzo Plaza, Dong Cheng District, Beijing, China
China: +86- 135.2088.0208 Email: bc_lawyer@163.com
Canada: +1- 778.898.8787 Facsimile: +1- 604.430.8613

GENERAL SECURITY AGREEMENT

The undersigned (the "Debtor") hereby mortgages and charges in favour of WEICHANG YANG, a businessperson having an address at No.8 Beisanjie Fucheng Road Haidian District, Beijing, China (the "Secured Party"), and grants to the Secured Party a security interest in, all of the Debtor's present and after acquired personal property, including, without limitation, all inventory, equipment and fixtures, all contracts, accounts and other intangibles, and all investment property, instruments, chattel paper, money and documents of title, and also all of the Debtor's present and after acquired real property and other assets and undertaking (collectively, the "Charged Property") to secure payment and performance of all present and future debts, liabilities and other obligations of the Debtor to the Secured Party (collectively, the "Secured Obligations"). The Charged Property shall not include consumer goods of the Debtor.

The Debtor will not sell, lease, encumber or otherwise dispose of nor suffer to be sold, leased, encumbered or otherwise disposed of any Charged Property, except as otherwise permitted by the Secured Party in writing. The Debtor will not allow any Charged Property to be situate outside of British Columbia or Ontario or any other jurisdiction permitted by the Secured Party. The Debtor will not allow the Debtor's chief executive office, main place of business or principal residence to be located outside of British Columbia or Ontario, nor will the Debtor change its name or have any other form of name (except upon 10 days' prior written notice to the Secured Party).

The Debtor will be in default under this agreement if default is made in payment or performance of any of the Secured Obligations, or if there is a default under any document evidencing any of the Secured Obligations, or if the Secured Party in good faith believes that the prospect of payment or performance of any of the Secured Obligations is or is about to be impaired or that any of the Charged Property is or is about to be placed in jeopardy.

Upon a default hereunder, the Secured Party will have all the rights and remedies of a secured party under the British Columbia *Personal Property Security Act* and of a mortgagee at law or in equity and, in addition, will be entitled to declare payment and performance of all of the Secured Obligations to be immediately due and notify the Debtor thereof, and will be entitled to appoint any legal person as receiver or receiver and manager (a "Receiver") of all or any part of the Charged Property. Any Receiver so appointed will have all the rights and remedies of the Secured Party (except the right to appoint a Receiver). Without limiting the rights and remedies referred to above, the Secured Party and any Receiver may, after default, use any or all of the Charged Property in the manner and to the extent the Secured Party considers commercially reasonable, and may sell, lease or otherwise dispose of the same either for cash or in any manner involving deferred payment. Neither the Secured Party nor any Receiver will be obligated to take any necessary or other steps to preserve rights against others with respect to any investment property, instruments or chattel paper now or hereafter in the Secured Party's or the Receiver's possession.

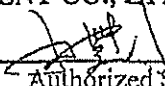
The Debtor acknowledges receipt of a copy of this agreement and waives its right to receive copies of all financing statements, financing change statements and verification statements that may be filed or issued with respect to the security interests created hereby.

[Signature follows this page]

IN WITNESS WHEREOF the Debtor has executed this General Security Agreement as of the date stated below.

Dated: 07, 20, 2017

**BESCO INTERNATIONAL
INVESTMENT CO., LTD.**

Per: 
Authorized Signatory

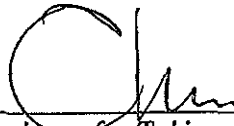
Tab G

THIS IS EXHIBIT "G"

referred to in the Affidavit of

Weichang Yang sworn before me this

17th day of September, 2018



*Commissioner for Taking Affidavits
(or as may be)*

(A commissioner for taking Affidavits for the Province of British Columbia)

Jantzen C. M. Chu, Barrister & Solicitor, Notary
Barrister & Solicitor, Province of British Columbia, Canada
Suite 618, 3381 Cambie Street, Vancouver, B.C. V5Z 4R3
Oriental Kenzo Plaza, Dong Cheng District, Beijing, China
China: +86- 135.2088.0208 Email: bc_lawyer@163.com
Canada: +1- 778.898.8787 Facsimile: +1- 604.430.8613

PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
SEARCH RESULTS

Date Search Conducted: 9/12/2018
File Currency Date: 09/11/2018
Family(ies): 1
Page(s): 2

SEARCH : Business Debtor : BESCO INTERNATIONAL INVESTMENT CO., LTD.

The attached report has been created based on the data received by Cyberbahn, a Thomson Reuters business from the Province of Ontario, Ministry of Government Services. No liability is assumed by Cyberbahn regarding its correctness, timeliness, completeness or the interpretation and use of the report. Use of the Cyberbahn service, including this report is subject to the terms and conditions of Cyberbahn's subscription agreement.

PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
SEARCH RESULTS

Date Search Conducted: 9/12/2018
File Currency Date: 09/11/2018
Family(ies): 1
Page(s): 2

SEARCH : Business Debtor ; BESCO INTERNATIONAL INVESTMENT CO., LTD.

FAMILY : 1 OF 1 ENQUIRY PAGE : 1 OF 2
SEARCH : BD : BESCO INTERNATIONAL INVESTMENT CO., LTD.

00 FILE NUMBER : 729842274 EXPIRY DATE : 14JUL 2020 STATUS :
01 CAUTION FILING : PAGE : 001 OF 2 MV SCHEDULE ATTACHED :
REG NUM : 20170714 1554 1590 8253 REG TYP: P PPSA REG PERIOD: 3
02 IND DOB : IND NAME:
03 BUS NAME: BESCO INTERNATIONAL INVESTMENT CO., LTD.

OCN :
04 ADDRESS : 120-4611 VIKING WAY
CITY : RICHMOND PROV: BC POSTAL CODE: V6Y 2K9
05 IND DOB : IND NAME:
06 BUS NAME:

OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
WEICHANG YANG
09 ADDRESS : NO. 8 BEISANJIE FUCHENG ROAD, HAIDIAN
CITY : BEIJING PROV: CHI POSTAL CODE: 100048
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X X X X
YEAR MAKE MODEL V.I.N.

11
12
GENERAL COLLATERAL DESCRIPTION
13
14
15
16 AGENT: FASKEN MARTINEAU DUMOULIN LLP (CL) (KA-VAN) (310739.00002)
17 ADDRESS : BAY ADELAIDE CENTRE, BOX 20
CITY : TORONTO PROV: ON POSTAL CODE: M5H 2T6

FAMILY : 1 OF 1 ENQUIRY PAGE : 2 OF 2
SEARCH : BD : BESCO INTERNATIONAL INVESTMENT CO., LTD.

00 FILE NUMBER : 729842274 EXPIRY DATE : 14JUL 2020 STATUS :
01 CAUTION FILING : PAGE : 002 OF 2 MV SCHEDULE ATTACHED :
REG NUM : 20170714 1554 1590 8253 REG TYP: REG PERIOD:
02 IND DOB : IND NAME:
03 BUS NAME:

04 ADDRESS : OCN :
CITY : PROV: POSTAL CODE:
05 IND DOB : IND NAME:
06 BUS NAME:

07 ADDRESS : OCN :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :

09 ADDRESS : DISTRICT
CITY : PROV: POSTAL CODE:
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY, EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 YEAR MAKE MODEL V.I.N.

11
12
13 GENERAL COLLATERAL DESCRIPTION

14
15
16 AGENT:
17 ADDRESS :
CITY : PROV: POSTAL CODE:

Tab H

THIS IS EXHIBIT "H"

referred to in the Affidavit of

Weichang Yang sworn before me this

17th day of September, 2018



***Commissioner for Taking Affidavits
(or as may be)***

(A commissioner for taking Affidavits for the Province of British Columbia)

Jantzen C. M. Chu, Barrister & Solicitor, Notary
Barrister & Solicitor, Province of British Columbia, Canada
Suite 618, 3381 Cambie Street, Vancouver, B.C. V5Z 4R3
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China: +86- 135.2088.0208 Email: bc_lawyer@163.com
Canada: +1- 778.898.8787 Facsimile: +1- 604.430.8613

Properties

PIN 51082 - 0010 LT *Interest/Estate* Fee Simple
Description PT LT 1-2 CON 1 HOPE PT 2 9R2307 EXCEPT PT 1 39R9408; PORT HOPE
Address 414 CROFT STREET
 PORT HOPE

Chargor(s)

The chargor(s) hereby charges the land to the chargee(s). The chargor(s) acknowledges the receipt of the charge and the standard charge terms, if any.

Name BESCO INTERNATIONAL INVESTMENT CO., LTD.
Address for Service 809 - 6081 No. 3 Road, Richmond, BC V8Y 2B2

I, Hulgang Sun, have the authority to bind the corporation.

This document is not authorized under Power of Attorney by this party.

Chargee(s)

Capacity

Share

Name YANG, WEICHANG
Address for Service No. 8 Beisanjie Fucheng Road, Haidian District, Beijing, China 100048

Statements

Schedule: See Schedules

Provisions

Principal \$ 5,000,000.00 *Currency* CDN
Calculation Period monthly
Balance Due Date On Demand
Interest Rate 36.5% per annum
Payments
Interest Adjustment Date
Payment Date the first day of each month, interest only
First Payment Date
Last Payment Date
Standard Charge Terms
Insurance Amount full insurable value
Guarantor

Signed By

Kelly Yateman 333 Bay Street, Suite 2400, Bay acting for Signed 2017 07 24
 Adelaide Centre
 Toronto
 M5H 2T6
Chargor(s)
 Tel 416-386-8381
 Fax 416-384-7813

I have the authority to sign and register the document on behalf of the Chargor(s).

LRO # 38 Charge/Mortgage

Received as ND153386 on 2017 07 24 at 15:37

The applicant(s) hereby applies to the Land Registrar.

yyyy mm dd Page 2 of 2

Submitted By

FASKEN MARTINEAU DUMOULIN LLP 333 Bay Street, Suite 2400, Bay 2017 07 24
Adelaide Centre
Toronto
M5H 2T6

Tel 416-366-8381
Fax 416-364-7813

Fees/Taxes/Payment

Statutory Registration Fee \$63.35
Total Paid \$63.35

File Number

Charger Client File Number : 310739.00002

SCHEDULE

ARTICLE 1: DEFINITIONS

1.1 DEFINITIONS

In this Charge:

- (a) "Act" means the *Land Registration Reform Act*, R.S.O. 1990, c. L.4 and all amendments thereto in effect at the time of execution and delivery of this Charge;
- (b) "Business Day" means any day of the week except Saturday, Sunday or any statutory or civic holiday observed in the Province of Ontario;
- (c) "Charge" means this Charge/Mortgage of Land including all schedules attached hereto;
- (d) "Chargee" means Weichang Yang;
- (e) "Chargor" means the party described in Box (11) of this Charge;
- (f) "Costs" means all fees, costs, charges and expenses of the Chargee or the Receiver for (1) preparing, executing and registering this Charge and any other related documents; (2) collecting, enforcing and realizing on the security granted in this Charge; (3) procuring payment of all or any part of the Indebtedness; (4) inspecting the Property; (5) repairing the Property; (6) securing, completing and equipping the Property; (7) renewing any leasehold interest; (8) exercising any of the powers of a receiver; (9) obtaining any examination of the title or valuation of the Property, or obtaining any environmental audits or reports of the Property; (10) complying with any actions or directions required or given by any governmental authority with respect to the Property; (11) insuring the Property and reviewing or having reviewed any insurance policies on the Property; (12) performing any of the Chargor's obligations under this Charge. Costs will also include legal costs incurred by the Chargee or the Receiver as between a solicitor and his own client, any other costs or expenses of the Chargee arising from or relating to this Charge and any other costs specifically identified elsewhere in this Charge;
- (g) "Default" means any of the events set out in Section 5.1;
- (h) "Indebtedness" means any and all advances, debts, obligations or liabilities of the Chargor owing to the Chargee, whether direct or indirect, contingent or otherwise, present or future, mature or not, voluntary or involuntary, liquidated or unliquidated, and whether the Chargor may be liable individually or jointly with others, or whether recovery upon such advances, debts, obligations or liabilities may be or hereafter become barred or unenforceable, and whether incurred by or arising from agreement or dealings between the Chargee and the Chargor or by or from any agreement or dealings within or outside the country with any third party

- 2 -

by which the Chargee may be or become in any manner whatsoever a creditor of the Chargor, plus all interest, compound interest, Taxes, Costs and any other amounts that the Chargor is required to pay under this Charge or that the Chargee is permitted to pay under this Charge and recover from the Chargor;

- (i) "Interest Rate" means the rate of interest set out in any document evidencing the Indebtedness, such interest rate not to exceed the interest rate in Box 9(b) of this Charge;
- (j) "Property" means all or any part of the lands and premises described in Box (5) of this Charge or any schedule to this Charge and any buildings, structures, improvements or fixtures now or hereafter located on, under or over those lands and premises and all component parts of any of the foregoing;
- (k) "Receiver" means any receiver, manager or receiver and manager for the Property and of the rents and profits of the Property appointed by the Chargee on behalf of the Chargor or by a court on application by the Chargee; and
- (l) "Taxes" means all realty taxes, rates and assessments, municipal, local, parliamentary or otherwise respecting the Property.

ARTICLE 2: CHARGE OF PROPERTY

2.1 CHARGE ON THE PROPERTY

The Chargor charges the Property to and in favour of the Chargee as security for:

- (a) payment to the Chargee of the Indebtedness; and
- (b) the performance of all other obligations of the Chargor contained in this Charge or in any other document relating to the Indebtedness.

ARTICLE 3: PAYMENT PROVISIONS

3.1 DEFEASANCE

This Charge ceases to operate when the Chargee has been paid the Indebtedness and the Chargor has performed the obligations secured by this Charge.

3.2 PAYMENT PROVISIONS

The Chargor will pay the Indebtedness to the Chargee with interest at the Interest Rate (both before and after maturity, Default and judgment) on demand. After a Default, all moneys received by the Chargee may be applied on such part or parts of the Indebtedness then owing under this Charge as the Chargee in its sole discretion may determine.

- 3 -

3.3 COMPOUND INTEREST

If the Chargor defaults in payment of any amount due under this Charge, compound interest will be payable on the interest in arrears from time to time, both before and after maturity, Default and judgment and the arrears of interest will bear interest at the Interest Rate. If the arrears of interest and the compound interest are not paid within one (1) month from the time of default a rest will be made, and compound interest at the Interest Rate will be payable on the aggregate amount then due, both before and after maturity, Default and judgment and so on from time to time.

3.4 PAYMENT ONLY WHEN RECEIVED

All payments of the Indebtedness will be payable at par in Canadian dollars. Payment will not be deemed to have been made until the Chargee has actually received such money. The Chargor assumes all risk if payments are lost or delayed.

3.5 RECEIPT OF PAYMENT

Any payment received after 2:00 p.m. on any date will be deemed, for the purpose of calculation of interest, to have been made and received on the next Business Day and the Chargee will be entitled to interest at the Interest Rate on the amount of such payment to and including the date on which the payment is deemed by this provision to have been received.

3.6 DISHONOURED CHEQUES

If any of the Chargor's cheques are not honoured when presented for payment, the Chargor will pay the Chargee a reasonable servicing fee for each such returned cheque to cover the Chargee's administration costs as permitted by applicable law. If any dishonoured cheque is not immediately replaced by the Chargor, the Chargee may charge a further reasonable servicing fee for each written request that is required because the Chargor has not replaced such dishonoured cheque.

ARTICLE 4: COVENANTS

4.1 STATUTORY COVENANTS

The covenants deemed to be included in a charge under subsection 7(1) of the Act are expressly incorporated in this Charge and any other covenants contained in this Charge are intended to supplement and not to derogate from the covenants set out in subsection 7(1) of the Act.

4.2 CHARGOR'S COVENANTS

In addition to the covenants deemed to be included in this Charge pursuant to Paragraphs 1 and 2 of Subsection 7(1) of the Act, the Chargor covenants with the Chargee that:

- (a) the Chargor will pay the Indebtedness and perform all of its covenants and obligations contained in this Charge; and

- 4 -

- (b) Covenant 1.vii, deemed to be included in this Charge by subsection 7(1) of the Act, is expressly varied by providing that the Chargor will, before and after Default, execute such further assurances of the Property and do such other acts, at the Chargor's expense, as may be reasonably required.

4.3 INSURANCE

- (a) So long as there is any Indebtedness outstanding the Chargor will:
- (i) insure the Property and keep it insured for its full replacement value without deduction for foundations or footings. Such insurance will provide coverage against loss or damage from risks and perils usually covered in fire and extended perils insurance policies, including fire, wind, storm, hail, explosion, earthquake, tempest, flood, tornado, cyclone, lightning, riot, impact by aircraft or vehicle and smoke damage; any "same or adjacent site" clause will be deleted from any such policy; all such policies must include increased cost of by-laws coverage and demolition and debris removal for damaged and undamaged property;
 - (ii) obtain comprehensive general public liability insurance, including available broad form extensions against claims for bodily injury, death or property damage occurring on, in or about the Property, in amounts satisfactory to the Chargee but in any event no less than \$2,000,000.00 per occurrence;
 - (iii) obtain insurance for loss of rental income in such amounts and for such time periods as the Chargee may require;
 - (iv) if a sprinkler, steam boiler, pressure vessel, oil or gas burner, coal blower, stoker or air conditioning system is at any time operated on the Property, insure and keep insured against loss or damage by explosion of or otherwise caused by any such apparatus or system, and against perils required to be insured against and with the same policy requirements set out in Section 4.3(a)(i) of this Charge, on a blanket repair and replacement basis with limits for each accident or occurrence in an amount not less than the full replacement cost without deduction for depreciation of all equipment so insured in such amounts as the Chargee may require;
 - (v) during construction of any improvements, renovations or additions to the Property, obtain builders' all risk insurance and ensure that all contractors working on the Property are insured within limits approved by the Chargee in advance; and
 - (vi) obtain coverage for such other risks and perils as the Chargee, may from time to time consider advisable and in respect of which insurance coverage is available.

- 5 -

- (b) All insurance policies will contain deductible limits approved by the Chargee in advance and will not contain any co-insurance requirements. The Chargee will be named as a mortgagee in all insurance policies [except for liability policies under paragraph 4.3(a)(ii)]. All insurance policies will contain a standard mortgage clause and loss payable clauses acceptable to the Chargee.
- (c) The Chargor will ensure that all insurance policies are carried with companies approved by the Chargee. The Chargee may require any insurance with respect to the Property to be cancelled and new insurance to be placed with companies approved by the Chargee. If the Chargor fails to obtain and maintain any insurance required under this Charge, the Chargee will be entitled (but will not be obligated) to obtain such insurance as the Chargee deems proper and the Chargor will promptly repay to the Chargee all premiums paid by the Chargee for any such insurance.
- (d) If any loss or damage occurs to any part of the Property, the Chargor will immediately notify the Chargee and furnish, at the Chargor's expense, all necessary proofs and do all necessary acts to enable the Chargee to obtain payment of the insurance proceeds.
- (e) The Chargee will have a lien for the Indebtedness on all insurance proceeds payable under insurance policies whether or not effected in accordance with this Section. The Chargee may elect to have the insurance monies applied in reinstatement of the buildings or other improvements on the Property or towards payment of the Indebtedness, whether due or not.
- (f) As additional security for payment of the Indebtedness and the performance of the Chargor's other obligations under this Charge, the Chargor assigns to the Chargee all of the Chargor's interest in or under any policy of insurance now or hereafter effected with respect to all or any part of the Property, whether or not effected in accordance with the provisions of this Section. The Chargor appoints the Chargee as attorney for the Chargor to endorse on behalf of the Chargor any cheques issued by an insurer with respect to any policy of insurance effected pursuant to this Section or otherwise.
- (g) The Chargor will immediately deliver to the Chargee the originals or certified copies of all insurance policies affecting the Property. The Chargor will provide to the Chargee at least thirty (30) days before the expiry of any insurance policy, evidence satisfactory to the Chargee acting reasonably that the insurance policy has been renewed or that a comparable new policy has been obtained.

4.4 MAINTENANCE AND REPAIR

- (a) The Chargor will keep the Property in good condition and repair. The Chargee may at any time in its sole discretion by its agents enter upon and inspect the Property. The Chargee may also enter upon the Property and make such repairs as it deems necessary and the Costs of such repairs will be payable immediately by the Chargor.

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- (b) Without limiting the foregoing, if the Chargee or its agents enter upon the Property and makes such repairs as the Chargee deems necessary, the Chargee will not thereby be deemed to be a mortgagee in possession.
- (c) The Chargor will comply with all laws, by-laws and regulations in force from time to time of any governmental authority or agency having jurisdiction affecting the operation, condition, maintenance, use, occupation, construction, repair or alteration of the Property. The Chargor will at its own expense promptly and in a good and workmanlike manner make all improvements, alterations and repairs that may be required from time to time to effect such compliance. The Chargor will advise the Chargee in writing of any such improvements, alterations and repairs and will obtain the Chargee's consent thereto in writing. All plans and drawings will be subject to the prior written approval of the Chargee.
- (d) *The Chargor will not make or permit to be made any alterations or additions to the Property, demolish any building or part thereof located on the Property, permit waste to be committed on any part of the Property, change the use of the Property or allow the Property to remain unoccupied or unused without the prior written consent of the Chargee (including the Chargee's written approval of any plans and specifications).*
- (e) The Chargor will diligently carry on the work of construction of any building or buildings being constructed on the Property. If at any time the Chargor fails to do so for a period of ten (10) days or, without the consent in writing of the Chargee, materially departs in such construction from any plans and specifications which required the Chargee's approval or from the generally accepted standards of construction in the locality of the Property or permits any construction lien or other lien to be registered against the Property for any period exceeding twenty-one (21) days, then the Chargee, at its option, may either (i) at any time thereafter through its agents or contractors enter and have exclusive possession of the Property and of all materials, plant, gear and equipment thereon free of interference from the Chargor and may complete the construction of any building or buildings either according to the said plans and specifications or according to other plans, specifications or design as the Chargee in its absolute discretion will elect or (ii) at its option pay such amount as may be necessary to discharge or vacate such lien. The Chargor will pay to the Chargee any amount so paid and all Costs in connection therewith together with interest thereon at the Interest Rate from the date of payment.

4.5 TAXES

- (a) The Chargor will pay all Taxes when due. Within one (1) month after the date fixed for the payment of the last instalment of Taxes in each year the Chargor will furnish the Chargee with receipted tax bills showing that all Taxes for the year have been paid.
- (b) Notwithstanding anything contained in paragraph (a) of this Section,

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- (i) the Chargor, if requested by the Chargee, will pay to the Chargee in monthly instalments on the first day of each month such amounts as in the opinion of the Chargee are required to pay each succeeding year's Taxes by the time such Taxes or the first instalment fall due; the Chargor will also pay to the Chargee on demand before the due date of each year's Taxes or the first instalment any additional amount which may be required so that out of such monthly and additional tax payments from the Chargor to the Chargee, the Chargee may pay the whole amount of each year's Taxes on or before the due date of the first instalment;
 - (ii) the Chargee will not be obligated to pay any interest or other allowance upon any amounts deducted by or paid to the Chargee under this Section; and
 - (iii) if at any time the monies held by the Chargee on account of payment of the Taxes under this Charge are insufficient to pay the Taxes then due, the Chargee may, at its option, pay such Taxes, including any deficiency; any deficiency paid by the Chargee in payment of such Taxes will be payable by the Chargor together with interest thereon at the Interest Rate from the date of payment.
- (c) The Chargor will forward to the Chargee copies of all assessment notices, tax bills and other notices affecting the imposition of Taxes as soon as the Chargor receives them.

ARTICLE 5: DEFAULT AND REMEDIES

5.1 EVENTS OF DEFAULT

Each of the following events constitutes a Default under this Charge:

- (a) the Chargor fails to make any payment of all or any part of the Indebtedness when due;
- (b) the Chargor commits a breach of, or fails to observe or perform, any covenant or obligation under this Charge or any other agreement from time to time in effect between the Chargor and the Chargee in any way relating to or connected with the Property or this Charge, or if any representation or warranty of the Chargor contained in this Charge or in any such other agreement will prove to be false or incorrect in any material respect;
- (c) the Chargor ceases or threatens to cease to carry on its business;
- (d) the Chargor fails to discharge immediately any judgment for the payment of money rendered against it;
- (e) the Chargor commits any act of bankruptcy, becomes insolvent or admits its insolvency (as defined or provided for in any applicable statute);

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- (f) any proceeding, voluntary or involuntary, is commenced respecting the Chargor pursuant to any statute relating to bankruptcy, insolvency, reorganization of debts, liquidation, winding up or dissolution, including, without limitation, any proceedings under the *Bankruptcy and Insolvency Act*, (Canada) the *Companies' Creditors Arrangement Act* (Canada) or the *Winding-up Act* (Canada); or the Chargor passes any resolution for its liquidation, winding up or dissolution; or any receiver, manager, receiver and manager, trustee, sequester, custodian or liquidator or person with similar powers is appointed (or an application for such appointment will be brought) judicially or extra-judicially for the Chargor or for any of its property;
- (g) the Chargor or any of its property becomes subject to any execution, sequestration or other process of any court or to distress or any analogous process;
- (h) the Chargor defaults under any agreement with respect to any indebtedness or other obligation to any person other than the Chargor if such default has resulted in, or may result, with notice or lapse of time or both, in the acceleration of any such indebtedness or obligation or the right of such person to realize upon all or any part of the Property;
- (i) the Chargor or any tenant of the Property is in violation of any applicable environmental law, by-law, regulation, approval or order; any contaminant or hazardous substance (including, without limitation, a "contaminant" as defined in the *Environmental Protection Act*) is present on the Property; or the Property is used as a waste disposal site;
- (j) the Chargor fails to complete any construction or renovation expeditiously after obtaining the Chargee's approval; or
- (k) any construction lien upon the Property is not discharged or vacated within twenty-one (21) days after the Chargee has by notice in writing required the Chargor to remove it.

5.2 POWER OF SALE

After a Default which has continued for the minimum period provided by law, the Chargee, on giving the minimum notice required by law, may enter on, lease or sell the Property. If permitted by law, the Chargee may enter on, lease or sell the Property without notice.

5.3 CHARGEES RIGHTS ON SALE

After a Default the Chargee may sell the Property or, if the Property is leasehold land, the unexpired term of years demised by the Lease. Any sale may be by public auction or private sale for such price as can reasonably be obtained and on such terms as to credit and otherwise and with such conditions of sale as the Chargee may in its discretion deem proper. If any sale is for credit or for part cash and part credit, the Chargee will not be accountable for or be charged with any moneys until they are actually received. The Chargee may rescind or vary any contract or sale and may buy and re-sell the Property without being answerable for loss occasioned thereby.

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No purchaser will be bound to enquire into the legality, regularity or propriety of any sale or be affected by notice of any irregularity or impropriety. No lack of default, want of notice or other requirement or any irregularity or impropriety of any kind will invalidate any sale under this Charge, and the Chargee alone will be responsible for any damage caused thereby. The Chargee may sell without entering into actual possession of the Property and while in possession will be accountable only for moneys which are actually received by it. The Chargee may, subject to the restrictions of applicable legislation, sell parts of the Property from time to time to satisfy any portion of the Indebtedness, leaving the remainder of the Property as security for the residue of the Indebtedness. The Chargee may sell the Property or any portion of the Property subject to the balance of the Indebtedness not yet due at the time of such sale.

5.4 COSTS OF SALE

The Costs of any sale proceedings under this Charge, whether such sale proves abortive or not, including taking, recovering or keeping possession of the Property or enforcing the remedies under this Charge will be payable by the Chargor.

5.5 VARIABLE INTEREST RATE

If the Interest Rate is a variable rate and, after a Default, there is a period specified or allowed by this Charge or by law during or at the end of which this Charge may be redeemed or placed in good standing and on or before the commencement of which a sum is to be fixed for interest for each day or the whole of such period, the Interest Rate for such period will be the Interest Rate in effect on the day next preceding the first day of such period.

5.6 RIGHT TO DISTRAIN

The Chargee may distrain for arrears of any portion of the Indebtedness. The Chargor waives the right to claim exemption and agrees that the Chargee will not be limited to the amount for which it may distrain.

5.7 FORECLOSURE

The right of foreclosure is hereby expressly reserved to the Chargee and on Default the Chargee may exercise its right of foreclosure in the same manner and to the same extent as if the Chargor had transferred the Property to the Chargee by way of mortgage subject to a proviso for redemption.

5.8 RECEIVERSHIP

- (a) After a Default the Chargee may, in its sole and absolute discretion, with or without entering into possession of the Property, by instrument in writing appoint a Receiver of the Property and of its rents and profits and with or without security and may from time to time remove any Receiver with or without appointing another. Any such Receiver will have the rights and powers set out in this Section. In making any such appointment or removal, the Chargee will be deemed to be acting for the Chargor.

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- (b) *The Receiver will have unlimited access to the Property as agent and attorney for the Chargor (which right of access will not be revocable by the Chargor) and will have full power and unlimited authority to:*
- (i) collect the rents, fees and profits from tenants or other persons using or occupying the Property;
 - (ii) rent or license any portion of the Property which may become vacant on such terms and conditions as the Receiver considers advisable and enter into and execute leases or licenses, accept surrenders and terminate leases or licenses;
 - (iii) complete any improvements, renovations or additions and any other construction of any building or buildings or other erections or improvements on the Property left by the Chargor in an unfinished state or award the same to others to complete and purchase, repair and maintain any personal property including, without limitation, appliances and equipment, necessary or desirable to render the premises operable or rentable, and take possession of and use or permit others to use all or any part of the Chargor's materials, supplies, plans, tools, equipment (including appliances) and property of every kind and description;
 - (iv) manage, operate, repair, alter or extend the Property;
 - (v) carry on or concur in the carrying on of the business of the Chargor, and employ and discharge such agents, workmen, accountants and other individuals or companies as are required to carry on such business upon such terms and with such salaries, wages or remuneration as he will think proper, and to repair and keep in repair the Property and to do all acts and things necessary in the opinion of the Receiver for the carrying on of the business of the Chargor and the protection of the Property;
 - (vi) sell or lease or concur in selling or leasing any or all of the Property and to carry any such sale or lease into effect by conveying in the name of or on behalf of the Chargor or otherwise; and any such sale may be made either at public auction or private sale as to him may seem best and any such sale may be made from time to time as to the whole or any part or parts of the Property; and he may make any stipulations as to title or conveyance or commencement of title or otherwise which he may deem proper;
 - (vii) borrow money to carry on the business of the Chargor or to maintain the whole or any part of the Property in such amounts as the Receiver may from time to time deem necessary and in so doing, the Receiver may issue certificates that may be payable when the Receiver thinks expedient and will bear interest as stated in such certificates and the amounts from time to time payable under such certificates will charge the Property in priority to this Charge; and

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- (viii) execute and prosecute all suits, proceedings and actions which the Receiver, in his opinion, considers necessary for the proper protection of the Property, to defend all suits, proceedings and actions against the Chargor or the Receiver, to appear in and conduct the prosecution and defense of any suit, proceeding or action then pending or thereafter instituted and to appeal any suit, proceeding or action.
- (c) The Chargee may at its discretion vest the Receiver with all or any of the rights and powers of the Chargee.
- (d) The Chargor will ratify and confirm whatever the Receiver may do with respect to the Property.
- (e) The Chargee may fix the reasonable remuneration of the Receiver who will be entitled to deduct the same out of the revenue or the sale proceeds of the Property.
- (f) The Receiver will be deemed the agent or attorney of the Chargor and, in any event, not the agent of the Chargee and the Chargee will not be responsible for his acts or omissions.
- (g) The appointment of the Receiver by the Chargee will not result in or create any liability or obligation on the part of the Chargee to the Receiver or to the Chargor or to any other person and no appointment or removal of the Receiver and no actions of the Receiver will constitute the Chargee a mortgagee in possession of the Property.
- (h) No Receiver will be liable to the Chargor to account for monies other than monies actually received by him in respect of the Property, and out of such monies so received the Receiver will, in the following order, pay:
 - (i) the Receiver's remuneration aforesaid;
 - (ii) all costs and expenses of every nature and kind incurred by the Receiver in connection with the exercise of his powers and authority;
 - (iii) interest, principal and other money which may, from time to time, be or become charged upon the Property in priority to this Charge, including Taxes and Receiver's certificates;
 - (iv) to the Chargee all Principal, interest and other monies payable under this Charge to be paid in such order as the Chargee in its discretion will determine; and
 - (v) thereafter, the Receiver will be accountable to the Chargor for any surplus.
- (i) The remuneration and expenses of the Receiver will be paid by the Chargor on demand and will be a charge on the Property and will bear interest from the date of demand at the Interest Rate.

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- (j) Save as to claims for accounting, the Chargor releases and discharges the Receiver and the Chargee from every claim of every nature whatsoever, whether in damages or not, which may arise or be caused to the Chargor or any person claiming through or under him by reason or as a result of anything done by the Receiver unless such claim be the direct and proximate result of dishonesty or fraud.
- (k) The Chargee may, at any time and from time to time, terminate any such receivership by notice in writing to the Chargor and to the Receiver.
- (l) The statutory declaration of an officer of the Chargee as to default under the provisions of this Charge and as to the due appointment of the Receiver pursuant to this Charge will be sufficient proof for the purposes of any person dealing with a Receiver who is ostensibly exercising powers provided for in this Charge and such dealing will be deemed, as regards such person, to be valid and effectual.
- (m) The rights and powers conferred by this Charge in respect of the Receiver are supplemental to and not in substitution of any other rights and powers which the Chargee may have.
- (n) The Chargor appoints the Chargee as his attorney to execute such consent or consents and all such documents as may be required in the sole discretion of the Chargee to give effect to the foregoing provisions.

5.9 GENERAL RIGHTS OF CHARGEES

After a Default the Chargee may, but will not be obligated to, perform or cause to be performed any obligations of the Chargor under this Charge, and for such purpose may do such things as may be required, including, without limitation, entering upon the Property and doing such things upon or in respect of the Property as the Chargee reasonably considers necessary. The Costs of all such actions taken by the Chargee will be paid by the Chargor.

ARTICLE 6: DEALING WITH THE SECURITY

6.1 CONCURRENT REMEDIES

The Chargee may exercise all remedies provided for in this Charge or at law concurrently or in such order and at such times as it may see fit and will not be obligated to exhaust any remedy or remedies before exercising its rights under any other provisions contained in this Charge or at law.

6.2 JUDGMENTS

The taking of a judgment or judgments against the Chargor for breach of any of the Chargor's obligations contained in this Charge will not operate as a merger of such obligations or affect the Chargee's rights to interest on the Indebtedness at the Interest Rate. Any such judgment may provide that interest thereon will be computed at the Interest Rate until such judgment is fully paid and satisfied.

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6.3 ASSIGNMENT BY CHARGE

This Charge and the Indebtedness are assignable by the Chargee without any consent or notice to the Chargor. Payment of amounts secured by this Charge to the Chargee by such assignee in circumstances where it is intended by the Chargee and the assignee that this Charge is to be assigned and not discharged, will not cause this Charge to cease to operate nor entitle the Chargor to a discharge of this Charge.

6.4 DISCHARGE OF CHARGE AND RELEASE

- (a) The Chargee will have a reasonable period of time after full payment of the Indebtedness to prepare and execute a discharge of this Charge. Interest at the Interest Rate will continue to run and accrue on all Indebtedness until full payment has been received by the Chargee. All legal and other expenses for the preparation and execution of the discharge, including a reasonable administration fee, will be paid by the Chargor. It will be the obligation of the Chargor to register the discharge of this Charge.
- (b) The Chargee may in its discretion, subject to the restrictions of applicable legislation, at any time release any part or parts of the Property or any other security for the Indebtedness either with or without any consideration and without releasing any other part of the Property or any person from this Charge or from any of the covenants contained in this Charge and without being accountable to the Chargor for the value of the land released or for any money except that actually received by the Chargee. Every part or lot into which the Property is or may hereafter be divided will stand charged with the entire Indebtedness.
- (c) The Chargee may grant time, renewals, extensions, indulgences, releases and discharges, may take securities from and give the same up, may abstain from taking securities from or from perfecting securities and may otherwise deal with the Chargor and all other persons and securities as the Chargee may see fit without prejudicing the rights of the Chargee under this Charge.

6.5 EXPROPRIATION

If the whole or any part of the Property is expropriated, condemned or otherwise taken by any governmental authority or corporation having jurisdiction or is sold in lieu of or in reasonable anticipation of any such proceedings, all proceeds of any such expropriation or sale will, at the option of the Chargee, be paid to the Chargee, in priority to the claims of any other party and will, at the Chargee's option, be applied against all amounts secured by this Charge in such order of priority as the Chargee will in its sole discretion determine.

6.6 EXTENSION OF TIME

Neither any extension of time given by the Chargee to the Chargor or anyone claiming under the Chargor, any amendment to this Charge or any dealing by the Chargee with a subsequent owner of the Property will in any way affect or prejudice the rights of the Chargee against the Chargor or any other person or persons liable for payment of the Indebtedness.

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6.7 SALE OR TRANSFER

- (a) If the Chargor sells, transfers or disposes of the Property, any part thereof or any interest therein, without the prior written consent of the Chargee, the Indebtedness will, at the option of the Chargee, immediately become due and payable.
- (b) If there is any transfer or issue by sale, assignment, bequest, inheritance, operation of law or other disposition, or by subscription, from time to time of all or any part of the corporate shares of the Chargor to any person or group of persons resulting in any change in the present effective voting control of such Chargor as such voting control existed at the date of this Charge (in this Section a "Transfer") without the prior written consent of the Chargee, the Indebtedness will, at the option of the Chargee, immediately become due and payable. The Chargor will make available to the Chargee, or its representatives, all of its corporate books and records for inspection in order to ascertain whether a Transfer has occurred or has been deemed to have occurred.
- (c) No sale, transfer or conveyance of the Property by the Chargor, whether with or without the consent of the Chargee, will in any way change the liability of, or in any way alter the rights of the Chargee against the Chargor or any other person liable for payment of the Indebtedness or the performance of the obligations in this Charge.

6.8 ACCELERATION

After a Default or if all or any material part of the Property is expropriated, condemned or otherwise taken by any governmental authority or corporation having jurisdiction, the Indebtedness remaining unpaid will, at the option of the Chargee, immediately become due and payable.

6.9 LEASEHOLD RIGHTS

The Chargor will perform the obligations of the landlord under every subsisting and future lease affecting all or any part of the Property, and will not do, neglect to do, or permit to be done anything (other than in the enforcement of its remedies with respect to a tenant in default) which might cause the modification or termination of any guarantee, or diminish the value of any lease, the rents therein provided or the interest of the Chargor or Chargee therein. The Chargor will immediately notify the Chargee of any notice of claim of default or any notice of termination received from any tenant. The Chargor will not without the written consent of the Chargee accept any prepayment of rent or other monies payable under any lease, or proposed lease, in excess of one (1) month's rent.

ARTICLE 7: ASSIGNMENT OF RENTS**7.1 ASSIGNMENT OF RENTS**

- (a) The Chargor assigns to the Chargee all rents payable from time to time under all leases of the Property, whether presently existing or arising in the future, together

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with the benefit of obligations guarantees and indemnities contained in those leases.

- (b) Immediately after granting any lease of the Property the Chargor will, if requested by the Chargee, execute and deliver to the Chargee a specific assignment in the Chargee's usual form of all rents payable under such lease and the benefit of all tenant's obligations contained in such lease and will also execute and deliver to the Chargee all such notices and other documents as may be required in order to effect such assignment.
- (c) Nothing contained in this Charge will make the Chargee responsible for the collection of rents payable under any lease of the Property or for the performance of any of the landlord's obligations contained in any such lease.
- (d) The Chargee will not by virtue of the exercise of any of its rights under this Section be deemed a mortgagee in possession of the Property.
- (e) The Chargee will be liable to account only for such rents as are actually received (less reasonable collection charges). The Chargee may apply such rents to the payment of the indebtedness in such manner as it may determine.
- (f) The Chargor will until Default be entitled to collect all rents and other amounts due under all leases of the Property. The Chargor irrevocably authorizes the tenants under all leases to pay the rents to the Chargee after written demand from the Chargee without determination by the tenants whether Default has in fact occurred. Any rents or other monies received by the Chargor after Default will be held in trust by the Chargor for the Chargee.
- (g) Notwithstanding anything contained in this Charge, no lease of the Property granted by the Chargor without the consent in writing of the Chargee will have priority over this Charge.

ARTICLE 8: MISCELLANEOUS

8.1 INSPECTIONS

The Chargee or any designated agent of the Chargee may at any time enter upon the Property to inspect it and may at any time enter upon any office or facility of the Chargor to inspect any business records of the Chargor relating to the operation of the Chargor's business on the Property.

8.2 NOTICE

When any notice is given by the Chargee pursuant to or in connection with this Charge such notice may be given in any manner permitted or provided by the laws applicable thereto, or, subject to the laws applicable thereto, may at the option of the Chargee be given by leaving it with an officer or director of the Chargor or with a grown-up person at the offices of the Chargor, by mailing it by prepaid registered post addressed to the Chargor at the last known

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address of the Chargor, by sending it by any electronic means of sending messages, including telex or facsimile transmission, which produces a paper record during normal business hours on a Business Day charges prepaid and confirmed by prepaid first class mail or by publishing it once in some newspaper published or circulated in the city, town or county in which the Property is located. Such notice will be sufficient although not addressed to any person by name or designation and notwithstanding that any person to be affected thereby may be unknown, unascertained or under any disability. Subject to the laws from time to time applicable thereto, the giving of such notice in the manner aforesaid will be as effective as if the notice had been personally served upon all persons required to be served therewith.

8.3 MISCELLANEOUS

Where this Charge is made or assumed by more than one person, the obligations imposed by this Charge will be deemed to bind such persons jointly and severally unless otherwise specified. In this Charge, words in the singular include the plural and vice-versa and words in one gender include all genders. Time will be of the essence of this Charge. All provisions of this Charge will have effect notwithstanding any statute to the contrary unless otherwise specifically provided by the statute. If any provision of this Charge is determined to be invalid or unenforceable by a court of competent jurisdiction from which no further appeal lies or is taken, that provision will be deemed to be severed from this Charge and the remaining provisions of this Charge will remain in full force and effect.

8.4 TITLES

Titles in this Charge are inserted for convenience of reference only and will not affect or modify the interpretation or construction of all or any part of this Charge.

8.5 GOVERNING LAW

This Charge will be governed by, and interpreted and enforced in accordance with, the laws in force in the Province of Ontario. The Chargor irrevocably submits to the non-exclusive jurisdiction of the courts of Ontario with respect to any matter arising under or related to this Charge.

8.6 WAIVER

The Chargee may waive any Default. No waiver, however, will extend to a subsequent Default, whether or not the same as or similar to the Default waived, and no act or omission by the Chargee will extend to, or affect, any subsequent Default or the rights of the Chargee arising from such Default. Any such waiver must be in writing and signed by the Chargee to be effective. No failure on the part of the Chargee or the Chargor to exercise, and no delay by the Chargee or the Chargor in exercising, any right under this Charge will operate as a waiver of such right. No single or partial exercise of any such right will preclude any other or further exercise of such right or the exercise of any other right.

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8.7 FURTHER ASSURANCES

The Chargor will at all times do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered all such further acts, deeds, transfers, assignments, agreements and assurances as the Chargee may reasonably require in order to give effect to the provisions of this Charge. The Chargor appoints the Chargee to be its attorney to make and execute all such agreements, acts, matters or things, with the right to use the name of the Chargor, whenever and wherever it deems necessary or expedient and to carry out the Chargor's obligations under this Charge.

8.8 SUCCESSORS AND ASSIGNS

This Charge will enure to the benefit of and be binding upon the Chargor, the Chargee, and their respective heirs, executors, administrators, legal representatives, successors (including any successor by reason of amalgamation or statutory arrangement of any party) and permitted assigns. All of the obligations of the Chargor in this Charge will be deemed to be covenants by the Chargor in favour of the Chargee.

8.9 STATUTES

Unless specified otherwise, reference in this Charge to a statute refers to that statute as it may be amended, or to any restated or successor legislation of comparable effect.

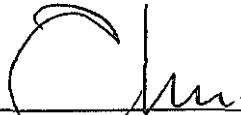
Tab I

THIS IS EXHIBIT "I"

referred to in the Affidavit of

Weichang Yang sworn before me this

17th day of September, 2018



*Commissioner for Taking Affidavits
(or as may be)*

(A commissioner for taking Affidavits for the Province of British Columbia)

Jantzen C. M. Chu, Barrister & Solicitor, Notary
Barrister & Solicitor, Province of British Columbia, Canada
Suite 618, 3381 Cambie Street, Vancouver, B.C. V5Z 4R3
Oriental Kenzo Plaza, Dong Cheng District, Beijing, China
China: +86- 135.2088.0208 Email: bc_lawyer@163.com
Canada: +1- 778.898.8787 Facsimile: +1- 604.430.8613



ServiceOntario

LAND
REGISTRY
OFFICE 439
* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

PROPERTY REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

51082-0010 (LT)

PAGE 1 OF 2
PREPARED FOR THE
ON 2016/09/12 AT 11:12:24

PROPERTY DESCRIPTION: PT LT 1-2 CON 1 HOPE PT 2 9R2301 EXCEPT PT 1 INCORPORATED PORT HOPE

PROPERTY REMARKS:

ESTATE QUALIFIER:
FEE SIMPLE
LT CONVEYANCE QUALIFIED

RECENTLY:
FIRST CONVERSION FROM PLAN

PLAN CREATION DATE:
2006/01/23

OWNER'S NAME:
PESKY INTERNATIONAL INVESTMENT CO., LTD.

CAPACITY SHARE:
NONE

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/GOOD
<p>** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2006/01/23 ** * SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO: ** SUBSECTION 4(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 1, PARAGRAPH 14, PROVINCIAL SUCCESSION STATUTES AND ESCHEATS OR FOREFEITURE TO THE CROWN. ** THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY CONVENTION. ** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES. ** DATE OF CONVERSION TO LAND TITLES: 2006/01/23 **</p>						
9R2301	1989/02/03	PLAN REFERENCE				C
PH96596	1989/02/28	TRANSFER		*** COMPLETELY DELETED ***	VICEROY HOVES LIMITED	
PH47697	1989/05/03	AGREEMENT REMARKS: SITE PLAN			THE CORPORATION OF THE MUNICIPALITY OF PORT HOPE	C
NC281567	1999/07/15	NOTICE OF LEASE		*** DELETED AGAINST THIS PROPERTY ***	ROGERS CANTEL INC.	
NC295644	1999/11/12	AGREEMENT			THE CORPORATION OF THE MUNICIPALITY OF PORT HOPE	C
NC297322	2000/11/15	AGREEMENT			THE CORPORATION OF THE MUNICIPALITY OF PORT HOPE	C
HC159402	2005/05/02	AGREEMENT REMARKS: SITE PLAN			THE CORPORATION OF THE MUNICIPALITY OF PORT HOPE	C
NO56153	2010/12/22	CHARGE		*** COMPLETELY DELETED ***		

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
 NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.



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LAND
REGISTRY
OFFICE #39

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFICATION

51092-0010 (LTI)

PAGE 2 OF 7
PREPARED FOR TLH011001
ON 2018/09/12 AT 11:12:24

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESTRICTIONS IN CROWN GRANT *

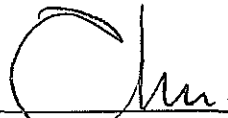
REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CLAS
ND51738	2011/02/15	TRANSFER OF CHARGE		VICEROY HOMES LIMITED *** COMPLETELY DELETED *** OPIN CAPITAL INC.	OPIN CAPITAL INC. JOINT STOCK COMPANY "OPIN"	.
		REMARKS: ND56153.				.
ND85324	2012/12/21	DISCH OF CHARGE		*** COMPLETELY DELETED *** JOINT STOCK COMPANY "OPIN"		.
		REMARKS: ND56153.				.
ND85324	2012/12/21	CHARGE		*** COMPLETELY DELETED *** VICEROY HOMES LIMITED	CALLIDUS CAPITAL CORPORATION	.
ND87673	2013/03/18	HO DEFT/SURR LEASE		*** COMPLETELY DELETED *** ROGERS COMMUNICATIONS INC.	VICEROY HOMES LIMITED	.
		REMARKS: NC201567.				.
ND101485	2014/03/26	DISCH OF CHARGE		*** COMPLETELY DELETED *** CALLIDUS CAPITAL CORPORATION		.
		REMARKS: ND85324.				.
ND107455	2014/08/25	CHARGE		*** COMPLETELY DELETED *** VICEROY HOMES LIMITED	ELLS MORTGAGE CORPORATION	.
ND123267	2015/09/17	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** ELLS MORTGAGE CORPORATION	BESCO INTERNATIONAL INVESTMENT CO., LTD.	.
		REMARKS: ND107455.				.
ND127746	2015/12/22	APL VESTING ORDER	55,870,000	SUPREME COURT OF BRITISH COLUMBIA	BESCO INTERNATIONAL INVESTMENT CO., LTD.	C
ND153386	2017/07/24	CHARGE	55,000,000	BESCO INTERNATIONAL INVESTMENT CO., LTD.	YANG, WEICHANG	C
ND159134	2017/11/08	HO ASSGN RENT GEN		BESCO INTERNATIONAL INVESTMENT CO., LTD.	YANG, WEICHANG	C
		REMARKS: ND153386.				.
ND166861	2018/05/28	CHARGE	55,000,000	BESCO INTERNATIONAL INVESTMENT CO., LTD.	YANG, WEICHANG	C
ND166862	2018/05/28	HO ASSGN RENT GEN		BESCO INTERNATIONAL INVESTMENT CO., LTD.	YANG, WEICHANG	C
		REMARKS: ND166861				.

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

Tab J

THIS IS EXHIBIT "J"

*referred to in the Affidavit of
Weichang Yang sworn before me this
17th day of September, 2018*



*Commissioner for Taking Affidavits
(or as may be)*

(A commissioner for taking Affidavits for the Province of British Columbia)

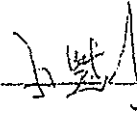
Jantzen C. M. Chu, Barrister & Solicitor, Notary
Barrister & Solicitor, Province of British Columbia, Canada
Suite 618, 3381 Cambie Street, Vancouver, B.C. V5Z 4R3
Oriental Kenzo Plaza, Dong Cheng District, Beijing, China
China: +86- 135.2088.0208 Email: bc_lawyer@163.com
Canada: +1- 778.898.8787 Facsimile: +1- 604.430.8613

CERTIFIED COPY OF DIRECTORS' RESOLUTION
BESCO INTERNATIONAL INVESTMENT CO., LTD.

I, Huichang Sun, a director of the above-named company, certify, having made due inquiry, that attached hereto is a true and exact copy of a resolution of the directors of such company (including the Defined Terms Schedule referred to therein) duly passed or adopted in writing as of 07, 20, 2017, and that such resolution has not been varied and remains in full force and effect, and I understand that WEICHANG YANG will be relying on this certification in deciding whether to advance funds or to otherwise extend or continue credit.

Date: 07 / 20 / 2017

Signature: _____



DIRECTORS' RESOLUTION

BESCO INTERNATIONAL INVESTMENT CO., LTD.

"IN THIS RESOLUTION terms used with initial capital letters will have the meanings given to them in the attached Defined Terms Schedule, and the above-named company will be referred to as the "Company".

WHEREAS:

A. The Lender has issued the Loan Agreement to the Company and the other Loan Parties, a copy of which has been presented or made available to the directors of the Company.

B. In addition to the Loan Agreement, the Lender requires the Company to execute and deliver the other documents referred to in the attached Defined Terms Schedule as documents (to be) executed by the Company in favour of the Lender (collectively, the "Security Documents", and together with the Loan Agreement, the "Documents"), copies of which have been presented or made available to the directors of the Company.

C. The directors of the Company are of the view that (i) the Company and the other Loan Parties are mutually dependent on each other in the conduct of their respective businesses and do business together as an integrated business enterprise, (ii) the extension of loans and credit by the Lender to the Borrower, and the grant of the security contemplated in the Security Documents are in the interests and to the advantage of the Company, and (iii) the Company will derive significant commercial benefit from these arrangements.

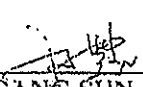
BE IT RESOLVED THAT:

1. The Company acknowledge and consent to the Loan Agreement and give the financial assistance, grant the security, make the agreements, and observe and perform its obligations under Loan Agreement, the terms and conditions of which are authorized, ratified and approved.
2. The Company give the financial assistance, grant the security, make the agreements, and observe and perform its obligations under the Documents, the terms and conditions of which are authorized, ratified and approved.
3. The execution and delivery by the Company of the Documents or any one or more of them (whether prior to the date of this resolution or otherwise), the making of the agreements set out therein and the observance and performance of its obligations thereunder, are authorized, ratified and approved.
4. Any one or more director(s) and/or officer(s) of the Company is/are authorized to execute and deliver on behalf of and in the name of the Company, under seal or otherwise, the Documents, with such amendments, additions, and deletions as such director(s) and/or officer(s) in his, her or their discretion may approve, and all such other deeds, documents, and writings as such director(s) and/or officer(s) in his, her or their discretion may approve as being necessary, desirable or useful for the purpose of giving effect to this resolution, and execution accordingly will be conclusive evidence of such approval.

5. This resolution may be signed by the directors in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same document. Transmission of a copy of this resolution by means of telecommunication (by way of a fax or attached as an electronic image (PDF, TIF, etc.) to electronic email) shall be as effective as delivery of a manually signed counterpart hereof.

[remainder of page left intentionally blank]

Each of the undersigned consents to and passes the foregoing as a resolution of the directors of BESCO INTERNATIONAL INVESTMENT CO., LTD. as of _____, 2017.



HUIGANG SUN

DEFINED TERMS SCHEDULE

The following defined terms are set out in 3 categories: Parties, Real Properties, and Documents.

Parties:

"Besco" means Besco International Investment Co., Ltd., a British Columbia company having the Incorporation Number BC0848291.

"Borrower" means Huigang Sun, a businessperson having a mailing address at 1922 West 44th Avenue, Vancouver, BC.

"Guarantors" means Besco, Viceroy Houses, Viceroy Construction, Max Master, and Royal Union, and "Guarantor" means an applicable one of them, as the context requires.

"Lender" Weichang Yang, a businessperson having a mailing address at No. 8 Beisanjie Fucheng Road Haidian District, Beijing, China.

"Loan Parties" means, collectively, the Borrower and the Guarantors, and "Loan Party" means an applicable one of them, as the context requires.

"Max Master" means Max Master Investments Limited, a British Columbia company having the Incorporation Number BC1079886.

"Royal Union" means Royal Union Base Group Limited, a British Columbia company having the Incorporation Number BC1077342.

"Viceroy Construction" means Viceroy Construction Ltd., a British Columbia company having the Incorporation Number BC1065867.

"Viceroy Houses" means Viceroy Houses Ltd., a British Columbia company having the Incorporation Number BC1031157.

Real Properties:

"BC Property" means the real property located at or about 1922 West 44th Avenue, Vancouver, British Columbia, legally described by PID: 006-486-126, Lot 34 of Lot 9 Block 15 District Lot 526 Plan 5019.

"Besco Property" means the real property located at or about 414 Croft Street, Port Hope, Ontario, legally described by PIN: S1082-0010, PT 1.1 1-2 CON 1 HOPE PT2 9R2307 EXCEPT PT 1 39R9406: PORT HOPE.

Documents:

"BC Mortgage" means the collateral mortgage in the principal amount of \$5,000,000.00 (to be) executed by the Borrower, as mortgagor in favour of the Lender for purposes of mortgaging the BC Property.

"Besco Mortgage" means the collateral mortgage in the principal amount of \$5,000,000.00 (including assignment of rents) (to be) executed by Besco, as mortgagor in favour of the Lender for purposes of mortgaging the Besco Property.

"GSA – Besco" means the general security agreement (to be) executed by Besco in favour of the Lender for purposes of granting a security interest in all present and after-acquired personal property, including, without limitation, shares and other securities.

"GSA – Borrower" means the general security agreement (to be) executed by the Borrower in favour of the Lender for purposes of granting a security interest in all present and after-acquired personal property, including, without limitation, shares and other securities.

- 2 -

"GSA – Max Master" means the general security agreement (to be) executed by Max Master in favour of the Lender for purposes of granting a security interest in all present and after-acquired personal property, including, without limitation, shares and other securities.

"GSA – Royal Union" means the general security agreement (to be) executed by Royal Union in favour of the Lender for purposes of granting a security interest in all present and after-acquired personal property, including, without limitation, shares and other securities.

"GSA – VC" means the general security agreement (to be) executed by Viceroy Construction in favour of the Lender for purposes of granting a security interest in all present and after-acquired personal property, including, without limitation, shares and other securities.

"GSA – VFI" means the general security agreement (to be) executed by Viceroy Houses in favour of the Lender for purposes of granting a security interest in all present and after-acquired personal property, including, without limitation, shares and other securities.

"Guarantee - Besco" means the guarantee and postponement of claim (to be) executed by Besco in favour of the Lender with respect to all present and future liabilities of the Borrower.

"Guarantee - Max Master" means the guarantee and postponement of claim (to be) executed by Max Master in favour of the Lender with respect to all present and future liabilities of the Borrower.

"Guarantee - Royal Union" means the guarantee and postponement of claim (to be) executed by Royal Union in favour of the Lender with respect to all present and future liabilities of the Borrower.

"Guarantee - VC" means the guarantee and postponement of claim (to be) executed by Viceroy Construction in favour of the Lender with respect to all present and future liabilities of the Borrower.

"Guarantee - VH" means the guarantee and postponement of claim (to be) executed by Viceroy Houses in favour of the Lender with respect to all present and future liabilities of the Borrower.

"Initial Promissory Note" means the executed and delivered promissory note dated June 14, 2017 issued by the Borrower in favour of the Lender, as evidence of the promise by the Borrower to pay the \$5,000,000.00 loan together with interest and other amounts set out therein payable to the Lender.

"Loan Agreement" means the loan agreement dated July 20, 2017 between the Loan Parties and the Lender, which provides for, *inter alia*, the amendment and restatement of the Initial Promissory Note.

"Mortgages" means, collectively, the BC Mortgage and the Besco Mortgage, and "Mortgage" means an applicable one of them, as the context requires.

"Stock Transfer Power – Max Master re Shares of Besco" means the stock power of attorney (to be) executed by Max Master in favour of the Lender with respect to transfer of shares in the capital of Besco.

"Stock Transfer Power - the Borrower re Shares of Max Master" means the stock power of attorney (to be) executed by the Borrower in favour of the Lender with respect to transfer of shares in the capital of Max Master.

"Stock Transfer Power - the Borrower re Shares of Royal Union" means the stock power of attorney (to be) executed by the Borrower in favour of the Lender with respect to transfer of shares in the capital of Royal Union.

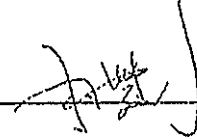
"Stock Transfer Power – Royal Union re Shares of VC" means the stock power of attorney (to be) executed by Royal Union in favour of the Lender with respect to transfer of shares in the capital of Viceroy Construction.

"Stock Transfer Power – Royal Union re Shares of VFI" means the stock power of attorney (to be) executed by Royal Union in favour of the Lender with respect to transfer of shares in the capital of Viceroy Houses.

CERTIFIED COPY OF DIRECTORS' RESOLUTION
BESCO INTERNATIONAL INVESTMENT CO., LTD.

I, HUIGANG SUN, a director of the above-named company, certify, having made due inquiry, that attached hereto is a true and exact copy of a resolution of the directors of such company (including the Defined Terms Schedule referred to therein) duly passed or adopted in writing as of November 8, 2017, and that such resolution has not been varied and remains in full force and effect, and I understand that WEICHANG YANG will be relying on this certification in deciding whether to advance funds or to otherwise extend or continue credit.

Date: November 8, 2017.

Signature:  _____

DIRECTOR'S RESOLUTION

BESCO INTERNATIONAL INVESTMENT CO., LTD.

"IN THIS RESOLUTION terms used with initial capital letters will have the meanings given to them in the attached Defined Terms Schedule, and the above-named company will be referred to as the "Company".

WHEREAS:

A. The Lender has issued the Loan Agreement to the Company and the other Loan Parties, a copy of which has been presented or made available to the directors of the Company.

B. In addition to the Loan Agreement, the Lender requires the Company to execute and deliver the other documents referred to in the attached Defined Terms Schedule as documents (to be) executed by the Company in favour of the Lender (collectively, the "Security Documents", and together with the Loan Agreement, the "Documents"), copies of which have been presented or made available to the director of the Company.

C. The director of the Company is of the view that (i) the Company and the other Loan Parties are mutually dependent on each other in the conduct of their respective businesses and do business together as an integrated business enterprise, (ii) the extension of loans and credit by the Lender to the Borrower, and the grant of the security contemplated in the Security Documents are in the interests and to the advantage of the Company, and (iii) the Company will derive significant commercial benefit from these arrangements.


BE IT RESOLVED THAT:

1. The Company acknowledge and consent to the Loan Agreement and give the financial assistance, grant the security, make the agreements, and observe and perform its obligations under the Loan Agreement, the terms and conditions of which are authorized, ratified and approved.
2. The Company give the financial assistance, grant the security, make the agreements, and observe and perform its obligations under the Documents, the terms and conditions of which are authorized, ratified and approved.
3. The execution and delivery by the Company of the Documents or any one or more of them (whether prior to the date of this resolution or otherwise), the making of the agreements set out therein and the observance and performance of its obligations thereunder, are authorized, ratified and approved.
4. Any one or more director(s) and/or officer(s) of the Company is/are authorized to execute and deliver on behalf of and in the name of the Company, under seal or otherwise, the Documents, with such amendments, additions, and deletions as such director(s) and/or officer(s) in his, her or their discretion may approve, and all such other deeds, documents, and writings as such director(s) and/or officer(s) in his, her or their discretion may approve as being necessary, desirable or useful for the purpose of giving effect to this resolution, and execution accordingly will be conclusive evidence of such approval.

5. This resolution may be signed by the directors in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same document. Transmission of a copy of this resolution by means of telecommunication (by way of a fax or attached as an electronic image (PDF, TIF, etc.) to electronic email) shall be as effective as delivery of a manually signed counterpart hereof.

[remainder of page left intentionally blank]

The undersigned consents to and passes the foregoing as a resolution of the sole director of BESCO INTERNATIONAL INVESTMENT CO., LTD. as of November 8, 2017.



HUIGANG SUN

DEFINED TERMS SCHEDULE

The following defined terms are set out in 3 categories: Parties, Real Properties, and Documents.

Parties:

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"Lender" Weichang Yang, a businessperson having a mailing address at No. 8 Beisanjie Fucheng Road Haidian District, Beijing, China.

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Documents:

"BC Mortgage" means the collateral mortgage in the principal amount of \$5,000,000.00 (to be) executed by the Borrower, as mortgagor in favour of the Lender for purposes of mortgaging the BC Property.

"Besco Mortgage" means the collateral mortgage in the principal amount of \$5,000,000.00 (including assignment of rents) (to be) executed by Besco, as mortgagor in favour of the Lender for purposes of mortgaging the Besco Property.

"GSA – Besco" means the general security agreement (to be) executed by Besco in favour of the Lender for purposes of granting a security interest in all present and after-acquired personal property, including, without limitation, shares and other securities.

"GSA – Borrower" means the general security agreement (to be) executed by the Borrower in favour of the Lender for purposes of granting a security interest in all present and after-acquired personal property, including, without limitation, shares and other securities.

- 2 -

"GSA – Max Master" means the general security agreement (to be) executed by Max Master in favour of the Lender for purposes of granting a security interest in all present and after-acquired personal property, including, without limitation, shares and other securities.

"GSA – Royal Union" means the general security agreement (to be) executed by Royal Union in favour of the Lender for purposes of granting a security interest in all present and after-acquired personal property, including, without limitation, shares and other securities.

"GSA – VC" means the general security agreement (to be) executed by Viceroy Construction in favour of the Lender for purposes of granting a security interest in all present and after-acquired personal property, including, without limitation, shares and other securities.

"GSA – VH" means the general security agreement (to be) executed by Viceroy Houses in favour of the Lender for purposes of granting a security interest in all present and after-acquired personal property, including, without limitation, shares and other securities.

"Guarantee - Besco" means the guarantee and postponement of claim (to be) executed by Besco in favour of the Lender with respect to all present and future liabilities of the Borrower.

"Guarantee - Max Master" means the guarantee and postponement of claim (to be) executed by Max Master in favour of the Lender with respect to all present and future liabilities of the Borrower.

"Guarantee - Royal Union" means the guarantee and postponement of claim (to be) executed by Royal Union in favour of the Lender with respect to all present and future liabilities of the Borrower.

"Guarantee - VC" means the guarantee and postponement of claim (to be) executed by Viceroy Construction in favour of the Lender with respect to all present and future liabilities of the Borrower.

"Guarantee - VH" means the guarantee and postponement of claim (to be) executed by Viceroy Houses in favour of the Lender with respect to all present and future liabilities of the Borrower.

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"Loan Agreement" means the loan agreement dated July 20, 2017 between the Loan Parties and the Lender, which provides for, *inter alia*, the amendment and restatement of the Initial Promissory Note.

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"Stock Transfer Power - the Borrower re Shares of Max Master" means the stock power of attorney (to be) executed by the Borrower in favour of the Lender with respect to transfer of shares in the capital of Max Master.

"Stock Transfer Power - the Borrower re Shares of Royal Union" means the stock power of attorney (to be) executed by the Borrower in favour of the Lender with respect to transfer of shares in the capital of Royal Union.

"Stock Transfer Power – Royal Union re Shares of VC" means the stock power of attorney (to be) executed by Royal Union in favour of the Lender with respect to transfer of shares in the capital of Viceroy Construction.

"Stock Transfer Power – Royal Union re Shares of VH" means the stock power of attorney (to be) executed by Royal Union in favour of the Lender with respect to transfer of shares in the capital of Viceroy Houses.

Tab K

THIS IS EXHIBIT "K"

referred to in the Affidavit of

Weichang Yang sworn before me this

17th day of September, 2018



*Commissioner for Taking Affidavits
(or as may be)*

(A commissioner for taking Affidavits for the Province of British Columbia)

Jantzen C. M. Chu, Barrister & Solicitor, Notary
Barrister & Solicitor, Province of British Columbia, Canada
Suite 618, 3381 Cambie Street, Vancouver, B.C. V5Z 4R3
Oriental Kenzo Plaza, Dong Cheng District, Beijing, China
China: +86- 135.2088.0208 Email: bc_lawyer@163.com
Canada: +1- 778.898.8787 Facsimile: +1- 604.430.8613

CERTIFICATE

BESCO INTERNATIONAL INVESTMENT CO., LTD.

TO: WEICHANG YANG (the "Lender")

AND TO: DENTONS CANADA LLP (the "Company's Counsel")

AND TO: FASKEN MARTINEAU DUMOULIN LLP (the "Lender's Counsel")

In my capacity as a director of the above-named company (the "Company") and without personal liability, I certify, having made due inquiry, that each of the statements set out in this certificate is, as of the time(s) of execution and delivery of the Documents referred to below, true, complete and accurate to the best of my knowledge, information and belief, and I understand that the Lender will be relying on the statements set out herein in deciding whether to advance funds or to otherwise extend or continue credit. Terms used in this certificate with initial capital letters will have the meanings ascribed to them in the attached Defined Terms Schedule.

1. **Understanding of Documents.** I have reviewed and understand the nature and effect of the documents referred to in the attached Defined Terms Schedule as documents (to be) executed by the Company in favour of the Lender (collectively, the "Documents").
2. **Financial Assistance.** The Company is not "insolvent" within the meaning of the *Business Corporations Act* (British Columbia) (as amended), and without limitation the Company is able to pay its debts as they become due in the usual course of its business and the aggregate of the Company's property is, at a fair valuation, sufficient, or, if disposed of at a fairly conducted sale under legal process, would be sufficient, to enable payment of all of the Company's obligations due and accruing due. The giving of any financial assistance contemplated by the Documents is not oppressive or unfairly prejudicial to any shareholder of the Company.
3. **Ownership and Charges.** The Company owns (or, if applicable, will own upon completion of any purchase transaction(s) recently disclosed to the Lender's Counsel in writing) all property and assets expressed to be charged by the Documents, legally and beneficially (except as otherwise disclosed in the Documents, if applicable), free and clear of all charges (including security interests, leases, liens, and other encumbrances) other than the charges created by the Documents and any encumbrances specifically listed in the Documents as permitted encumbrances (and if applicable, copies of any unregistered leases have recently been provided to the Lender's Counsel).
4. **Liens.** The Company has paid all taxes, rates, levies, withholdings, assessments, remittances and governmental charges, and all claims and demands of all employees, contractors, subcontractors, materialmen, mechanics, carriers, warehousemen, landlords, and other like persons, which, if unpaid, become or might become a lien or other charge upon any of the Company's earnings or assets, and without limiting the generality of the foregoing:

- 2 -

- (a) there are no monies owing nor have any assessments been received by the Company pursuant to the *Social Service Tax Act* (British Columbia), the *Employment Standards Act* (British Columbia), the *Income Tax Act*, the *Excise Tax Act*, the *Builders Lien Act* (British Columbia), the *Fire Services Act* (British Columbia) or the *Utilities Commission Act* (British Columbia) or any similar legislation in any jurisdiction in which the Company owns property or assets or otherwise carries on business; and
- (b) the Company is not in default of payment of any assessment payable by it under the *Workers' Compensation Act* (British Columbia) or any similar legislation in any jurisdiction in which the Company owns property or assets or otherwise carries on business, and has not been served with or received any claims or demands under such legislation.

The Company is not a party to nor bound by any agreement or contract which constitutes or may constitute a charge, encumbrance or lien upon, or security interest in, any property of the Company except those which are created by or otherwise disclosed and permitted in the Documents.

5. **Hazardous Materials.** Except as otherwise disclosed to the Lender or the Lender's Counsel recently in writing (if applicable), the real property mortgaged pursuant to the Documents does not contain any asbestos, urea formaldehyde insulation, polychlorinated biphenyls (PCBs), radioactive substances, or other materials deemed to be hazardous under any applicable environmental legislation, and in this regard there are no outstanding orders or notices and all required permits and licences are in good standing.

6. **By-Laws and Rights of Way.** The real property mortgaged pursuant to the Documents complies in all material respects with all requirements of building and zoning by-laws and any other rules, regulations, laws and requirements of any governmental authorities having jurisdiction, and no right of way, covenant or easement registered against such real property (if any) materially and adversely affects its value.

7. **Building Locations.** All buildings and other improvements on the real property mortgaged pursuant to the Documents are located entirely within the boundaries of such real property, and the survey(s) (if any) recently provided to the Lender or its counsel with respect to such real property correctly reflect(s) the current status of such property, and there have been no additions, renovations or changes to the exterior of the buildings on such real property since the date of such survey(s).

8. **PPSA Security Interests.** No agreement has been made to postpone the time for attachment of the security interests created by the Documents.

9. **PPSA Names and Predecessors.** Each current and former legal name (including any French form, any combined English/French form and any other form) of the Company, and of each direct and indirect predecessor (if any) of the Company, is set out in the Documents, and neither the Company nor any direct or indirect predecessor thereof (if applicable) has at any time had, used, or carried on business under any other name.

- 3 -

10. **PPSA Information re Acquisitions.** The Company has not in the past 90 days purchased, leased (as lessee) or otherwise acquired rights in any material personal property charged or to be charged by the Documents, nor is it about to do so, unless (if applicable) full particulars of such acquisition (including the vendor's/lessor's/supplier's legal name) have been recently disclosed to the Lender's Counsel in writing.
11. **PPSA Debtors.** The Financing Statement most recently filed in the B.C. Personal Property Registry (or in any personal property registry in any other applicable jurisdiction) in favour of the Lender against, among others, the Company names as debtor each borrower/guarantor (of the indebtedness secured by the Documents) who has rights in collateral described in such Financing Statement (whether by way of joint ownership, a trust, partnership or joint venture, or otherwise).
12. **PPSA Jurisdictions.** The Company's place of business (if any), or if the Company has more than one place of business then its chief executive office and principal place of business, or if the Company has no place of business then the place of its principal residence, and the place where the Company's head office in Canada is situated, has at all times been in British Columbia, and the same applies to any direct or indirect predecessors of the Company. Except as otherwise disclosed to the Lender's Counsel recently in writing (if applicable), all tangible personal property charged by the Documents is, and for the past 90 days has been and for the next 30 days is intended to be kept, situate in British Columbia.
13. **PPSA Collateral Descriptions.** Any descriptions set out in the Documents for specific collateral charged thereby are accurate descriptions by item or kind and are sufficient to enable the same to be identified and, in the case of any motor vehicle, trailer, manufactured home, boat, outboard motor, or aircraft (each as defined in the Personal Property Security Regulation of B.C., as applicable), such descriptions include the correct make (or manufacturer), model, type (eg. motor vehicle, trailer, etc.) and vehicle identification number (for any motor vehicle), registration/recorded/licence number (for any Canadian-registered boat), Transport Canada registration marks (for any Canadian-registered aircraft), or other number required by Section 10 of the Personal Property Security Regulation.
14. **Required Consents.** Except as otherwise disclosed to the Lender's Counsel recently in writing (if applicable), the Company has obtained every consent, approval and similar authorization required with respect to all shares and other securities, and under all material leases, licences, quotas, permits and other agreements that require the consent or approval of another party to the charge thereon or assignment thereof provided for in the Documents.
15. **No Collateral Representations.** The Company is not relying upon any statement, representation, warranty, undertaking or agreement of the Lender or any of its employees, officers or agents except any agreements expressly set out in the Documents.
16. **No Restrictions against Proposed Transactions.** The Company is not a party to nor bound by any covenant or agreement, or by any order of any Court or governmental authority, nor is there any applicable law, ordinance, decree, regulation or other enactment, which prohibits or restricts the Company from carrying on any aspect of its business or from (to the extent applicable) purchasing/owning the property, borrowing the monies, incurring the liabilities, giving the financial assistance or granting the charges contemplated by the

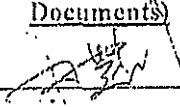
Documents, from executing and delivering any of the Documents, or from observing and performing the covenants and agreements of the Company set out or referred to therein.

17. **No Relevant Restrictions on Directors' Powers.** No shareholders' agreement (including without limitation, any unanimous shareholder agreement) or other agreement has been entered into by the current or former shareholders of the Company, and no rule, regulation or resolution has been passed by the current or former shareholders or directors of the Company, and there is no restriction in the constating documents of the Company, which has or could have the effect of limiting or qualifying in any way the power of the directors of the Company to authorize the purchase of property by the Company, the carrying on of a particular business by the Company, the borrowing of money by the Company, or the provision by the Company to any person of financial assistance (by way of guarantee or otherwise), or the giving by the Company of security on the Company's assets as security for any liability of the Company or any other person, in each case in such manner, upon such terms and in such amounts as the directors of the Company in their absolute discretion see fit. No provision is included in the articles of the Company, and no resolution has been passed, and no other steps or proceedings have been taken by the Company, to add any provision to the articles of the Company which restricts, in whole or in part, the powers of the directors to manage or supervise the management of the business and affairs of the Company, or provides for a transfer, in whole or in part, of the powers of the directors to manage or supervise the management of the business and affairs of the Company to one or more other persons.

18. **Constating Documents.** The constating documents of the Company (as the same may have been amended) are in full force and effect, and true and complete copies of the same (including any amendments) are attached hereto as Exhibit "A", and no resolution has been passed nor any proceeding taken to amend, supplement, surrender, revoke, repeal or cancel the same.

19. **Securities Register and Register of Transfers.** True and complete copies of the securities register and, if applicable, the register of transfers of the Company (collectively, the "Registers") are attached hereto as Exhibit "B". The Registers are in full force and effect and have not been amended as of or prior to the date hereof and no proceedings have been taken or are pending to amend, supplement, surrender, revoke, repeal or cancel any of the Registers.

20. **Directors.** Each person listed below is at the date hereof a duly elected or appointed director and authorized signatory of the Company and there are no other directors of the Company, and the specimen or facsimile signature, if any, appearing opposite the name of that person is the true signature of such person:

<u>Name</u>	<u>Specimen Signature (of any director participating in execution of Documents)</u>
Huigang Sun	 <hr style="border: 0.5px solid black;"/>

Each such director is duly qualified to act as such and has accepted his or her election or appointment as a director.

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21. **No Receivership, Insolvency or Dissolution.** No receiver, receiver-manager, receiver and manager, liquidator or similar official has been appointed in respect of the Company or any of its assets. The Company has not filed a proposal, a notice of intention to file a proposal, or an assignment for the benefit of creditors under applicable bankruptcy or similar legislation. The Company is not insolvent and without limitation the Company is able to pay its debts as they become due in the usual course of its business and the aggregate of the Company's property is, at a fair valuation, sufficient, or, if disposed of at a fairly conducted sale under legal process, would be sufficient, to enable payment of all of the Company's obligations due and accruing due. The Company has not committed any other act of bankruptcy. No petition has been filed, no order has been made, no resolution has been passed, nor has any other step been taken for the bankruptcy, liquidation, dissolution, winding-up or reorganization of the Company or for the arrangement or composition of the Company's debts.

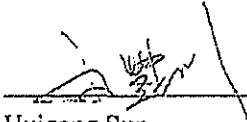
22. **No Litigation etc.** Except as previously disclosed in writing to the Lender's Counsel where applicable, (i) no litigation or appeal is pending or threatened against the Company, (ii) no judgment, order, writ, injunction, demand, decree or award of any court, arbitrator or governmental agency is presently outstanding against the Company, and (iii) no proceedings have been commenced or are threatened to condemn, expropriate, purchase or otherwise acquire the business or any properties or assets of the Company.

23. **No Event of Default.** No event of default has occurred under any of the Documents, nor has any event occurred which may become an event of default thereunder with the lapse of time or with the notice and lapse of time specified therein.

24. **List of Assets.** A true and complete list of all of the assets of the Company is attached hereto as Exhibit "C" (the "List").

[remainder of page left intentionally blank]

07.20.2017
Date

Signature: 
Print Name: Huigang Sun

Attachment: Defined Terms Schedule, Exhibit "A", Exhibit "B", and Exhibit "C"

- 7 -

Exhibit "A"
Constating Documents
(copies attached)

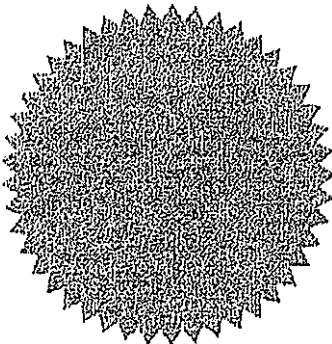


Number: BC0848291

CERTIFICATE
OF
INCORPORATION

BUSINESS CORPORATIONS ACT

I Hereby Certify that BESCO INTERNATIONAL INVESTMENT CO., LTD. was incorporated under the Business Corporations Act on March 23, 2009 at 10:23 PM Pacific Time.



*Issued under my hand at Victoria, British Columbia
On March 23, 2009*

A handwritten signature in black ink, appearing to read "Ron Townshend".

RON TOWNSHEND
Registrar of Companies
Province of British Columbia
Canada



Ministry
of Finance
BC Registry Services

Mailing Address:
PO BOX 8431 Stn Prov Govt.
Victoria BC V8W 0V3
www.corporationline.gov.bc.ca

Location:
2nd Floor - 940 Blanshard St.
Victoria BC
250 356-0020

CERTIFIED COPY
Of a Document filed with the Province of
British Columbia Registrar of Companies

RON TOWNSHEND
March 23, 2009

Notice of Articles

BUSINESS CORPORATIONS ACT

This Notice of Articles was issued by the Registrar on: March 23, 2009 10:23 PM Pacific Time
Incorporation Number: BC0848291
Recognition Date and Time: Incorporated on March 23, 2009 10:23 PM Pacific Time

NOTICE OF ARTICLES

Name of Company:
BESCO INTERNATIONAL INVESTMENT CO., LTD.

REGISTERED OFFICE INFORMATION

Mailing Address:
809-6081 NO. 3 RD
RICHMOND BC V6Y 2B2
CANADA

Delivery Address:
809-6081 NO. 3 RD
RICHMOND BC V6Y 2B2
CANADA

RECORDS OFFICE INFORMATION

Mailing Address:
809-6081 NO. 3 RD
RICHMOND BC V6Y 2B2
CANADA

Delivery Address:
809-6081 NO. 3 RD
RICHMOND BC V6Y 2B2
CANADA

DIRECTOR INFORMATION

List Name, First Name, Middle Name:
JUN, HUIGANG

Mailing Address:
809-8081 NO. 3 RD
RICHMOND BC V6Y 2B2
CANADA

Delivery Address:
809-8081 NO. 3 RD
RICHMOND BC V6Y 2B2
CANADA

AUTHORIZED SHARE STRUCTURE

1. 50,000

COMMON Shares

With a Par Value of
1,000.00 Canadian Dollar(s)
each

Without Special Rights or
Restrictions attached

Time: May 5, 2011 12:04 PM Pacific Time



Ministry
of Finance
BC Registry Services

Mailing Address:
PO BOX 9431 Stn Prov Govt.
Victoria BC V8W 9V3
www.corporationonline.gov.bc.ca

Location:
2nd Floor - 940 Blanshard St.
Victoria BC
250 356-0626

Notice of Change of Address

FORM 2
BUSINESS CORPORATIONS ACT
Sections 35 & 36

Filed Date and Time	May 6, 2011 09:38 AM Pacific Time
Effective Date and Time of Filing	May 7, 2011 12:01 AM Pacific Time

Incorporation Number:
BC0848291

Name of Company:
BESCO INTERNATIONAL INVESTMENT CO., LTD.

REGISTERED OFFICE INFORMATION

Mailing Address:
120-4611 VIKING WAY
RICHMOND BC V6Y 2K9
CANADA

Delivery Address:
120-4611 VIKING WAY
RICHMOND BC V6Y 2K9
CANADA

RECORDS OFFICE INFORMATION

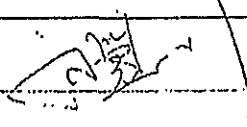
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120-4611 VIKING WAY
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CANADA

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RICHMOND BC V6Y 2K9
CANADA

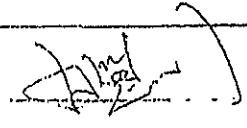
INCORPORATION AGREEMENT

We propose to form a company under the *Business Corporations Act* (BC) under the name of BESCO INTERNATIONAL INVESTMENT CO., LTD. (the "Company").

We agree to take the number of shares in the Company set opposite our names:

NAME OF INCORPORATOR	SIGNATURE OF INCORPORATOR	NUMBER OF SHARES	DATE OF SIGNING YYYY/MM/DD
SUN, HUIGANG		<u>50,000</u> shares	2009.05.23
		_____ shares	

The Company has as its Articles the Table 1 Articles under the *Business Corporations Act* (BC).

NAME	SIGNATURE	DATE OF SIGNING YYYY/MM/DD
SUN HUIGANG		2009.05.23

BESCO INTERNATIONAL INVESTMENT CO., LTD.

NAME OF COMPANY
("The Company")

Incorporation Number: BC0848291

The Company has as its articles the following articles.

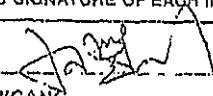
FULL NAME AND SIGNATURE OF EACH INCORPORATOR		DATE SIGNED YYYY/MM/DD
Signature of Incorporator		2009.05.23
Full name of Incorporator	SUN, HUIANG	
Signature of Incorporator		
Full name of Incorporator		

Table 1

[Am. B.C. Reg. 5 315/2004, ss. 5 to 9, 100/2007.]

Articles

Part 1 — Interpretation

Definitions

1.1 Without limiting Article 1.2, in these articles, unless the context requires otherwise:

"adjourned meeting" means the meeting to which a meeting is adjourned under Article 8.6 or 8.10;

"appropriate person" has the same meaning as in the *Securities Transfer Act*;

"board" and "directors" mean the directors or sole director of the Company for the time being;

"*Business Corporations Act*" means the *Business Corporations Act*, S.B.C. 2002, c.57, and includes its regulations;

"*Interpretation Act*" means the *Interpretation Act*, R.S.B.C. 1996, c. 238;

"protected purchaser" has the same meaning as in the *Securities Transfer Act*;

"trustee", in relation to a shareholder, means the personal or other legal representative of the shareholder, and includes a trustee in bankruptcy of the shareholder.

Business Corporations Act definitions apply

1.2 The definitions in the *Business Corporations Act* apply to these articles.

Interpretation Act applies

1.3 The *Interpretation Act* applies to the interpretation of these articles as if these articles were an enactment.

Conflict in definitions

1.4 If there is a conflict between a definition in the *Business Corporations Act* and a definition or rule in the *Interpretation Act* relating to a term used in these articles, the definition in the *Business Corporations Act* will prevail in relation to the use of the term in these articles.

Conflict between articles and legislation

1.5 If there is a conflict between these articles and the *Business Corporations Act*, the *Business Corporations Act* will prevail.

Part 2 — Shares and Share Certificates

Form of share certificate

- 2.1 Each share certificate issued by the Company must comply with, and be signed as required by, the *Business Corporations Act*.

Right to share certificate

- 2.2 Each shareholder is entitled, without charge, to one certificate representing the share or shares of each class or series of shares held by the shareholder.

Sending of share certificate

- 2.3 Any share certificate to which a shareholder is entitled may be sent to the shareholder by mail and neither the Company nor any agent is liable for any loss to the shareholder because the certificate sent is lost in the mail or stolen.

Replacement of worn out or defaced certificate

- 2.4 If the directors are satisfied that a share certificate is worn out or defaced, they must, on production to them of the certificate and on such other terms, if any, as they think fit,
- order the certificate to be cancelled, and
 - issue a replacement share certificate.

Replacement of lost, destroyed or wrongfully taken certificate

- 2.5 If a person entitled to a share certificate claims that the share certificate has been lost, destroyed or wrongfully taken, the Company must issue a new share certificate, if the person
- so requests before the Company has notice that the lost, destroyed or wrongfully taken share certificate has been acquired by a protected purchaser,
 - provides the Company with an indemnity bond sufficient, in the judgment of the directors, to protect the Company from any loss that the Company may suffer by issuing a new certificate, and
 - satisfies any other reasonable requirements imposed by the Company.

Certificate not to be replaced after registration of transfer

- 2.51 A person entitled to a share certificate may not assert against the Company a claim for a new share certificate under Article 2.5 if
- the share certificate has been lost, apparently destroyed or wrongfully taken and the person fails to notify the Company of that fact within a reasonable time after the person has notice of it, and
 - the Company registers a transfer of the shares represented by the certificate before receiving a notice of the loss, apparent destruction or wrongful taking of the share certificate.

Splitting share certificates

- 2.6 If a shareholder surrenders a share certificate to the Company with a written request that the Company issue in the shareholder's name 2 or more certificates, each representing a specified number of shares and in the aggregate representing the same number of shares as the certificate so surrendered, the Company must cancel the surrendered certificate and issue replacement share certificates in accordance with that request.

Part 3 — Issue of Shares

Directors authorized to issue shares

- 3.1 The directors may, subject to the rights of the holders of the issued shares of the Company, issue, allot, sell, grant options on or otherwise dispose of the unissued shares, and issued shares held by the Company, at the times, to the persons, including directors, in the manner, on the terms and conditions and for the issue prices that the directors, in their absolute discretion, may determine.

Company need not recognize unregistered interests

- 3.2 Except as required by law or these articles, the Company need not recognize or provide for any person's interests in or rights to a share unless that person is the shareholder of the share.

Part 4 — Share Transfers

Registering transfers

- 4.1 If the Company has issued, or may be required to issue, a share certificate in respect of a share of the Company, a transfer of that share must not be registered unless the Company, or the transfer agent or registrar for the applicable class or series of shares, has received
- (a) the share certificate, if any,
 - (b) a written instrument of transfer, which instrument of transfer may be on a separate document or on the share certificate, endorsed by
 - (i) the shareholder,
 - (ii) any other appropriate person, or
 - (iii) an agent who has actual authority to act on behalf of the shareholder or appropriate person, and
 - (c) any other evidence reasonably required by the Company, or by the transfer agent or registrar for the applicable class or series of shares, to prove
 - (i) the title of the transferor,
 - (ii) the transferor's right to transfer the share
 - (iii) that the endorsement is genuine and authorized, or
 - (iv) that the transfer is rightful or is to a protected purchaser.

4.2 and 4.3 Repealed. [B.C. Reg. 186/2007, s.c.]

Transfer fee

- 4.4 There must be paid to the Company, in relation to the registration of any transfer, the amount determined by the directors.

Part 5 — Purchase of Shares

Company authorized to purchase shares

- 5.1 Subject to the special rights and restrictions attached to any class or series of shares, the Company may, if it is authorized to do so by the directors, purchase or otherwise acquire any of its shares.

Part 6 — Borrowing Powers

Powers of directors

- 6.1 The directors may from time to time on behalf of the Company
- (a) borrow money in the manner and amount, on the security, from the sources and on the terms and conditions that they consider appropriate,
 - (b) issue bonds, debentures and other debt obligations either outright or as security for any liability or obligation of the Company or any other person,
 - (c) guarantee the repayment of money by any other person or the performance of any obligation of any other person, and
 - (d) mortgage or charge, whether by way of specific or floating charge, or give other security on the whole or any part of the present and future undertaking of the Company.

Part 7 — General Meetings

Annual general meetings

- 7.1 Unless an annual general meeting is deferred or waived in accordance with section 182 (2) (a) or (c) of the *Business Corporations Act*, the Company must hold its first annual general meeting within 18 months after the date on which it was incorporated or otherwise recognized, and after that must hold an annual general meeting at least once in each calendar year and not more than 15 months after the last annual general meeting.

When annual general meeting is deemed to have been held

- 7.2 If all of the shareholders who are entitled to vote at an annual general meeting consent by a unanimous resolution under section 182 (2) (b) of the *Business Corporations Act* to all of the business that is required to be transacted at that annual general meeting, the annual general meeting is deemed to have been held on the date selected, under section 182 (3) of the *Business Corporations Act*, in the unanimous resolution.

Calling of shareholder meetings

- 7.3 The directors may, whenever they think fit, call a meeting of shareholders.

Special business

- 7.4 If a meeting of shareholders is to consider special business within the meaning of Article 8.1, the notice of meeting must
- (a) state the general nature of the special business, and
 - (b) if the special business includes considering, approving, ratifying, adopting or authorizing any document or the signing of or giving of effect to any document, have attached to it a copy of the document or state that a copy of the document will be available for inspection by shareholders
 - (i) at the Company's records office, or at such other reasonably accessible location in British Columbia as is specified by the notice, and
 - (ii) during statutory business hours on any one or more specified days before the day set for the holding of the meeting.

Part 8 — Proceedings at Meetings of Shareholders**Special business**

- 8.1 At a meeting of shareholders, the following business is special business:
- (a) at a meeting of shareholders that is not an annual general meeting, all business is special business except business relating to the conduct of or voting at the meeting;
 - (b) at an annual general meeting, all business is special business except for the following:
 - (i) business relating to the conduct of, or voting at, the meeting;
 - (ii) consideration of any financial statements of the Company presented to the meeting;
 - (iii) consideration of any reports of the directors or auditor;
 - (iv) the setting or changing of the number of directors;
 - (v) the election or appointment of directors;
 - (vi) the appointment of an auditor;
 - (vii) the setting of the remuneration of an auditor;
 - (viii) business arising out of a report of the directors not requiring the passing of a special resolution or an exceptional resolution

Quorum

- 8.2 Subject to the special rights and restrictions attached to the shares of any class or series of shares, the quorum for the transaction of business at a meeting of shareholders is 2 persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 1/20 of the issued shares entitled to be voted at the meeting.

One shareholder may constitute quorum

- 8.3 If there is only one shareholder entitled to vote at a meeting of shareholders,
- (a) the quorum is one person who is, or who represents by proxy, that shareholder, and
 - (b) that shareholder, present in person or by proxy, may constitute the meeting.

Other persons may attend

- 8.4 The directors, the president, if any, the secretary, if any, and any lawyer or auditor for the Company are entitled to attend any meeting of shareholders, but if any of those persons does attend a meeting of shareholders, that person is not to be counted in the quorum, and is not entitled to vote at the meeting, unless that person is a shareholder or proxy holder entitled to vote at the meeting.

Requirement of quorum

- 8.5 No business, other than the election of a chair of the meeting and the adjournment of the meeting, may be transacted at any meeting of shareholders unless a quorum of shareholders entitled to vote is present at the commencement of the meeting.

Lack of quorum

- 8.6 If, within 1/2 hour from the time set for the holding of a meeting of shareholders, a quorum is not present,
- (a) in the case of a general meeting convened by requisition of shareholders, the meeting is dissolved, and
 - (b) in the case of any other meeting of shareholders, the meeting stands adjourned to the same day in the next week at the same time and place.

Lack of quorum at succeeding meeting

- 8.7 If, at the meeting to which the first meeting referred to in Article 8.6 was adjourned, a quorum is not present within 1/2 hour from the time set for the holding of the meeting, the persons present and being, or representing by proxy, shareholders entitled to attend and vote at the meeting constitute a quorum.

Chair

- 8.6 The following individual is entitled to preside as chair at a meeting of shareholders:
- (a) the chair of the board, if any;
 - (b) if the chair of the board is absent or unwilling to act as chair of the meeting, the president, if any.

Alternate chair

- 8.9 If, at any meeting of shareholders, there is no chair of the board or president present within 15 minutes after the time set for holding the meeting, or if the chair of the board and the president are unwilling to act as chair of the meeting, or if the chair of the board and the president have advised the secretary, if any, or any director present at the meeting, that they will not be present at the meeting, the directors present must choose one of their number to be chair of the meeting or if all of the directors present decline to take the chair or fail to so choose or if no director is present, the shareholders present in person or by proxy must choose any person present at the meeting to chair the meeting.

Adjournments

- 8.10 The chair of a meeting of shareholders may, and if so directed by the meeting must, adjourn the meeting from time to time and from place to place, but no business may be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

Notice of adjourned meeting

- 8.11 It is not necessary to give any notice of an adjourned meeting or of the business to be transacted at an adjourned meeting of shareholders except that, when a meeting is adjourned for 30 days or more, notice of the adjourned meeting must be given as in the case of the original meeting.

Motion need not be seconded

- 8.12 No motion proposed at a meeting of shareholders need be seconded unless the chair of the meeting rules otherwise, and the chair of any meeting of shareholders is entitled to propose or second a motion.

Manner of taking a poll

- 8.13 Subject to Article 8.14, if a poll is duly demanded at a meeting of shareholders,
- (a) the poll must be taken
 - (i) at the meeting, or within 7 days after the date of the meeting, as the chair of the meeting directs, and
 - (ii) in the manner, at the time and at the place that the chair of the meeting directs,
 - (b) the result of the poll is deemed to be a resolution of and passed at the meeting at which the poll is demanded, and
 - (c) the demand for the poll may be withdrawn.

Demand for a poll on adjournment

- 8.14 A poll demanded at a meeting of shareholders on a question of adjournment must be taken immediately at the meeting.

Demand for a poll not to prevent continuation of meeting

- 8.15 The demand for a poll at a meeting of shareholders does not, unless the chair of the meeting so rules, prevent the continuation of a meeting for the transaction of any business other than the question on which a poll has been demanded.

Poll not available in respect of election of chair

- 8.16 No poll may be demanded in respect of the vote by which a chair of a meeting of shareholders is elected.

Casting of votes on poll

- 8.17 On a poll, a shareholder entitled to more than one vote need not cast all the votes in the same way.

Chair must resolve dispute

- 8.18 In the case of any dispute as to the admission or rejection of a vote given on a poll, the chair of the meeting must determine the same, and his or her determination made in good faith is final and conclusive.

Chair has no second vote

- 8.19 In case of an equality of votes, the chair of a meeting of shareholders does not, either on a show of hands or on a poll, have a casting or second vote in addition to the vote or votes to which the chair may be entitled as a shareholder.

Declaration of result

- 8.20 The chair of a meeting of shareholders must declare to the meeting the decision on every question in accordance with the result of the show of hands or the poll, as the case may be, and that decision must be entered in the minutes of the meeting.

Part 9 — Votes of Shareholders**Voting rights**

- 9.1 Subject to any special rights or restrictions attached to any shares and to the restrictions imposed on joint registered holders of shares under Article 9.3,
- (a) on a vote by show of hands, every person present who is a shareholder or proxy holder and entitled to vote at the meeting has one vote, and
 - (b) on a poll, every shareholder entitled to vote has one vote in respect of each share held by that shareholder that carries the right to vote on that poll and may exercise that vote either in person or by proxy.

Trustee of shareholder may vote

- 9.2 A person who is not a shareholder may vote on a resolution at a meeting of shareholders, whether on a show of hands or on a poll, and may appoint a proxy holder to act at the meeting in relation to that resolution, if, before doing so, the person satisfies the chair of the meeting at which the resolution is to be considered, or the directors, that the person is a trustee for a shareholder who is entitled to vote on the resolution.

Votes by joint shareholders

- 9.3 If there are joint shareholders registered in respect of any share,
- (a) any one of the joint shareholders may vote at any meeting, either personally or by proxy, in respect of the share as if that joint shareholder were solely entitled to it, or
 - (b) if more than one of the joint shareholders is present at any meeting, personally or by proxy, the joint shareholder present whose name stands first on the central securities register in respect of the share is alone entitled to vote in respect of that share.

Trustees as joint shareholders

- 9.4 Two or more trustees of a shareholder in whose sole name any share is registered are, for the purposes of Article 9.3, deemed to be joint shareholders.

Representative of a corporate shareholder

- 9.5 If a corporation that is not a subsidiary of the Company is a shareholder, that corporation may appoint a person to act as its representative at any meeting of shareholders of the Company, and,
- (a) for that purpose, the instrument appointing a representative must
 - (i) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least 2 business days before the day set for the holding of the meeting, or
 - (ii) be provided, at the meeting, to the chair of the meeting, and
 - (b) if a representative is appointed under this Article,
 - (i) the representative is entitled to exercise in respect of and at that meeting the same rights on behalf of the corporation that the representative represents as that corporation could exercise if it were a shareholder who is an individual, including, without limitation, the right to appoint a proxy holder, and
 - (ii) the representative, if present at the meeting, is to be counted for the purpose of forming a quorum and is deemed to be a shareholder present in person at the meeting.

Proxy provisions do not apply to all companies

- 9.6 Articles 9.7 to 9.13 do not apply to the Company if and for so long as it is a public company or a pre-existing reporting company.

Appointment of proxy holder

- 9.7 Every shareholder of the Company, including a corporation that is a shareholder but not a subsidiary of the Company, entitled to vote at a meeting of shareholders of the Company may, by proxy, appoint a proxy holder to attend and act at the meeting in the manner, to the extent and with the powers conferred by the proxy.

Alternate proxy holders

9.8 A shareholder may appoint one or more alternate proxy holders to act in the place of an absent proxy holder.

When proxy holder need not be shareholder

9.9 A person must not be appointed as a proxy holder unless the person is a shareholder, although a person who is not a shareholder may be appointed as a proxy holder if

- (a) the person appointing the proxy holder is a corporation or a representative of a corporation appointed under Article 9.5,
- (b) the Company has at the time of the meeting for which the proxy holder is to be appointed only one shareholder entitled to vote at the meeting, or
- (c) the shareholders present in person or by proxy at and entitled to vote at the meeting for which the proxy holder is to be appointed, by a resolution on which the proxy holder is not entitled to vote but in respect of which the proxy holder is to be counted in the quorum, permit the proxy holder to attend and vote at the meeting.

Form of proxy

9.10 A proxy, whether for a specified meeting or otherwise, must be either in the following form or in any other form approved by the directors or the chair of the meeting:

(Name of Company)

The undersigned, being a shareholder of the above named Company, hereby appoints
....., or, failing that person,, as proxy holder for the
undersigned to attend, act and vote for and on behalf of the undersigned at the meeting of shareholders to
be held on the day of and at any adjournment of that meeting.
Signed this day of

.....
Signature of shareholder

Provision of proxies

9.11 A proxy for a meeting of shareholders must

- (a) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice, or if no number of days is specified, 2 business days, before the day set for the holding of the meeting, or
- (b) unless the notice provides otherwise, be provided, at the meeting, to the chair of the meeting.

Revocation of proxies

9.12 Subject to Article 9.13, every proxy may be revoked by an instrument in writing that is

- (a) received at the registered office of the Company at any time up to and including the last business day before the day set for the holding of the meeting at which the proxy is to be used, or
- (b) provided at the meeting to the chair of the meeting.

Revocation of proxies must be signed

9.13 An instrument referred to in Article 9.12 must be signed as follows:

- (a) if the shareholder for whom the proxy holder is appointed is an individual, the instrument must be signed by the shareholder or his or her trustee;
- (b) if the shareholder for whom the proxy holder is appointed is a corporation, the instrument must be signed by the corporation or by a representative appointed for the corporation under Article 9.5.

Validity of proxy votes

9.14 A vote given in accordance with the terms of a proxy is valid despite the death or incapacity of the shareholder giving the proxy and despite the revocation of the proxy or the revocation of the authority under which the proxy is given, unless notice in writing of that death, incapacity or revocation is received

- (a) at the registered office of the Company, at any time up to and including the last business day before the day set for the holding of the meeting at which the proxy is to be used, or
- (b) by the chair of the meeting, before the vote is taken

Production of evidence of authority to vote

- 9.15 The chair of any meeting of shareholders may, but need not, inquire into the authority of any person to vote at the meeting and may, but need not, demand from that person production of evidence as to the existence of the authority to vote.

Part 10 — Election and Removal of Directors**Number of directors**

- 10.1 The Company must have a board of directors consisting of
- (a) subject to paragraph (b), the number of directors that is equal to the number of the Company's first directors, or
 - (b) the number of directors set by ordinary resolution of the shareholders.

Change in number of directors

- 10.2 If the number of directors is changed by the shareholders under Article 10.1 (b),
- (a) the change is effective whether or not previous notice of the resolution was given, and
 - (b) the shareholders may elect, or appoint by ordinary resolution, the directors needed to fill any vacancies in the board of directors that result from that change.

Election of directors

- 10.3 At every annual general meeting,
- (a) the shareholders entitled to vote at the annual general meeting for the election or appointment of directors must elect or appoint a board of directors consisting of the number of directors for the time being required under these articles, and
 - (b) all the directors cease to hold office immediately before the election or appointment of directors under paragraph (a), but are eligible for re-election or reappointment.

Failure to elect or appoint directors

- 10.4 If the Company fails to hold an annual general meeting in accordance with the *Business Corporations Act* or fails, at an annual general meeting, to elect or appoint any directors, the directors then in office continue to hold office until the earlier of
- (a) the date on which the failure is remedied, and
 - (b) the date on which they otherwise cease to hold office under the *Business Corporations Act* or these articles.

Additional directors

- 10.5 Despite Articles 10.1 and 10.2, the directors may appoint one or more additional directors, but the number of additional directors appointed under this Article must not at any time exceed
- (a) 1/3 of the number of first directors, if, at the time of the appointments, one or more of the first directors have not yet completed their first term of office, or
 - (b) in any other case, 1/3 of the number of the current directors who were elected or appointed as directors other than under this Article.

Directors' acts valid despite vacancy

- 10.6 An act or proceeding of the directors is not invalid merely because fewer than the number of directors required by Article 10.1 are in office.

Part 11 — Proceedings of Directors**Meetings of directors**

- 11.1 The directors may meet together for the conduct of business, adjourn and otherwise regulate their meetings as they think fit, and meetings of the board held at regular intervals may be held at the place, at the time and on the notice, if any, that the board may by resolution from time to time determine.

Chair of meetings

- 11.2 Meetings of directors are to be chaired by
- (a) the chair of the board, if any,
 - (b) in the absence of the chair of the board, the president, if any, if the president is a director, or
 - (c) any other director chosen by the directors if

- (i) neither the chair of the board nor the president, if a director, is present at the meeting within 15 minutes after the time set for holding the meeting,
- (ii) neither the chair of the board nor the president, if a director, is willing to chair the meeting, or
- (iii) the chair of the board and the president, if a director, have advised the secretary, if any, or any other director, that they will not be present at the meeting.

Voting at meetings

- 11.3 Questions arising at any meeting of directors are to be decided by a majority of votes and, in the case of an equality of votes, the chair of the meeting does not have a second or casting vote.

Who may call extraordinary meetings

- 11.4 A director may, and the secretary, if any, on request of a director must, call a meeting of the board at any time.

Notice of extraordinary meetings

- 11.5 Subject to Articles 11.6 and 11.7, if a meeting of the board is called under Article 11.4, reasonable notice of that meeting, specifying the place, date and time of that meeting, must be given to each of the directors
- (a) by mail addressed to the director's address as it appears on the books of the Company or to any other address provided to the Company by the director for this purpose,
 - (b) by leaving it at the director's prescribed address or at any other address provided to the Company by the director for this purpose, or
 - (c) orally, by delivery of written notice or by telephone, voice mail, e-mail, fax or any other method of legibly transmitting messages.

When notice not required

- 11.6 It is not necessary to give notice of a meeting of the directors to a director if
- (a) the meeting is to be held immediately following a meeting of shareholders at which that director was elected or appointed or is the meeting of the directors at which that director is appointed, or
 - (b) the director has filed a waiver under Article 11.8.

Meeting valid despite failure to give notice

- 11.7 The accidental omission to give notice of any meeting of directors to any director, or the non-receipt of any notice by any director, does not invalidate any proceedings at that meeting.

Waiver of notice of meetings

- 11.8 Any director may file with the Company a document signed by the director waiving notice of any past, present or future meeting of the directors and may at any time withdraw that waiver with respect to meetings of the directors held after that withdrawal.

Effect of waiver

- 11.9 After a director files a waiver under Article 11.8 with respect to future meetings of the directors, and until that waiver is withdrawn, notice of any meeting of the directors need not be given to that director unless the director otherwise requires in writing to the Company.

Quorum

- 11.10 The quorum necessary for the transaction of the business of the directors may be set by the directors and, if not so set, is a majority of the directors.

If only one director

- 11.11 If, in accordance with Article 10.1, the number of directors is one, the quorum necessary for the transaction of the business of the directors is one director, and that director may constitute a meeting.

Part 12 — Committees of Directors

Appointment of committees

- 12.1 The directors may, by resolution,
- (a) appoint one or more committees consisting of the director or directors that they consider appropriate,
 - (b) delegate to a committee appointed under paragraph (a) any of the directors' powers, except

- (li) the power to appoint or remove officers appointed by the board, and
- (c) make any delegation referred to in paragraph (b) subject to the conditions set out in the resolution.

Obligations of committee

- 12.2 Any committee formed under Article 12.1, in the exercise of the powers delegated to it, must
- (a) conform to any rules that may from time to time be imposed on it by the directors, and
 - (b) report every act or thing done in exercise of those powers to the earliest meeting of the directors to be held after the act or thing has been done.

Powers of board

- 12.3 The board may, at any time,
- (a) revoke the authority given to a committee, or override a decision made by a committee, except as to acts done before such revocation or overriding,
 - (b) terminate the appointment of, or change the membership of, a committee, and
 - (c) fill vacancies in a committee.

Committee meetings

- 12.4 Subject to Article 12.2 (a),
- (a) the members of a directors' committee may meet and adjourn as they think proper,
 - (b) a directors' committee may elect a chair of its meetings but, if no chair of the meeting is elected, or if at any meeting the chair of the meeting is not present within 15 minutes after the time set for holding the meeting, the directors present who are members of the committee may choose one of their number to chair the meeting,
 - (c) a majority of the members of a directors' committee constitutes a quorum of the committee, and
 - (d) questions arising at any meeting of a directors' committee are determined by a majority of votes of the members present, and in case of an equality of votes, the chair of the meeting has no second or casting vote.

Part 13 — Officers

Appointment of officers

- 13.1 The board may, from time to time, appoint a president, secretary or any other officers that it considers necessary, and none of the individuals appointed as officers need be a member of the board.

Functions, duties and powers of officers

- 13.2 The board may, for each officer,
- (a) determine the functions and duties the officer is to perform,
 - (b) entrust to and confer on the officer any of the powers exercisable by the directors on such terms and conditions and with such restrictions as the directors think fit, and
 - (c) from time to time revoke, withdraw, alter or vary all or any of the functions, duties and powers of the officer.

Remuneration

- 13.3 All appointments of officers are to be made on the terms and conditions and at the remuneration (whether by way of salary, fee, commission, participation in profits or otherwise) that the board thinks fit and are subject to termination at the pleasure of the board.

Part 14 — Disclosure of Interest of Directors

Other office of director

- 14.1 A director may hold any office or place of profit with the Company (other than the office of auditor of the Company) in addition to his or her office of director for the period and on the terms (as to remuneration or otherwise) that the directors may determine.

No disqualification

- 14.2 No director or intended director is disqualified by his or her office from contracting with the Company either with regard to the holding of any office or place of profit the director holds with the Company or as vendor, purchaser or otherwise.

Professional services by director or officer

- 14.3 Subject to compliance with the provisions of the *Business Corporations Act*, a director or officer of the Company, or any corporation or firm in which that individual has an interest, may act in a professional capacity for the Company, except as auditor of the Company, and the director or officer or such corporation or firm is entitled to remuneration for professional services as if that individual were not a director or officer.

Accountability

- 14.4 A director or officer may be or become a director, officer or employee of, or may otherwise be or become interested in, any corporation, firm or entity in which the Company may be interested as a shareholder or otherwise, and, subject to compliance with the provisions of the *Business Corporations Act*, the director or officer is not accountable to the Company for any remuneration or other benefits received by him or her as director, officer or employee of, or from his or her interest in, such other corporation, firm or entity.

Part 15 — Indemnification**Indemnification of directors**

- 15.1 The directors must cause the Company to indemnify its directors and former directors, and their respective heirs and personal or other legal representatives to the greatest extent permitted by Division 5 of Part 5 of the *Business Corporations Act*.

Deemed contract

- 15.2 Each director is deemed to have contracted with the Company on the terms of the indemnity referred to in Article 15.1.

Part 16 — Dividends**Declaration of dividends**

- 16.1 Subject to the rights, if any, of shareholders holding shares with special rights as to dividends, the directors may from time to time declare and authorize payment of any dividends the directors consider appropriate.

No notice required

- 16.2 The directors need not give notice to any shareholder of any declaration under Article 16.1.

Directors may determine when dividend payable

- 16.3 Any dividend declared by the directors may be made payable on such date as is fixed by the directors.

Dividends to be paid in accordance with number of shares

- 16.4 Subject to the rights of shareholders, if any, holding shares with special rights as to dividends, all dividends on shares of any class or series of shares must be declared and paid according to the number of such shares held.

Manner of paying dividend

- 16.5 A resolution declaring a dividend may direct payment of the dividend wholly or partly by the distribution of specific assets or of paid up shares or fractional shares, bonds, debentures or other debt obligations of the Company, or in any one or more of those ways, and, if any difficulty arises in regard to the distribution, the directors may settle the difficulty as they consider expedient, and, in particular, may set the value for distribution of specific assets.

Dividend bears no interest

- 16.6 No dividend bears interest against the Company.

Fractional dividends

- 16.7 If a dividend to which a shareholder is entitled includes a fraction of the smallest monetary unit of the currency of the dividend, that fraction may be disregarded in making payment of the dividend and that payment represents full payment of the dividend.

Payment of dividends

- 16.8 Any dividend or other distribution payable in cash in respect of shares may be paid by cheque, made payable to the order of the person to whom it is sent, and mailed
- (a) subject to paragraphs (b) and (c), to the address of the shareholder,
 - (b) subject to paragraph (c), in the case of joint shareholders, to the address of the joint shareholder whose name stands first on the central securities register in respect of the shares, or
 - (c) to the person and to the address as the shareholder or joint shareholders may direct in writing.

Receipt by joint shareholders

- 16.9 If several persons are joint shareholders of any share, any one of them may give an effective receipt for any dividend, bonus or other money payable in respect of the share.

Part 17 — Accounting Records**Recording of financial affairs**

- 17.1 The board must cause adequate accounting records to be kept to record properly the financial affairs and condition of the Company and to comply with the provisions of the *Business Corporations Act*.

Part 18 — Execution of Instruments under Seal**Who may attest seal**

- 18.1 The Company's seal, if any, must not be impressed on any record except when that impression is attested by the signature or signatures of
- (a) any 2 directors,
 - (b) any officer, together with any director,
 - (c) if the Company only has one director, that director, or
 - (d) any one or more directors or officers or persons as may be determined by resolution of the directors.

Sealing copies

- 18.2 For the purpose of certifying under seal a true copy of any resolution or other document, the seal must be impressed on that copy and, despite Article 18.1, may be attested by the signature of any director or officer.

Part 19 — Notices**Notice to joint shareholders**

- 19.1 A notice, statement, report or other record may be provided by the Company to the joint registered shareholders of a share by providing the notice to the joint registered shareholder whose name stands first on the central securities register in respect of the share.

Notice to trustees

- 19.2 If a person becomes entitled to a share as a result of the death, bankruptcy or incapacity of a shareholder, the Company may provide a notice, statement, report or other record to that person by
- (a) mailing the record, addressed to that person
 - (i) by name, by the title of representative of the deceased or incapacitated shareholder, by the title of trustee of the bankrupt shareholder or by any similar description, and
 - (ii) at the address, if any, supplied to the Company for that purpose by the person claiming to be so entitled, or
 - (b) if an address referred to in paragraph (a) (i) has not been supplied to the Company, by giving the notice in a manner in which it might have been given if the death, bankruptcy or incapacity had not occurred.

Part 20 — Restriction on Share Transfer**Application**

- 20.1 Article 20.2 does not apply to the Company if and for so long as it is a public company or a pro-existing reporting company.

Consent required for transfer

- 20.2 No shares may be sold, transferred or otherwise disposed of without the consent of the directors and the directors are not required to give any reason for refusing to consent to any such sale, transfer or other disposition.

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Exhibit "B"

Securities Register and (if applicable) Register of Transfers

(copies attached)

I hereby certify that the within instrument is a true and correct copy of the instrument of which it purports to be a true copy.

CENTRAL SECURITIES REGISTER

Given under my hand and seal of office this 21st day of November, A.D. 2009

Stephen Hedley
A Notary Public in and for the Province of British Columbia Page No. 1

NAME OF COMPANY: BESCO INTERNATIONAL INVESTMENT CO., LTD.

CLASS OF SHARES: COMMON

STEPHEN HEDLEY
Barrister & Solicitor

Cert. No.	Date Certificate Issued	Date Certificate Cancelled	Shareholder's Full Name and Address	Number of Shares	Representative Capacity	Per Value	Acquired by Allotment, Conversion, Transfer (or)	If transferred, from whom	Cash or Other	Paid Per Share	
										Cash	Other than Cash
1	23 MAR 2009	01 MAY 2009	SUN, HUIGANG 1922 WEST 44TH AVE, VANCOUVER, BC, V6M 2E7, CANADA	50,000		1,000	ALLOTMENT				
2	01 MAY 2009		MAX MASTER INVESTMENTS LIMITED P. O. BOX 937, OFFSHORE INCORPORATION CENTRE, ROAD TOWN, TORTOLA, BRITISH VIRGIN ISLANDS	50,000		1,000	TRANSFER	SUN, HUIGANG			

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Exhibit "C"

List of Assets

Asset List

Port Hope

ITEM #	QTY	ITEM DESCRIPTION
1	1	SR Industries "350" Radial Arm Saw w/ 14" Blade, 4 Hp, Bench
2	1	Progress 6" x 40" Horizontal Belt Sander
3	1	Delta Rockwell "Unisaw 34-450" Tilting Arbor Table Saw w/ 10" Blade, 36" x 27" Table
5	1	Griggio "T1000" Shaper
6	1	Beaver Delta "17-901" 17" Pedestal Drill Press
7	1	Cantek "WBS24L" Vertical Bandsaw S/N B068
8	1	Electrim Poland "DMMR-40" Tablesaw S/N 8963
9	1	2004 Frulmac "Randomat-E" Double Head Profiler S/N 3611A
10	1	2004 Ganner "Gannomat 480FS" Dowel Boring, Gluing, and Inserting Machine S/N 252489
11	1	2000 Shoda "NCW516-2162" 4 Head CNC Gantry Type Router S/N E0501 w/ 2 - Vacuum Tables, 4 - ATC, Fanuc 18i-M Controller
12	1	2004 Shoda "Titanium A" CNC Gantry Style Router S/N T55-J0201 w/ Vacuum Table, Boring and Routing Capabilities
14	1	Gorbel Overhead Crane System w/ Vacuum Lifting Device
15	1	Gorbel Jib Boom 750 lb. cap. w/ Tawai Vacuum Lifting Device s/n 19324

16	1	2004 Homag "Optimat KL-73/A3/S2" Horizontal Edge Bander S/N 0-200-66-1484 w/ Ligmatech "ZHR01/L/055" Return Table s/n 0-305-66-1726
17	1	2003 Samuel "SOA750/36" Orbital Stretch Wrapping System S/N 750/36-0422031286
18	1	Samuel "SHP175-NB/N-EZ/S8" Turntable Type Pallet Wrapper S/N 175PB-0227041466
19	1	2000 Costa Levigatrici "KH2-CCC-1350" Pass Through Belt Sander S/N A06717AC1
20	1	2004 Strapack "RQ-8" Overarm Strapping Machine S/N 2494-6204
21	1	JTL "79K-6-DC" Assembly Clamp
22	1	2001 Gre-Con "Profi-Press 2500" Gluing Press S/N 0659-12 w/ Microwave High Speed Curing, Glue Dispensing
25	1	2004 Weinig "Unimat 3000" Moulder w/ Infeed Conveyor
26	1	8 Strand Incline Transfer Conveyor
27	1	Programmable Belt Transfer and Alignment Conveyor
28	1	2005 Dimler "Opticut 350" Optimizing Saw S/N 2316.10
29	1	Discharge Belt Conveyor
30	1	Doucet "EM-2" Endmatch Tongue & Groove System S/N 97-10-292
33	1	Samuel "SHP175-NB/N-EZ" Turntable Type Pallet Wrapper S/N 175PB-0424031290
34	1	Weinig "Rondamat 960" Knife Grinder
35	1	Weinig "9980 OPTI" Knife Setter

36	1	Templatemakers 3 Axis Knife Profile Router
38	1	Urban "AKS-5210/4F" 2 Point Corner Welder S/N 52310
39	1	Actual "A400-SE" 4 Point Welder S/N M15-0250
40	1	PV Technic "SA320" Single Corner Welder S/N 03-158
41	1	1998 Urban "SV 800/2.5M" Automatic 4 Point Cleaner and Trimmer S/N 80063/2
42	1	2000 Urban "SV 800/2.5M" Automatic 4 Point Cleaner and Trimmer S/N 80092/1
43	1	Pertici Certialdo "ML123/E-P" Profile Router S/N 061-166
44	1	2001 Joseph "ZDM-4590" Cut to Length Line S/N 2441-0501
45	1	2001 Joseph "ZHVN-4545" Cut to Length Line S/N 1610-00-100
46	1	Urban "AKX610S/4-30/25" 4 Point Welder and Conveyor S/N 610099
48	1	Penta "Penta LGF" Mitreing and Cut to Length Saw S/N 092 w/ Tiger Stop Measurement System
50	1	1986 American Maplan "DSK52" Twin Screw Extruder S/N 120803
51	1	Actual "AE50B" Pedestal Type Co-extruder S/N M-15-0387
52	1	Actual Vacuum Sizing and Cooling Table S/N M-15-0591
53	1	Actual Puller and Cutoff Saw Combination S/N M-15-0364
54	1	Actual Dump Table

55	1	1987 American Maplan "DSK62" Twin Screw Extruder S/N 120808
56	1	Actual "AE50B" Pedestal Type Co-extruder S/N M-15-0386
57	1	Actual Vacuum Sizing and Cooling Table
58	1	Actual Puller and Cutoff Saw Combination
59	1	Actual Dump Table
60	1	1987 American Maplan "DSK62" Twin Screw Extruder S/N 120809
61	1	Actual "AE50B" Pedestal Type Co-extruder S/N M-15-0388
62	1	Actual Vacuum Sizing and Cooling Table
63	1	Actual Puller and Cutoff Saw Combination S/N M-15-0023
64	1	Dump Table
65	1	Plencon 1 Ton Bridge Crane w/ 15' span, 35' runway
66	2	Dewalt Mitre Saws
67	1	Delta "17-901" Drill Press
69	1	SR "350" Radial Arm Saw 14" Blade, 4 Hp, Bench
70	1	Actual "A100-B" Single Point Welder
71	1	Urban "AKS-3610" Single Point Welder S/N 10604

72	1	Spadix "Sureseal" Automatic Window Sealing System S/N 030923
73	2	Urban "KV2800" Window Clamp and Assembly Tables S/N 62023, 62024
74	2	Kear Tilting Assembly Table
75	1	Dewalt "DW 708" Mitre Saw
77	1	SSC Vertical Panel Saw
79	1	OMGA "RN450" Radial Arm Saw
80	Qty	Pneumatic Vinyl Window Pneumatic Punching Station
81	1	Miller "Millermatic 250" Mig Welder S/N KK153762
82	1	King 10" x 16" Horizontal Bandsaw S/N 690368
83	1	King Finger Brake
84	1	King 12" x 36" Metal Lathe S/N 432214
85	1	2004 King "942VS" Vertical Milling Machine S/N 10741 w/ Mitutoyo Digital Readout
86	1	King "KC-401V2F 401 Milling and Drilling Machine S/N 334075
87	2	Warehouse Rolling Ladders
88	2	Strahlkran Bridge Cranes w/ 4 Ton Cap.
89	1	2002 Weinmann Wall Assembly SystemS/N 0-309-06-0026 - Consisting of; infeed Conveyor, Weinmann Top and Bottom Auto Nailing SystemS/N 0-390-06-0026w/ Discharge Conveyor Weinmann "WTW 10/6" Automated Shuttle TablesS/N 0-390-06-0216

90	1	2002 Weinmann Wall Assembly System S/N 01106.L74 - Consisting of; Infeed Conveyor, \$10,000 Weinmann Top and Bottom Auto Nailing System w/ Discharge Conveyor
91	1	1998 Mitek Industries "Cybersaw" Component Saw S/N 066 w/ 5 Heads, Scrap Discharge Conveyor
92	1	Spanco Overhead Crane System w/ 500 lb. cap.
93	2	Manuel Paint Booths and Accessories
94	2	Strapak "RQ-8" Overarm Strapping Machines S/N 22130, 23607
97	1	2004 Hundegger "K2A" CNC Cut to Length Line S/N 11153 Scissor Lift Tables, Air Compressor s/n 0003719
98	1	Stenner 48" Resaw S/N U5576
100	1	Custom Made Floor Joist Stringer Tacking Press
101	1	Pacific Automation "Auto 8" Truss Roller Press S/N PA325 w/ 8' x 40' Table
102	1	Jager Industries "Mini 8" Truss Roller Press S/N HB587
103	1	2008 Mitek Koskovich "Omni Miser 2" Cut to Length Line S/N OM2K8097020 w/ Sorter and Out Feed Conveyor
104	1	2008 Mitek Industries "Roof Tacker" Truss Manufacturing Table S/N 32008299121 w/ Truss Roller Press
105	1	2002 Dimter Weinlg "OPTICUT 104R" Optimizing Saw S/N 756.1
108	1	Kraemer Dust Collector
109	1	Kraemer 150 HP Dust Collector w/ Control Panel, Ducting.
110	1	Conquest 150 HP Dust Collector w/ Control Panel, Ducting (Blue)

111	1	Power Pak Garbage Compactor w/ Garbage Bin
112	1	Miscellaneous Tooling - Consisting of; Router Tools, Moulder Tooling, Saw Blades, Lumber Clamp, Hand Tools, Workbenches, Conveyors, etc.
113	1	2002 Ingersoll Rand "SSR-EP100" Rotary Screw Air Compressor S/N CK5148U02117
114	1	Ingersoll Rand 75 HP Rotary Screw Air Compressor S/N NV5087U2081
115	1	2002 Ingersoll Rand "TMS-0670" Refrigerated Air Dryer S/N TMS 0670 020106
116	2	Hyster "S40XL" LPG Forklift S/N A187V05944H, A187V05140G
117	1	Toyota "42-5FG20" LPG Forklift S/N 16987
118	1	Tenant "3640" Walk Behind Floor Scrubber S/N 8881
119	1	Raymond "Easi R75TT" Electric Reach Truck S/N E2-D-01-30229
120	1	Raymond "Easi R35TT" Electric Reach Truck S/N E2-D-01-30331
121	1	Raymond "12AT5E404" Electric Pallet Walkie
122	2	Toyota "02-5FD35" LPG Forklift S/N 10825, 10843
123	1	Toyota "42-5FG20" LPG Forklift S/N 19656
124	1	Toyota "02-5FD35" LPG Forklift S/N 10850
125	1	Toyota "7FGCU25" LPG Forklift S/N 67609

126	1	Skyjack "SJIII-3220" Electric Scissor Lift S/N 610330
127	1	Doucet "SDM-1-30-72" Cabinet Door Clamps S/N 2014-06-090
128	1	Peston "DMMB" Sliding Table Saw S/N 8969
129	1	Merrick "Ruvo" Stair Router S/N SSR-80-00
130	1	Tennant "3640E" Floor Sweeper S/N 8040
131	1	Barberan "PUR-33-L Basic" Vinyl Wrapper S/N 13096-06-03
132	1	SCM "S630" Pass Through Planer S/N 9397
133	1	Guardian Plus "04390-3" Generator S/N 3963748
136	1	2009 Ford "E250" Commercial Van Vin - 1FTNE24WX9DA54915
137	1	2012 Griffin Trailer Vin - 4C9BU1225DE020473
138	1	Unknown Dry Van Trailer w/ Power Tail Gate
139	Lot	Miscellaneous Equipment - Consisting of; King Mitre Saw, Milwaukee Abrasive Saw, Shop Press, Bench Grinders, Precision Measuring Equipment, Tool Boxes, Oxy-acetylene Torch, Worktables, Store Racking, Carts, Tubs, Router Tools,
141	Lot	Office Furniture and Computers - Consisting of; Desks, Chairs, File Cabinets, Storage Cabinets, Computers & Printers, Modular Workstations, etc.

DEFINED TERMS SCHEDULE

The following defined terms are set out in 3 categories: Parties, Real Properties, and Documents.

Parties:

“Besco” means Besco International Investment Co., Ltd., a British Columbia company having the Incorporation Number BC0848291.

“Borrower” means Huigang Sun, a businessperson having a mailing address at 1922 West 44th Avenue, Vancouver, BC.

“Guarantors” means Besco, Viceroy Houses, Viceroy Construction, Max Master, and Royal Union, and “Guarantor” means an applicable one of them, as the context requires.

“Lender” Weichang Yang, a businessperson having a mailing address at No. 8 Beisanjie Fucheng Road Haidian District, Beijing, China.

“Loan Parties” means, collectively, the Borrower and the Guarantors, and “Loan Party” means an applicable one of them, as the context requires.

“Max Master” means Max Master Investments Limited, a British Columbia company having the Incorporation Number BC1079886.

“Royal Union” means Royal Union Base Group Limited, a British Columbia company having the Incorporation Number BC1077342.

“Viceroy Construction” means Viceroy Construction Ltd., a British Columbia company having the Incorporation Number BC1065867.

“Viceroy Houses” means Viceroy Houses Ltd., a British Columbia company having the Incorporation Number BC1031157.

Real Properties:

“BC Property” means the real property located at or about 1922 West 44th Avenue, Vancouver, British Columbia, legally described by PID: 006-486-126, Lot 34 of Lot 9 Block 15 District Lot 526 Plan 5019.

“Besco Property” means the real property located at or about 414 Croft Street, Port Hope, Ontario, legally described by PIN: 51082-0010, PT LT 1-2 CON 1 HOPE PT2 9R2307 EXCEPT PT 1 39R9406; PORT HOPE.

Documents:

“BC Mortgage” means the collateral mortgage in the principal amount of \$5,000,000.00 (to be) executed by the Borrower, as mortgagor in favour of the Lender for purposes of mortgaging the BC Property.

“Besco Mortgage” means the collateral mortgage in the principal amount of \$5,000,000.00 (including assignment of rents) (to be) executed by Besco, as mortgagor in favour of the Lender for purposes of mortgaging the Besco Property.

“GSA – Besco” means the general security agreement (to be) executed by Besco in favour of the Lender for purposes of granting a security interest in all present and after-acquired personal property, including, without limitation, shares and other securities.

“GSA – Borrower” means the general security agreement (to be) executed by the Borrower in favour of the Lender for purposes of granting a security interest in all present and after-acquired personal property, including, without limitation, shares and other securities.

- 2 -

"GSA – Max Master" means the general security agreement (to be) executed by Max Master in favour of the Lender for purposes of granting a security interest in all present and after-acquired personal property, including, without limitation, shares and other securities.

"GSA – Royal Union" means the general security agreement (to be) executed by Royal Union in favour of the Lender for purposes of granting a security interest in all present and after-acquired personal property, including, without limitation, shares and other securities.

"GSA – VC" means the general security agreement (to be) executed by Viceroy Construction in favour of the Lender for purposes of granting a security interest in all present and after-acquired personal property, including, without limitation, shares and other securities.

"GSA – VH" means the general security agreement (to be) executed by Viceroy Houses in favour of the Lender for purposes of granting a security interest in all present and after-acquired personal property, including, without limitation, shares and other securities.

"Guarantee - Besco" means the guarantee and postponement of claim (to be) executed by Besco in favour of the Lender with respect to all present and future liabilities of the Borrower.

"Guarantee - Max Master" means the guarantee and postponement of claim (to be) executed by Max Master in favour of the Lender with respect to all present and future liabilities of the Borrower.

"Guarantee - Royal Union" means the guarantee and postponement of claim (to be) executed by Royal Union in favour of the Lender with respect to all present and future liabilities of the Borrower.

"Guarantee - VC" means the guarantee and postponement of claim (to be) executed by Viceroy Construction in favour of the Lender with respect to all present and future liabilities of the Borrower.

"Guarantee - VH" means the guarantee and postponement of claim (to be) executed by Viceroy Houses in favour of the Lender with respect to all present and future liabilities of the Borrower.

"Initial Promissory Note" means the executed and delivered promissory note dated June 14, 2017 issued by the Borrower in favour of the Lender, as evidence of the promise by the Borrower to pay the \$5,000,000.00 loan together with interest and other amounts set out therein payable to the Lender.

"Loan Agreement" means the loan agreement dated July 20, 2017 between the Loan Parties and the Lender, which provides for, *inter alia*, the amendment and restatement of the Initial Promissory Note.

"Mortgages" means, collectively, the BC Mortgage and the Besco Mortgage, and "Mortgage" means an applicable one of them, as the context requires.

"Stock Transfer Power – Max Master re Shares of Besco" means the stock power of attorney (to be) executed by Max Master in favour of the Lender with respect to transfer of shares in the capital of Besco.

"Stock Transfer Power - the Borrower re Shares of Max Master" means the stock power of attorney (to be) executed by the Borrower in favour of the Lender with respect to transfer of shares in the capital of Max Master.

"Stock Transfer Power - the Borrower re Shares of Royal Union" means the stock power of attorney (to be) executed by the Borrower in favour of the Lender with respect to transfer of shares in the capital of Royal Union.

"Stock Transfer Power – Royal Union re Shares of VC" means the stock power of attorney (to be) executed by Royal Union in favour of the Lender with respect to transfer of shares in the capital of Viceroy Construction.

"Stock Transfer Power – Royal Union re Shares of VH" means the stock power of attorney (to be) executed by Royal Union in favour of the Lender with respect to transfer of shares in the capital of Viceroy Houses.

CERTIFICATE

BESCO INTERNATIONAL INVESTMENT CO., LTD.

TO: WEICHANG YANG (the "Lender")

AND TO: DENTONS CANADA LLP (the "Company's Counsel")

AND TO: FASKEN MARTINEAU DUMOULIN LLP (the "Lender's Counsel")

In my capacity as a director of the above-named company (the "Company") and without personal liability, I certify, having made due inquiry, that each of the statements set out in this certificate is, as of the time(s) of execution and delivery of the Documents referred to below, true, complete and accurate to the best of my knowledge, information and belief, and I understand that the Lender will be relying on the statements set out herein in deciding whether to advance funds or to otherwise extend or continue credit. Terms used in this certificate with initial capital letters will have the meanings ascribed to them in the attached Defined Terms Schedule.

1. **Understanding of Documents.** I have reviewed and understand the nature and effect of the documents referred to in the attached Defined Terms Schedule as documents (to be) executed by the Company in favour of the Lender (collectively, the "Documents").

2. **Financial Assistance.** The Company is not "insolvent" within the meaning of the *Business Corporations Act* (British Columbia) (as amended), and without limitation the Company is able to pay its debts as they become due in the usual course of its business and the aggregate of the Company's property is, at a fair valuation, sufficient, or, if disposed of at a fairly conducted sale under legal process, would be sufficient, to enable payment of all of the Company's obligations due and accruing due. The giving of any financial assistance contemplated by the Documents is not oppressive or unfairly prejudicial to any shareholder of the Company.

3. **Ownership and Charges.** The Company owns (or, if applicable, will own upon completion of any purchase transaction(s) recently disclosed to the Lender's Counsel in writing) all property and assets expressed to be charged by the Documents, legally and beneficially (except as otherwise disclosed in the Documents, if applicable), free and clear of all charges (including security interests, leases, liens, and other encumbrances) other than the charges created by the Documents and any encumbrances specifically listed in the Documents as permitted encumbrances (and if applicable, copies of any unregistered leases have recently been provided to the Lender's Counsel).

4. **Liens.** The Company has paid all taxes, rates, levies, withholdings, assessments, remittances and governmental charges, and all claims and demands of all employees, contractors, subcontractors, materialmen, mechanics, carriers, warehousemen, landlords, and other like persons, which, if unpaid, become or might become a lien or other charge upon any of the Company's earnings or assets, and without limiting the generality of the foregoing:

- 2 -

- (a) there are no monies owing nor have any assessments been received by the Company pursuant to the *Social Service Tax Act* (British Columbia), the *Employment Standards Act* (British Columbia), the *Income Tax Act*, the *Excise Tax Act*, the *Builders Lien Act* (British Columbia), the *Fire Services Act* (British Columbia) or the *Utilities Commission Act* (British Columbia) or any similar legislation in any jurisdiction in which the Company owns property or assets or otherwise carries on business; and
- (b) the Company is not in default of payment of any assessment payable by it under the *Workers' Compensation Act* (British Columbia) or any similar legislation in any jurisdiction in which the Company owns property or assets or otherwise carries on business, and has not been served with or received any claims or demands under such legislation.

The Company is not a party to nor bound by any agreement or contract which constitutes or may constitute a charge, encumbrance or lien upon, or security interest in, any property of the Company except those which are created by or otherwise disclosed and permitted in the Documents.

5. **Hazardous Materials.** Except as otherwise disclosed to the Lender or the Lender's Counsel recently in writing (if applicable), the real property mortgaged pursuant to the Documents does not contain any asbestos, urea formaldehyde insulation, polychlorinated biphenyls (PCBs), radioactive substances, or other materials deemed to be hazardous under any applicable environmental legislation, and in this regard there are no outstanding orders or notices and all required permits and licences are in good standing.

6. **By-Laws and Rights of Way.** The real property mortgaged pursuant to the Documents complies in all material respects with all requirements of building and zoning by-laws and any other rules, regulations, laws and requirements of any governmental authorities having jurisdiction, and no right of way, covenant or easement registered against such real property (if any) materially and adversely affects its value.

7. **Building Locations.** All buildings and other improvements on the real property mortgaged pursuant to the Documents are located entirely within the boundaries of such real property, and the survey(s) (if any) recently provided to the Lender or its counsel with respect to such real property correctly reflect(s) the current status of such property, and there have been no additions, renovations or changes to the exterior of the buildings on such real property since the date of such survey(s).

8. **PPSA Security Interests.** No agreement has been made to postpone the time for attachment of the security interests created by the Documents.

9. **PPSA Names and Predecessors.** Each current and former legal name (including any French form, any combined English/French form and any other form) of the Company, and of each direct and indirect predecessor (if any) of the Company, is set out in the Documents, and neither the Company nor any direct or indirect predecessor thereof (if applicable) has at any time had, used, or carried on business under any other name.

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10. **PPSA Information re Acquisitions.** The Company has not in the past 90 days purchased, leased (as lessee) or otherwise acquired rights in any material personal property charged or to be charged by the Documents, nor is it about to do so, unless (if applicable) full particulars of such acquisition (including the vendor's/lessor's/supplier's legal name) have been recently disclosed to the Lender's Counsel in writing.

11. **PPSA Debtors.** The Financing Statement most recently filed in the B.C. Personal Property Registry (or in any personal property registry in any other applicable jurisdiction) in favour of the Lender against, among others, the Company names as debtor each borrower/guarantor (of the indebtedness secured by the Documents) who has rights in collateral described in such Financing Statement (whether by way of joint ownership, a trust, partnership or joint venture, or otherwise).

12. **PPSA Jurisdictions.** The Company's place of business (if any), or if the Company has more than one place of business then its chief executive office and principal place of business, or if the Company has no place of business then the place of its principal residence, and the place where the Company's head office in Canada is situated, has at all times been in British Columbia, and the same applies to any direct or indirect predecessors of the Company. Except as otherwise disclosed to the Lender's Counsel recently in writing (if applicable), all tangible personal property charged by the Documents is, and for the past 90 days has been and for the next 30 days is intended to be kept, situate in British Columbia.

13. **PPSA Collateral Descriptions.** Any descriptions set out in the Documents for specific collateral charged thereby are accurate descriptions by item or kind and are sufficient to enable the same to be identified and, in the case of any motor vehicle, trailer, manufactured home, boat, outboard motor, or aircraft (each as defined in the Personal Property Security Regulation of B.C., as applicable), such descriptions include the correct make (or manufacturer), model, type (eg. motor vehicle, trailer, etc.) and vehicle identification number (for any motor vehicle), registration/recorded/licence number (for any Canadian-registered boat), Transport Canada registration marks (for any Canadian-registered aircraft), or other number required by Section 10 of the Personal Property Security Regulation.

14. **Required Consents.** Except as otherwise disclosed to the Lender's Counsel recently in writing (if applicable), the Company has obtained every consent, approval and similar authorization required with respect to all shares and other securities, and under all material leases, licences, quotas, permits and other agreements that require the consent or approval of another party to the charge thereon or assignment thereof provided for in the Documents.

15. **No Collateral Representations.** The Company is not relying upon any statement, representation, warranty, undertaking or agreement of the Lender or any of its employees, officers or agents except any agreements expressly set out in the Documents.

16. **No Restrictions against Proposed Transactions.** The Company is not a party to nor bound by any covenant or agreement, or by any order of any Court or governmental authority, nor is there any applicable law, ordinance, decree, regulation or other enactment, which prohibits or restricts the Company from carrying on any aspect of its business or from (to the extent applicable) purchasing/owning the property, borrowing the monies, incurring the liabilities, giving the financial assistance or granting the charges contemplated by the


Documents, from executing and delivering any of the Documents, or from observing and performing the covenants and agreements of the Company set out or referred to therein.

17. **No Relevant Restrictions on Directors' Powers.** No shareholders' agreement (including without limitation, any unanimous shareholder agreement) or other agreement has been entered into by the current or former shareholders of the Company, and no rule, regulation or resolution has been passed by the current or former shareholders or directors of the Company, and there is no restriction in the constating documents of the Company, which has or could have the effect of limiting or qualifying in any way the power of the directors of the Company to authorize the purchase of property by the Company, the carrying on of a particular business by the Company, the borrowing of money by the Company, or the provision by the Company to any person of financial assistance (by way of guarantee or otherwise), or the giving by the Company of security on the Company's assets as security for any liability of the Company or any other person, in each case in such manner, upon such terms and in such amounts as the directors of the Company in their absolute discretion see fit. No provision is included in the articles of the Company, and no resolution has been passed, and no other steps or proceedings have been taken by the Company, to add any provision to the articles of the Company which restricts, in whole or in part, the powers of the directors to manage or supervise the management of the business and affairs of the Company, or provides for a transfer, in whole or in part, of the powers of the directors to manage or supervise the management of the business and affairs of the Company to one or more other persons.

18. **Constating Documents.** The constating documents of the Company (as the same may have been amended) are in full force and effect, and true and complete copies of the same (including any amendments) are attached hereto as Exhibit "A", and no resolution has been passed nor any proceeding taken to amend, supplement, surrender, revoke, repeal or cancel the same.

19. **Securities Register and Register of Transfers.** True and complete copies of the securities register and, if applicable, the register of transfers of the Company (collectively, the "Registers") are attached hereto as Exhibit "B". The Registers are in full force and effect and have not been amended as of or prior to the date hereof and no proceedings have been taken or are pending to amend, supplement, surrender, revoke, repeal or cancel any of the Registers.

20. **Directors.** Each person listed below is at the date hereof a duly elected or appointed director and authorized signatory of the Company and there are no other directors of the Company, and the specimen or facsimile signature, if any, appearing opposite the name of that person is the true signature of such person:

<u>Name</u>	<u>Specimen Signature (of any director participating in execution of Documents)</u>
Huigang Sun	 <hr style="border: 0.5px solid black;"/>

Each such director is duly qualified to act as such and has accepted his or her election or appointment as a director.

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21. **No Receivership, Insolvency or Dissolution.** No receiver, receiver-manager, receiver and manager, liquidator or similar official has been appointed in respect of the Company or any of its assets. The Company has not filed a proposal, a notice of intention to file a proposal, or an assignment for the benefit of creditors under applicable bankruptcy or similar legislation. The Company is not insolvent and without limitation the Company is able to pay its debts as they become due in the usual course of its business and the aggregate of the Company's property is, at a fair valuation, sufficient, or, if disposed of at a fairly conducted sale under legal process, would be sufficient, to enable payment of all of the Company's obligations due and accruing due. The Company has not committed any other act of bankruptcy. No petition has been filed, no order has been made, no resolution has been passed, nor has any other step been taken for the bankruptcy, liquidation, dissolution, winding-up or reorganization of the Company or for the arrangement or composition of the Company's debts.

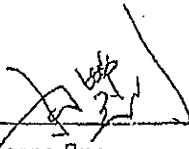
22. **No Litigation etc.** Except as previously disclosed in writing to the Lender's Counsel where applicable, (i) no litigation or appeal is pending or threatened against the Company, (ii) no judgment, order, writ, injunction, demand, decree or award of any court, arbitrator or governmental agency is presently outstanding against the Company, and (iii) no proceedings have been commenced or are threatened to condemn, expropriate, purchase or otherwise acquire the business or any properties or assets of the Company.

23. **No Event of Default.** No event of default has occurred under any of the Documents, nor has any event occurred which may become an event of default thereunder with the lapse of time or with the notice and lapse of time specified therein.

24. **List of Assets.** A true and complete list of all of the assets of the Company is attached hereto as Exhibit "C" (the "List").

{remainder of page left intentionally blank}

November 8, 2017
Date

Signature: 
Print Name: Huiqiang Sun

Attachment: Defined Terms Schedule, Exhibit "A", Exhibit "B", and Exhibit "C"

- 7 -

Exhibit "A"
Constating Documents
(copies attached)



Number: BC0848291

**CERTIFICATE
OF
INCORPORATION**

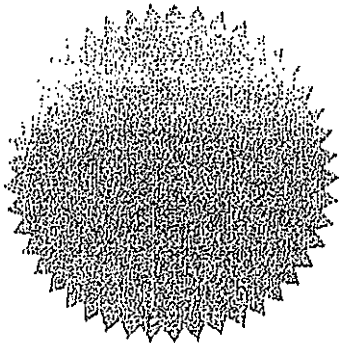
BUSINESS CORPORATIONS ACT

I Hereby Certify that BESCO INTERNATIONAL INVESTMENT CO., LTD. was incorporated under the Business Corporations Act on March 23, 2009 at 10:23 PM Pacific Time.

*Issued under my hand at Victoria, British Columbia
On March 23, 2009*

A handwritten signature in black ink, appearing to read "Ron Townshend".

RON TOWNSHEND
Registrar of Companies
Province of British Columbia
Canada





Ministry
of Finance
BC Registry Services

Mailing Address:
PO BOX 9431 Stn Prov Govt.
Victoria BC V8W 9V3
www.corporateonline.gov.bc.ca

Location:
2nd Floor - 940 Blinhard St.
Victoria BC
250 356-8626

CERTIFIED COPY
Of a Document filed with the Province of
British Columbia Registrar of Companies

Notice of Articles

BUSINESS CORPORATIONS ACT

RON TOWNSHEND
March 23, 2009

This Notice of Articles was issued by the Registrar on: March 23, 2009 10:23 PM Pacific Time
Incorporation Number: BC0848291
Recognition Date and Time: Incorporated on March 23, 2009 10:23 PM Pacific Time

NOTICE OF ARTICLES

Name of Company:
BESCO INTERNATIONAL INVESTMENT CO., LTD.

REGISTERED OFFICE INFORMATION

Mailing Address:
809-6081 NO. 3 RD
RICHMOND BC V6Y 2B2
CANADA

Delivery Address:
809-6081 NO. 3 RD
RICHMOND BC V6Y 2B2
CANADA

RECORDS OFFICE INFORMATION

Mailing Address:
809-6081 NO. 3 RD
RICHMOND BC V6Y 2B2
CANADA

Delivery Address:
809-6081 NO. 3 RD
RICHMOND BC V6Y 2B2
CANADA

DIRECTOR INFORMATION

First Name, First Name, Middle Name:
JUN, HUIGANG

Mailing Address:
809-6081 NO. 3 RD
RICHMOND BC V6Y 2B2
CANADA

Delivery Address:
809-6081 NO. 3 RD
RICHMOND BC V6Y 2B2
CANADA

AUTHORIZED SHARE STRUCTURE

1.	50,000	COMMON Shares	With a Par Value of 1,000.00 Canadian Dollar(s) each
			Without Special Rights or Restrictions attached

Time: May 5, 2011 12:04 PM Pacific Time



Ministry
of Finance
BC Registry Services

Mailing Address:
PO BOX 9431 Stn Prov Govt.
Victoria BC V8W 9V3
www.corporateonline.gov.bc.ca

Location:
2nd Floor - 940 Blanshard St
Victoria BC
250 356-8626

Notice of Change of Address

FORM 2
BUSINESS CORPORATIONS ACT
Sections 35 & 36

Filed Date and Time:	May 6, 2010 09:38 AM Pacific Time
Effective Date and Time of Filing:	May 7, 2010 12:01 AM Pacific Time

Incorporation Number:
BC0848291

Name of Company:
BESCO INTERNATIONAL INVESTMENT CO., LTD.

REGISTERED OFFICE INFORMATION

Mailing Address:
120-4611 VIKING WAY
RICHMOND BC V6Y 2K9
CANADA

Delivery Address:
120-4611 VIKING WAY
RICHMOND BC V6Y 2K9
CANADA

RECORDS OFFICE INFORMATION

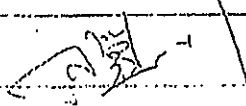
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120-4611 VIKING WAY
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120-4611 VIKING WAY
RICHMOND BC V6Y 2K9
CANADA

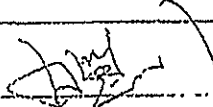
INCORPORATION AGREEMENT

We propose to form a company under the *Business Corporations Act* (BC) under the name of BESCO INTERNATIONAL INVESTMENT CO., LTD. (the "Company").

We agree to take the number of shares in the Company set opposite our names:

NAME OF INCORPORATOR	SIGNATURE OF INCORPORATOR	NUMBER OF SHARES	DATE OF SIGNING YYYY/MM/DD
SUN, HUIGANG		50,000 shares	2009.05.23
	 shares	

The Company has as its Articles the Table 1 Articles under the *Business Corporations Act* (BC).

NAME	SIGNATURE	DATE OF SIGNING YYYY/MM/DD
SUN, HUIGANG		2009.05.23

BESCO INTERNATIONAL INVESTMENT CO., LTD.

NAME OF COMPANY
("The Company")

Incorporation Number: BC0048201

The Company has as its articles the following articles.

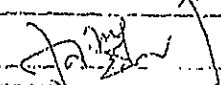
FULL NAME AND SIGNATURE OF EACH INCORPORATOR	DATE SIGNED YYYY/MM/DD
Signature of Incorporator 	
Full name of Incorporator SUN, HUIGANG	2009.05.23
Signature of Incorporator	
Full name of Incorporator	

Table 1

(Am. B.C. Reg.s 315/2004, ss. 5 to 9; 186/2007.)

Articles

Part 1 — Interpretation

Definitions

- 1.1 Without limiting Article 1.2, in these articles, unless the context requires otherwise:
 - "adjourned meeting" means the meeting to which a meeting is adjourned under Article 8.6 or 8.10;
 - "appropriate person" has the same meaning as in the *Securities Transfer Act*;
 - "board" and "directors" mean the directors or sole director of the Company for the time being;
 - "*Business Corporations Act*" means the *Business Corporations Act*, S.B.C. 2002, c.57, and includes its regulations;
 - "*Interpretation Act*" means the *Interpretation Act*, R.S.B.C. 1996, c. 238;
 - "protected purchaser" has the same meaning as in the *Securities Transfer Act*;
 - "trustee", in relation to a shareholder, means the personal or other legal representative of the shareholder, and includes a trustee in bankruptcy of the shareholder.

Business Corporations Act definitions apply

- 1.2 The definitions in the *Business Corporations Act* apply to these articles.

Interpretation Act applies

- 1.3 The *Interpretation Act* applies to the interpretation of these articles as if these articles were an enactment.

Conflict in definitions

- 1.4 If there is a conflict between a definition in the *Business Corporations Act* and a definition or rule in the *Interpretation Act* relating to a term used in these articles, the definition in the *Business Corporations Act* will prevail in relation to the use of the term in these articles.

Conflict between articles and legislation

- 1.5 If there is a conflict between these articles and the *Business Corporations Act*, the *Business Corporations Act* will prevail.

Part 2 — Shares and Share Certificates

Form of share certificate

- 2.1 Each share certificate issued by the Company must comply with, and be signed as required by, the *Business Corporations Act*.

Right to share certificate

- 2.2 Each shareholder is entitled, without charge, to one certificate representing the share or shares of each class or series of shares held by the shareholder.

Sending of share certificate

- 2.3 Any share certificate to which a shareholder is entitled may be sent to the shareholder by mail and neither the Company nor any agent is liable for any loss to the shareholder because the certificate sent is lost in the mail or stolen.

Replacement of worn out or defaced certificate

- 2.4 If the directors are satisfied that a share certificate is worn out or defaced, they must, on production to them of the certificate and on such other terms, if any, as they think fit,
- (a) order the certificate to be cancelled, and
 - (b) issue a replacement share certificate.

Replacement of lost, destroyed or wrongfully taken certificate

- 2.5 If a person entitled to a share certificate claims that the share certificate has been lost, destroyed or wrongfully taken, the Company must issue a new share certificate, if the person
- (a) so requests before the Company has notice that the lost, destroyed or wrongfully taken share certificate has been acquired by a protected purchaser, .
 - (b) provides the Company with an indemnity bond sufficient, in the judgment of the directors, to protect the Company from any loss that the Company may suffer by issuing a new certificate, and
 - (c) satisfies any other reasonable requirements imposed by the Company.

Certificate not to be replaced after registration of transfer

- 2.51 A person entitled to a share certificate may not assert against the Company a claim for a new share certificate under Article 2.5 if
- (a) the share certificate has been lost, apparently destroyed or wrongfully taken and the person fails to notify the Company of that fact within a reasonable time after the person has notice of it, and
 - (b) the Company registers a transfer of the shares represented by the certificate before receiving a notice of the loss, apparent destruction or wrongful taking of the share certificate.

Splitting share certificates

- 2.6 If a shareholder surrenders a share certificate to the Company with a written request that the Company issue in the shareholder's name 2 or more certificates, each representing a specified number of shares and in the aggregate representing the same number of shares as the certificate so surrendered, the Company must cancel the surrendered certificate and issue replacement share certificates in accordance with that request.

Part 3 — Issue of Shares

Directors authorized to issue shares

- 3.1 The directors may, subject to the rights of the holders of the issued shares of the Company, issue, allot, sell, grant options on or otherwise dispose of the unissued shares, and issued shares held by the Company, at the times, to the persons, including directors, in the manner, on the terms and conditions and for the issue prices that the directors, in their absolute discretion, may determine.

Company need not recognize unregistered interests

- 3.2 Except as required by law or these articles, the Company need not recognize or provide for any person's interests in or rights to a share unless that person is the shareholder of the share.

Part 4 --- Share Transfers

Registering transfers

- 4.1 If the Company has issued, or may be required to issue, a share certificate in respect of a share of the Company, a transfer of that share must not be registered unless the Company, or the transfer agent or registrar for the applicable class or series of shares, has received
- (a) the share certificate, if any,
 - (b) a written instrument of transfer, which instrument of transfer may be on a separate document or on the share certificate, endorsed by
 - (i) the shareholder,
 - (ii) any other appropriate person, or
 - (iii) an agent who has actual authority to act on behalf of the shareholder or appropriate person, and
 - (c) any other evidence reasonably required by the Company, or by the transfer agent or registrar for the applicable class or series of shares, to prove
 - (i) the title of the transferor,
 - (ii) the transferor's right to transfer the share
 - (iii) that the endorsement is genuine and authorized, or
 - (iv) that the transfer is rightful or is to a protected purchaser.

4.2 and 4.3 Repealed. [B.C. Reg. 186/2007, s.c.]

Transfer fee

- 4.4 There must be paid to the Company, in relation to the registration of any transfer, the amount determined by the directors.

Part 5 --- Purchase of Shares

Company authorized to purchase shares

- 5.1 Subject to the special rights and restrictions attached to any class or series of shares, the Company may, if it is authorized to do so by the directors, purchase or otherwise acquire any of its shares.

Part 6 --- Borrowing Powers

Powers of directors

- 6.1 The directors may from time to time on behalf of the Company
- (a) borrow money in the manner and amount, on the security, from the sources and on the terms and conditions that they consider appropriate,
 - (b) issue bonds, debentures and other debt obligations either outright or as security for any liability or obligation of the Company or any other person,
 - (c) guarantee the repayment of money by any other person or the performance of any obligation of any other person, and
 - (d) mortgage or charge, whether by way of specific or floating charge, or give other security on the whole or any part of the present and future undertaking of the Company.

Part 7 --- General Meetings

Annual general meetings

- 7.1 Unless an annual general meeting is deferred or waived in accordance with section 182 (2) (a) or (c) of the *Business Corporations Act*, the Company must hold its first annual general meeting within 18 months after the date on which it was incorporated or otherwise recognized, and after that must hold an annual general meeting at least once in each calendar year and not more than 15 months after the last annual general meeting.

When annual general meeting is deemed to have been held

- 7.2 If all of the shareholders who are entitled to vote at an annual general meeting consent by a unanimous resolution under section 182 (2) (b) of the *Business Corporations Act* to all of the business that is required to be transacted at that annual general meeting, the annual general meeting is deemed to have been held on the date selected, under section 182 (3) of the *Business Corporations Act*, in the unanimous resolution.

Calling of shareholder meetings

- 7.3 The directors may, whenever they think fit, call a meeting of shareholders

Special business

- 7.4 If a meeting of shareholders is to consider special business within the meaning of Article 8.1, the notice of meeting must
- (a) state the general nature of the special business, and
 - (b) if the special business includes considering, approving, ratifying, adopting or authorizing any document or the signing of or giving of effect to any document, have attached to it a copy of the document or state that a copy of the document will be available for inspection by shareholders
 - (i) at the Company's records office, or at such other reasonably accessible location in British Columbia as is specified by the notice, and
 - (ii) during statutory business hours on any one or more specified days before the day set for the holding of the meeting.

Part 8 --- Proceedings at Meetings of Shareholders**Special business**

- 8.1 At a meeting of shareholders, the following business is special business:
- (a) at a meeting of shareholders that is not an annual general meeting, all business is special business except business relating to the conduct of or voting at the meeting;
 - (b) at an annual general meeting, all business is special business except for the following:
 - (i) business relating to the conduct of, or voting at, the meeting;
 - (ii) consideration of any financial statements of the Company presented to the meeting;
 - (iii) consideration of any reports of the directors or auditor;
 - (iv) the setting or changing of the number of directors;
 - (v) the election or appointment of directors;
 - (vi) the appointment of an auditor;
 - (vii) the setting of the remuneration of an auditor;
 - (viii) business arising out of a report of the directors not requiring the passing of a special resolution or an exceptional resolution.

Quorum

- 8.2 Subject to the special rights and restrictions attached to the shares of any class or series of shares, the quorum for the transaction of business at a meeting of shareholders is 2 persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 1/20 of the issued shares entitled to be voted at the meeting.

One shareholder may constitute quorum

- 8.3 If there is only one shareholder entitled to vote at a meeting of shareholders,
- (a) the quorum is one person who is, or who represents by proxy, that shareholder, and
 - (b) that shareholder, present in person or by proxy, may constitute the meeting.

Other persons may attend

- 8.4 The directors, the president, if any, the secretary, if any, and any lawyer or auditor for the Company are entitled to attend any meeting of shareholders, but if any of those persons does attend a meeting of shareholders, that person is not to be counted in the quorum, and is not entitled to vote at the meeting, unless that person is a shareholder or proxy holder entitled to vote at the meeting.

Requirement of quorum

- 8.5 No business, other than the election of a chair of the meeting and the adjournment of the meeting, may be transacted at any meeting of shareholders unless a quorum of shareholders entitled to vote is present at the commencement of the meeting.

Lack of quorum

- 8.6 If, within 1/2 hour from the time set for the holding of a meeting of shareholders, a quorum is not present,
- (a) in the case of a general meeting convened by requisition of shareholders, the meeting is dissolved, and
 - (b) in the case of any other meeting of shareholders, the meeting stands adjourned to the same day in the next week at the same time and place.

Lack of quorum at succeeding meeting

- 8.7 If, at the meeting to which the first meeting referred to in Article 8.6 was adjourned, a quorum is not present within 1/2 hour from the time set for the holding of the meeting, the persons present and being, or representing by proxy, shareholders entitled to attend and vote at the meeting constitute a quorum.

Chair

- 8.8 The following individual is entitled to preside as chair at a meeting of shareholders:
- (a) the chair of the board, if any;
 - (b) if the chair of the board is absent or unwilling to act as chair of the meeting, the president, if any.

Alternate chair

- 8.9 If, at any meeting of shareholders, there is no chair of the board or president present within 15 minutes after the time set for holding the meeting, or if the chair of the board and the president are unwilling to act as chair of the meeting, or if the chair of the board and the president have advised the secretary, if any, or any director present at the meeting, that they will not be present at the meeting, the directors present must choose one of their number to be chair of the meeting or if all of the directors present decline to take the chair or fail to so choose or if no director is present, the shareholders present in person or by proxy must choose any person present at the meeting to chair the meeting.

Adjournments

- 8.10 The chair of a meeting of shareholders may, and if so directed by the meeting must, adjourn the meeting from time to time and from place to place, but no business may be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

Notice of adjourned meeting

- 8.11 It is not necessary to give any notice of an adjourned meeting or of the business to be transacted at an adjourned meeting of shareholders except that, when a meeting is adjourned for 30 days or more, notice of the adjourned meeting must be given as in the case of the original meeting.

Motion need not be seconded

- 8.12 No motion proposed at a meeting of shareholders need be seconded unless the chair of the meeting rules otherwise, and the chair of any meeting of shareholders is entitled to propose or second a motion.

Manner of taking a poll

- 8.13 Subject to Article 8.14, if a poll is duly demanded at a meeting of shareholders,
- (a) the poll must be taken
 - (i) at the meeting, or within 7 days after the date of the meeting, as the chair of the meeting directs, and
 - (ii) in the manner, at the time and at the place that the chair of the meeting directs,
 - (b) the result of the poll is deemed to be a resolution of and passed at the meeting at which the poll is demanded, and
 - (c) the demand for the poll may be withdrawn.

Demand for a poll on adjournment

- 8.14 A poll demanded at a meeting of shareholders on a question of adjournment must be taken immediately at the meeting.

Demand for a poll not to prevent continuation of meeting

- 8.15 The demand for a poll at a meeting of shareholders does not, unless the chair of the meeting so rules, prevent the continuation of a meeting for the transaction of any business other than the question on which a poll has been demanded.

Poll not available in respect of election of chair

- 8.16 No poll may be demanded in respect of the vote by which a chair of a meeting of shareholders is elected.

Casting of votes on poll

- 8.17 On a poll, a shareholder entitled to more than one vote need not cast all the votes in the same way.

Chair must resolve dispute

- 8.18 In the case of any dispute as to the admission or rejection of a vote given on a poll, the chair of the meeting must determine the same, and his or her determination made in good faith is final and conclusive.

Chair has no second vote

- 8.19 In case of an equality of votes, the chair of a meeting of shareholders does not, either on a show of hands or on a poll, have a casting or second vote in addition to the vote or votes to which the chair may be entitled as a shareholder.

Declaration of result

- 8.20 The chair of a meeting of shareholders must declare to the meeting the decision on every question in accordance with the result of the show of hands or the poll, as the case may be, and that decision must be entered in the minutes of the meeting.

Part 9 — Votes of Shareholders**Voting rights**

- 9.1 Subject to any special rights or restrictions attached to any shares and to the restrictions imposed on joint registered holders of shares under Article 9.3,
- (a) on a vote by show of hands, every person present who is a shareholder or proxy holder and entitled to vote at the meeting has one vote, and
 - (b) on a poll, every shareholder entitled to vote has one vote in respect of each share held by that shareholder that carries the right to vote on that poll and may exercise that vote either in person or by proxy.

Trustee of shareholder may vote

- 9.2 A person who is not a shareholder may vote on a resolution at a meeting of shareholders, whether on a show of hands or on a poll, and may appoint a proxy holder to act at the meeting in relation to that resolution, if, before doing so, the person satisfies the chair of the meeting at which the resolution is to be considered, or the directors, that the person is a trustee for a shareholder who is entitled to vote on the resolution.

Votes by joint shareholders

- 9.3 If there are joint shareholders registered in respect of any share,
- (a) any one of the joint shareholders may vote at any meeting, either personally or by proxy, in respect of the share as if that joint shareholder were solely entitled to it, or
 - (b) if more than one of the joint shareholders is present at any meeting, personally or by proxy, the joint shareholder present whose name stands first on the central securities register in respect of the share is alone entitled to vote in respect of that share.

Trustees as joint shareholders

- 9.4 Two or more trustees of a shareholder in whose sole name any share is registered are, for the purposes of Article 9.3, deemed to be joint shareholders.

Representative of a corporate shareholder

- 9.5 If a corporation that is not a subsidiary of the Company is a shareholder, that corporation may appoint a person to act as its representative at any meeting of shareholders of the Company, and,
- (a) for that purpose, the instrument appointing a representative must
 - (i) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least 2 business days before the day set for the holding of the meeting, or
 - (ii) be provided, at the meeting, to the chair of the meeting, and
 - (b) if a representative is appointed under this Article,
 - (i) the representative is entitled to exercise in respect of and at that meeting the same rights on behalf of the corporation that the representative represents as that corporation could exercise if it were a shareholder who is an individual, including, without limitation, the right to appoint a proxy holder, and
 - (ii) the representative, if present at the meeting, is to be counted for the purpose of forming a quorum and is deemed to be a shareholder present in person at the meeting.

Proxy provisions do not apply to all companies

- 9.6 Articles 9.7 to 9.13 do not apply to the Company if and for so long as it is a public company or a pre-existing reporting company.

Appointment of proxy holder

- 9.7 Every shareholder of the Company, including a corporation that is a shareholder but not a subsidiary of the Company, entitled to vote at a meeting of shareholders of the Company may, by proxy, appoint a proxy holder to attend and act at the meeting in the manner, to the extent and with the powers conferred by the proxy.

Alternate proxy holders

9.8 A shareholder may appoint one or more alternate proxy holders to act in the place of an absent proxy holder.

When proxy holder need not be shareholder

9.9 A person must not be appointed as a proxy holder unless the person is a shareholder, although a person who is not a shareholder may be appointed as a proxy holder if

- the person appointing the proxy holder is a corporation or a representative of a corporation appointed under Article 9.5,
- the Company has at the time of the meeting for which the proxy holder is to be appointed only one shareholder entitled to vote at the meeting, or
- the shareholders present in person or by proxy at and entitled to vote at the meeting for which the proxy holder is to be appointed, by a resolution on which the proxy holder is not entitled to vote but in respect of which the proxy holder is to be counted in the quorum, permit the proxy holder to attend and vote at the meeting.

Form of proxy

9.10 A proxy, whether for a specified meeting or otherwise, must be either in the following form or in any other form approved by the directors or the chair of the meeting:

(Name of Company)

The undersigned, being a shareholder of the above named Company, hereby appoints
, or, failing that person,, as proxy holder for the
 undersigned to attend, act and vote for and on behalf of the undersigned at the meeting of shareholders to
 be held on the day of and at any adjournment of that meeting
 Signed this day of

.....
 Signature of shareholder

Provision of proxies

9.11 A proxy for a meeting of shareholders must

- be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice, or if no number of days is specified, 2 business days, before the day set for the holding of the meeting, or
- unless the notice provides otherwise, be provided, at the meeting, to the chair of the meeting.

Revocation of proxies

9.12 Subject to Article 9.13, every proxy may be revoked by an instrument in writing that is

- received at the registered office of the Company at any time up to and including the last business day before the day set for the holding of the meeting at which the proxy is to be used, or
- provided at the meeting to the chair of the meeting

Revocation of proxies must be signed

9.13 An instrument referred to in Article 9.12 must be signed as follows:

- if the shareholder for whom the proxy holder is appointed is an individual, the instrument must be signed by the shareholder or his or her trustee;
- if the shareholder for whom the proxy holder is appointed is a corporation, the instrument must be signed by the corporation or by a representative appointed for the corporation under Article 9.5.

Validity of proxy votes

9.14 A vote given in accordance with the terms of a proxy is valid despite the death or incapacity of the shareholder giving the proxy and despite the revocation of the proxy or the revocation of the authority under which the proxy is given, unless notice in writing of that death, incapacity or revocation is received

- at the registered office of the Company, at any time up to and including the last business day before the day set for the holding of the meeting at which the proxy is to be used, or
- by the chair of the meeting, before the vote is taken.

Production of evidence of authority to vote

- 9.15 The chair of any meeting of shareholders may, but need not, inquire into the authority of any person to vote at the meeting and may, but need not, demand from that person production of evidence as to the existence of the authority to vote.

Part 10 — Election and Removal of Directors

Number of directors

- 10.1 The Company must have a board of directors consisting of
- (a) subject to paragraph (b), the number of directors that is equal to the number of the Company's first directors, or
 - (b) the number of directors set by ordinary resolution of the shareholders.

Change in number of directors

- 10.2 If the number of directors is changed by the shareholders under Article 10.1 (b),
- (a) the change is effective whether or not previous notice of the resolution was given, and
 - (b) the shareholders may elect, or appoint by ordinary resolution, the directors needed to fill any vacancies in the board of directors that result from that change.

Election of directors

- 10.3 At every annual general meeting,
- (a) the shareholders entitled to vote at the annual general meeting for the election or appointment of directors must elect or appoint a board of directors consisting of the number of directors for the time being required under these articles, and
 - (b) all the directors cease to hold office immediately before the election or appointment of directors under paragraph (a), but are eligible for re-election or reappointment.

Failure to elect or appoint directors

- 10.4 If the Company fails to hold an annual general meeting in accordance with the *Business Corporations Act* or fails, at an annual general meeting, to elect or appoint any directors, the directors then in office continue to hold office until the earlier of
- (a) the date on which the failure is remedied, and
 - (b) the date on which they otherwise cease to hold office under the *Business Corporations Act* or these articles.

Additional directors

- 10.5 Despite Articles 10.1 and 10.2, the directors may appoint one or more additional directors, but the number of additional directors appointed under this Article must not at any time exceed
- (a) 1/3 of the number of first directors, if, at the time of the appointments, one or more of the first directors have not yet completed their first term of office, or
 - (b) in any other case, 1/3 of the number of the current directors who were elected or appointed as directors other than under this Article.

Directors' acts valid despite vacancy

- 10.6 An act or proceeding of the directors is not invalid merely because fewer than the number of directors required by Article 10.1 are in office.

Part 11 — Proceedings of Directors

Meetings of directors

- 11.1 The directors may meet together for the conduct of business, adjourn and otherwise regulate their meetings as they think fit, and meetings of the board held at regular intervals may be held at the place, at the time and on the notice, if any, that the board may by resolution from time to time determine.

Chair of meetings

- 11.2 Meetings of directors are to be chaired by
- (a) the chair of the board, if any,
 - (b) in the absence of the chair of the board, the president, if any, if the president is a director, or
 - (c) any other director chosen by the directors if

- (i) neither the chair of the board nor the president, if a director, is present at the meeting within 15 minutes after the time set for holding the meeting,
- (ii) neither the chair of the board nor the president, if a director, is willing to chair the meeting, or
- (iii) the chair of the board and the president, if a director, have advised the secretary, if any, or any other director, that they will not be present at the meeting.

Voting at meetings

- 11.3 Questions arising at any meeting of directors are to be decided by a majority of votes and, in the case of an equality of votes, the chair of the meeting does not have a second or casting vote.

Who may call extraordinary meetings

- 11.4 A director may, and the secretary, if any, on request of a director must, call a meeting of the board at any time.

Notice of extraordinary meetings

- 11.5 Subject to Articles 11.6 and 11.7, if a meeting of the board is called under Article 11.4, reasonable notice of that meeting, specifying the place, date and time of that meeting, must be given to each of the directors
- (a) by mail addressed to the director's address as it appears on the books of the Company or to any other address provided to the Company by the director for this purpose,
 - (b) by leaving it at the director's prescribed address or at any other address provided to the Company by the director for this purpose, or
 - (c) orally, by delivery of written notice or by telephone, voice mail, e-mail, fax or any other method of legibly transmitting messages.

When notice not required

- 11.6 It is not necessary to give notice of a meeting of the directors to a director if
- (a) the meeting is to be held immediately following a meeting of shareholders at which that director was elected or appointed or is the meeting of the directors at which that director is appointed, or
 - (b) the director has filed a waiver under Article 11.8.

Meeting valid despite failure to give notice

- 11.7 The accidental omission to give notice of any meeting of directors to any director, or the non-receipt of any notice by any director, does not invalidate any proceedings at that meeting.

Waiver of notice of meetings

- 11.8 Any director may file with the Company a document signed by the director waiving notice of any past, present or future meeting of the directors and may at any time withdraw that waiver with respect to meetings of the directors held after that withdrawal.

Effect of waiver

- 11.9 After a director files a waiver under Article 11.8 with respect to future meetings of the directors, and until that waiver is withdrawn, notice of any meeting of the directors need not be given to that director unless the director otherwise requires in writing to the Company.

Quorum

- 11.10 The quorum necessary for the transaction of the business of the directors may be set by the directors and, if not so set, is a majority of the directors.

If only one director

- 11.11 If, in accordance with Article 10.1, the number of directors is one, the quorum necessary for the transaction of the business of the directors is one director, and that director may constitute a meeting.

Part 12 — Committees of Directors

Appointment of committees

- 12.1 The directors may, by resolution,
- (a) appoint one or more committees consisting of the director or directors that they consider appropriate,
 - (b) delegate to a committee appointed under paragraph (a) any of the directors' powers, except
 - (i) the power to fill vacancies in the board,
 - (ii) the power to change the membership of, or fill vacancies in, any committee of the board, and

- (iii) the power to appoint or remove officers appointed by the board, and
- (c) make any delegation referred to in paragraph (b) subject to the conditions set out in the resolution.

Obligations of committee

- 12.2 Any committee formed under Article 12.1, in the exercise of the powers delegated to it, must
- (a) conform to any rules that may from time to time be imposed on it by the directors, and
 - (b) report every act or thing done in exercise of those powers to the earliest meeting of the directors to be held after the act or thing has been done.

Powers of board

- 12.3 The board may, at any time,
- (a) revoke the authority given to a committee, or override a decision made by a committee, except as to acts done before such revocation or overriding,
 - (b) terminate the appointment of, or change the membership of, a committee, and
 - (c) fill vacancies in a committee.

Committee meetings

- 12.4 Subject to Article 12.2 (a),
- (a) the members of a directors' committee may meet and adjourn as they think proper,
 - (b) a directors' committee may elect a chair of its meetings but, if no chair of the meeting is elected, or if at any meeting the chair of the meeting is not present within 15 minutes after the time set for holding the meeting, the directors present who are members of the committee may choose one of their number to chair the meeting,
 - (c) a majority of the members of a directors' committee constitutes a quorum of the committee, and
 - (d) questions arising at any meeting of a directors' committee are determined by a majority of votes of the members present, and in case of an equality of votes, the chair of the meeting has no second or casting vote.

Part 13 — Officers

Appointment of officers

- 13.1 The board may, from time to time, appoint a president, secretary or any other officers that it considers necessary, and none of the individuals appointed as officers need be a member of the board

Functions, duties and powers of officers

- 13.2 The board may, for each officer,
- (a) determine the functions and duties the officer is to perform,
 - (b) entrust to and confer on the officer any of the powers exercisable by the directors on such terms and conditions and with such restrictions as the directors think fit, and
 - (c) from time to time revoke, withdraw, alter or vary all or any of the functions, duties and powers of the officer

Remuneration

- 13.3 All appointments of officers are to be made on the terms and conditions and at the remuneration (whether by way of salary, fee, commission, participation in profits or otherwise) that the board thinks fit and are subject to termination at the pleasure of the board.

Part 14 — Disclosure of Interest of Directors

Other office of director

- 14.1 A director may hold any office or place of profit with the Company (other than the office of auditor of the Company) in addition to his or her office of director for the period and on the terms (as to remuneration or otherwise) that the directors may determine.

No disqualification

- 14.2 No director or intended director is disqualified by his or her office from contracting with the Company either with regard to the holding of any office or place of profit the director holds with the Company or as vendor, purchaser or otherwise.

Professional services by director or officer

- 14.3 Subject to compliance with the provisions of the *Business Corporations Act*, a director or officer of the Company, or any corporation or firm in which that individual has an interest, may act in a professional capacity for the Company, except as auditor of the Company, and the director or officer or such corporation or firm is entitled to remuneration for professional services as if that individual were not a director or officer.

Accountability

- 14.4 A director or officer may be or become a director, officer or employee of, or may otherwise be or become interested in, any corporation, firm or entity in which the Company may be interested as a shareholder or otherwise, and, subject to compliance with the provisions of the *Business Corporations Act*, the director or officer is not accountable to the Company for any remuneration or other benefits received by him or her as director, officer or employee of, or from his or her interest in, such other corporation, firm or entity.

Part 15 — Indemnification

Indemnification of directors

- 15.1 The directors must cause the Company to indemnify its directors and former directors, and their respective heirs and personal or other legal representatives to the greatest extent permitted by Division 5 of Part 5 of the *Business Corporations Act*.

Deemed contract

- 15.2 Each director is deemed to have contracted with the Company on the terms of the indemnity referred to in Article 15.1.

Part 16 — Dividends

Declaration of dividends

- 16.1 Subject to the rights, if any, of shareholders holding shares with special rights as to dividends, the directors may from time to time declare and authorize payment of any dividends the directors consider appropriate.

No notice required

- 16.2 The directors need not give notice to any shareholder of any declaration under Article 16.1.

Directors may determine when dividend payable

- 16.3 Any dividend declared by the directors may be made payable on such date as is fixed by the directors.

Dividends to be paid in accordance with number of shares

- 16.4 Subject to the rights of shareholders, if any, holding shares with special rights as to dividends, all dividends on shares of any class or series of shares must be declared and paid according to the number of such shares held.

Manner of paying dividend

- 16.5 A resolution declaring a dividend may direct payment of the dividend wholly or partly by the distribution of specific assets or of paid up shares or fractional shares, bonds, debentures or other debt obligations of the Company, or in any one or more of those ways, and, if any difficulty arises in regard to the distribution, the directors may settle the difficulty as they consider expedient, and, in particular, may set the value for distribution of specific assets.

Dividend bears no interest

- 16.6 No dividend bears interest against the Company.

Fractional dividends

- 16.7 If a dividend to which a shareholder is entitled includes a fraction of the smallest monetary unit of the currency of the dividend, that fraction may be disregarded in making payment of the dividend and that payment represents full payment of the dividend.

Payment of dividends

- 16.3 Any dividend or other distribution payable in cash in respect of shares may be paid by cheque, made payable to the order of the person to whom it is sent, and mailed
- (a) subject to paragraphs (b) and (c), to the address of the shareholder,
 - (b) subject to paragraph (c), in the case of joint shareholders, to the address of the joint shareholder whose name stands first on the central securities register in respect of the shares, or
 - (c) to the person and to the address as the shareholder or joint shareholders may direct in writing.

Receipt by joint shareholders

- 16.9 If several persons are joint shareholders of any share, any one of them may give an effective receipt for any dividend, bonus or other money payable in respect of the share.

Part 17 — Accounting Records**Recording of financial affairs**

- 17.1 The board must cause adequate accounting records to be kept to record properly the financial affairs and condition of the Company and to comply with the provisions of the *Business Corporations Act*.

Part 18 — Execution of Instruments under Seal**Who may attest seal**

- 18.1 The Company's seal, if any, must not be impressed on any record except when that impression is attested by the signature or signatures of
- (a) any 2 directors,
 - (b) any officer, together with any director,
 - (c) if the Company only has one director, that director, or
 - (d) any one or more directors or officers or persons as may be determined by resolution of the directors.

Sealing copies

- 18.2 For the purpose of certifying under seal a true copy of any resolution or other document, the seal must be impressed on that copy and, despite Article 18.1, may be attested by the signature of any director or officer.

Part 19 — Notices**Notice to joint shareholders**

- 19.1 A notice, statement, report or other record may be provided by the Company to the joint registered shareholders of a share by providing the notice to the joint registered shareholder whose name stands first on the central securities register in respect of the share.

Notice to trustees

- 19.2 If a person becomes entitled to a share as a result of the death, bankruptcy or incapacity of a shareholder, the Company may provide a notice, statement, report or other record to that person by
- (a) mailing the record, addressed to that person
 - (i) by name, by the title of representative of the deceased or incapacitated shareholder, by the title of trustee of the bankrupt shareholder or by any similar description, and
 - (ii) at the address, if any, supplied to the Company for that purpose by the person claiming to be so entitled, or
 - (b) if an address referred to in paragraph (a) (ii) has not been supplied to the Company, by giving the notice in a manner in which it might have been given if the death, bankruptcy or incapacity had not occurred.

Part 20 — Restriction on Share Transfer**Application**

- 20.1 Article 20.2 does not apply to the Company if and for so long as it is a public company or a pre-existing reporting company.

Consent required for transfer

- 20.2 No shares may be sold, transferred or otherwise disposed of without the consent of the directors and the directors are not required to give any reason for refusing to consent to any such sale, transfer or other disposition.

- 8 -

Exhibit "B"

Securities Register and (if applicable) Register of Transfers
(copies attached)

I hereby certify that the within instrument is a true and correct copy of the instrument of which it purports to be a true copy.

CENTRAL SECURITIES REGISTER this 21st day of November, A.D. 2017

Stephen Hedley
A Notary Public in and for the Province of British Columbia Page No. 1

NAME OF COMPANY: BESCO INTERNATIONAL INVESTMENT CO., LTD.

CLASS OF SHARES: COMMON

STEPHEN HEDLEY
Barrister & Solicitor

DENTONS CANADA LLP
20th Floor, 250 Howe Street
Vancouver, B.C. V6C 3R8
Telephone (604) 687-1600

Cert. No.	Date Certificate Issued	Date Certificate Cancelled	Shareholder's Full Name and Address	Number of Shares	Representative Capacity	Par Value	Acquired by Allotment, Conversion, Transfer (or)	If transferred, from whom	Cash or Other	Paid Per Share	
										Cash	Other than Cash
1	23 MAR 2009	01 MAY 2009	SUN, HUIGANG 1822 WEST 44TH AVE, VANCOUVER, BC, V6M 2E7, CANADA	50,000		1,000	ALLOTMENT				
2	01 MAY 2009		MAX MASTER INVESTMENTS LIMITED P.O. BOX 957, OFFSHORE INCORPORATION CENTRE, ROAD TOWN, TORTOLA, BRITISH VIRGIN ISLANDS	50,000		1,000	TRANSFER	SUN, HUIGANG			

- 9 -

Exhibit "C"

List of Assets

Asset List

Port Hope

ITEM #	QTY	ITEM DESCRIPTION
--------	-----	------------------

1	1	SR Industries "350" Radial Arm Saw w/ 14" Blade, 4 Hp, Bench
2	1	Progress 6" x 40" Horizontal Belt Sander
3	1	Delta Rockwell "Unisaw 34-450" Tiling Arbor Table Saw w/ 10" Blade, 36" x 27" Table
5	1	Griggio "T1000" Shaper
6	1	Beaver Delta "17-901" 17" Pedestal Drill Press
7	1	Cantek "WBS24L" Vertical Bandsaw S/N 0068
8	1	Electrim Poland "DMMR-40" Tablesaw S/N 8963
9	1	2004 Frelumac "Randomac-E" Double Head Profiler S/N 3611A
10	1	2004 Center "Garwood 450FS" Dowel Boring, Gluing, and Inserting Machine S/N 252489
11	1	2000 Shoda "NCW516-2162" 4 Head CNC Gantry Type Router S/N E0501 w/ 2 - Vacuum Tables, 4 - ATC, Fanuc 18i-M Controller
12	1	2004 Shoda "Titanium A" CNC Gantry Style Router S/N T55-J0201 w/ Vacuum Table, Boring and Routing Capabilities
14	1	Gorbel Overhead Crane System w/ Vacuum Lifting Device
15	1	Gorbel Jib Boom 750 lb. cap. w/ Tawai Vacuum Lifting Device s/n 19324

16	1	2004 Homag "Optimat KL-73/A3/S2" Horizontal Edge Bander S/N 0-200-66-1484 w/ Ligmatech "ZHR01/L/055" Return Table s/n 0-305-66-1726
17	1	2003 Samuel "SOA750/36" Orbital Stretch Wrapping System S/N 750/36-0422031286
18	1	Samuel "SHP175-NB/N-EZ/SB" Turntable Type Pallet Wrapper S/N 175PB-0227041466
19	1	2000 Costa Levigatrici "KH2-CCC-1350" Pass Through Belt Sander S/N A06717AC1
20	1	2004 Strapack "RQ-8" Overarm Strapping Machine S/N 2494-6204
21	1	JTL "79K-6-DC" Assembly Clamp
22	1	2001 Gre-Con "Profi-Press 2500" Gluing Press S/N 0659-12 w/ Microwave High Speed Curing, Glue Dispensing
25	1	2004 Weinig "Unimat 3000" Moulder w/ Infeed Conveyor
26	1	8 Strand Incline Transfer Conveyor
27	1	Programmable Belt Transfer and Alignment Conveyor
28	1	2005 Dimter "Opticut 350" Optimizing Saw S/N 2346.10
29	1	Discharge Belt Conveyor
30	1	Doucet "EM-2" Endmatch Tongue & Groove System S/N 97-10-292
33	1	Samuel "SHP175-NB/N-EZ" Turntable Type Pallet Wrapper S/N 175PB-0424031290
34	1	Weinig "Rondomat 960" Knife Grinder
35	1	Weinig "9980 OPTI" Knife Setter

36	1	Templatemakers 3 Axis Knife Profile Router
38	1	Urban "AKS-5210/4F" 2 Point Corner Welder S/N 52310
39	1	Actual "A400-SE" 4 Point Welder S/N M15-0350
40	1	PV Technic "SA320" Single Corner Welder S/N 03-158
41	1	1998 Urban "SV 800/2.5M" Automatic 4 Point Cleaner and Trimmer S/N 80063/2
42	1	2000 Urban "SV 800/2.5M" Automatic 4 Point Cleaner and Trimmer S/N 80092/1
43	1	Pertici Certialdo "ML123/E-P" Profile Router S/N 061-166
44	1	2001 Joseph "ZDM-4590" Cut to Length Line S/N 2441-0501
45	1	2001 Joseph "ZHM-4545" Cut to Length Line S/N 1610-00-100
46	1	Urban "AKX6165/N" 4 Point Welder and Conveyor S/N 610099
48	1	Penta "Penta L.GF" Mitreing and Cut to Length Saw S/N 092 w/ Tiger Stop Measurement System
50	1	1986 American Maplan "DSK52" Twin Screw Extruder S/N 120803
51	1	Actual "AE508" Pedestal Type Co-extruder S/N M-15-0387
52	1	Actual Vacuum Sizing and Cooling Table S/N M-15-0591
53	1	Actual Puller and Cutoff Saw Combination S/N M-15-0364
54	1	Actual Dump Table

55	1	1987 American Maplan "DSK62" Twin Screw Extruder S/N 120808
56	1	Actual "AE50B" Pedestal Type Co-extruder S/N M-15-0386
57	1	Actual Vacuum Sizing and Cooling Table
58	1	Actual Puller and Cutoff Saw Combination
59	1	Actual Dump Table
60	1	1987 American Maplan "DSK62" Twin Screw Extruder S/N 120809
61	1	Actual "AE50B" Pedestal Type Co-extruder S/N M-15-0388
62	1	Actual Vacuum Sizing and Cooling Table
63	1	Actual Puller and Cutoff Saw Combination S/N M-15-0023
64	1	Dump Table
65	1	Plencon 1 Ton Bridge Crane w/ 15' span, 35' runway
66	2	Dewalt Mitre Saws
67	1	Delta 17-9011 Die Press
69	1	SA "350" Radial Arm Saw 14" Blade, 4 Hp, Bench
70	1	Actual "A100-8" Single Point Welder
71	1	Urban "AKS-3610" Single Point Welder S/N 10604

72	1	Spadix "Surescal" Automatic Window Sealing System S/N 030923
73	2	Urban "KV2800" Window Clamp and Assembly Tables S/N 62023, 62024
74	2	Kear Tilting Assembly Table
75	1	DeWalt "DW 708" Mitre Saw
77	1	SSC Vertical Panel Saw
79	1	OMGA "RN450" Radial Arm Saw
80	Qty	Pneumatic Vinyl Window Pneumatic Punching Station
81	1	Miller "Millermatic 250" Mig Welder S/N KK153762
82	1	King 10" x 16" Horizontal Bandsaw S/N 690368
83	1	King Finger Brake
84	1	King 12" x 36" Metal Lathe S/N 432214
85	1	2004 King "942V5" Vertical Milling Machine S/N 10741 w/ Mitutoyo Digital Readout
86	1	King "KC-401V2F 40L Milling and Drilling Machine S/N 334075
87	2	Warehouse Rolling Ladders
88	2	Stralkran Bridge Cranes w/ 4 Ton Cap.
89	1	2002 Weinmann Wall Assembly System S/N 0-309-06-0026 - Consisting of; Infeed Conveyor, Weinmann Top and Bottom Auto Nailing System S/N 0-390-06-0026 w/ Discharge Conveyor Weinmann "WTW 10/6" Automated Shuttle Table S/N 0-390-06-0216

90	1	2002 Weinmann Wall Assembly System S/N 01106.174 - Consisting of; Infeed Conveyor, \$10,000 Weinmann Top and Bottom Auto Nailing System w/ Discharge Conveyor
91	1	1998 Mitek Industries "Cybersaw" Component Saw S/N 066 w/ 5 Heads Scrap Discharge Conveyor
92	1	Spanco Overhead Crane System w/ 500 lb, cap
93	2	Manuel Paint Booths and Accessories
94	2	Strapak "RQ-8" Overarm Strapping Machines S/N 22130, 23607
97	1	2004 Hundegger "K2A" CNC Cut to Length Line S/N 11153 Scissor Lift Tables, Air Compressor s/n 0003719
98	1	Stenner 48" Resaw S/N US576
100	1	Custom Made Floor Joist Stringer Tacking Press
101	1	Pacific Automation "Auto 8" Truss Roller Press S/N PA325 w/ 8' x 40' Table
102	1	Fiber Industries "Mini 8" Truss Roller Press S/N FIB587
103	1	2008 Mitek Koskovich "Omni Miser 2" Cut to Length Line S/N OM2K8097020 w/ Sorter and Out Feed Conveyor
104	1	2008 Mitek Industries "Roof Tacker" Truss Manufacturing Table S/N 32008299121 w/ Truss Roller Press
105	1	2002 Dinter Weinig "OPTICUT 104R" Optimizing Saw S/N 756.1
108	1	Kraemer Dust Collector
109	1	Kraemer 150 HP Dust Collector w/ Control Panel, Ducting.
110	1	Conquest 150 HP Dust Collector w/ Control Panel, Ducting (Blue)

111	1	Power Pak Garabge Compactor w/ Garbage Bin
112	1	Miscellaneous Tooling - Consisting of; Router Tools, Moulder Tooling, Saw Blades, Lumber Clamp, Hand Tools, Workbenches, Conveyors, etc.
113	1	2002 Ingersoll Rand "SSR-EP100" Rotary Screw Air Compressor S/N CK5148U02117
114	1	ingersoll Rand 75 HP Rotary Screw Air Compressor S/N NV5087U2081
115	1	2002 Ingersoll Rand "TMS-0670" Refridgerated Air Dryer S/N TMS 0670 020106
116	2	Hyster "S40XL" LPG Forklift S/N A187V05944H, A187V05140G
117	1	Toyota "42-SFG20" LPG Forklift S/N 16987
118	1	Tenant "3640" Walk Behind Floor Scrubber S/N 8881
119	1	Raymond "Easi R35TT" Electric Reach Truck S/N EZ-D-01-30229
120	1	Raymond "Easi R35TT" Electric Reach Truck S/N EZ-D-01-30331
121	1	Raymond "12AT5E404" Electric Pallet Walker
122	2	Toyota "02-SFD35" LPG Forklift S/N 10825, 10843
123	1	Toyota "42-SFG20" LPG Forklift S/N 19656
124	1	Toyota "02-SFD35" LPG Forklift S/N 10850
125	1	Toyota "7FGCU25" LPG Forklift S/N 67609

126	1	Skyjack "SJIII-3220" Electric Scissor Lift S/N 610330
127	1	Doucet "SDM-1-30-72" Cabinet Door Clamps S/N 2014-06-090
128	1	Peston "DMMB" Sliding Table Saw S/N 8969
129	1	Merrick "Ruvo" Stair Router S/N SSR-80-00
130	1	Tennant "3640E" Floor Sweeper S/N 8040
131	1	Barberan "PUR-33-L Basic" Vinyl Wrapper S/N 13096-06-03
132	1	SCM "S630" Pass Through Planer S/N 9397
133	1	Guardian Plus "0-1390-3" Generator S/N 3963748
136	1	2009 Ford "E250" Commercial Van Vin - 1FTHE21WX9DA54915
137	1	2012 Griffin Trailer Vin - 4C9BU1225DE020473
138	1	Unknown Dry Van Trailer w/ Power Tail Gate
139	Lot	Miscellaneous Equipment - Consisting of; King Mitre Saw, Milwaukee Abrasive Saw, Shop Press, Bench Grinders, Precision Measuring Equipment, Tool Boxes, Oxy-actylene Torch, Worktables, Store Racking, Carts, Tubs, Router Tools,
141	Lot	Office Furniture and Computers - Consisting of; Desks, Chairs, File Cabinets, Storage Cabinets, Computers & Printers, Modular Workstations, etc.

DEFINED TERMS SCHEDULE

The following defined terms are set out in 3 categories: Parties, Real Properties, and Documents.

Parties:

"Besco" means Besco International Investment Co., Ltd., a British Columbia company having the Incorporation Number BC0848291.

"Borrower" means Huigang Sun, a businessperson having a mailing address at 1922 West 44th Avenue, Vancouver, BC.

"Guarantors" means Besco, Viceroy Houses, Viceroy Construction, Max Master, and Royal Union, and "Guarantor" means an applicable one of them, as the context requires.

"Lender" Weichang Yang, a businessperson having a mailing address at No. 8 Beisanjie Fucheng Road Haidian District, Beijing, China.

"Loan Parties" means, collectively, the Borrower and the Guarantors, and "Loan Party" means an applicable one of them, as the context requires.

"Max Master" means Max Master Investments Limited, a British Columbia company having the Incorporation Number BC1079886.

"Royal Union" means Royal Union Base Group Limited, a British Columbia company having the Incorporation Number BC1077342.

"Viceroy Construction" means Viceroy Construction Ltd., a British Columbia company having the Incorporation Number BC1065867.

"Viceroy Houses" means Viceroy Houses Ltd., a British Columbia company having the Incorporation Number BC1031157.

Real Properties:

"BC Property" means the real property located at or about 1922 West 44th Avenue, Vancouver, British Columbia, legally described by PID: 006-186-126, Lot 34 of Lot 9 Block 15 District Lot 526 Plan 5019.

"Besco Property" means the real property located at or about 414 Croft Street, Port Hope, Ontario, legally described by PIN: 51082-0010, PT LT 1-2 CON 1 HOPE PT2 9R2307 EXCEPT PT 1 39R9406; PORT HOPE.

Documents:

"BC Mortgage" means the collateral mortgage in the principal amount of \$5,000,000.00 (to be) executed by the Borrower, as mortgagor in favour of the Lender for purposes of mortgaging the BC Property.

"Besco Mortgage" means the collateral mortgage in the principal amount of \$5,000,000.00 (including assignment of rents) (to be) executed by Besco, as mortgagor in favour of the Lender for purposes of mortgaging the Besco Property.

"GSA – Besco" means the general security agreement (to be) executed by Besco in favour of the Lender for purposes of granting a security interest in all present and after-acquired personal property, including, without limitation, shares and other securities.

"GSA – Borrower" means the general security agreement (to be) executed by the Borrower in favour of the Lender for purposes of granting a security interest in all present and after-acquired personal property, including, without limitation, shares and other securities.

- 2 -

"GSA – Max Master" means the general security agreement (to be) executed by Max Master in favour of the Lender for purposes of granting a security interest in all present and after-acquired personal property, including, without limitation, shares and other securities.

"GSA – Royal Union" means the general security agreement (to be) executed by Royal Union in favour of the Lender for purposes of granting a security interest in all present and after-acquired personal property, including, without limitation, shares and other securities.

"GSA – VC" means the general security agreement (to be) executed by Viceroy Construction in favour of the Lender for purposes of granting a security interest in all present and after-acquired personal property, including, without limitation, shares and other securities.

"GSA – VH" means the general security agreement (to be) executed by Viceroy Houses in favour of the Lender for purposes of granting a security interest in all present and after-acquired personal property, including, without limitation, shares and other securities.

"Guarantee - Besco" means the guarantee and postponement of claim (to be) executed by Besco in favour of the Lender with respect to all present and future liabilities of the Borrower.

"Guarantee - Max Master" means the guarantee and postponement of claim (to be) executed by Max Master in favour of the Lender with respect to all present and future liabilities of the Borrower.

"Guarantee - Royal Union" means the guarantee and postponement of claim (to be) executed by Royal Union in favour of the Lender with respect to all present and future liabilities of the Borrower.

"Guarantee - VC" means the guarantee and postponement of claim (to be) executed by Viceroy Construction in favour of the Lender with respect to all present and future liabilities of the Borrower.

"Guarantee - VH" means the guarantee and postponement of claim (to be) executed by Viceroy Houses in favour of the Lender with respect to all present and future liabilities of the Borrower.

"Initial Promissory Note" means the executed and delivered promissory note dated June 14, 2017 issued by the Borrower in favour of the Lender, as evidence of the promise by the Borrower to pay the \$5,000,000.00 loan together with interest and other amounts set out therein payable to the Lender.

"Loan Agreement" means the loan agreement dated July 20, 2017 between the Loan Parties and the Lender, which provides for, *inter alia*, the amendment and restatement of the Initial Promissory Note.

"Mortgages" means, collectively, the BC Mortgage and the Besco Mortgage, and "Mortgage" means an applicable one of them, as the context requires.

"Stock Transfer Power – Max Master re Shares of Besco" means the stock power of attorney (to be) executed by Max Master in favour of the Lender with respect to transfer of shares in the capital of Besco.

"Stock Transfer Power - the Borrower re Shares of Max Master" means the stock power of attorney (to be) executed by the Borrower in favour of the Lender with respect to transfer of shares in the capital of Max Master.

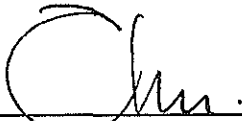
"Stock Transfer Power - the Borrower re Shares of Royal Union" means the stock power of attorney (to be) executed by the Borrower in favour of the Lender with respect to transfer of shares in the capital of Royal Union.

"Stock Transfer Power – Royal Union re Shares of VC" means the stock power of attorney (to be) executed by Royal Union in favour of the Lender with respect to transfer of shares in the capital of Viceroy Construction.

"Stock Transfer Power – Royal Union re Shares of VH" means the stock power of attorney (to be) executed by Royal Union in favour of the Lender with respect to transfer of shares in the capital of Viceroy Houses.

Tab L

THIS IS EXHIBIT "L"
referred to in the Affidavit of
Weichang Yang sworn before me this
17th day of September, 2018



Commissioner for Taking Affidavits
(or as may be)

(A commissioner for taking Affidavits for the Province of British Columbia)

Jantzen C. M. Chu, Barrister & Solicitor, Notary
Barrister & Solicitor, Province of British Columbia, Canada
Suite 618, 3381 Cambie Street, Vancouver, B.C. V5Z 4R3
Oriental Kenzo Plaza, Dong Cheng District, Beijing, China
China: +86- 135.2088.0208 Email: bc_lawyer@163.com
Canada: +1- 778.898.8787 Facsimile: +1- 604.430.8613

ACKNOWLEDGEMENT AND DIRECTION

TO: Fasken Martineau DuMoulin LLP ("FMD")

RE: Weichang Yang (the "Lender") loan to Huigang Sun (the "Borrower") secured by, among other things, a first ranking charge by Besco International Investment Co., Ltd. (the "Chargor") against the property municipally known as 414 Croft Street, Port Hope and legally described as Part Lot 1-2, Concession 1, Hope, Part 2, Plan 9R2307 Except Part 1, Plan 39R9406; Port Hope, being the whole of PIN 51082-0010 (LT) (the "Property") pursuant to a loan agreement dated July 20, 2017, as may be amended from time to time

This will confirm that:

- The undersigned hereby acknowledges having been advised by FMD that the Property is within a mandatory electronic registration district and that the document(s) in the form attached hereto, being:
 1. Charge/Mortgage of the Property, substantially in the form attached;

as well as any other documents required to complete the transaction described above (collectively, the "Documents"), will be electronically registered, without execution by the undersigned, in the Land Registry Office for the Land Titles Division of Northumberland (No. 39).
- The undersigned hereby confirms that it has reviewed the Documents and that the information contained therein is accurate;
- The undersigned hereby authorizes and directs FMD to insert the names and titles of the parties who have executed this acknowledgement and direction in the Documents as the signing officers having authority to bind the undersigned, if applicable;
- The undersigned hereby authorizes FMD to sign, where applicable, release and register the Documents on behalf of the undersigned;
- The undersigned hereby authorizes FMD to amend the Documents as required in order to complete the transaction contemplated above or as the undersigned may instruct from time to time;
- The undersigned hereby authorizes and directs FMD to enter into a Document Registration Agreement in the form approved by the Law Society of Upper Canada as may be amended by FMD as in normal practice and the undersigned acknowledges that the undersigned shall be bound by the terms of the Document Registration Agreement;
- The effect of the electronic registration of the Documents has been fully explained to the undersigned and the undersigned understands that it is a party to and is bound by the terms and provisions of the Documents to the same extent as if it had personally signed the Documents;
- The undersigned is in fact the party named in the Documents and the undersigned has not misrepresented the identity of the undersigned to FMD;
- The undersigned acknowledges and agrees that a facsimile or electronic transmission received by FMD or their designees shall serve to confirm the execution of this acknowledgment and direction;
- The undersigned acknowledges and agrees that in effecting the electronic registrations hereby authorized, FMD will be relying on the accuracy and authority of the foregoing statements;
- In the event of any investigation by the Director of the Land Registration appointed under subsection 6(1) of the Registry Act (the "Director") regarding suspected fraudulent or unlawful activity or registration in connection with the document attached to this Acknowledgement and Direction, we hereby irrevocably consent to you releasing to the Director a true copy of this Authorization and Direction upon request by the Director.

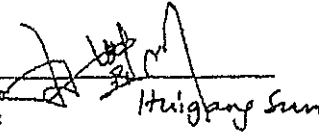
DATED as of the 20th day of July, 2017

BESCO INTERNATIONAL INVESTMENT
CO., LTD.

Per:

Name

Title:



Huigang Sun

I have authority to bind the Corporation

LRO # 39 Charge/Mortgage

In preparation on 2017 07 20 at 14:38

This document has not been submitted and may be incomplete.

yyyy mm dd Page 1 of 1

Properties

PIN 51082 - 0010 LT *Interest/Estate* Fee Simple
Description PT LT 1-2 CON 1 HOPE PT 2 9R2307 EXCEPT PT 1 39R8408; PORT HOPE
Address 414 CROFT STREET
 PORT HOPE

Charger(s)

The charger(s) hereby charges the land to the chargee(s). The charger(s) acknowledges the receipt of the charge and the standard charge terms, if any.

Name BESCO INTERNATIONAL INVESTMENT CO., LTD
 Acting as a company
Address for Service 809 - 6081 No. 3 Road, Richmond, BC V6Y 2B2

I, , have the authority to bind the corporation.

This document is not authorized under Power of Attorney by this party.

Chargee(s)*Capacity**Share*

Name YANG, WEICHANG
 Acting as an individual
Address for Service No. 8 Beisanjie Fucheng Road, Haidian District, Beijing, China 100048

Statements

Schedule:

Provisions

Principal \$ 5,000,000.00 *Currency* CDN
Calculation Period monthly
Balance Due Date On Demand
Interest Rate 30.5% per annum
Payments
Interest Adjustment Date
Payment Date the first day of each month, interest only
First Payment Date
Last Payment Date
Standard Charge Terms 200033
Insurance Amount full insurable value
Guarantor

File Number

Charger Client File Number: 310739.00002

Tab M

THIS IS EXHIBIT "M"

*referred to in the Affidavit of
Weichang Yang sworn before me this
17th day of September, 2018*



*Commissioner for Taking Affidavits
(or as may be)*

(A commissioner for taking Affidavits for the Province of British Columbia)

Jantzen C. M. Chu, Barrister & Solicitor, Notary
Barrister & Solicitor, Province of British Columbia, Canada
Suite 618, 3381 Cambie Street, Vancouver, B.C. V5Z 4R3
Oriental Kenzo Plaza, Dong Cheng District, Beijing, China
China: +86- 135.2088.0208 Email: bc_jawyer@163.com
Canada: +1- 778.898.8787 Facsimile: +1- 604.430.8613



Wei Shao
Partner
wei.shao@dentons.com
O +1 604 691 8428

Dentons Canada LLP
20th Floor, 250 Howe Street
Vancouver, BC, Canada V6C 3R8

大陆及 萨隆 FMC SNR Denton McKeinn Long
dentons.com

File: 571231-1

July 20, 2017

Weichang Yang
No. 8 Beisanjie Fucheng Road
Haidian District, Beijing
China

Fasken Martineau DuMoulin LLP
Suite 2900
550 Burrard Street
Vancouver, B.C.
V6C 0A3
Attention: KC Miu, Partner

Dear Sirs/Mesdames:

Re: Loan by Weichang Yang to Huigang Sun

We have acted as British Columbia counsel to the Loan Parties (as defined below) under and in connection with the Loan Agreement (as defined below) and write to set out our opinion in this matter.

I. *DEFINED TERMS*

In this opinion letter, the following terms will have the following meanings:

Parties:

"Besco" means Besco International Investment Co., Ltd., a British Columbia company having the incorporation Number BC0848291.

"Borrower" means Huigang Sun, a businessperson having a mailing address at 1922 West 44th Avenue, Vancouver, BC, V6M 2E7.

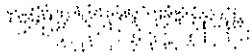
"Guarantors" means Besco, Viceroy Houses, and Viceroy Construction, and "Guarantor" means an applicable one of them, as the context requires.

"Lender" Weichang Yang, a businessperson having a mailing address at No. 8 Beisanjie Fucheng Road, Haidan District, Beijing, China, 100048.

"Loan Parties" means, collectively, the Borrower and the Guarantors, and "Loan Party" means an applicable one of them, as the context requires.

"Viceroy Construction" means Viceroy Construction Ltd., a British Columbia company having the incorporation Number BC1065867.

"Viceroy Houses" means Viceroy Houses Ltd., a British Columbia company having the incorporation Number BC1031157.



Documents:

"Acknowledgement of Receipt" means the acknowledgement with respect to receipt of the prescribed standard mortgage terms and the Mortgage executed by the Borrower in favour of the Lender.

"GSA – Besco" means the general security agreement executed by Besco in favour of the Lender for purposes of granting a security interest in all present and after-acquired personal property, including, without limitation, shares and other securities.

"GSA – Borrower" means the general security agreement executed by the Borrower in favour of the Lender for purposes of granting a security interest in all present and after-acquired personal property, including, without limitation, shares and other securities.

"GSA – VC" means the general security agreement executed by Viceroy Construction in favour of the Lender for purposes of granting a security interest in all present and after-acquired personal property, including, without limitation, shares and other securities.

"GSA – VH" means the general security agreement executed by Viceroy Houses in favour of the Lender for purposes of granting a security interest in all present and after-acquired personal property, including, without limitation, shares and other securities.

"Guarantee - Besco" means the guarantee and postponement of claim executed by Besco in favour of the Lender with respect to all present and future liabilities of the Borrower.

"Guarantee - VC" means the guarantee and postponement of claim executed by Viceroy Construction in favour of the Lender with respect to all present and future liabilities of the Borrower.

"Guarantee - VH" means the guarantee and postponement of claim executed by Viceroy Houses in favour of the Lender with respect to all present and future liabilities of the Borrower.

"Loan Agreement" means the loan agreement dated July 20, 2017 between the Loan Parties and the Lender, which provides for, among other things, the amendment and restatement of a promissory note in the principal amount of \$5,000,000 previously delivered by the Borrower to the Lender dated July 14, 2017.

"Mortgage" means the mortgage in the principal amount of \$5,000,000 (incorporating the prescribed standard mortgage terms) executed by the Borrower, as mortgagor, in favour of the Lender over the real property legally described as PID: 006-486-126 Lot 34 of Lot 9 Block 15 District Lot 526 Plan 5019.

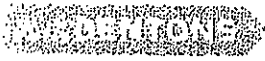
Transaction Documents:

"Transaction Documents" means, collectively, the Acknowledgment of Receipt, the GSA - Besco, the GSA - Borrower, the GSA - VC, the GSA - VH, the Guarantee - Besco, the Guarantee - VC, the Guarantee - VH, the Mortgage and the Loan Agreement, and "Transaction Document" means an applicable one of them, as the context required (each Transaction Document is dated the same date of this opinion letter, unless otherwise specified above).

ii. EXAMINATION OF DOCUMENTS

In our capacity as the counsel to the Loan Parties, we have examined executed copies of each of the Transaction Documents.

We have explained to the Borrower each Transaction Document to which he is party and any his individual's certificate, plainly in his native language, and he has acknowledged to us that he fully understood the nature and effect of each such document.



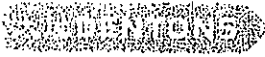
We have explained to the authorized signatory of each Guarantor each Transaction Document to which such Guarantor is party and its supporting officer's certificate, plainly in her or his, as the case may be, native language, and she or he has acknowledged to us that she or he fully understood the nature and effect of each such document.

For the purposes of the opinions expressed below, we have considered the questions of law, made the investigations, and examined originals or copies, certified or otherwise identified to our satisfaction, of the certificates of public officials and other certificates, documents and records, that we considered necessary or relevant, and we have relied, without independent verification or investigation, on all statements as to matters of fact contained in the certificates, documents and records we examined, including as to certain matters of fact relevant to the opinions expressed below in:

1. a certificate of the Borrower dated the date hereof (the "Borrower's Certificate");
2. a certificate of an officer of Besco dated the date hereof (the "Besco's Certificate");
3. a certificate of an officer of Viceroy Construction dated the date hereof (the "VC's Certificate");
4. a certificate of an officer of Viceroy Houses dated the date hereof (the "VH's Certificate" and together with the Borrower's Certificate, the Besco's Certificate and the VC's Certificate, the "Certificates");
5. a certified resolution of the directors of Besco dated the date hereof (the "Besco's Resolution");
6. a certified resolution of the directors of Viceroy Construction dated the date hereof (the "VC's Resolution");
7. a certified resolution of the directors of Viceroy Houses dated the date hereof (the "VH's Resolution" and together with the Besco's Resolution and the VC's Resolution, the "Resolutions");
8. an Acknowledgement and Direction re Electronic registration of Besco Charge;
9. an Acknowledgement of Standard Charge Terms re Besco Charge;
10. an Acknowledgement and Direction re Electronic registration of Viceroy Charge; and
11. an Acknowledgement of Standard Charge Terms re Viceroy Charge.

We have also examined:

12. the original driver's license (DL8595430) of the Borrower;
13. a Certificate of Good Standing dated July 14, 2017 issued by the British Columbia Registrar of Companies in respect of Besco (the "Certificate of Good Standing - Besco");
14. a Certificate of Good Standing dated July 14, 2017 issued by the British Columbia Registrar of Companies in respect of Viceroy Construction (the "Certificate of Good Standing - VC"); and
15. a Certificate of Good Standing dated July 14, 2017 issued by the British Columbia Registrar of Companies in respect of Viceroy Houses (the "Certificate of Good Standing - VH" and together with the Certificate of Good Standing - Besco and the Certificate of Good Standing - VC, the "Certificates of Good Standing").



Our opinions in this opinion letter are effective as of the date hereof and speak solely to the law, factual circumstances and documents as they exist as of the date hereof.

III. ASSUMPTIONS AND RELIANCES

For the purposes of the opinions expressed below, without independent investigation or inquiry, we have assumed that:

- (a) with respect to all documents examined by us, the signatures are genuine, the individuals signing those documents had legal capacity at the time of signing, all documents submitted to us as originals are authentic, and certified, conformed or photocopied copies, or copies transmitted electronically or by facsimile, conform to the authentic original documents;
- (b) the indices and records in all filing systems maintained in all public offices where we have searched or inquired or have caused searches or inquiries to be conducted are accurate and current, and all certificates and information issued or provided under those searches or inquiries are and remain accurate and complete;
- (c) the facts certified in the Certificates are accurate as of the date given and continue to be accurate as of the date of this opinion letter; and
- (d) the Certificates of Good Standing are accurate as of the date given and continue to be accurate as of the date of this opinion letter.

IV. LAWS ADDRESSED

The opinions expressed in this letter are limited to the laws of the Province of British Columbia and the laws of Canada applicable therein ("BC Law"), and we express no opinion as to the laws of any jurisdiction other than BC Law.

Our opinions expressed in paragraph 1 below are expressed solely and without independent investigation in reliance upon the Certificates of Good Standing.

V. OPINIONS

Based and relying upon the foregoing, we are of the opinion that:

Existence

- 1 Each Guarantor is a valid and existing company under the *Business Corporations Act* (British Columbia) ("BCBCA") and is, with respect to the filing of annual reports, in good standing.

Corporate Power and Capacity

2. Each Guarantor has the corporate power and capacity under the BCBCA and its articles to own property and assets, to carry on business, and to execute and deliver each Transaction Document to which it is party, and to perform its obligations thereunder.

Due Authorization

3. Each Guarantor has taken all necessary corporate action to authorize the execution and delivery by it of each Transaction Document to which it is party and the performance of its obligations thereunder.

Execution and Delivery

4. Each Guarantor has duly executed and delivered each Transaction Document to which it is party.
5. The Borrower has executed and delivered each Transaction Document to which he is party.

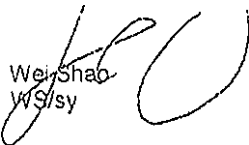
No Breach

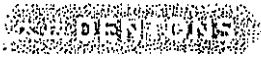
6. The execution and delivery by each Guarantor of each Transaction Document to which it is party and the performance by it of its obligations thereunder do not contravene its articles.

VI. RELIANCE

This opinion letter is solely for the benefit of the addressees of this opinion letter in connection with the Transaction Documents and may not be relied upon in any manner by any other person and may not be disclosed, quoted, filed with a governmental agency or otherwise referred to, without our prior written consent. The opinions herein are limited to the matters expressly addressed and are not to be read as opinions in respect of any other matter.

Yours truly,
Dentons Canada LLP


Wei Shao
WS/sy



Wei Shao
Partner
wei.shao@dentons.com
D -1 604 691 0428

Dentons Canada LLP
20th Floor, 250 Howe Street
Vancouver, BC, Canada V6C 3R8

大成 律師事務所 Dentons McKenna Long
dentons.com

File: 571231-1

November 10, 2017

Weichang Yang
No. 8 Beisanjie Fucheng Road
Haidian District, Beijing
China

Fasken Martineau DuMoulin LLP
Suite 2900
550 Burrard Street
Vancouver, B.C.
V6C 0A3
Attention: KC Miu, Partner

Dear Sirs/Mesdames:

Re: Loan by Weichang Yang to Huigang Sun

We have acted as British Columbia counsel to the Opinion Parties (as defined below) under and in connection with the Transaction Documents (as defined below) and write to set out our opinion in this matter.

I. DEFINED TERMS

In this opinion letter, the following terms will have the following meanings:

Parties:

"Besco" means Besco International Investment Co., Ltd., a British Columbia company having the Incorporation Number BC0848291.

"Borrower" means Huigang Sun, a businessperson having a mailing address at 1922 West 44th Avenue, Vancouver, BC, V6M 2E7.

"Lender" Weichang Yang, a businessperson having a mailing address at No. 8 Beisanjie Fucheng Road, Haidian District, Beijing, China, 100048.

"Max Master" means Max Master Investments Limited, a British Columbia company having the Incorporation Number BC1079886.

"Opinion Parties" means Besco, Max Master and Royal Union and "Opinion Party" means an applicable one of them, as the context requires.

"Royal Union" means Royal Union Base Group Limited, a British Columbia company having the Incorporation Number BC1077342.



"Viceroy Construction" means Viceroy Construction Ltd., a British Columbia company having the Incorporation Number BC1065867.

"Viceroy Houses" means Viceroy Houses Ltd., a British Columbia company having the Incorporation Number BC1031157.

Real Property:

"Besco Property" means the real property located at or about 414 Croft Street, Port Hope, Ontario, legally described by PIN: 51082-0010, PT LT 1-2 CON 1 HOPE PT2 9R2307 EXCEPT PT 1 39R9406; PORT HOPE.

Documents:

"Assignment of Rents" means the general assignment of rents and leases executed by Besco in favour of the Lender over the real property legally described as PIN: 51082-0010 (LT); Part Lot 1-2, Concession 1, Hope, Part 2, Plan 9R2307 Except Part 1, Plan 39R9406; Port Hope.

"Besco Mortgage" means the collateral mortgage in the principal amount of \$5,000,000.00 (including assignment of rents) executed by Besco, as mortgagor in favour of the Lender for purposes of mortgaging the Besco Property.

"GSA – Max Master" means the general security agreement executed by Max Master in favour of the Lender for purposes of granting a security interest in all present and after-acquired personal property, including, without limitation, shares and other securities.

"GSA –Royal Union" means the general security agreement executed by Royal Union in favour of the Lender for purposes of granting a security interest in all present and after-acquired personal property, including, without limitation, shares and other securities.

"Guarantee - Max Master" means the guarantee and postponement of claim executed by Max Master in favour of the Lender with respect to all present and future liabilities of the Borrower.

"Guarantee - Royal Union" means the guarantee and postponement of claim executed by Royal Union in favour of the Lender with respect to all present and future liabilities of the Borrower.

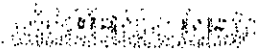
"Initial Promissory Note" means the executed and delivered promissory note dated June 14, 2017 issued by the Borrower in favour of the Lender, as evidence of the promise by the Borrower to pay the \$5,000,000.00 loan together with interest and other amounts set out therein payable to the Lender.

"Loan Agreement" means the loan agreement dated July 20, 2017 between the Borrower, the Opinion Parties, Viceroy Construction and Viceroy Houses, and the Lender, which provides for, *inter alia*, the amendment and restatement of the Initial Promissory Note.

"Stock Transfer Power – Max Master re Shares of Besco" means the stock power of attorney executed by Max Master in favour of the Lender with respect to transfer of shares in the capital of Besco.

"Stock Transfer Power - the Borrower re Shares of Max Master" means the stock power of attorney executed by the Borrower in favour of the Lender with respect to transfer of shares in the capital of Max Master.

"Stock Transfer Power - the Borrower re Shares of Royal Union" means the stock power of attorney executed by the Borrower in favour of the Lender with respect to transfer of shares in the capital of Royal Union.



"Stock Transfer Power – Royal Union re Shares of VC" means the stock power of attorney executed by Royal Union in favour of the Lender with respect to transfer of shares in the capital of Viceroy Construction.

"Stock Transfer Power – Royal Union re Shares of VH" means the stock power of attorney executed by Royal Union in favour of the Lender with respect to transfer of shares in the capital of Viceroy Houses.

"Stock Transfer Powers" means, collectively, the Stock Transfer Power – Max Master re Shares of Besco, the Stock Transfer Power – the Borrower re Shares of Max Master, the Stock Transfer Power – the Borrower re Shares of Royal Union, the Stock Transfer Power – Royal Union re Shares of VC and the Stock Transfer Power – Royal Union re Shares of VH, and "Stock Transfer Power" means an applicable one of them, as the context required.

Transaction Documents:

"Transaction Documents" for the purposes of this opinion, means, collectively, the Loan Agreement, the GSA – Max Master, the GSA – Royal Union, the Guarantee – Max Master, the Guarantee – Royal Union, the Besco Mortgage, the Assignment of Rents and the Stock Transfer Powers, and "Transaction Document" means any one of them, as the context requires (each Transaction Document is dated November 6, 2017, unless otherwise specified above).

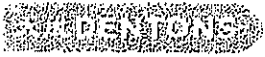
II. EXAMINATION OF DOCUMENTS

In our capacity as the counsel to the Opinion Parties, we have examined executed copies of each of the Transaction Documents.

We have explained to the authorized signatory of each Opinion Party each Transaction Document to which such Opinion Party is party and its supporting director's certificate, plainly in his native language, and he has acknowledged to us that he fully understood the nature and effect of each such document.

For the purposes of the opinions expressed below, we have considered the questions of law, made the investigations, and examined originals or copies, certified or otherwise identified to our satisfaction, of the certificates of public officials and other certificates, documents and records, that we considered necessary or relevant, and we have relied, without independent verification or investigation, on all statements as to matters of fact contained in the certificates, documents and records we examined, including as to certain matters of fact relevant to the opinions expressed below in:

1. a certificate of a director of Max Master dated November 6, 2017 (the "Max Master Certificate");
2. a certificate of a director of Royal Union dated November 6, 2017 (the "Royal Union Certificate");
3. a certificate of a director of Besco dated November 8, 2017 (the "Besco Certificate", and together with the Max Master Certificate and the Royal Union Certificate, the "Certificates");
4. a certified resolution of the director of Max Master dated November 6, 2017 (the "Max Master Resolution");
5. a certified resolution of the director of Royal Union dated November 6, 2017 (the "Royal Union Resolution");
6. a certified resolution of the director of Besco dated November 8, 2017 (the "Besco Resolution" and together with the Max Master Resolution and the Royal Union Resolution, the "Resolutions");



7. an Acknowledgement and Direction re Electronic registration of the Assignment of Rents.

We have also examined:

8. a Certificate of Good Standing dated November 10, 2017 issued by the British Columbia Registrar of Companies in respect of Max Master (the "Certificate of Good Standing – Max Master"); and
9. a Certificate of Good Standing dated November 10, 2017 issued by the British Columbia Registrar of Companies in respect of Royal Union (the "Certificate of Good Standing – Royal Union");
10. a Certificate of Good Standing dated November 10, 2017 issued by the British Columbia Registrar of Companies in respect of Besco (the "Certificate of Good Standing – Besco" and together with the Certificate of Good Standing – Max Master and the Certificate of Good Standing – Royal Union, the "Certificates of Good Standing").

Our opinions in this opinion letter are effective as of the date hereof and speak solely to the law, factual circumstances and documents as they exist as of the date hereof.

III. ASSUMPTIONS AND RELIANCES

For the purposes of the opinions expressed below, without independent investigation or inquiry, we have assumed that:

- (a) with respect to all documents examined by us, the signatures are genuine, the individuals signing those documents had legal capacity at the time of signing, all documents submitted to us as originals are authentic, and certified, conformed or photocopied copies, or copies transmitted electronically or by facsimile, conform to the authentic original documents;
- (b) the indices and records in all filing systems maintained in all public offices where we have searched or inquired or have caused searches or inquiries to be conducted are accurate and current, and all certificates and information issued or provided under those searches or inquiries are and remain accurate and complete;
- (c) the facts certified in the Certificates are accurate as of the date given and continue to be accurate as of the date of this opinion letter; and
- (d) the Certificates of Good Standing are accurate as of the date given and continue to be accurate as of the date of this opinion letter.

IV. LAWS ADDRESSED

The opinions expressed in this letter are limited to the laws of the Province of British Columbia and the laws of Canada applicable therein ("BC Law"), and we express no opinion as to the laws of any jurisdiction other than BC Law.

Our opinions expressed in paragraph 1 below are expressed solely in reliance upon the Certificates of Good Standing, and without independent investigation.

V. OPINIONS

Based and relying upon the foregoing, we are of the opinion that:

Existence

1. Each of the Opinion Parties is a valid and existing company under the *Business Corporations Act* (British Columbia) ("BCBCA") and is, with respect to the filing of annual reports, in good standing.

Corporate Power and Capacity

2. Each Opinion Party has the corporate power and capacity under the BCBCA and its articles to own property and assets, to carry on business, and to execute and deliver each Transaction Document to which it is party, and to perform its obligations thereunder.

Due Authorization

3. Each Opinion Party has taken all necessary corporate action to authorize the execution and delivery by it of each Transaction Document to which it is party and the performance of its obligations thereunder.

Execution and Delivery

4. Each Opinion Party has duly executed and delivered each Transaction Document to which it is party.

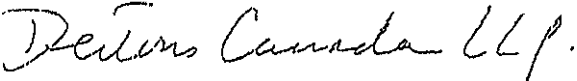
No Breach

5. The execution and delivery by each Opinion Party of each Transaction Document to which it is party and the performance by it of its obligations thereunder do not contravene its articles.

VI. RELIANCE

This opinion letter is solely for the benefit of the addressees of this opinion letter in connection with the Transaction Documents and may not be relied upon in any manner by any other person and may not be disclosed, quoted, filed with a governmental agency or otherwise referred to, without our prior written consent. The opinions herein are limited to the matters expressly addressed and are not to be read as opinions in respect of any other matter.

Yours truly,
Dentons Canada LLP



Tab N

THIS IS EXHIBIT "N"

referred to in the Affidavit of

Weichang Yang sworn before me this

17th day of September, 2018



***Commissioner for Taking Affidavits
(or as may be)***

(A commissioner for taking Affidavits for the Province of British Columbia)

Jantzen C. M. Chu, Barrister & Solicitor, Notary
Barrister & Solicitor, Province of British Columbia, Canada
Suite 618, 3381 Cambie Street, Vancouver, B.C. V5Z 4R3
Oriental Kenzo Plaza, Dong Cheng District, Beijing, China
China: +86- 135.2088.0208 Email: bc_lawyer@163.com
Canada: +1- 778.898.8787 Facsimile: +1- 604.430.8613

FASKEN

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

550 Burrard Street, Suite 2900
Vancouver, British Columbia V6C 0A3
Canada

T +1 604 631 3131
+1 866 638 3131
F +1 604 631 3232
fasken.com

March 14, 2018
File No.: 310739.00002/17807

Fergus McDonnell
Direct +1 604 631 3220
fmcdonnell@fasken.com

By Courier

Huigang Sun
1922 West 44th Avenue
Vancouver, B.C., V6M 2E7

Dear Sirs/Mesdames:

Re: Indebtedness of Huigang Sun to Weichang Yang ("Mr. Yang")

We are the solicitors for Mr. Yang.

We are instructed that, pursuant to a loan agreement between you and Mr. Yang dated July 20, 2017, as of March 14, 2018, you are indebted to Mr. Yang in the amount of \$3,242,797.53, plus interest thereon accruing at 15% per annum at a per diem rate of \$1,428.20 (the "Indebtedness").

The foregoing amounts do not include Mr. Yang's legal costs and Mr. Yang reserves the right to claim these from you.

On the instructions of Mr. Yang, we hereby make formal demand for payment of the Indebtedness plus interest thereon from and including March 14, 2018 to and including the date payment is received in our offices by certified cheque or bank draft. Unless the Indebtedness is received in our offices on or before the close of business on Monday, March 26, 2018, we will seek our client's instructions to commence legal proceedings against you to enforce recovery of the amounts outstanding without further notice to you.

The above balances are based on the records available to Mr. Yang at this date. If the true balances are different from the amounts above demanded, Mr. Yang reserves all rights to any additional monies which you may owe to Mr. Yang.

We also enclose with this letter a Form 86 Notice of Intention to Enforce Security pursuant to the provisions of Section 244(1) of the *Bankruptcy and Insolvency Act* confirming Mr. Yang's intention to enforce his security on the expiration of ten days following the date of this letter unless you consent to an earlier enforcement. If you wish to provide such a consent, please advise us immediately.

FASKEN

Notwithstanding the foregoing, we also confirm that Mr. Yang specifically reserves his right to make application to the Court to appoint an interim receiver under the *Bankruptcy and Insolvency Act* to protect his security during the demand period.

Unless payment of the indebtedness is received or a consent to an earlier enforcement is received from you, and subject to Mr. Yang's rights as noted above, we confirm Mr. Yang's present intention to proceed with the enforcement of his security without further notice to you.

Yours truly,

FASKEN MARTINEAU DuMOULIN LLP

A handwritten signature in black ink, appearing to read 'Fergus McDonnell', with a stylized flourish at the end.

Fergus McDonnell

FM/dao
Enclosure

NOTICE OF INTENTION TO ENFORCE SECURITY

FORM 86
(Subsection 244(1))

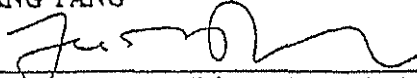
TO: Huigang Sun, an insolvent person

TAKE NOTICE THAT:

1. Weichang Yang, a secured creditor, intends to enforce his security on the insolvent person's property described below:
 - (a) all present and after acquired personal property; and
 - (b) all present and after acquired real property and other assets and undertakings, including the real property legally described as PID: 006-486-126 Lot 34 of Lot 9 Block 15 District Lot 526 Plan 5019.
2. The security that is to be enforced is in the form of:
 - (a) General Security Agreement executed by Huigang Sun in favour of Weichang Yang dated July 20, 2017; and
 - (b) Mortgage executed by Huigang Sun, as mortgagor, dated July 20, 2017 in favour of Weichang Yang over the real property legally described as PID: 006-486-126 Lot 34 of Lot 9 Block 15 District Lot 526 Plan 5019
3. The total amount of indebtedness secured by the security is \$3,242,797.53 as at March 14, 2018, with interest accruing thereafter at \$1,428.20 per day, plus costs, plus any additional monies for which the insolvent person may become liable to the secured creditor after the last mentioned date.
4. The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

DATED at the City of Vancouver in the Province of British Columbia, this 14 day of March, 2018.

WEICHANG YANG

Per: 
Fergus McDonnell, solicitor and authorized agent

The undersigned hereby waives the ten day notice period provided for in this Notice of Intention to Enforce Security and consents to the immediate enforcement by Weichang Yang of all security above-noted.

HUIGANG SUN

Tab 0

THIS IS EXHIBIT "O"

referred to in the Affidavit of

Weichang Yang sworn before me this

17th day of September, 2018



***Commissioner for Taking Affidavits
(or as may be)***

(A commissioner for taking Affidavits for the Province of British Columbia)

Jantzen C. M. Chu, Barrister & Solicitor, Notary
Barrister & Solicitor, Province of British Columbia, Canada
Suite 618, 3381 Cambie Street, Vancouver, B.C. V5Z 4R3
Oriental Kenzo Plaza, Dong Cheng District, Beijing, China
China: +86- 135.2088.0208 Email: bc_lawyer@163.com
Canada: +1- 778.898.8787 Facsimile: +1- 604.430.8613

FASKEN

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

550 Burrard Street, Suite 2900
Vancouver, British Columbia V6C 0A3
Canada

T +1 604 631 3131
+1 866 636 3131
F +1 604 631 3232
fasken.com

March 14, 2018
File No.: 310739.00002/17807

Fergus McDonnell
Direct +1 604 631 3220
fmcdonnell@fasken.com

By Courier

Besco International Investment Co., Ltd.
809-6081 No. 3 Road
Richmond, B.C., V6Y 2B2

Dear Sirs/Mesdames:

Re: Guarantee and Postponement of Claim dated July 20, 2017 of the Indebtedness of
Huigang Sun (the "Guarantee")

We are the solicitors for Weichang Yang ("Mr. Yang").

We are instructed that Mr. Yang holds your unlimited Guarantee relating to the obligations of Huigang Sun to Mr. Yang.

By letter dated March 14, 2018, we made demand on Huigang Sun for payment of his indebtedness to Mr. Yang, a copy of which we enclose.

In accordance with the instructions received from Mr. Yang, we hereby make formal demand on you for payment of the amount outstanding under your Guarantee which presently amounts to the sum of \$3,242,797.53. Interest continues to accrue on the amount demanded at the per diem rate of \$1,428.20. The foregoing does not include Mr. Yang's legal costs and Mr. Yang reserves the right to claim these from you.

Unless the total amount demanded is received in our offices on or before the close of business on Monday, March 26, 2018, we will seek our client's instructions to commence legal proceedings against you to enforce recovery of the amounts outstanding without further notice to you.

The above balances are based on the records available to Mr. Yang at this date. If the true balances are different from the amounts above demanded, Mr. Yang reserves all rights to any additional monies which you may owe to Mr. Yang.

We also enclose with this letter a Form 86 Notice of Intention to Enforce Security pursuant to the provisions of Section 244(1) of the Bankruptcy and Insolvency Act confirming Mr. Yang's intention to enforce his security on the expiration of ten days following the date of this letter

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FASKEN

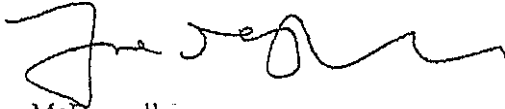
unless you consent to an earlier enforcement. If you wish to provide such a consent, please advise us immediately.

Notwithstanding the foregoing, we also confirm that Mr. Yang specifically reserves his right to make application to the Court to appoint an interim receiver under the Bankruptcy and Insolvency Act to protect his security during the demand period.

Unless payment of the indebtedness is received or a consent to an earlier enforcement is received from you, and subject to Mr. Yang's rights as noted above, we confirm Mr. Yang's present intention to proceed with the enforcement of his security without further notice to you.

Yours truly,

FASKEN MARTINEAU DuMOULIN LLP



Fergus McDonnell

FM/dao
Enclosure

NOTICE OF INTENTION TO ENFORCE SECURITY

FORM 86

(Subsection 244(1))

TO: Besco International Investment Co., Ltd., an insolvent person

TAKE NOTICE THAT:

1. Weichang Yang, a secured creditor, intends to enforce its security on the insolvent person's property described below:
 - (a) all present and after acquired personal property; and
 - (b) all present and after acquired real property and other assets and undertakings, including the real property legally described as PIN 51082 0010 (LT), Pt 1-2 Con 1 Hope Pt 2 9R2307 Except Pt 1 39R9406, Port Hope.

2. The security that is to be enforced is in the form of:
 - (a) General Security Agreement executed by Besco International Investment Co., Ltd. in favour of Weichang Yang;
 - (b) Mortgage executed by Besco International Investment Co., Ltd., as mortgagor, dated July 20, 2017 in favour of Weichang Yang over the real property legally described as PIN 51082 0010 (LT), Pt 1-2 Con 1 Hope Pt 2 9R2307 Except Pt 1 39R9406, Port Hope; and
 - (c) General Assignment of Leases and Rents executed by Besco International Investment Co., Ltd., dated July 20, 2017 in favour of Weichang Yang over the real property legally described as PIN 51082 0010 (LT), Pt 1-2 Con 1 Hope Pt 2 9R2307 Except Pt 1 39R9406, Port Hope

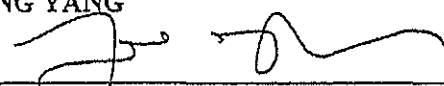
3. The total amount of indebtedness secured by the security is \$3,242,797.53 as at March 14, 2018, with interest accruing thereafter at \$1,428.50 per day, plus costs, plus any additional monies for which the insolvent person may become liable to the secured creditor after the last mentioned date.

- 4. The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

DATED at the City of Vancouver in the Province of British Columbia, this 14 day of March, 2018.

WEICHANG YANG

Per:



Fergus McDornell, solicitor and authorized agent


The undersigned hereby waives the ten day notice period provided for in this Notice of Intention to Enforce Security and consents to the immediate enforcement by Weichang Yang of all security above-noted.

Besco International Investment Co.

Tab P

THIS IS EXHIBIT "P"

*referred to in the Affidavit of
Weichang Yang sworn before me this
17th day of September, 2018*



***Commissioner for Taking Affidavits
(or as may be)***

(A commissioner for taking Affidavits for the Province of British Columbia)

Jantzen C. M. Chu, Barrister & Solicitor, Notary
Barrister & Solicitor, Province of British Columbia, Canada
Suite 618, 3381 Cambie Street, Vancouver, B.C. V5Z 4R3
Oriental Kenzo Plaza, Dong Cheng District, Beijing, China
China: +86- 135.2088.0208 Email: bc_lawyer@163.com
Canada: +1- 778.898.8787 Facsimile: +1- 604.430.8613

FORBEARANCE AGREEMENT

THIS AGREEMENT is made as of the day of , 2018

BETWEEN:

HUIGANG SUN, a businessperson having an address at 1922 West 44th Avenue, Vancouver, BC, V6M 2E7

(the "**Borrower**")

AND:

BESCO INTERNATIONAL INVESTMENT CO., LTD., a British Columbia company having the Incorporation Number BC0848291 and an address at 809 - 6081 No. 3 Road, Richmond, BC V6Y 2B2

("Besco")

AND:

VICEROY HOUSES LTD., a British Columbia company having the Incorporation Number BC1031157 and an address at 12211 Horseshoe Way, Richmond, BC V7A 4V4

("Viceroy Houses")

AND:

VICEROY CONSTRUCTION LTD., a British Columbia company having the Incorporation Number BC1065867 and an address at 12211 Horseshoe Way, Richmond, BC V7A 4V4

("Viceroy Construction")

AND:

ROYAL UNION BASE GROUP LIMITED, a British Columbia company having the Incorporation Number BC1077342 and an address at 12211 Horseshoe Way, Richmond, BC V7A 4V4

("Royal Union")

AND:

MAX MASTER INVESTMENTS LIMITED, a British Columbia company having the Incorporation Number BC1079886 and an address at 2700, 1055 West Georgia Street, Vancouver, BC V6E 3P3

- 2 -

("Max Master")

AND:

WEICHANG YANG, a businessperson having an address at No. 8
Beisanjie Fucheng Road, Haidian District, Beijing, China

(the "Lender")

RECITALS

1. Capitalized terms not otherwise defined are defined in the Definition Section 1.1 below;
2. The Lender has advanced sums to the Borrower pursuant to the Loan Agreement. The Guarantors have guaranteed the obligations of the Borrower to the Lender pursuant to the Guarantees;
3. As at April 26, 2018, the Borrower is indebted to the Lender in the principal amount of \$3,211,300 plus accrued interest in the amount of \$8,028 and Expenses pursuant to the Loan Agreement (the "Outstanding Amount");
4. On October 20, 2017 (the "Initial Maturity Date") the Loan Agreement matured and all Indebtedness under the Loan Agreement became immediately due and owing. At the various requests of the Borrower and the Guarantors, the Lender has provided accommodations to the Borrower since the Initial Maturity Date in respect of postponing the repayment of the Indebtedness, without waiving the right of the Lender to demand payment of the Indebtedness;
5. On or about March 14, 2018, the Lender made demand upon the Borrower and the Guarantors for payment of the Indebtedness and delivered Section 244 Notices to the Borrower and the Guarantors. The statutory time period set out in the Section 244 Notices has expired and the Lender is in a position to enforce the Security and the Guarantor Security;
6. The Loan Parties have requested, and the Lender has agreed, on a mutually satisfactory arrangement which provides for the forbearance by the Lender of its remedies under the Loan Agreement, the Guarantees, the Security and the Guarantor Security on a day to day basis until the earlier of (i) the 20th day of August, 2018, and (ii) the occurrence of an Event of Default (the "Forbearance Period"); and
7. The Forbearance Period is intended to give the Loan Parties a period of time to secure the funds required for them to make payment in full of the Indebtedness.

- 3 -

NOW THEREFORE, in consideration of the premises, the mutual covenants contained in this Agreement and other consideration (the receipt and sufficiency of which are acknowledged), the parties agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement and in the Recitals:

"Agreement" means this forbearance agreement.

"Encumbrance" includes any lien, charge, mortgage, encumbrance, security interest, writ, judgment, certificate of pending litigation, claim for lien, certificate of action or notice asserting an interest in the Property.

"Event of Default" has the meaning ascribed to it in Article 4.1 of this Agreement.

"Expenses" means all reasonable out-of-pocket costs and expenses of the Lender, including legal fees on a solicitor and his own client basis incurred to date, incurred in connection with this Agreement and the performance thereof, and the collection of the Indebtedness and the enforcement of the Security and the Guarantor Security.

"Guarantees" means those guarantee and postponement agreements granted by the Guarantors in favour of the Lender in respect of the Indebtedness, as more particularly described in Schedule A attached hereto.

"Guarantor Security" means all security presently held by the Lender for the obligations of the Guarantors under the Guarantees, including, without limitation, those documents referred to in Schedule A attached hereto and, once executed and delivered, the Replacement Mortgage.

"Guarantors" means Besco, Viceroy Houses, Viceroy Construction, Royal Union and Max Master, and "Guarantor" means an applicable one of them, as the context requires.

"Indebtedness" means all amounts owing by the Borrower to the Lender from time to time, including the Outstanding Amount, the Expenses, or otherwise.

"Initial Promissory Note" means the promissory note (written in Chinese) dated June 14, 2017, as evidence of the promise by the Borrower to pay an aggregate principal amount equivalent to \$5,000,000, together with interest and other amounts set out therein, to and in favour of the Lender, and to grant or provide, to and in favour of the Lender, the Security, the Guarantees and the Guarantee Security as security therefor.

"Lands" means lands known municipally as 414 Croft Street, Port Hope, Ontario, legally described by PIN: 51082-0010, PT LT 1-2 CON 1 HOPE PT2 9R2307 EXCEPT PT 1 39R9406; PORT HOPE.

- 4 -

"Loan Agreement" means all loan agreements between the Lender and the Borrower relating in any way to all or any portion of the Indebtedness, including, without limitation, a loan agreement made as of July 20, 2017 between the Loan Parties and the Lender, and the Initial Promissory Note.

"Loan Parties" means the Borrower and the Guarantors, and "Loan Party" means an applicable one of them, as the context requires.

"Property" means all of the present and future property, assets and undertaking of the Borrower and the Guarantors of whatsoever nature or kind.

"Replacement Mortgage" means a first ranking charge/mortgage of land in the principal amount of \$5,000,000 to be registered against the Lands, to replace the existing mortgage by Besco, as mortgagor, in favour of the Lender, as mortgagee, registered against the Lands on July 24, 2017, and such further documents to be executed in connection therewith including, without limitation,

- (a) a notice of assignment of rents to be registered against the Lands; and
- (b) an acknowledgement of standard charge terms No. 200033.

"Security" means all security presently held by the Lender over the Property of the Borrower for the Indebtedness including, without limitation,

- (a) a general security agreement given by the Borrower to the Lender dated July 20, 2017;
- (b) a collateral mortgage (consisting of prescribed standard mortgage terms) by the Borrower, as mortgagor, in favour of the Lender, as mortgagee, for purposes of mortgaging the real property legally described by PID: 006-486-126, Lot 34 of Lot 9 Block 15 District Lot 526 Plan 5019, as more particularly described therein;
- (c) the stock power of attorney by the shareholder(s) of Royal Union in favour of the Lender with respect to transfer of shares in the capital of Royal Union;
- (d) the stock power of attorney by the shareholder(s) of Max Master in favour of the Lender with respect to transfer of shares in the capital of Max Master; and
- (e) share certificates of the pledged shares.

"Section 244 Notices" means the Notices of Intention to Enforce Security pursuant to section 244 of the *Bankruptcy and Insolvency Act* delivered by the Lender to the Borrower and the Guarantors on or about March 14, 2018.

- 5 -

ARTICLE 2
REPRESENTATIONS, WARRANTIES AND ACKNOWLEDGMENTS

2.1 Representations, Warranties and Acknowledgments of the Loan Parties

The Loan Parties represent, warrant and acknowledge to the Lender as follows, and acknowledge that the Lender is relying upon such representations, warranties and acknowledgements in entering into this Agreement:

- (a) as of April 26, 2018, the Borrower is indebted to the Lender in the Outstanding Amount pursuant to the Loan Agreement, plus other Expenses incurred by the Lender to date;
- (b) the Indebtedness is presently due and owing;
- (c) the Loan Agreement, the Indebtedness and the Security constitute valid, binding and enforceable obligations of the Borrower to the Lender and the Borrower has no defence to any obligation or liability thereunder or in respect thereof;
- (d) the Guarantees, the Indebtedness and the Guarantor Security constitute valid, binding and enforceable obligations of the Guarantors to the Lender and no Guarantor has any defence to any obligation or liability thereunder or in respect thereof;
- (e) the Borrower is in default of its obligations to the Lender;
- (f) the Guarantors are in default of their obligations to the Lender;
- (g) the Lender has no obligation to make any advance or extend any credit to or for the benefit of the Borrower;
- (h) the Lender, whether by entering into this Agreement or otherwise, has not waived any events of default which occurred prior to the date hereof nor has it waived any rights or remedies arising from the occurrence of any such event of default and all rights and remedies arising therefrom are specifically reserved and preserved by the Lender;
- (i) the Lender was entitled to deliver, and the Borrower and the Guarantors hereby acknowledge the delivery of the Section 244 Notices and consent to the immediate enforcement of the Security and the Guarantor Security without further notice to the Loan Parties;
- (j) the Borrower and the Guarantors own the Property and the Borrower and the Guarantors have not granted, created, incurred, assumed or suffered to exist any Encumbrance on, against or with respect to the Property or any portion thereof since the execution of the Security and the Guarantor Security;

- 6 -

- (k) the Borrower has full capacity to enter into, execute, deliver and perform this Agreement;
- (l) the Guarantors have been duly incorporated and organized and are valid and subsisting corporations in good standing under the laws of their jurisdiction of incorporation and have full capacity and power to enter into, execute, deliver and perform this Agreement; and
- (m) the Recitals are true and correct.

ARTICLE 3
AGREEMENTS

3.1 Obligations of the Borrower

The Borrower:

- (a) shall, on or before June 20, 2018, pay or cause to be paid to the Lender (i) all Expenses incurred by the Lender as of that date; and (ii) \$500,000, which amount shall be applied by the Lender in permanent reduction of the Indebtedness, as follows: first in repayment of accrued but unpaid interest, and second in reduction of the principal amount outstanding;
- (b) shall, on or before August 20, 2018, pay or cause to be paid in full all Indebtedness owing to the Lender;
- (c) shall continue to comply with the terms and conditions of the Loan Agreement and the Security and, in the event of any conflict between the terms of the Loan Agreement or the Security and this Agreement, the terms of this Agreement shall prevail;
- (d) shall not create, incur, assume or suffer to exist any Encumbrance on, against or with respect to the Property or any portion thereof without the prior written consent of the Lender; and
- (e) shall advise the Lender within ten (10) days of the occurrence of any circumstance or event that materially affects the Security provided by the Borrower to the Lender.

3.2 Obligations of the Guarantors

The Guarantors:

- (a) shall cause the Borrower to comply with his obligations under this Agreement;
- (b) shall continue to comply with the terms and conditions of the Guarantees and the Guarantor Security and, in the event of any conflict between the terms of the

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Guarantees or the Guarantor Security and this Agreement, the terms of this Agreement shall prevail;

- (c) shall not create, incur, assume or suffer to exist any Encumbrance on, against or with respect to the Property or any portion thereof without the prior written consent of the Lender; and
- (d) shall advise the Lender within ten (10) days of the occurrence of any circumstance or event that materially affects the Guarantor Security provided by the Guarantors to the Lender.

3.3 Conditions Precedent to Forbearance

The obligations and agreements of the Loan Parties hereunder are subject to the satisfaction of the following, on or before May 18, 2018:

- (a) the Borrower shall have executed and delivered to the Lender (or as it may direct in writing) an irrevocable direction authorizing the Lender to register the Replacement Mortgage against title to the Lands, in form and substance satisfactory to the Lender; and
- (b) the Borrower and the Guarantors shall have delivered to the Lender a consent to the appointment of a receiver over the Property in form and substance satisfactory to the Lender ("Consent to Receivership").

3.4 Forbearance

The Lender agrees to forbear from enforcing its rights and remedies against the Loan Parties during the Forbearance Period.

ARTICLE 4 DEFAULT

4.1 Events of Default

Each and every of the following shall be an event of default ("Event of Default") under this Agreement:

- (a) if the Borrower defaults on its obligation to make any payment required by this Agreement;
- (b) if the Borrower or any of the Guarantors default on any obligation to carry out or observe any covenant or condition under this Agreement or the Loan Agreement;
- (c) if the Borrower or any of the Guarantors cease or threaten to cease carrying on business or if an application for bankruptcy order shall be filed, an order shall be made or a resolution be passed for the bankruptcy, winding-up or liquidation of any of the Borrower or Guarantors, as applicable;

- 8 -

- (d) if any proceedings respecting the Borrower or any of the Guarantors, as applicable, are commenced under the *Companies' Creditors Arrangement Act*, the *Bankruptcy and Insolvency Act* or the *Winding-Up and Restructuring Act* or any similar or successor statute;
- (e) if an encumbrancer takes possession of the Property of the Borrower or any of the Guarantors or any part thereof which is, in the opinion of the Lender, a material part thereof, or if a distress or execution or any similar process be levied or enforced thereagainst;
- (f) if any of the representations, warranties and acknowledgements contained herein or in any of the Security or the Guarantor Security proves to have been false or misleading in any material respect on the date hereof or shall become false or misleading at any time during the term hereof, each representation and warranty being deemed to be continuously restated with a current effective date; and
- (g) the commencement of legal proceedings against the Borrower or any of the Guarantors, which, in the view of the Lender acting reasonably, would materially impair either (a) the realizable value of the Property to the Lender; or (b) the ability of the Borrower or the Guarantors to repay the Indebtedness.

4.2 Default

Upon the occurrence of an Event of Default, the Forbearance Period shall immediately terminate, the Indebtedness shall be due and payable immediately and the Security, the Guarantor Security, and the Consent to Receivership shall be enforceable immediately without notification or notice of any kind to the Loan Parties.

ARTICLE 5 GENERAL

5.1 Release

The Loan Parties hereby release, remise and forever discharge the Lender, his successors and assigns, of and from any and all actions, causes of action, accounts, bonds, contracts, covenants, damages, debts, dues, representations, suits, warranties, claims or demands against the Lender, that the Loan Parties or any of them ever had, now have or can, may or shall hereafter have for or by reason of any cause, matter or thing existing up to the date hereof relating to the Indebtedness, the Loan Agreement, the Guarantees, the Security and the Guarantor Security.

5.2 Continuation of Loan Agreement, Guarantees, Security and Guarantor Security

All terms and conditions of the Loan Agreement, the Guarantees, the Security and the Guarantor Security remain in full force and effect. This Agreement is not a novation, nor is it to be construed as a release, waiver, extension of forbearance or modification of any of the terms, conditions, representations, warranties, covenants, rights or remedies set forth in the Loan

- 9 -

Agreement or any of the Guarantees, the Security and the Guarantor Security, except as expressly stated herein.

5.3 Negotiation of Agreement

Each Loan Party acknowledges that it has read and understands the provisions of this Agreement, that it has been provided with an opportunity to obtain legal counsel in the *negotiation, preparation and execution of this Agreement*, and that it has either obtained such legal counsel or, if it has not obtained such legal counsel, it has done so with full knowledge and understanding that this Agreement affects its legal rights. Each Loan Party further acknowledges that it has exercised its own independent judgment in the negotiation, preparation and execution of this Agreement and has done so of its own volition and not under duress or pressure of any kind.

5.4 Waiver

Any waiver of, or consent to depart from, the requirements of any provision of this Agreement by the Lender shall be effective only if it is in writing and signed by the Lender, and only in the specific instance and for the specific purpose for which it has been given. No failure on the part of the Lender to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right. No single or partial exercise of any such right shall preclude any other or further exercise of such right or the exercise of any other right.

5.5 Governing Law

This Agreement shall be governed by, and construed and enforced in accordance with, the laws in force in the Province of British Columbia (excluding any conflict of laws rule or principle which might refer such construction to the laws of another jurisdiction). Each party irrevocably submits to the nonexclusive jurisdiction of the courts of British Columbia with respect to any matter arising hereunder or related hereto.

5.6 Further Assurances

The Borrower and the Guarantors shall do such acts and shall execute such further documents, conveyances, deeds, assignments, transfers and the like (including, without limitation, any environmental indemnity and assignment of insurance), and will cause the doing of such acts and will cause the execution of such further documents as are within their power as the Lender may in writing at any time and from time to time reasonably request be done and or executed, in order to give full effect to the provisions of this Agreement.

5.7 Counterparts

This Agreement may be executed in any number of counterparts and delivered by facsimile or other method of electronic transmission. Each executed counterpart shall be deemed to be an original and all executed counterparts taken together shall constitute one agreement.

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5.8 Amendments

This Agreement may be amended or supplemented only by a written agreement signed by each party.

5.9 Sections and Headings

The division of this Agreement into Articles and Sections, paragraphs and clauses and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The Article and Section headings in this Agreement are not intended to be full or precise descriptions of the text to which they refer. The terms "this Agreement", "hereof", "herein", "hereunder" and similar expressions refer to this Agreement and not to any particular Article, Section or other portion of this Agreement and include any agreement or instrument supplemental or ancillary to this Agreement.

5.10 Currency

All statements of or references to dollar amounts in this Agreement are to Canadian dollars.

To WITNESS Their Agreement, the parties have duly executed this Agreement as of the date first above written.

(Signature page to follow)

Borrower:

SIGNED, SEALED AND DELIVERED by)
HUIGANG SUN in the presence of:)

_____)
Witness)

_____)
Address)

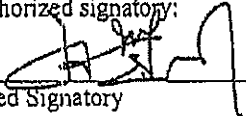
_____)
Occupation)



HUIGANG SUN

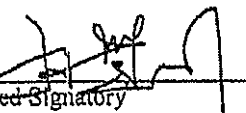
Guarantors:

BESCO INTERNATIONAL)
INVESTMENT CO., LTD.)
by its authorized signatory:)


_____)
Authorized Signatory)

Name:)
Title:)

VICEROY HOUSES LTD.)
by its authorized signatory:)


_____)
Authorized Signatory)

Name:)
Title:)

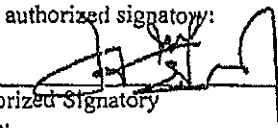
Guarantors:

VICEROY CONSTRUCTION LTD.
by its authorized signatory:



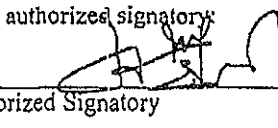
Authorized Signatory
Name:
Title:

ROYAL UNION BASE GROUP
LIMITED
by its authorized signatory:



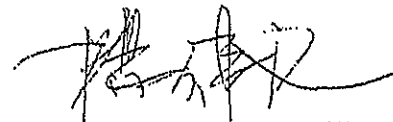
Authorized Signatory
Name:
Title:

MAX MASTER INVESTMENTS
LIMITED
by its authorized signatory:



Authorized Signatory
Name:
Title:

Lender:



WEICHANG YANG

Schedule A

Guarantor Security

The collateral mortgage (including assignment of rents) by Besco, as mortgagor in favour of the Lender for purposes of mortgaging the real property located at or about 414 Croft Street, Port Hope, Ontario, legally described by PIN: 51082-0010, PT LT 1-2 CON 1 HOPE PT2 9R2307 EXCEPT PT 1 39R9406; PORT HOPE.

The general security agreement by Besco in favour of the Lender for purposes of granting a security interest in all present and after-acquired personal property, including, without limitation, shares and other securities.

The general security agreement by Viceroy Construction in favour of the Lender for purposes of granting a security interest in all present and after-acquired personal property, including, without limitation, shares and other securities.

The general security agreement by Viceroy Houses in favour of the Lender for purposes of granting a security interest in all present and after-acquired personal property, including, without limitation, shares and other securities.

The general security agreement by Royal Union in favour of the Lender for purposes of granting a security interest in all present and after-acquired personal property, including, without limitation, shares and other securities.

The general security agreement by Max Master in favour of the Lender for purposes of granting a security interest in all present and after-acquired personal property, including, without limitation, shares and other securities.

The guarantee and postponement of claim by Besco in favour of the Lender with respect to all present and future liabilities of the Borrower.

The guarantee and postponement of claim by Viceroy Construction in favour of the Lender with respect to all present and future liabilities of the Borrower.

The guarantee and postponement of claim by Viceroy Houses in favour of the Lender with respect to all present and future liabilities of the Borrower.

The guarantee and postponement of claim by Royal Union in favour of the Lender with respect to all present and future liabilities of the Borrower.

The guarantee and postponement of claim by Max Master in favour of the Lender with respect to all present and future liabilities of the Borrower.

The stock power of attorney by the shareholder(s) of Besco in favour of the Lender with respect to transfer of shares in the capital of Besco.

The stock power of attorney by the shareholder(s) of Viceroy Construction in favour of the Lender with respect to transfer of shares in the capital of Viceroy Construction.

The stock power of attorney by the shareholder(s) of Viceroy Houses in favour of the Lender with respect to transfer of shares in the capital of Viceroy Houses.

Share certificates of the pledged shares.

The collateral mortgage (including assignment of rents) by Viceroy Construction, as mortgagor in favour of the Lender for purposes of mortgaging the real property located at or about Alnwick Township, Ontario, legally described by PIN: 51119-0167, BLK F PL 411 ALNWICK; ALNWICK/HALDIMAND.

Tab Q

THIS IS EXHIBIT "Q"

referred to in the Affidavit of

Weichang Yang sworn before me this

17th day of September, 2018



*Commissioner for Taking Affidavits
(or as may be)*

(A commissioner for taking Affidavits for the Province of British Columbia)

Jantzen C. M. Chu, Barrister & Solicitor, Notary
Barrister & Solicitor, Province of British Columbia, Canada
Suite 618, 3381 Cambie Street, Vancouver, B.C. V5Z 4R3
Oriental Kenzo Plaza, Dong Cheng District, Beijing, China
China: +86- 135.2088.0208 Email: bc_lawyer@163.com
Canada: +1- 778.898.8787 Facsimile: +1- 604.430.8613

Properties

PIN S1082 - 0010 LT *Interest/Estate* Fee Simple
Description PT LT 1-2 CON 1 HOPE PT 2 9R2307 EXCEPT PT 1 39R9406; PORT HOPE
Address 414 CROFT STREET
 PORT HOPE

Chargor(s)

The chargor(s) hereby charges the land to the chargee(s). The chargor(s) acknowledges the receipt of the charge and the standard charge terms, if any.

Name BESCO INTERNATIONAL INVESTMENT CO., LTD.
 Acting as a company
Address for Service 609 - 6081 No. 3 Road
 Richmond, BC V6Y 2B2

I, . have the authority to bind the corporation.

This document is not authorized under Power of Attorney by this party.

Chargee(s)	Capacity	Share
------------	----------	-------

Name	YANG, WEICHANG	
	Acting as an individual	
Address for Service	No. 8 Beisanjie Fucheng Road	
	Haidian District, Beijing, China 100048	

Provisions

Principal \$5,000,000.00 *Currency* CDN
Calculation Period Monthly
Balance Due Date On Demand
Interest Rate 36.5%
Payments
Interest Adjustment Date
Payment Date
First Payment Date
Last Payment Date
Standard Charge Terms 200033
Insurance Amount Full insurable value
Guarantor

Additional Provisions

See Schedules

File Number

Chargor Client File Number : 310739.00002/11574

SCHEDULE OF ADDITIONAL PROVISIONS

The following additional provisions shall be incorporated in the attached Charge/Mortgage between Weichang Yang, as Chargee and Besco International Investment Co., Ltd, as Chargor.

1. PROMISE TO PAY

The Chargor, for value received, hereby acknowledges itself indebted and promises to pay on demand to the Chargee, the Secured Obligations up to the maximum principal amount of Five Million Dollars (\$5,000,000.00) in lawful money of Canada together with interest thereon at the Interest Rate calculated monthly, not in advance, as well after as before demand, and both before and after default, and both before and after judgment, in like money at the same place and to pay interest on overdue interest at the said rate.

2. COLLATERAL SECURITY

This Charge/Mortgage is given by the Chargor to the Chargee as collateral security for the payment and performance of all indebtedness (including the Indebtedness, as that term is defined in the Loan Agreement), obligations and liabilities of the Chargor to the Chargee present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed at any time owing by the Chargor to the Chargee or remaining unpaid or performed by the Chargor to the Chargee, whether incurred prior to, at the time of, or subsequent to the execution hereof, whether arising from agreement or dealings between the Chargor and the Chargee, and whether incurred by the Chargor alone or with another or others, and for the ultimate balance thereof arising pursuant to:

- (a) a Loan Agreement made as of July 20, 2017, between Huigang Sun, as borrower (the "Borrower"), the Chargee, as lender, the Chargor, as a guarantor and others, as same may be amended, modified, supplemented or replaced from time to time, (the "Loan Agreement");
- (b) a Guarantee and Postponement of Claim, made as of July 20, 2017, from the Chargor in favour of the Chargee of the obligations and all Indebtedness (as that term is defined in the Guarantee) of the Borrower to the Chargee, as same may be amended, modified, supplemented or replaced from time to time, (the "Guarantee"); and
- (c) this Charge/Mortgage.

(collectively, the "Secured Obligations").

3. INTERPRETATION

In this Charge/Mortgage:

- (a) "Chargee" means Weichang Yang;
- (b) "Chargor" means Besco International Investment Co., Ltd.;
- (c) "Charge/Mortgage" means the Charge/Mortgage to which this schedule is attached, the set of Standard Charge Terms filed as No. 200033 and this schedule, as the same may be amended, modified, supplemented, extended or replaced from time to time;
- (d) "Interest Rate" means that rate of interest set out in any document evidencing the Secured Obligations, such interest rate not to exceed the interest rate set out in this Charge/Mortgage;
- (e) "Lands" or "lands" or "the said lands" as used herein, and the term "land" as used in the set of Standard Charge Terms filed as No. 200033, shall mean the fee simple estate of the Chargor in the lands described on the Charge/Mortgage to which this schedule is attached, and shall include all tenements, hereditaments, appurtenances, buildings and structures now or hereafter erected thereon, and all

easements and rights of way now or hereafter appurtenant thereto and any interest therein enjoyed by the Chargor;

- (f) "Person" means an individual, a partnership, a corporation, a government or any department or agency thereof, a trustee, any unincorporated organization and the heirs, executors, administrators or other legal representatives of an individual, and words importing "Person" have similar meanings; and
- (g) all headings inserted herein are (for convenience of reference only and shall) not limit or extend the meaning of the terms and provisions hereof.

4. PAYMENT - CURRENCY

Unless otherwise expressly provided, the Chargor shall make all payments pursuant hereto in Canadian dollars.

5. DEFAULT

The Chargee may declare the Secured Obligations to be immediately due and payable if an Event of Default (as term is defined in the Loan Agreement, has occurred), or a demand pursuant to the terms of the Loan Agreement or the Guarantee is made, whereupon all such Secured Obligations shall immediately become and be due and payable, and all rights and remedies set out in this Charge/Mortgage, the Loan Agreement, the Guarantee, in law, in equity or otherwise of the Chargee shall thereupon become enforceable by the Chargee. An Event of Default (as that term is defined in the Loan Agreement), and/or a default under the Guarantee shall constitute a default under this Charge/Mortgage entitling the Chargee to exercise all rights and remedies set out in this Charge/Mortgage, the Loan Agreement, the Guarantee, in law, in equity or otherwise.

The Chargee may, by notice to the Chargor, waive any default of the Chargor on such terms and conditions as the Chargee may determine, but no such waiver shall be taken to affect any subsequent default or the rights resulting therefrom.

6. RIGHTS AND REMEDIES

Upon the rights and remedies of the Chargee hereunder becoming enforceable:

- (a) The Chargee may by instrument in writing appoint any Person or Persons, whether an officer or officers or an employee or employees of the Chargee or not, to be a receiver or receivers of all or any part of the lands subject to this Charge/Mortgage and may remove any receiver or receivers so appointed and may appoint another or others in his or their stead. Any such receiver shall, so far as concerns responsibility for his acts, be deemed the agent of the Chargor and in no event the agent of the Chargee, and the Chargee shall not be in any way responsible for any misconduct, negligence, or non-feasance on the part of any such receiver. Subject to the provisions of the instrument appointing such receiver, any such receiver or receivers so appointed shall have power to take possession of the lands subject to this Charge/Mortgage or any part thereof and to carry on or concur in carrying on the business of the Chargor therein conducted and to sell or concur in selling all or any part of the land subject to this Charge/Mortgage. Except as may be otherwise directed by the Chargee, all moneys from time to time received by such receiver shall be in trust for and paid over to the Chargee. The rights and powers conferred by this paragraph are supplemental to and not in substitution for any rights or powers that the Chargee may from time to time have as the Chargee under this Charge/Mortgage, and every such receiver may in the discretion of the Chargee be vested with all or any of the rights and powers of the Chargee. The term "receiver", as used in this Charge/Mortgage, includes a receiver and manager; and/or
- (b) The Chargee may immediately take possession of the land subject to this Charge/Mortgage and may, either before or after any entry, and either before or after giving any notice, immediately lease the land subject to this Charge/Mortgage or any part thereof and/or sell or otherwise dispose of the land subject to this Charge/Mortgage or any part thereof either as a whole or in

separate parcels at public auction or by tender or by private sale at such time or times as the Chargee may determine, and may make such sale, either for cash or credit or part cash and part credit, and with or without advertisement, and with or without a reserve bid, as the Chargee may deem proper, and the Chargee may also rescind or vary any contract of sale that may have been entered into and resell with or under any of the powers conferred hereunder and adjourn any such sale from time to time and may execute and deliver to the purchaser or purchasers of the said lands or any part thereof good and sufficient deed or deeds for the same, the Chargee being hereby constituted the irrevocable attorney of the Chargor for the purpose of making such sale and executing such deeds, and any such sale made as aforesaid shall be a perpetual bar both in law and in equity against the Chargor and all other Persons claiming any interest in the land subject to this Charge/Mortgage or any part thereof by, from, through or under the Chargor. Any purchaser or lessee shall not be bound to see to the propriety or regularity of any sale or lease or be affected by any express notice that any sale or lease is improper and no want of notice or publication shall invalidate any sale or lease hereunder; and/or

- (c) The Chargee may borrow money on the security of the land subject to this Charge/Mortgage in priority to the security constituted by the Charge/Mortgage for the purpose of maintaining, preserving or protecting the land subject to this Charge/Mortgage or any part thereof or carrying on all or any part of the business of the Chargor relating to the said land; and/or
- (d) Upon the Chargor receiving notice from the Chargee of the taking of possession of the land subject to this Charge/Mortgage or the appointment of a receiver, all the powers, functions, rights and privileges of each of the directors and officers of the Chargor with respect to the said lands shall, to the extent permitted by law, cease, unless specifically continued by the written consent of the Chargee; however, all other powers, functions, rights and privileges of such directors shall be unaffected by such events; and/or
- (e) For greater certainty, the parties hereto agree that in addition to, and not in substitution for, all the rights and remedies of the Chargee at law or contained herein, the Chargee may, upon the rights and remedies of the Chargee hereunder becoming enforceable, subject to the rights of prior encumbrancers, mortgagees and chargees of the said lands:
 - (i) foreclose all the right, title and interest in the equity of redemption of the Chargor to and in the said lands;
 - (ii) immediately enter into and take possession of the said lands free from all manner of former conveyances, mortgages, charges or encumbrances without the let, suit, hindrance, interruption or denial of the Chargor or any other Person whatsoever; and/or
- (f) The Chargee or any agent or representative thereof may become purchaser at any sale of any of the land subject to this Charge/Mortgage whether made under the power of sale herein contained or pursuant to foreclosure or other judicial proceedings.
- (g) The Chargor expressly agrees that the rights and remedies of the Chargee hereunder are cumulative and in addition to and not in substitution for any rights or remedies provided by law. Any single or partial exercise by the Chargee of any right or remedy for a default or breach of any term, covenant or condition in this Charge/Mortgage of Land does not waive, alter, affect or prejudice any other right or remedy to which the Chargee may be lawfully entitled for the same default or breach. Any waiver by the Chargee of the strict observance, performance or compliance with any term, covenant or condition of this Charge/Mortgage is not a waiver of any subsequent default and any indulgence by the Chargee with respect to any failure to strictly observe, perform or comply with any term, covenant or condition of this Charge/Mortgage is not a waiver of the entire term, covenant or condition or any subsequent default. No delay or omission of the Chargee to

exercise any remedy or right hereunder or at law, in equity or otherwise, shall impair any such remedy or shall be construed to be a waiver of any default hereunder or acquiescence therein.

7. MORTGAGE NOT TO BE VOID

In addition to, and not in substitution for, any other provision of this Charge/Mortgage and notwithstanding Subsection 6(2) of the *Land Registration Reform Act* (Ontario), the parties hereto agree that this Charge/Mortgage shall not be void unless the Chargor shall pay or cause to be paid to the Chargee the Secured Obligations and shall otherwise observe and perform the terms hereof and unless all credit facilities granted in connection with the Secured Obligations shall have been cancelled and terminated.

8. OTHER SECURITY/PAYMENTS RECEIVED

- (a) *This security is in addition to and not in substitution for any other security now or hereafter held by the Chargee in respect of the Secured Obligations. No rights or remedies of the Chargee pursuant to this Charge/Mortgage and such other security shall be exclusive or dependent upon any other, and the Chargee may from time to time exercise any one or more of such rights or remedies independently or in combination, such remedies being cumulative and not in the alternative.*
- (b) No payment to the Chargee by the Chargor or any other Person shall constitute payment on account of any of the Secured Obligations unless specifically so appropriated by the Chargee by written agreement.

9. NON-MERGER

Neither the taking of any judgment or the obtaining of any order nor the exercise of any power of seizure or sale shall operate to extinguish the liability of the Chargor to pay the Secured Obligations, nor shall the same operate as a merger of any covenant herein contained or contained in either the Guarantee or the Loan Agreement or affect the right of the Chargee to interest at the Interest Rate herein specified, nor shall the acceptance of any payment or other security constitute or create any novation, and it is further agreed that the taking of a judgment under any covenant herein contained shall not operate as a merger of such covenant or affect the Chargee's right to interest as herein provided.

10. PERSONS DEALING WITH THE CHARGEES OR THE RECEIVER

No Person dealing with the Chargee or the receiver or receivers appointed by it or their agents shall be concerned to enquire whether the security constituted hereby has become enforceable or whether the powers which the Chargee or the receiver or receivers appointed by it are purporting to exercise have become exercisable, or whether any monies or obligations remain due under the security hereof, or as to the necessity or expediency of stipulations and conditions subject to which any sale, lease, subletting or any disposition shall be made, or otherwise as to the propriety or regularity of any sale, lease, subletting or disposition, or of any other dealing by the Chargee or its receiver or receivers, with the lands hereby charged or any part thereof, or to see to the application of any monies paid to the Chargee or to its receiver or receivers appointed by it.

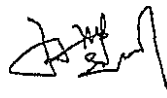
11. GENERAL

- (a) The Secured Obligations shall be paid and shall be assignable free from any right of set-off or counterclaim or equities between the Chargor and the Chargee.
- (b) If for any reason whatsoever any term, covenant or condition of this Charge/Mortgage, or the application thereof to any Person or circumstance, is to any extent held or rendered invalid, unenforceable or illegal, then such term, covenant or condition:
 - (i) is deemed to be independent of the remainder of this Charge/Mortgage and to be severable and divisible therefrom and its invalidity,

- 5 -

unenforceability or illegality does not affect, impair or invalidate the remainder of this Charge/Mortgage or any part thereof; and

- (ii) continues to be applicable to and enforceable to the fullest extent permitted by law against any Person and circumstances other than those as to which it has been held or rendered invalid, unenforceable or illegal.
- (c) This Charge/Mortgage and all its provisions shall enure to the benefit of the Chargee and its successors and assigns and shall be binding upon the Chargor and its successors and assigns.
- (d) This Charge/Mortgage shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada.
- (e) In the event of any conflict or inconsistency between the provisions of this Schedule and those contained in the Standard Charge Terms filed as No. 200033, the relevant provisions of this Schedule shall prevail and be paramount to the extent necessary to resolve such conflict. In the event of any conflict or inconsistency between the provisions of this Charge/Mortgage and the provisions of the Loan Agreement, the provisions of the Loan Agreement shall prevail and be paramount shall prevail to the extent necessary to resolve such conflict. Notwithstanding the foregoing, in the event that this Charge/Mortgage contains additional terms that are not set out in the Loan Agreement, including remedies which are in addition to the remedies set forth in the Loan Agreement, the existence of such additional terms and remedies in this Charge/Mortgage shall not constitute a conflict or inconsistency with the provisions of the Loan Agreement.



ACKNOWLEDGMENT

The undersigned hereby acknowledges Standard Charge Terms No. 200033 is included in a Charge made by

Besco International Investment Co., Ltd.
(the Chargor)

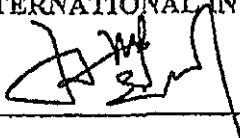
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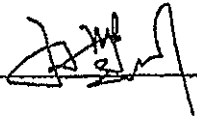
Weichang Yang
(the "Chargee")

The undersigned hereby acknowledges receiving a copy of Standard Charge Terms No. 200033, attached hereto, prior to execution and registration of the Charge.

DATED as of the 17 day of May, 2018.

**BESCO INTERNATIONAL INVESTMENT
CO., LTD**

Per: 
Name: _____
Title:

Per: 
Name: _____
Title:

I/We have authority to bind the Corporation

Land Registration Reform Act
SET OF STANDARD CHARGE TERMS
 (Electronic Filing)

DYE & DURHAM CO. INC.
 7200 HWY 200E

Filed by
 Dye & Durham Co., Inc.

Filing Date: November 3, 2000

Filing number: 200033

The following Set of Standard Charge Terms shall be applicable to documents registered in electronic format under Part III of the Land Registration Reform Act, R.S.O. 1980, c. L.4 as amended (the "Land Registration Reform Act") and shall be deemed to be included in every electronically registered charge in which this Set of Standard Charge Terms is referred to by its filing number, as provided in Section 9 of the Land Registration Reform Act, except to the extent that the provisions of this Set of Standard Charge Terms are modified by additions, amendments or deletions in the schedule. Any charge in an electronic format of which this Set of Standard Charge Terms forms a part by reference to the above-noted filing number in such charge shall hereinafter be referred to as the "Charge".

- | | |
|---|--|
| <i>Exclusion of Statutory Covenants</i> | 1. The implied covenants deemed to be included in a charge under subsection 7(1) of the <i>Land Registration Reform Act</i> as amended or re-enacted are excluded from the Charge. |
| <i>Right to Charge the Land</i> | 2. The Chargoer now has good right, full power and lawful and absolute authority to charge the land and to give the Charge to the Chargee upon the covenants contained in the Charge. |
| <i>No Act to Encumber</i> | 3. The Chargoer has not done, committed, executed or willfully or knowingly suffered any act, deed, matter or thing whatsoever whereby or by means whereof the land, or any part or parcel thereof, is or shall or may be in any way impeached, charged, affected or encumbered in title, estate or otherwise, except as the records of the land registry office disclose. |
| <i>Good Title in Fee Simple</i> | 4. The Chargoer, at the time of the delivery for registration of the Charge, is, and stands solely, rightfully and lawfully seized of a good, sure, perfect, absolute and indefeasible estate of inheritance, in fee simple, of and in the land and the premises described in the Charge and in every part and parcel thereof without any manner of trusts, reservations, limitations, provisos, conditions or any other matter or thing to alter, charge, change, encumber or defeat the same, except those contained in the original grant thereof from the Crown. |
| <i>Promissory to Pay and Perform</i> | 5. The Chargoer will pay or cause to be paid to the Chargee the full principal amount and interest secured by the Charge in the manner of payment provided by the Charge, without any deduction or abatement, and shall do, observe, perform, fulfill and keep all the provisions, covenants, agreements and stipulations contained in the Charge and shall pay as they fall due all taxes, rates, levies, charges, assessments, utility and heating charges, municipal, local, parliamentary and otherwise which now are or may hereafter be imposed, charged or levied upon the land and when required shall produce for the Chargee receipts evidencing payment of the same. |
| <i>Interest After Default</i> | 6. In case default shall be made in payment of any sum to become due for interest at the time provided for payment in the Charge, compound interest shall be payable and the sum in arrears for interest from time to time, as well after as before maturity, and both before and after default and judgement, shall bear interest at the rate provided for in the Charge. In case the interest and compound interest are not paid within the interest calculation period provided in the Charge from the time of default a rate shall be made, and compound interest at the rate provided for in the Charge shall be payable on the aggregate amount then due, as well after as before maturity, and so on from time to time, and all such interest and compound interest shall be a charge upon the land. |
| <i>No Obligation to Advance</i> | 7. Neither the preparation, execution or registration of the Charge shall bind the Chargee to advance the principal amount secured, nor shall the advance of a part of the principal amount secured bind the Chargee to advance any unadvanced portion thereof, but nevertheless the security in the land shall take effect forthwith upon delivery for registration of the Charge by the Chargoer. The expenses of the examination of the title and of the Charge and valuation are to be secured by the Charge in the event of the whole or any balance of the principal amount not being advanced, the same to be charged hereby upon the land, and shall be, without demand therefor, payable forthwith with interest at the rate provided for in the Charge, and in default the Chargee's power of sale hereby given, and all other remedies hereunder, shall be exercisable. |
| <i>Costs Added to Principal</i> | 8. The Chargee may pay all premiums of insurance and all taxes, rates, levies, charges, assessments, utility and heating charges which shall from time to time fall due and be unpaid in respect of the land, and that such payments, together with all costs, charges, legal fees (as between solicitor and client) and expenses which may be incurred in taking, recovering and keeping possession of the land and of negotiating the Charge, investigating title, and registering the Charge and other necessary debts, and generally in any other proceedings taken in connection with or to realize upon the security given in the Charge (including legal fees and real estate commissions and other costs incurred in leasing or selling the land or in exercising the power of entering, lease and sale contained in the Charge) shall be, with interest at the rate provided for in the Charge, a charge upon the land in favour of the Chargee pursuant to the terms of the Charge and the Chargee may pay or satisfy any lien, charge or encumbrance now existing or hereafter created or claimed upon the land, which payments with interest at the rate provided for in the Charge shall likewise be a charge upon the land in favour of the Chargee. <i>Provided</i> , and it is hereby further agreed, that all amounts paid by the Chargee as aforesaid shall be added to the principal amount secured by the Charge and shall be payable forthwith with interest at the rate provided for in the Charge, and on default all sums secured by the Charge shall immediately become due and payable at the option of the Chargee, and all powers in the Charge conferred shall become exercisable. |
| <i>Power of Sale</i> | 9. The Chargee on default of payment for at least fifteen (15) days may, on at least thirty-five (35) days' notice in writing given to the Chargoer, enter on and lease the land or sell the land. Such notice shall be given to such persons and in such manner and form and within such time as provided in the <i>Mortgages Act</i> . In the event that the giving of such notice shall not be required by law or to the extent that such requirements shall not be applicable, it is agreed that notice may be effectually given by leaving it with a grown-up person on the land, if occupied, or by placing it on the land if unoccupied, or at the option of the Chargee, by mailing it in a registered letter addressed to the Chargoer at his last known address, or by publishing it once in a newspaper published in the county or district in which the land is situated; and such notice shall be sufficient although not addressed to any person or persons by name or designation; and notwithstanding that any person to be affected thereby may be unknown, unascertained or under disability, <i>Provided</i> further, that in case default be made in the payment of the principal amount or interest or any part thereof and such default continues for two months after any payment of either falls due then the Chargee may exercise the foregoing powers of entering, leasing or selling of any of them without any notice, it being understood and agreed, however, that if the giving of notice by the Chargee shall be required by law then notice shall be given to such persons and in such manner and form and within such time as so required by law. It is hereby further agreed that the whole or any part or parts of the land may be sold by public auction or private contract, or partly |

one or partly the other; and that the proceeds of any sale hereunder may be applied first in payment of any costs, charges and expenses incurred in taking, recovering or keeping possession of the land or by reason of non-payment of procuring payment of monies, secured by the Charge or otherwise, and secondly in payment of all amounts of principal and interest owing under the Charge; and if any surplus shall remain after fully satisfying the claims of the Chargee as aforesaid same shall be paid as required by law. The Chargee may sell any of the land on such terms as to credit and otherwise as shall appear to him most advantageous and for such prices as can reasonably be obtained therefor and may make any stipulations as to title or evidence or commencement of title or otherwise which he shall deem proper, and may buy in or rescind or vary any contract for the sale of the whole or any part of the land and resoil without being answerable for loss occasioned thereby, and in the case of a sale on credit the Chargee shall be bound to pay the Chargor only such monies as have been actually received from purchasers after the satisfaction of the claims of the Chargee and for any of said purposes may make and execute all agreements and assurances as he shall think fit. Any purchaser or lessee shall not be bound to see to the propriety or regularity of any sale or lease or be affected by express notice that any sale or lease is improper and no want of notice or publication when required hereby shall invalidate any sale or lease hereunder.

- Quiet Possession** 10. Upon default in payment of principal and interest under the Charge or in performance of any of the terms or conditions hereof, the Chargee may enter into and take possession of the land hereby charged and where the Chargee so enters on and takes possession or enters on and takes possession of the land on default as described in paragraph 9 herein the Chargee shall enter into, have, hold, use, occupy, possess and enjoy the land without the let, suit, hindrance, interruption or denial of the Chargor or any other person or persons whomsoever.
- Right to Disturb** 11. If the Chargor shall make default in payment of any part of the interest payable under the Charge at any of the dates or times fixed for the payment thereof, it shall be lawful for the Chargee to distrain therefor upon the land or any part thereof, and by distress warrant, to recover by way of rent reserved, as in the case of a demise of the land, so much of such interest as shall, from time to time, be or remain in arrears and unpaid, together with all costs, charges and expenses attending such levy or distress, as in like cases of distress for rent. Provided that the Chargee may distrain for arrears of principal in the same manner as if the same were arrears of interest.
- Forthwith Assurances** 12. From and after default in the payment of the principal amount secured by the Charge or the interest thereon or any part of such principal or interest or in the doing, observing, performing, fulfilling or keeping of some one or more of the covenants set forth in the Charge then and in every such case the Chargor and all and every other person whosoever having, or lawfully claiming, or who shall have or lawfully claim any estate, right, title, interest or trust of, in, to or out of the land shall, from time to time, and at all times thereafter, at the proper costs and charges of the Chargor make, do, suffer, execute, deliver, authorize and register, or cause or procure to be made, done, suffered, executed, delivered, authorized and registered, all and every such further and other reasonable act or acts, deed or deeds, covenants, conveyances and assurances in the law for the further, better and more perfectly and absolutely conveying and assuring the land unto the Chargee as by the Chargee or his solicitor shall or may be lawfully and reasonably devised, advised or required.
- Acceleration of Principal and Interest** 13. In default of the payment of the interest secured by the Charge the principal amount secured by the Charge shall, at the option of the Chargee, immediately become payable, and upon default of payment of instalments of principal promptly as the same mature, the balance of the principal and interest secured by the Charge shall, at the option of the Chargee, immediately become due and payable. The Chargee may in writing at any time or times after default waive such default and any such waiver shall apply only to the particular default waived and shall not operate as a waiver of any other or future default.
- Right to Sell** 14. If the Chargor sells, transfers, disposes of, leases or otherwise deals with the land, the principal amount secured by the Charge shall, at the option of the Chargee, immediately become due and payable.
- Partial Releases** 15. The Chargee may at his discretion at all times release any part or parts of the land or any other security or any surety for the money secured under the Charge either with or without any sufficient consideration therefor, without responsibility therefor, and without thereby releasing any other part of the land or any person from the Charge or from any of the covenants contained in the Charge and without being accountable to the Chargor for the value thereof, or for any monies except those actually received by the Chargee. It is agreed that every part or lot into which the land is or may hereafter be divided does and shall stand charged with the whole money secured under the Charge and no person shall have the right to require the mortgage monies to be apportioned.
- Obligation to Insure** 16. The Chargor will immediately insure, unless already insured, and during the continuance of the Charge keep insured against loss or damage by fire, in such proportions upon each building as may be required by the Chargee, the buildings on the land to the amount of not less than their full insurable value on a replacement cost basis in dollars of lawful money of Canada. Such insurance shall be placed with a company approved by the Chargee. Buildings shall include all buildings whether now or hereafter erected on the land, and such insurance shall include not only insurance against loss or damage by fire but also insurance against loss or damage by explosion, tempest, tornado, cyclone, lightning and all other extended perils customarily provided in insurance policies including "all risks" insurance. The covenant to insure shall also include where appropriate or if required by the Chargee, boiler, plate glass, rental and public liability insurance in amounts and on terms satisfactory to the Chargee. Evidence of continuation of all such insurance having been effected shall be produced to the Chargee at least fifteen (15) days before the expiration thereof; otherwise the Chargee may provide therefor and charge the premium paid and interest thereon at the rate provided for in the Charge to the Chargor and the same shall be payable forthwith and shall also be a charge upon the land. It is further agreed that the Chargee may at any time require any insurance of the buildings to be cancelled and new insurance effected in a company to be named by the Chargee and also of his own accord may effect or maintain any insurance herein provided for, and any amount paid by the Chargee therefor shall be payable forthwith by the Chargor with interest at the rate provided for in the Charge and shall also be a charge upon the land. Policies of insurance herein required shall provide that loss, if any, shall be payable to the Chargee as his interest may appear, subject to the standard form of mortgage clause approved by the Insurance Bureau of Canada which shall be attached to the policy of insurance.
- Obligation to Repair** 17. The Chargor will keep the land and the buildings, erections and improvements thereon, in good condition and repair according to the nature and description thereof respectively, and the Chargee may, whenever he deems necessary, by his agent enter upon and inspect the land and make such repairs as he deems necessary, and the reasonable cost of such inspection and repairs with interest at the rate provided for in the Charge shall be added to the principal amount and be payable forthwith and be a charge upon the land prior to all claims thereon subsequent to the Charge. If the Chargor shall neglect to keep the buildings, erections and improvements in good condition and repair, or commits or permits any act of waste on the land (as to which the Chargee shall be sole judge) or makes default as to any of the covenants, provisos, agreements or conditions contained in the Charge or in any charge to which this Charge is subject, all monies secured by the Charge shall, at the option of the Chargee, forthwith become due and payable, and in default of payment of same with interest as in the case of payment

before maturity the powers of entering upon and leasing or selling hereby given and all other remedies herein contained may be exercised forthwith.

- Building Charge** 18. If any of the principal amount to be advanced under the Charge is to be used to finance an improvement on the land, the Chargee must so inform the Chargee in writing immediately and before any advances are made under the Charge. The Chargee must also provide the Chargee immediately with copies of all contracts and subcontracts relating to the improvement and any amendments to them. The Chargee agrees that any improvement shall be made only according to contracts, plans and specifications approved in writing by the Chargee. The Chargee shall complete all such improvements as quickly as possible and provide the Chargee with proof of payment of all contracts from time to time as the Chargee requires. The Chargee shall make advances (part payments of the principal amount) to the Chargee based on the progress of the improvement, until either completion and occupation or sale of the land. The Chargee shall determine whether or not any advances will be made and when they will be made. Whatever the purpose of the Charge may be, the Chargee may at its option hold back funds from advances until the Chargee is satisfied that the Chargee has complied with the holdback provisions of the *Construction Lien Act* as amended or re-enacted. The Chargee authorizes the Chargee to provide information about the Charge to any person claiming a construction lien on the land.
- Extensions not in Prejudice** 19. No extension of time given by the Chargee to the Chargee or anyone claiming under him, or any other dealing by the Chargee with the owner of the land or of any part thereof, shall in any way affect or prejudice the rights of the Chargee against the Chargee or any other person liable for the payment of the money secured by the Charge, and the Charge may be renewed by an agreement in writing at maturity for any term with or without an increased rate of interest notwithstanding that there may be subsequent circumstances, it shall not be necessary to deliver for registration any such agreement in order to retain priority for the Charge so altered over any instrument delivered for registration subsequent to the Charge. Provided that nothing contained in this paragraph shall confer any right of renewal upon the Chargee.
- No Merger of Covenants** 20. The taking of a judgment or judgments on any of the covenants herein shall not operate as a merger of the covenants or affect the Chargee's right to interest at the rate and times provided for in the Charge; and further that any judgment shall provide that interest thereon shall be computed at the same rate and in the same manner as provided in the Charge until the judgment shall have been fully paid and satisfied.
- Change in Status** 21. Immediately after any change or happening affecting any of the following, namely: (a) the spousal status of the Chargee, (b) the qualification of the land as a family residence within the meaning of Part II of the *Family Law Act*, and (c) the legal title or beneficial ownership of the land, the Chargee will advise the Chargee accordingly and furnish the Chargee with full particulars thereof, the intention being that the Chargee shall be kept fully informed of the names and addresses of the owner or owners for the time being of the land and of any spouse who is not an owner but who has a right of possession in the land by virtue of Section 19 of the *Family Law Act*. In furtherance of such intention, the Chargee covenants and agrees to furnish the Chargee with such evidence in connection with any of (a), (b) and (c) above as the Chargee may from time to time request.
- Condominium Provisions** 22. If the Charge is of land within a condominium registered pursuant to the *Condominium Act* (the "Act") the following provisions shall apply. The Chargee will comply with the Act, and with the declaration, by-laws and rules of the condominium corporation (the "corporation") relating to the Chargee's unit (the "unit") and provide the Chargee with proof of compliance from time to time as the Chargee may request. The Chargee will pay the common expenses for the unit to the corporation on the due dates. If the Chargee decides to collect the Chargee's contribution towards the common expenses from the Chargee, the Chargee will pay the same to the Chargee upon being so notified. The Chargee is authorized to accept a statement which appears to be issued by the corporation as conclusive evidence for the purpose of establishing the amounts of the common expenses and the dates those amounts are due. The Chargee, upon notice from the Chargee, will forward to the Chargee any notices, assessments, by-laws, rules and financial statements of the corporation that the Chargee receives or is entitled to receive from the corporation. The Chargee will maintain all improvements made to the unit and repair them after damage. In addition to the insurance which the corporation must obtain, the Chargee shall insure the unit against destruction or damage by fire and other perils usually covered in fire insurance policies and against such other perils as the Chargee requires for its full replacement cost (the maximum amount for which it can be insured). The insurance company and the terms of the policy shall be reasonably satisfactory to the Chargee. This provision supersedes the provisions of paragraph 16 herein. The Chargee irrevocably authorizes the Chargee to exercise the Chargee's rights under the Act to vote, consent and dissent.
- Discharge** 23. The Chargee shall have a reasonable time after payment in full of the amounts secured by the Charge to deliver for registration a discharge or if so requested and if required by law to do so, an assignment of the Charge and all legal and other expenses for preparation, execution and registration, as applicable to such discharge or assignment shall be paid by the Chargee.
- Guarantee** 24. Each party named in the Charge as a Guarantor hereby agrees with the Chargee as follows:
- (a) In consideration of the Chargee advancing all or part of the Principal Amount to the Chargee, and in consideration of the sum of TWO DOLLARS (\$2.00) of lawful money of Canada now paid by the Chargee to the Guarantor (the receipt and sufficiency whereof are hereby acknowledged), the Guarantor does hereby absolutely and unconditionally guarantee to the Chargee, and its successors, the due and punctual payment of all principal moneys, interest and other moneys owing on the security of the Charge and observance and performance of the covenants, agreements, terms and conditions herein contained by the Chargee, and the Guarantor, for himself and his successors, covenants with the Chargee that, if the Chargee shall at any time make default in the due and punctual payment of any moneys payable hereunder, the Guarantor will pay all such moneys to the Chargee without any demand being required to be made.
- (b) Although as between the Guarantor and the Chargee, the Guarantor is only surety for the payment by the Chargee of the moneys hereby guaranteed, as between the Guarantor and the Chargee, the Guarantor shall be considered as primarily liable therefor and it is hereby further expressly declared that no release or releases of any portion or portions of the land; no indulgence shown by the Chargee in respect of any default by the Chargee or any successor thereof which may also under the Charge; no extension or extensions granted by the Chargee to the Chargee or any successor thereof for payment of the moneys hereby secured or for the doing, observing or performing of any covenant, agreement, term or condition herein contained to be done, observed or performed by the Chargee or any successor thereof; no variation in or departure from the provisions of the Charge; no release of the Chargee or any other thing whatsoever whereby the Guarantor as surety only would or might have been released shall in any way modify, alter, vary or in any way prejudice the Chargee or affect the liability of the Guarantor in any way under this covenant, which shall continue and be binding on the Guarantor, and as well after as before maturity of the Charge and both before and after default and judgment, until the said moneys are fully paid and satisfied.
- (c) Any payment by the Guarantor of any moneys under this guarantee shall not in any event be taken to affect

the liability of the Chargor for payment thereof but such liability shall remain unimpaired and enforceable by the Guarantor against the Chargor and the Guarantor shall, to the extent of any such payments made by him, in addition to all other remedies, be subrogated as against the Chargor to all the rights, privileges and powers to which the Chargee was entitled prior to payment by the Guarantor; provided, nevertheless, that the Guarantor shall not be entitled in any event to rank for payment against the lands in competition with the Chargee and shall not, unless and until the whole of the principal, interest and other moneys owing on the security of the Charge shall have been paid, be entitled to any rights or remedies whatsoever in subrogation to the Chargee.

- (d) All covenants, liabilities and obligations entered into or imposed hereunder upon the Guarantor shall be equally binding upon his successors. Where more than one party is named as a Guarantor all such covenants, liabilities and obligations shall be joint and several.
- (e) The Chargee may vary any agreement or arrangement with or release the Guarantor, or any one or more of the Guarantors if more than one party is named as Guarantor, and grant extensions of time or otherwise deal with the Guarantor and his successors without any consent on the part of the Chargor or any other Guarantor or any successor thereof.

- Severability** 25. It is agreed that in the event that at any time any provision of the Charge is illegal or invalid under or inconsistent with provisions of any applicable statute, regulation thereunder or other applicable law or would by reason of the provisions of any such statute, regulation or other applicable law render the Chargee unable to collect the amount of any loss sustained by it as a result of making the loan secured by the Charge which it would otherwise be able to collect under such statute, regulation or other applicable law then, such provision shall not apply and shall be construed so as not to apply to the extent that it is so illegal, invalid or inconsistent or would so render the Chargee unable to collect the amount of any such loss.
- Interpretation** 26. In construing these covenants the words "Charge", "Chargee", "Chargor", "land" and "successor" shall have the meanings assigned to them in Section 1 of the *Land Registration Reform Act* and the words "Chargor" and "Chargee" and the personal pronouns "he" and "his" relating thereto and used therein, shall be read and construed as "Chargor" or "Chargors", "Chargee" or "Chargees", and "he", "she", "they" or "it", "his", "her", "their" or "its", respectively, as the number and gender of the parties referred to in each case require, and the number of the verb agreeing therewith shall be construed as agreeing with the said word or pronoun so substituted. And that all rights, advantages, privileges, immunities, powers and things hereby secured to the Chargor or Chargors, Chargee or Chargees, shall be equally secured to and exercisable by his, her, their or its heirs, executors, administrators and assigns, or successors and assigns, as the case may be. The word "successor" shall also include successors and assigns of corporations including amalgamated and continuing corporations. And that all covenants, liabilities and obligations entered into or imposed hereunder upon the Chargor or Chargors, Chargee or Chargees, shall be equally binding upon his, her, their or its heirs, executors, administrators and assigns, or successors and assigns, as the case may be, and that all such covenants and liabilities and obligations shall be joint and several.
- Paragraph headings** 27. The paragraph headings in these standard charge terms are inserted for convenience of reference only and are deemed not to form part of the Charge and are not to be considered in the construction or interpretation of the Charge or any part thereof.
- Date of Charge** 28. The Charge, unless otherwise specifically provided, shall be deemed to be dated as of the date of delivery for registration of the Charge.
- Effect of Delivery of Charge** 29. The delivery of the Charge for registration by direct electronic transfer shall have the same effect for all purposes as if such Charge were in written form, signed by the parties thereto and delivered to the Chargee. Each of the Chargor and, if applicable, the spouse of the Chargor and other party to the Charge agrees not to raise in any proceeding by the Chargee to enforce the Charge any want or lack of authority on the part of the person delivering the Charge for registration to do so.

DATED this day of (year)

Tab R

THIS IS EXHIBIT "R"

***referred to in the Affidavit of
Weichang Yang sworn before me this
17th day of September, 2018***



***Commissioner for Taking Affidavits
(or as may be)***

(A commissioner for taking Affidavits for the Province of British Columbia)

Jantzen C. M. Chu, Barrister & Solicitor, Notary
Barrister & Solicitor, Province of British Columbia, Canada
Suite 618, 3381 Cambie Street, Vancouver, B.C. V5Z 4R3
Oriental Kenzo Plaza, Dong Cheng District, Beijing, China
China: +86- 135.2088.0208 Email: bc_lawyer@163.com
Canada: +1- 778.898.8787 Facsimile: +1- 604.430.8613

CONSENT TO APPOINTMENT OF RECEIVER

WHEREAS WEICHANG YANG (the "Lender") has advanced sums, on a secured basis, to HUIGANG SUN (the "Borrower") pursuant to a loan agreement made as of July 20, 2017 (the "Loan Agreement");

AND WHEREAS all amounts owing by the Borrower to the Lender from time to time, including the indebtedness of the Borrower to the Lender under the Loan Agreement, is secured by: (i) a general security agreement given by the Borrower to the Lender dated July 20, 2017; (ii) a collateral mortgage (consisting of prescribed standard mortgage terms) by the Borrower, as mortgagor, in favour of the Lender, as mortgagee, for purposes of mortgaging the real property legally described by PID: 006-486-126, Lot 34 of Lot 9 Block 15 District Lot 526 Plan 5019, as more particularly described therein; (iii) the stock power of attorney by the shareholder(s) of Royal Union Base Group Limited ("Royal Union") in favour of the Lender with respect to transfer of shares in the capital of Royal Union; (iv) the stock power of attorney by the shareholder(s) of Max Master Investments Limited ("Max Master") in favour of the Lender with respect to transfer of shares in the capital of Max Master; and (v) share certificates of the pledged shares (collectively, the "Borrower Security");

AND WHEREAS BESCO INTERNATIONAL INVESTMENT CO., LTD., VICEROY HOUSES LTD., VICEROY CONSTRUCTION LTD., ROYAL UNION BASE GROUP LIMITED, and MAX MASTER INVESTMENTS LIMITED (collectively, the "Guarantors") have guaranteed the obligations of the Borrower to the Lender pursuant to certain guarantee and

- 2 -

postponement agreements granted by the Guarantors in favour of the Lender, as more particularly described in Schedule "A" attached hereto (collectively, the "Guarantees");

AND WHEREAS the obligations of the Guarantors under the Guarantees is secured by those security documents referred to in Schedule "B" attached hereto (collectively, the "Guarantor Security");

AND WHEREAS the Loan Agreement is in default and on March 14, 2018 the Lender delivered Notices of Intention to Enforce Security pursuant to section 244 of the *Bankruptcy and Insolvency Act* to the Borrower and to the Guarantors;

AND WHEREAS the Lender, the Borrower and the Guarantors entered into a forbearance agreement made as of _____, 2018 (the "Forbearance Agreement") whereby the Lender agreed to forbear from enforcing its rights and remedies against the Borrower and the Guarantors, subject to certain conditions;

AND WHEREAS as a term of the Forbearance Agreement the Borrower and the Guarantors agreed to execute this consent to the appointment of a receiver of all of the property, assets and undertaking of the Borrower and the Guarantors of whatsoever nature or kind; and

AND WHEREAS as of the date hereof, the amounts outstanding under the Loan Agreement remain unpaid;

NOW THEREFORE the Borrower and the Guarantors, none of whom is under disability, consent to the appointment of a receiver pursuant to section 243(1) of the *Bankruptcy and Insolvency Act* and such other statutes as may be appropriate, of all or any part of the property, assets and undertaking of the Borrower and the Guarantors of whatsoever nature or

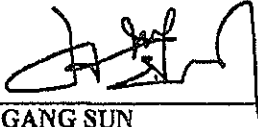
- 3 -

kind which are subject to the Borrower Security or the Guarantor Security and which, for greater certainty, may include the lands known municipally as 414 Croft Street, Port Hope, Ontario, legally described by PIN: 51082-0010, PT LT 1-2 CON 1 HOPE PT2 9R2307 EXCEPT PT 1 39R9406; PORT HOPE.

(Signature page to follow)

Borrower:

SIGNED, SEALED AND DELIVERED by)
HUIGANG SUN in the presence of:)



HUIGANG SUN


Witness)

Address)

Occupation)

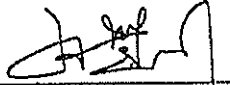
Guarantors:

BESCO INTERNATIONAL)
INVESTMENT CO., LTD.)
by its authorized signatory:)




Authorized Signatory)
Name:)
Title:)

VICEROY HOUSES LTD.)
by its authorized signatory:)



Authorized Signatory)
Name:)
Title:)

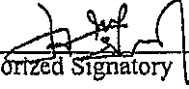
VICEROY CONSTRUCTION LTD.)
by its authorized signatory:)




Authorized Signatory)
Name:)
Title:)

Guarantors:

ROYAL UNION BASE GROUP)
LIMITED)
by its authorized signatory:)

)
_____)
Authorized Signatory)
Name:)
Title:)

MAX MASTER INVESTMENTS)
LIMITED)
by its authorized signatory:)

)
_____)
Authorized Signatory)
Name:)
Title:)

SCHEDULE "A"
GUARANTEES

The guarantee and postponement of claim by Besco in favour of the Lender with respect to all present and future liabilities of the Borrower.

The guarantee and postponement of claim by Viceroy Construction in favour of the Lender with respect to all present and future liabilities of the Borrower.

The guarantee and postponement of claim by Viceroy Houses in favour of the Lender with respect to all present and future liabilities of the Borrower.

The guarantee and postponement of claim by Royal Union in favour of the Lender with respect to all present and future liabilities of the Borrower.

The guarantee and postponement of claim by Max Master in favour of the Lender with respect to all present and future liabilities of the Borrower.

SCHEDULE "B"
GUARANTOR SECURITY

The collateral mortgage (including assignment of rents) by Besco, as mortgagor in favour of the Lender for purposes of mortgaging the real property located at or about 414 Croft Street, Port Hope, Ontario, legally described by PIN: 51082-0010, PT LT 1-2 CON 1 HOPE PT2 9R2307 EXCEPT PT 1 39R9406; PORT HOPE.

The general security agreement by Besco in favour of the Lender for purposes of granting a security interest in all present and after-acquired personal property, including, without limitation, shares and other securities.

The general security agreement by Viceroy Construction in favour of the Lender for purposes of granting a security interest in all present and after-acquired personal property, including, without limitation, shares and other securities.

The general security agreement by Viceroy Houses in favour of the Lender for purposes of granting a security interest in all present and after-acquired personal property, including, without limitation, shares and other securities.

The general security agreement by Royal Union in favour of the Lender for purposes of granting a security interest in all present and after-acquired personal property, including, without limitation, shares and other securities.

The general security agreement by Max Master in favour of the Lender for purposes of granting a security interest in all present and after-acquired personal property, including, without limitation, shares and other securities.

The stock power of attorney by the shareholder(s) of Besco in favour of the Lender with respect to transfer of shares in the capital of Besco.

The stock power of attorney by the shareholder(s) of Viceroy Construction in favour of the Lender with respect to transfer of shares in the capital of Viceroy Construction.

The stock power of attorney by the shareholder(s) of Viceroy Houses in favour of the Lender with respect to *transfer of shares in the capital of Viceroy Houses*.

Share certificates of the pledged shares.

The collateral mortgage (including assignment of rents) by Viceroy Construction, as mortgagor in favour of the Lender for purposes of mortgaging the real property located at or about Alnwick Township, Ontario, legally described by PIN: 51119-0167, BLK F PL 411 ALNWICK; ALNWICK/HALDIMAND.

Tab S

THIS IS EXHIBIT "S"

referred to in the Affidavit of

Weichang Yang sworn before me this

17th day of September, 2018



*Commissioner for Taking Affidavits
(or as may be)*

(A commissioner for taking Affidavits for the Province of British Columbia)

Jantzen C. M. Chu, Barrister & Solicitor, Notary
Barrister & Solicitor, Province of British Columbia, Canada
Suite 618, 3381 Cambie Street, Vancouver, B.C. V5Z 4R3
Oriental Kenzo Plaza, Dong Cheng District, Beijing, China
China: +86- 135.2088.0208 Email: bc_lawyer@163.com
Canada: +1- 778.898.8787 Facsimile: +1- 604.430.8613

ACKNOWLEDGEMENT AND DIRECTION

TO: Fasken Martineau DuMoulin LLP ("FMD")

RE: Weichang Yang (the "Lender") loan to Huigang Sun (the "Borrower") secured by, among other things, a first ranking charge by Besco International Investment Co., Ltd. (the "Chargor") against the property municipally known as 414 Croft Street, Port Hope and legally described as Part Lot 1-2, Concession 1, Hope, Part 2, Plan 9R2307 Except Part 1, Plan 39R9406; Port Hope, being the whole of PIN 51082-0010 (LT) (the "Property") pursuant to a loan agreement dated July 20, 2017, as may be amended from time to time


This will confirm that:

- The undersigned hereby acknowledges having been advised by FMD that the Property is within a mandatory electronic registration district and that the document(s) in the form attached hereto, being:
 1. **Charge/Mortgage of the Property, and Notice of Assignment of Rents- General**, each to be substantially in the form attached;

as well as any other documents required to complete the transaction described above (collectively, the "Documents"), will be electronically registered, without execution by the undersigned, in the Land Registry Office for the Land Titles Division of Northumberland (No. 39).
- The undersigned hereby confirms that it has reviewed the Documents and that the information contained therein is accurate;
- The undersigned hereby authorizes and directs FMD to insert the names and titles of the parties who have executed this acknowledgement and direction in the Documents as the signing officers having authority to bind the undersigned, if applicable;
- The undersigned hereby authorizes FMD to sign, where applicable, release and register the Documents on behalf of the undersigned;
- The undersigned hereby authorizes FMD to amend the Documents as required in order to complete the transaction contemplated above or as the undersigned may instruct from time to time;
- The undersigned hereby authorizes and directs FMD to enter into a Document Registration Agreement in the form approved by the Law Society of Upper Canada as may be amended by FMD as in normal practice and the undersigned acknowledges that the undersigned shall be bound by the terms of the Document Registration Agreement;
- The effect of the electronic registration of the Documents has been fully explained to the undersigned and the undersigned understands that it is a party to and is bound by the terms and provisions of the Documents to the same extent as if it had personally signed the Documents;
- The undersigned is in fact the party named in the Documents and the undersigned has not misrepresented the identity of the undersigned to FMD;
- The undersigned acknowledges and agrees that a facsimile or electronic transmission received by FMD or their designees shall serve to confirm the execution of this acknowledgment and direction;
- The undersigned acknowledges and agrees that in effecting the electronic registrations hereby authorized, FMD will be relying on the accuracy and authority of the foregoing statements;
- In the event of any investigation by the Director of the Land Registration appointed under subsection 6(1) of the Registry Act (the "Director") regarding suspected fraudulent or unlawful activity or registration in connection with the document attached to this Acknowledgement and Direction, we hereby irrevocably consent to you releasing to the Director a true copy of this Authorization and Direction upon request by the Director.

DATED as of the 17 day of May, 2018

BESCO INTERNATIONAL INVESTMENT
CO., LTD.

Per: 
Name: _____
Title: _____

I have authority to bind the Corporation

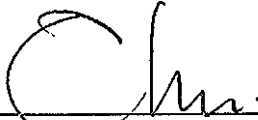
Tab T

THIS IS EXHIBIT "T"

referred to in the Affidavit of

Weichang Yang sworn before me this

17th day of September, 2018



***Commissioner for Taking Affidavits
(or as may be)***

(A commissioner for taking Affidavits for the Province of British Columbia)

Jantzen C. M. Chu, Barrister & Solicitor, Notary
Barrister & Solicitor, Province of British Columbia, Canada
Suite 618, 3381 Cambie Street, Vancouver, B.C. V5Z 4R3
Oriental Kenzo Plaza, Dong Cheng District, Beijing, China
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Canada: +1- 778.898.8787 Facsimile: +1- 604.430.8613

SUPREME COURT
OF BRITISH COLUMBIA
VANCOUVER REGISTRY

H-180214
No. _____
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:



BANK OF MONTREAL

PETITIONER

AND:

HUI GANG SUN, also known as HUI GANG SUN
RELIABLE MORTGAGES INVESTMENT CORP.
SHAN DA LIN
FENG LUAN
DIRECTOR OF EMPLOYMENT STANDARDS
LILI CHENG
WEICHANG YANG
ALL TENANTS AND OCCUPIERS OF THE SUBJECT
LANDS AND PREMISES

RESPONDENTS

PETITION TO THE COURT

Form 11
ENDORSEMENT ON ORIGINATING PROCESS
FOR SERVICE OUTSIDE BRITISH COLUMBIA
The petitioner claims the right to serve this Petition on the respondents, or any of them, outside British Columbia on the ground that the proceeding is brought to enforce, assert, declare, or determine proprietary or possessory rights or a security interest in property in British Columbia, pursuant to Rule 4-5(1) and s. 10(a) of the *Court Jurisdiction and Proceedings Transfer Act*.

ON NOTICE TO:

HUI GANG SUN, also known as HUI GANG SUN 1922 West 44 th Avenue Vancouver, BC V6M 2E7	RELIABLE MORTGAGES INVESTMENT CORP. c/o Registered Office #1 - 15243 - 91 st Avenue Surrey, BC V3R 8P8
SHAN DA LIN 315 Esna Park Drive Markham, ON L3R 1H4	FENG LUAN S415 - 5811 Cooney Road Richmond, BC V6M 2E7
DIRECTOR OF EMPLOYMENT STANDARDS Employment Standards Branch #102 - 1690 Powick Road Kelowna, BC V1X 7G5	LILI CHENG c/o Lunny Atmore LLP #900 - 900 West Hastings Street Vancouver, BC V6C 1E5
WEICHANG YANG No. 8 Beisanjie Fucheng Road Haidian District, Beijing China 100048	ALL TENANTS AND OCCUPIERS OF THE SUBJECT LANDS AND PREMISES 1922 West 44 th Avenue Vancouver, BC V6M 2E7

This proceeding is brought for the relief set out in Part 1 below, by:

[X] the Petitioner, BANK OF MONTREAL

If you intend to respond to this petition, you or your lawyer must

- (a) file a response to petition in Form 67 in the above-named registry of this court within the time for response to petition described below, and
- (b) serve on the petitioner(s)
 - (i) 2 copies of the filed response to petition, and
 - (ii) 2 copies of each filed affidavit on which you intend to rely at the hearing.

Orders, including orders granting the relief claimed, may be made against you, without any further notice to you, if you fail to file the response to petition within the time for response.

TIME FOR RESPONSE TO PETITION

A response to petition must be filed and served on the petitioner(s),

- (a) if you were served with the petition anywhere within Canada, within 21 days after that service,
- (b) if you were served with the petition anywhere in the United States of America, within 35 days after that service,
- (c) if you were served with the petition anywhere else, within 49 days after that service, or
- (d) if the time for response has been set by order of the court, within that time.

(1)	The address of the registry is: 800 Smithe Street, Vancouver, B.C. V6Z 2E1
(2)	The ADDRESS FOR SERVICE of the Petitioner is: Lawson Lundell LLP Barristers & Solicitors 1600 – 925 West Georgia Street Vancouver, B.C., V6C 3L2 Attention: William L. Roberts Fax number for service (if any): (604) 669-1620 Email for service (if any): wroberts@lawsonlundell.com
(3)	The name and office address of the Petitioner's solicitor is: William L. Roberts Lawson Lundell LLP Barristers & Solicitors 1600 – 925 West Georgia Street Vancouver, B.C., V6C 3L2

CLAIM OF THE PETITIONER

Part 1: ORDER(S) SOUGHT

1. A declaration that a mortgage (the "Mortgage") dated March 6, 2010, granted to the Petitioner by the Respondent Huigang Sun, also known as Hui Gang Sun ("Mr. Sun") as the registered owner of the Lands (as defined below), and registered in the New Westminster Land Title Office on March 12, 2010, under number CA1486265, is a charge on the following lands and premises:

CITY OF VANCOUVER
 PID NO.: 006-486-126
 LOT 34 OF LOT 9 BLOCK 15 DISTRICT LOT 526 PLAN 5019
 (the "Lands")

ranking in priority to the interests in the Lands of the respondents and the heirs, executors, administrators, successors, and assigns of the respondents, and all persons claiming by, through, or under them;
2. A declaration that the Mortgage is in default;
3. An order requiring redemption of the Lands forthwith or, in the alternative, an order fixing the final date for redemption;
4. A summary accounting of the amount of money due and owing to the petitioner pursuant to the Mortgage and a declaration of the amount of money required to redeem the Lands during the redemption period herein ("the Amount Required to Redeem"), which shall be the amount due and owing as at the date payment is received, together with the Petitioner's taxed costs of these proceedings as between solicitor and client;
5. An order that the petitioner be at liberty to apply to the Court or to the District Registrar of this Court for a further summary accounting of any amounts which may become due to the Petitioner for interest, payment of taxes, arrears of taxes, insurance premiums, costs, charges, expenses or otherwise and that such amount be proved by Affidavit;
6. An order that, on the respondents or any of them paying into court or to the solicitors for the Petitioner prior to the pronouncement of an order absolute or an order approving a sale of the Lands, the Amount Required to Redeem, then the petitioner shall reconvey the Lands free and clear of encumbrances in favour of it or by any person claiming by, through, or under it, and shall deliver up all documents in the petitioner's custody relating to the Lands to the respondent or respondents who made payment;
7. An order that if the Lands are not redeemed, the petitioner shall be at liberty to apply for an order absolute, and on pronouncement of an order absolute, then the respondents and the heirs, executors, administrators, successors, and assigns of the respondents and all persons claiming by, through, or under them shall be foreclosed of all right, title, interest,

estate, and equity of redemption in and to the Lands and shall immediately deliver to the petitioner vacant possession of the Lands;

8. An immediate order for sale of the Lands, including that the Lands be listed for sale, and that the Petitioner have exclusive conduct of sale;
9. An Order for forced entry in the event the Lands are found to be abandoned or vacant, or otherwise necessary;
10. Judgment in favour of the Petitioner against Mr. Sun on his covenant to pay;
11. An order for a Certificate of Pending Litigation;
12. Possession of the Lands;
13. Appointment of a Receiver;
14. An order that the petitioner be granted its costs of and in connection with this proceeding; and
15. An order for any further relief that to this Honourable Court may seem just,

each of which may be sought at either the hearing of this Petition itself or by separate application.

Part 2: FACTUAL BASIS

16. The Petitioner Bank of Montreal is a chartered bank of Canada with an office in the Province of British Columbia at Mezzanine Level - 595 Burrard Street, in the City of Vancouver.

The Mortgage

17. Mr. Sun is the registered and beneficial owner of the Lands.
18. By the Mortgage, Mr. Sun mortgaged the Lands to the Petitioner as security for all present and future indebtedness and liability of Mr. Sun to the Petitioner. The Mortgage was registered in the New Westminster Land Title Office under number CA1486265. A copy of the Mortgage is attached hereto as Annexure 1. A copy of the Title Search Print of the Lands is attached hereto as Annexure 2.
19. A copy of the Standard Mortgage Terms filed under D.F. Number MT080118, which form part of the Mortgage, is attached hereto as Annexure 3.
20. Particulars of the Mortgage are as follows:
 - (a) The principal sum secured is \$3,000,000 with interest thereon at the rate of 5%

per annum above the Petitioner's prime interest rate in effect from time to time, calculated monthly;

- (b) "Indebtedness" is defined as all present and future indebtedness and liability now or hereafter owing by the Mortgagor to the Mortgagee whether direct or indirect, absolute or contingent, or revolving or non-revolving, whether incurred by the Mortgagor alone or together with any other debtor or debtors and whether incurred pursuant to the provisions of the mortgage or otherwise, including all principal, interest, guarantee liabilities, letter of credit indemnity liabilities, bankers' acceptance indemnity liabilities, fees and expenses now or hereafter owing by the Mortgagor to the Mortgagee;
- (c) Costs as between solicitor and client, incurred by the Mortgagee in taking, recovering and keeping possession of the Lands and in all other proceedings taken in connection with or to realize the monies secured, shall be paid by the Mortgagor and if the Mortgagor fails to pay, the Mortgagee may make such payment and the amount thereof shall be added to the amount secured and shall bear interest at the respective rates aforesaid;
- (d) The Mortgagor shall pay any encumbrance, lien, charge, insurance premium, taxes or other rates claimed or levied in respect of the Lands and premises and if the Mortgagor fails to pay, the Mortgagee may pay and the amount so paid shall be a charge on the Lands in favour of the Mortgagee and shall bear interest at the respective rates aforesaid;
- (e) The monies secured by the Mortgage are payable on demand.

21. In addition to his direct indebtedness to the Bank, Mr. Sun is also indebted to the Bank under the following written guarantees granted by Mr. Sun:

<i>Date of Guarantee</i>	<i>Limited Amount</i>	<i>Interest Rate</i>
March 21, 2011	\$490,000.00	Prime + 5%
October 12, 2011	\$2,530,000.00	Prime + 3%
March 1, 2013	\$2,610,000.00	Prime + 5%
May 18, 2015	\$70,000.00	Prime + 3%
Total	\$5,700,000.00	

(the "Guarantees")

whereby in consideration of the Petitioner dealing with Wiston International Trade Co. (the "Company"), Mr. Sun guaranteed to the Petitioner payment of the indebtedness of the Company up to the combined maximum amount of \$5,700,000, plus interest from the

date of demand for payment at the rates set out above. Copies of the Guarantees are attached hereto collectively as Annexure 4.

Demand and Forbearance

22. The Petitioner, the Company and Mr. Sun entered into a Forbearance Agreement (the "Forbearance Agreement") dated for reference November 28, 2017, which provided, *inter alia*, that:
- (a) notwithstanding defaults under the Mortgage and Guarantees, the Petitioner agreed to forbear from taking steps to enforce its security until after March 31, 2018 upon certain conditions;
 - (b) the parties to the Forbearance Agreement agreed that all fees and disbursements paid by the Petitioner to its lawyers (on the basis of complete indemnification on a solicitor and its own client basis), including enforcement and realization, and whether past, present or future, together with forbearance fees, shall be added to the Indebtedness (as defined in the Forbearance Agreement) as the Petitioner sees fit and shall be secured by the Security (as defined in the Forbearance Agreement) and in particular, the Mortgages;
 - (c) the parties to the Forbearance Agreement agreed that the interest rate with respect to each of the Operating Demand Loan and the Demand Loan Non-Revolving, which are described more fully in Paragraph 30 herein, would be forthwith increased to the Bank's prime rate of interest plus 2.5% per annum;
 - (d) in the event that the Petitioner commences proceedings to enforce the Mortgages, then the Company and Mr. Sun consented to the following:
 - (i) appointment of a Receiver or Receiver/Manager over any or all of the parties' assets and undertakings charged by the Security; and
 - (ii) if the Petitioner elects to commence foreclosure proceeding, a shortened redemption period of three months with conduct of sale in favour of the Petitioner or Receiver, as the case may be, immediately thereafter, a 3-month redemption period, or such shorter redemption period as the Court may permit.
23. A copy of the Forbearance Agreement is attached hereto as Annexure 5.
24. The Company and Mr. Sun defaulted on the terms of the Forbearance Agreement by, *inter alia*, failing to make payments as and when due. Demand for payment was made upon each of the Company and Mr. Sun by letters dated March 16, 2018, together with Notices of Intention to Enforce Security pursuant to Section 244 of the *Bankruptcy and*

Insolvency Act, however the Company and Mr. Sun, and both of them, have all failed to pay. Copies of the demand letters are attached collectively as Annexure 6.

25. On or about March 26, 2018, the Company filed a Notice of Intention to Make a Proposal under the *Bankruptcy and Insolvency Act*

Unauthorized Overdraft

26. Mr. Sun is also indebted to the Bank in relation to an unauthorized overdraft in a current account maintained in the name of Viceroy Construction Ltd. ("Viceroy") under account number 0760-1268-469 (the "Account"). The unauthorized overdraft is a result of a number of cheques drawn by Mr. Sun on behalf of Viceroy.
27. Pursuant to the account agreement relating to the Account, Viceroy agreed that it would pay to the Bank the amount of any unauthorized overdraft in the account, and make such payment immediately without need for demand. Further, Viceroy agreed that interest accrues on any unauthorized overdrafts at the rate of 21% per annum, compounded monthly (effective rate of 23.144% per annum) and that Viceroy would pay the Bank's legal costs, on a solicitor and own client basis, in relation to collection of any such amounts from Viceroy.
28. By letter dated March 12, 2018, demand was made on Mr. Sun for payment of this unauthorized overdraft. A copy of the March 12, 2018 of the demand letter is attached as Annexure 7.
29. As at April 30, 2018, the unauthorized overdraft in the Account is the amount of \$133,927.09 (the "Overdraft Indebtedness"), plus interest thereafter at the rate of 21% per annum.

Viceroy Houses Ltd. Mastercard Indebtedness

30. Mr. Sun is also indebted to the Bank in relation to two mastercard accounts opened jointly by Mr. Sun and Viceroy Houses Ltd., with cards being issued in Mr. Sun's name and, at his direction, to employees from time to time. As of April 30, 2018, amounts were owed under outstanding and issued cards as follows:

Description	Amount as at April 30, 2018	Interest Rate per annum
Credit Card No. ***0967 (Cardholder: Huigang Sun)	\$46,746.26	19.9%
Credit Card No. ***3841 (Cardholder: Danni Zhang)	\$5,656.62	19.9%
TOTAL	\$52,402.88	

(the "Viceroy Mastercard Indebtedness")

31. By letter dated May 1, 2018, demand was made on Mr. Sun for payment of the Viceroy Mastercard Indebtedness. A copy of the May 1, 2018 of the demand letter is attached as Annexure 8.

Indebtedness

32. As at April 30, 2018, Mr. Sun was indebted to the Petitioner as follows:

Description	Balance outstanding as at April 30, 2018		Interest Rate Per Annum
Wiston Guarantee Indebtedness:			
• Operating Demand Loan #0760-1262-550	\$1,249,633.09		Prime + 2.5%
• Demand Loan Non-Revolver #0760-6996-342	989,308.76		Prime + 2.5%
• Corporate Mastercard Facility	177,612.06	\$2,416,553.91	18.4%
Overdraft Indebtedness		\$133,927.09	21% per annum
• Account #0760-1268-469			
Viceroy Mastercard Indebtedness		\$52,402.88	19.9%
TOTAL		\$2,602,883.88	

(collectively, the "Mortgage Indebtedness")

33. On March 26, 2018, Wiston filed a Notice of Intention to Make a Proposal under the *Bankruptcy and Insolvency Act*. As such, there is a stay of proceedings as against Wiston and the amount owing under the Operating Demand Loan may decrease.

Subordinate Chargeholders

34. The following sets out the holders of charges, nature of charges and registration numbers of the charges registered in the New Westminster Land Title Office against the title to the Lands, all of which charges rank in priority behind the interest of the Petitioner:

Respondent	Nature of Charge	Registration No.
Reliable Mortgages Investment Corp.	Mortgage	CA6044743
Shan Da Lin	Mortgage	CA6357720
Feng Luan	Mortgage	CA6394943
Director of Employment Standards	Judgment	CA6425334
Lili Cheng	Certificate of Pending Litigation	CA6510255
Weichang Yang	Mortgage	CA6688944

35. All tenants and occupiers of the subject lands and premises, whose identities are unknown, are tenants or occupants of the Lands and as such are joined as Respondents to this proceeding by virtue of their occupancy of the Lands.

Part 3: LEGAL BASIS


36. On the facts set out in Part 2 above, namely that:
- (a) The Mortgage, the Guarantees and the Forbearance Agreement (the "Security") are valid and enforceable agreements as against Mr. Sun;
 - (b) Mr. Sun is indebted to the Petitioner under the Guarantees and for the Overdraft Indebtedness, with such indebtedness being validly secured by the Security in priority to the interests of the Respondents;
 - (c) Mr. Sun is in default of the terms of the Security;
- and pursuant to the terms of the Security, the Petitioner is entitled to the relief sought in Part 1 above.
37. The Petitioner will rely on, inter alia, Rules 10-2, 13-5, 16-1 and 21-7 of the Supreme Court Civil Rules and Part 16 of the *Land Title Act*.

Part 4: MATERIAL TO BE RELIED ON

38. The 1st Affidavit of Lawrence Chipman in this case, a copy of which is served herewith.

The petitioner estimates that the hearing of the petition will take 5 minutes .

Dated: May 16, 2018



Counsel for the Petitioner
(William L. Roberts)

<i>To be completed by the court only:</i>	
Order made	
<input type="checkbox"/>	in the terms requested in paragraphs _____ of Part 1 of this Petition
<input type="checkbox"/>	with the following variations and additional terms:
Dated:	_____
Signature of	
<input type="checkbox"/>	Judge <input type="checkbox"/>
<input type="checkbox"/>	Master

FORM S-VI

NEW WESTMINSTER LAND TITLE OFFICE

ANNEXURE #/

#57

LAND TITLE ACT
FORM B (Section 225)

Mar-12-2010 13:10:48.001

CA1486265

MORTGAGE - PART 1 Province of British Columbia

PAGE 1 OF 2 PAGES

Your electronic signature is a representation that you are a subscriber as defined by the Land Title Act, R5BC 1996 c.250, and that you have applied your electronic signature in accordance with Section 168.3, and a true copy, or a copy of that true copy, is in your possession.

Digitally signed by Steven Trevor
Tlainen DA6QJD
DN: cn=CA, o=Steven Trevor Tlainen
DA6QJD, ou=Lawyer, ou=Vancouver BC
www.burton.com/LLP.cfm
id=DA6QJD
Date: 2010.03.12 12:48:08 -0800

1. APPLICATION: (Name, address, phone number of applicant, applicant's solicitor or agent)

Steven Tlainen on behalf of Boughton Law Corporation
700-595 Burrard Street, Vancouver, BC
V7X 1S8; 604-687-6789
File No. 82118.15
Document Fees: \$71.90

LTO Client No. 010408.ljf

STC Fees: \$10.20

Deduct LTSA Fees? Yes

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND:

(PID) (legal description)

006-486-126 LOT 34 OF LOT 9 BLOCK 15 DISTRICT LOT 526 PLAN 5019

STC? YES

3. BORROWER(S) (MORTGAGOR(S)): (including postal address(es) and postal code(s))

HUIGANG SUN

1922 WEST 44TH AVENUE

VANCOUVER

BRITISH COLUMBIA.

V6M 2E7

CANADA

4. LENDER(S) (MORTGAGEE(S)): (including occupation(s), postal address(es) and postal code(s))

BANK OF MONTREAL

METRO TOWER II-SUITE 2200, 4720 KINGSWAY

BURNABY

BRITISH COLUMBIA

CANADA

V5H 4N2

5. PAYMENT PROVISIONS:

(a) Principal Amount:	(b) Interest Rate:	(c) Interest Adjustment	Y	M	D
\$3,000,000.00	Mortgagee's Prime Rate plus 5% per annum	Date: N/A			
(d) Interest Calculation Period: Monthly, not in advance	(e) Payment Dates: Last day of each month	(f) First Payment Date: N/A			
(g) Amount of each periodic payment: N/A	(h) Interest Act (Canada) Statement. The equivalent rate of interest calculated half yearly not in advance is N/A % per annum.	(i) Last Payment Date: N/A			
(j) Assignment of Rents which the applicant wants registered? YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> If YES, page and paragraph number:	(k) Place of payment: Postal Address in Item 4	(l) Balance Due Date: On Demand			

MORTGAGE - PART 1

6. MORTGAGE contains floating charge on land?
YES NO

7. MORTGAGE secures a current or running account?
YES NO

8. INTEREST MORTGAGED:
Freehold
Other (specify)

9. MORTGAGE TERMS:

Part 2 of this mortgage consists of (select one only):

(a) Prescribed Standard Mortgage Terms

(b) Filled Standard Mortgage Terms

(c) Express Mortgage Terms

DF Number: MT080118

(annexed to this mortgage as Part 2)

A selection of (a) or (b) includes any additional or modified terms referred to in item 10 or in a schedule annexed to this mortgage.

10. ADDITIONAL OR MODIFIED TERMS:

N/A

11. PRIOR ENCUMBRANCES PERMITTED BY LENDER:

NIL

12. EXECUTION(S): This mortgage charges the Borrower's interest in the land mortgaged as security for payment of all money due and performance of all obligations in accordance with the mortgage terms referred to in item 9 and the Borrower(s) and every other signatory agree(s) to be bound by, and acknowledge(s) receipt of a true copy of, those terms.

Officer Signature(s)

William H. Lim
Barrister & Solicitor
320 - 7480 Westminster Hwy.
Richmond, BC V6X 1A1
Tel: (604) 303-0788

Execution Date		
Y	M	D
10	03	06

Borrower(s) Signature(s)

HUIGANG SUN

OFFICER CERTIFICATION:

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the Evidence Act, R.S.B.C. 1996, c.124, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the Land Title Act as they pertain to the execution of this instrument.

TITLE SEARCH PRINT

File Reference: 14134-137164

Declared Value \$ 2571428

ANNEXURE #2

2018-04-12, 15:26:40

Requestor: Linda Alexander

3

CURRENT INFORMATION ONLY - NO CANCELLED INFORMATION SHOWN

Land Title District	VANCOUVER
Land Title Office	VANCOUVER
Title Number	CA1040256
From Title Number	BB598560
Application Received	2009-02-16
Application Entered	2009-02-19
Registered Owner in Fee Simple	
Registered Owner/Mailing Address:	HUIGANG SUN, BUSINESSMAN 1922 WEST 44TH AVENUE VANCOUVER, BC V6M 2E7
Taxation Authority	Vancouver, City of
Description of Land	
Parcel Identifier:	006-486-126
Legal Description:	LOT 34 OF LOT 9 BLOCK 15 DISTRICT LOT 526 PLAN 5019
Legal Notations	NONE
Charges, Liens and Interests	
Nature:	MORTGAGE
Registration Number:	CA1486265
Registration Date and Time:	2010-03-12 13:10
Registered Owner:	BANK OF MONTREAL
Nature:	MORTGAGE
Registration Number:	CA6044743
Registration Date and Time:	2017-06-05 11:18
Registered Owner:	RELIABLE MORTGAGES INVESTMENT CORP. INCORPORATION NO. 476257

TITLE SEARCH PRINT

File Reference: 14134-137164

Declared Value \$ 2571428

2018-04-12, 15:26:40
Requestor: Linda Alexander

Nature: MORTGAGE
Registration Number: CA6357720
Registration Date and Time: 2017-10-06 15:31
Registered Owner: SHAN DA LIN

Nature: MORTGAGE
Registration Number: CA6394943
Registration Date and Time: 2017-10-25 11:57
Registered Owner: FENG LUAN

Nature: JUDGMENT
Registration Number: CA6425334
Registration Date and Time: 2017-11-06 12:09
Registered Owner: DIRECTOR OF EMPLOYMENT STANDARDS

Nature: CERTIFICATE OF PENDING LITIGATION
Registration Number: CA6510255
Registration Date and Time: 2017-12-14 09:48
Registered Owner: LILI CHENG

Nature: MORTGAGE
Registration Number: CA6688944
Registration Date and Time: 2018-03-20 15:47
Registered Owner: WEICHANG YANG

Duplicate Indefeasible Title NONE OUTSTANDING

Transfers NONE

Pending Applications NONE

ANNEXURE # 3

BANK OF MONTREAL
BRITISH COLUMBIA
STANDARD MORTGAGE TERMS
ALL INDEBTEDNESS MORTGAGE
(COMMERCIAL/FARM)

Filing Number MT 080118

The following set of standard mortgage terms (together with any schedules attached hereto, the "Standard Mortgage Terms") shall be deemed to be included in each mortgage or charge in which it is referred to by its filing number except to the extent that the provisions of the Standard Mortgage Terms are excluded or varied by such mortgage or charge.

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B. DEFINITIONS

In this set of Standard Mortgage Terms and in each Mortgage, the following terms shall have the following meanings:

1. "Applicable Rate" means:
 - (a) the applicable interest rate specified by the applicable note or agreement delivered by the Mortgagor to the Mortgagee or between the Mortgagor and the Mortgagee; or
 - (b) if the interest rate referred to in subsection (a) is not so specified, the applicable interest rate specified by the Mortgage.
2. "Controlling Entity" means any corporation or other entity which on the date of the Mortgage beneficially owned, directly or indirectly, shares, other securities or other equity interests issued by the Mortgagor or a Guarantor which have more than 50% of the

total ordinary voting power of all shares, other securities and other equity interests issued by the Mortgagor or such Guarantor.

3. "Default" means a default referred to in section I.
4. "Guarantor" means a person who guaranteed payment of all or any Indebtedness.
5. "Indebtedness" means all present and future indebtedness and liability now or hereafter owing by the Mortgagor to the Mortgagee whether direct or indirect, absolute or contingent, or revolving or non-revolving, whether incurred by the Mortgagor alone or together with any other debtor or debtors and whether incurred pursuant to the provisions of the Mortgage or otherwise including all principal, interest, guarantee liabilities, letter of credit indemnity liabilities, bankers acceptance indemnity liabilities, fees and expenses now or hereafter owing by the Mortgagor to the Mortgagee.
6. "Insolvency Proceeding" means a proceeding commenced under the *Companies' Creditors Arrangement Act*, the *Bankruptcy and Insolvency Act* or any other similar statute.
7. "Lease" means a lease, offer to lease or other similar agreement of or with respect to the Mortgaged Land in favour of, or held by the Mortgagor as tenant and referred to in the Mortgage, as such lease, offer to lease or other similar agreement is amended or replaced from time to time.
8. "Mortgage" means the applicable registered mortgage or charge (as amended from time to time) in which this set of Standard Mortgage Terms is incorporated by reference to its filing number (including all Schedules thereto), includes any such mortgage or charge registered electronically or otherwise and includes such mortgage or charge whether or not any provision of the Standard Mortgage Terms is excluded or varied.
9. "Mortgaged Land" means the real property described in the Mortgage, all appurtenances thereto and all estates and interests therein, and includes all buildings, plant, machinery, crops, erections and improvements, fixed or otherwise, present or future, built, grown, placed or put thereon including all fences, heating equipment, plumbing equipment, antennae, radiators, mirrors, air-conditioning equipment, ventilating equipment, fire alarm and protective systems, lighting and lighting fixtures, hay racks, barn fixtures, milking machine equipment, water tanks, pumps and windmills, water bowls and pipes, feed boxes, litter carriers and tracks, mobile homes affixed to the real property, furnaces, boilers, oil burners, stokers, water heating equipment, cooking and refrigeration equipment, window blinds, floor coverings, storm windows, storm doors, window screens, door screens, shutters and awnings, all apparatus and equipment appurtenant thereto, and all other fixtures and accessions of any kind or nature.
10. "Mortgagee" means the mortgagee or chargee referred to in the Mortgage and its successors and assigns.

11. "Mortgagee's Prime Rate" means the fluctuating annual rate of interest determined by Bank of Montreal from time to time as the reference rate it will use to determine rates of interest payable by borrowers from Bank of Montreal of Canadian dollar loans made in Canada and designated by Bank of Montreal as its prime rate.
12. "Mortgagor" means the person or persons identified as the mortgagor or chargor in the Mortgage and his, her, its or their respective heirs, executors, administrators, personal representatives, successors and assigns.
13. "Other Encumbrances" means all statutory liens, construction liens, mechanics' liens, builders' liens, other liens, executions, mortgages, charges, and other encumbrances which charge or otherwise affect or could affect the Mortgaged Land but excludes the Mortgage.
14. "Permitted Prior Mortgage" means a mortgage or charge of the Mortgaged Land which ranks in priority to the Mortgage and which the Mortgagee has approved in writing.
15. "Receiver" means a receiver, receiver and manager or other similar person.
16. "Schedule" means a schedule to the Mortgage.
17. "Taxes" means all taxes, rates and assessments, municipal, provincial, federal or otherwise, with respect to the Mortgaged Land.

C. OPERATION OF THE MORTGAGE

1. *Charge of Mortgaged Land.* In consideration of other valuable consideration and a loan advance made or other credit extended by the Mortgagee to the Mortgagor (the receipt and sufficiency of which are acknowledged by the Mortgagor), the Mortgagor hereby mortgages and charges the Mortgaged Land to and in favour of the Mortgagee as security for payment to the Mortgagee of all Indebtedness and as security for the observance and performance by the Mortgagor of all other obligations of the Mortgagor pursuant to or in respect of the Mortgage or the Standard Mortgage Terms. Subject to the provisions of the Mortgage, the Mortgagor releases to the Mortgagee, all the Mortgagor's claims upon the Mortgaged Land.
2. *Repayment of Principal on Demand.* The Mortgagor shall pay all Indebtedness to the Mortgagee on demand by the Mortgagee for payment.
3. *Restriction on Voluntary Prepayments.* The Mortgagor shall not be entitled to prepay voluntarily any principal amount (including any principal amount owing with respect to a revolving line of credit or a demand loan) except to the extent agreed to by the Mortgagee in writing.
4. *Calculation and Payment of Interest.* The Mortgagor shall pay to the Mortgagee when due interest payable by the Mortgagor on each part of the Indebtedness (including interest on overdue interest) at the Applicable Rate which applies to such part of the Indebtedness. Interest shall

accrue on each part of the Indebtedness from the date such part is incurred to the date such part is paid to the Mortgagee in full. Interest shall be calculated and payable monthly not in advance on the first day of each month unless otherwise agreed by the Mortgagor and the Mortgagee in writing. Whenever there is more than one Applicable Rate, the Applicable Rate referred to in Sections D, E, G, J and K shall, unless otherwise agreed by the Mortgagee in writing, be the higher or highest of such Applicable Rates.

5. *Continuing Security.* The Mortgage shall be continuing security in favour of the Mortgagee for the payment of all Indebtedness, notwithstanding at any time and from time to time there is:

- (a) any change in the nature, state or form of any account between the Mortgagor and the Mortgagee;
- (b) any new advance by the Mortgagee to the Mortgagor, whether by way of loan, discount, the drawing of a cheque against an account of the Mortgagor or otherwise;
- (c) any discount or acceptance by the Mortgagee from or for the Mortgagor of any note, bill of exchange or other negotiable instrument or commercial paper;
- (d) any credit of any amount to any account of the Mortgagor by reason of deposit of moneys or otherwise; or
- (e) any renewal, replacement, substitution or alteration of any note, bill of exchange or other negotiable instrument or other commercial paper from time to time held by the Mortgagee or any reduction, satisfaction, payment, release or discharge thereof or of any other security therefor.

Nothing herein shall prejudice any of the Mortgagee's rights pursuant to or in respect of any note, bill of exchange, other agreement or other security now or hereafter held by the Mortgagee.

6. *Divided Parts of Mortgaged Land.* Every part of the Mortgaged Land into which the Mortgaged Land may hereafter be divided by a plan of subdivision shall continue to be charged with payment of all Indebtedness but the Mortgagee may discharge any part or parts of the Mortgaged Land with or without sufficient consideration and without releasing the Mortgagor from the Mortgage and no person shall have any right to require the Indebtedness to be apportioned between or among such parts.

7. *Application of Amounts Paid.* Any and all amounts received by the Mortgagee with respect to Indebtedness before a Default shall, unless otherwise specified by the Mortgagee in writing, be applied firstly to reduce compound interest, secondly to reduce interest (other than compound interest), thirdly to reduce principal and fourthly to reduce any other Indebtedness. Any and all amounts received by the Mortgagee after a Default (including any and all amounts received from any security held by the Mortgagee) shall be applied by the Mortgagee in the manner determined by the Mortgagee in its sole discretion.

8. *Discharge of Mortgage.* If the Mortgagor shall duly pay to the Mortgagee all Indebtedness and the Mortgagee is not then obligated to extend any credit to the Mortgagor, the Mortgagor may request from the Mortgagee a discharge of the Mortgage and, upon delivery by the Mortgagee to the Mortgagor of a discharge of the Mortgage, the Mortgage shall terminate and cease to operate; provided that the Mortgage shall not terminate or cease to operate while any Indebtedness remains unpaid or while the Mortgagee is obligated to extend any credit to the Mortgagor only because, at any prior time or times, all Indebtedness had been paid in full. The Mortgagee shall not be obligated to deliver any partial discharge of the Mortgage.

9. *Consolidation of Mortgages.* To the extent permitted by law, the doctrine of consolidation shall apply with respect to *inter alia* the Mortgage.

D. COVENANTS, REPRESENTATIONS AND WARRANTIES
OF MORTGAGOR

1. *Payment of Principal and Interest.* The Mortgagor shall pay to the Mortgagee when due all Indebtedness without deduction or set-off of any kind. The Mortgagor expressly agrees not to fail to pay any Indebtedness when due and not to reduce the amount of any due payment of any Indebtedness as a result, or in respect of any existing or future claim by the Mortgagor against the Mortgagee or against any other person whether such claim relates to any or all Indebtedness, the Mortgage, any other agreement between the Mortgagor and the Mortgagee, any other transaction or any other agreement or matter whatsoever.

2. *Observance and Performance of Other Obligations.* The Mortgagor shall duly and punctually observe and perform all the Mortgagor's existing and future obligations pursuant to the Mortgage and all the Mortgagor's existing and future obligations pursuant to any and all other existing and future agreements delivered by the Mortgagor to the Mortgagee or between the Mortgagor and the Mortgagee.

3. *Payment of Taxes.* The Mortgagor shall promptly pay all Taxes as they become due and, within one month after the date fixed for the payment of the last installment of Taxes in each year, shall deliver to the Mortgagee a receipted tax bill showing payment in full of all such Taxes payable during such year. If the Mortgagor fails to pay any Taxes as they become due, the Mortgagee may, at its option, pay the whole or any part of such Taxes. The amounts so paid by the Mortgagee shall be payable forthwith by the Mortgagor to the Mortgagee with interest thereon at the Applicable Rate, shall be a part of the Indebtedness and shall be secured by the Mortgage.

4. *Good Title and Free From Encumbrances.* The Mortgagor represents and warrants to the Mortgagee that the Mortgagor is the legal and beneficial owner of, and has good, absolute and indefeasible title and estate in fee simple to the Mortgaged Land (or the leasehold interest therein if section E applies), free of any Other Encumbrances except any Permitted Prior Mortgage and except any public utilities easements or similar easements or restrictive covenants that do not impair the value, marketability or use of the Mortgaged Land or were approved by the Mortgagee in writing, and free of any reservations, limitations, provisos or conditions whatsoever except those contained in the original grant thereof, if any, from the Crown; the

Mortgagor has good right, full power and lawful and absolute authority to mortgage and charge the Mortgaged Land (or, if section E applies, its leasehold interest therein) to the Mortgagee in accordance with the provisions of the Mortgage; the Mortgagor has not done, omitted or permitted anything whereby the Mortgaged Land or the Mortgagor's estate, right, title or interest therein is or may be alienated, encumbered, liened, charged, mortgaged, impeached or affected except for the delivery of any Permitted Prior Mortgage. The Mortgagor shall keep the Mortgaged Land (or, if section E applies, the Mortgagor's leasehold interest therein) free and clear of and from all Other Encumbrances (other than any Permitted Prior Mortgage) including any arrears secured by any statutory liens or arrears of Taxes.

5. *Insurance.* The Mortgagor shall maintain, in form, substance and amount and with insurers satisfactory to the Mortgagee, all insurance required by the Mortgagee from time to time with respect to the Mortgaged Land (including boiler, property, public liability, rental, environmental and business interruption insurance and insurance covering all crops grown on the Mortgaged Land insuring such crops against damage by hail and against perils covered by all-risk crop insurance). The Mortgagor shall deliver to the Mortgagee, from time to time at the Mortgagee's request, certificates of insurance and certified copies of such insurance policies showing all loss payable to the Mortgagee as first mortgagee (subject to the interests of the holder of any Permitted Prior Mortgage) and loss payee and containing a mortgage clause satisfactory to the Mortgagee. As additional and separate security for payment of all Indebtedness, the Mortgagor hereby assigns to the Mortgagee all the Mortgagor's present and future interests in and to all such present and future insurance policies and all proceeds therefrom. The Mortgagor shall not repair any damage using proceeds of any insurance without the Mortgagee's prior written consent and the Mortgagee may, at its discretion, apply any and all insurance proceeds to reduce Indebtedness. If the Mortgagor fails to maintain insurance required by the Mortgagee, the Mortgagee may arrange insurance with respect to the Mortgaged Land, the Mortgagor shall pay to the Mortgagee, on demand by the Mortgagee, all amounts paid by the Mortgagee to effect such insurance and the Mortgagor shall pay interest thereon at the Applicable Rate; and all such amounts owing by the Mortgagor shall be part of the Indebtedness and secured by the Mortgage. The Mortgagor shall, forthwith on the occurrence of any loss or damage, furnish at the Mortgagor's own expense all necessary proofs and do all necessary acts to enable the Mortgagee to obtain payment of the insurance monies. Any insurance monies received may, at the option of the Mortgagee, to the extent permitted by law, be applied to rebuild or repair the premises on the Mortgaged Land or be paid to the Mortgagor or any other person appearing by the registered title to be or to have been the owner of the Mortgaged Land, or be applied to pay Indebtedness whether or not then due, despite any law, equity or statute to the contrary. The Mortgagor, to the extent permitted by law, hereby waives any statutory or other right it may have to require any insurance proceeds to be applied in any particular manner.

6. *Payment of Other Encumbrances.* The Mortgagor shall promptly pay when due all amounts now or hereafter owing pursuant to or with respect to any Other Encumbrances and shall deliver to the Mortgagee, at the Mortgagee's request, evidence showing payment in full of all such amounts. If the Mortgagor fails to pay any Other Encumbrances when due, the Mortgagee may, at its option, pay the whole or any part of any present or future Other Encumbrances. The amounts so paid shall be payable forthwith by the Mortgagor to the Mortgagee with interest thereon at the Applicable Rate, shall be a part of the Indebtedness and shall be secured by the

Mortgage. In the event the Mortgagee pays any Other Encumbrance, it shall be entitled to all the equities, rights and securities of the person or persons so paid and to obtain an assignment of such Other Encumbrance so paid and of any right to payment and is hereby authorized to retain any discharge thereof without registration for so long as it may think fit to do so.

7. *Payment of Expenses.* The Mortgagor shall, on demand by the Mortgagee, pay all costs, charges, expenses (including legal fees as between a solicitor and his or her own client), commissions and fees which may be incurred by the Mortgagee in negotiating any credit or credits secured by the Mortgage, investigating the title to the Mortgaged Land, preparing and registering the Mortgage and other documents, administering any credit or credits extended by the Mortgagee to the Mortgagor, inspecting the Mortgaged Land, collecting any Indebtedness, taking any proceeding in connection with or to collect any Indebtedness, taking and maintaining possession of the Mortgaged Land, maintaining and repairing the Mortgaged Land, and taking any other enforcement proceedings. The Mortgagor shall deliver to the Mortgagee, at the Mortgagee's request, evidence showing payment in full of all such amounts. If the Mortgagor fails to pay any such amounts as they become due, the Mortgagee may, at its option, pay any such amounts and the amounts so paid by the Mortgagee shall be payable forthwith by the Mortgagor to the Mortgagee with interest thereon at the Applicable Rate, shall be a part of the Indebtedness and shall be secured by the Mortgage.

8. *Compliance with Laws.* The Mortgagor represents and warrants to the Mortgagee that, as at the date of the Mortgage, the Mortgagor has complied with, and the Mortgagor agrees that it shall comply with all laws, by-laws and regulations affecting the Mortgaged Land and all orders and decisions of any governmental authority, governmental agency or court having jurisdiction affecting the Mortgaged Land (including all such laws, by-laws, regulations, orders and decisions relating to the environment or to residential or other property, including those relating to the amount of rent charged by the Mortgagor with respect to any part of the Mortgaged Land). The Mortgagor shall, at the Mortgagor's expense, promptly and in good and workmanlike manner make all improvements, alterations, clean-ups and repairs and effect any change in use that may be required from time to time to so comply.

9. *Maintain in Good Repair and Avoid Waste.* The Mortgagor represents and warrants to the Mortgagee that, as at the date of the Mortgage, all buildings, erections, equipment, machinery and improvements on the Mortgaged Land are in good condition and repair and that all noxious weeds have been eradicated from the Mortgaged Land. The Mortgagor shall maintain all buildings, erections, equipment, machinery and improvements on the Mortgaged Land in good condition and repair to the satisfaction of the Mortgagee, shall eradicate all noxious weeds from the Mortgaged Land and shall not permit waste to be committed or suffered on the Mortgaged Land or any part thereof. The Mortgagee or its agent shall be entitled, from time to time, to enter on the Mortgaged Land to inspect the Mortgaged Land and to undertake any tests (including intrusive environmental tests) required by the Mortgagee. If the Mortgagor neglects to keep the Mortgaged Land or any buildings, erections, equipment, machinery or improvements on the Mortgaged Land in good condition and repair, fails to eradicate noxious weeds from the Mortgaged Land or commits or permits any act of waste on the Mortgaged Land (as to which the Mortgagee shall be the sole judge), or fails to comply with section D.8., the Mortgagee or its agent may enter upon the Mortgaged Land and make such repairs and undertake such work and

take such action as the Mortgagee deems necessary. All costs of such inspection, testing, repairs, work and action shall be payable forthwith by the Mortgagor to the Mortgagee with interest thereon at the Applicable Rate, shall be a part of the Indebtedness and shall be secured by the Mortgage.

10. *Environmental Representation and Indemnity.* The Mortgagor represents and warrants to the Mortgagee that there has not occurred, after the date the Mortgagor acquired an interest in the Mortgaged Land, any spill, leak, contamination or other material environmental problem affecting the Mortgaged Land or any part thereof (other than any such spill, leak, contamination or other environmental problem which has been remedied). The Mortgagor shall indemnify and save harmless the Mortgagee and any Receiver of the Mortgaged Land from any and all expenses and damages incurred or suffered by the Mortgagee or such Receiver as a result, or in respect of any spill, leak, contamination or other environmental problem affecting the Mortgaged Land or any part thereof. This indemnity shall survive the payment of all Indebtedness and the satisfaction, discharge or enforcement of the Mortgage or any other security.

11. *No Alterations or Change in Use.* The Mortgagor shall not, without the prior written consent of the Mortgagee, make, or permit to be made, any alterations or additions to the Mortgaged Land or any building thereon or change the Mortgagor's use of the Mortgaged Land or any building thereon and the Mortgagor shall not allow the Mortgaged Land to be unoccupied or unused.

12. *No Unapproved Charge or Encumbrance by Mortgagor.* The Mortgagor shall not, without the Mortgagee's prior written consent, mortgage, charge, lien or encumber the Mortgaged Land or any part thereof or any interest therein or permit any Other Encumbrance to remain thereon except for any Permitted Prior Mortgage and a charge for current Taxes which are not then due.

13. *Change in Ownership or Spousal Status.* Upon any change or event affecting any of the following, namely:

- (a) the spousal status of the Mortgagor, if the Mortgagor is an individual;
- (b) the qualification of the Mortgaged Land as a matrimonial home; or
- (c) the ownership of the Mortgaged Land,

the Mortgagor shall forthwith advise the Mortgagee accordingly in writing and furnish the Mortgagee with full particulars thereof, the intention being that the Mortgagee shall be kept fully informed of the names and addresses of the owner or owners of the Mortgaged Land and of any spouse who is not an owner but who may have a legal right of possession of or interest in the Mortgaged Land. The Mortgagor shall furnish the Mortgagee with such evidence in connection with any of subsections (a), (b) and (c) of this provision as the Mortgagee may from time to time request.

14. *Expropriation.* If the Mortgaged Land or any part thereof is condemned or expropriated to an extent which, in the Mortgagee's sole discretion, materially affects the Mortgagee's security, all Indebtedness shall, at the option of the Mortgagee, be deemed to have become due and

payable on the day before such condemnation or expropriation, and interest shall continue to accrue thereon, at the Applicable Rate, until the Mortgagee has been paid all Indebtedness. The Mortgagor shall pay to the Mortgagee from any condemnation or expropriation proceeds the full amount thereof, to be applied by the Mortgagee to reduce Indebtedness.

15. *Power of Attorney.* The Mortgagor hereby irrevocably appoints the Mortgagee or any Receiver appointed by the Mortgagee under or pursuant to the Mortgage or by any order of a Court of competent jurisdiction, as the Mortgagor's attorney for all purposes to take any and all action deemed appropriate by the Mortgagee or such Receiver after the occurrence of a Default.

16. *Further Assurances.* The Mortgagor shall (and shall cause each person having or claiming to have an estate, right, title or interest in or to the Mortgaged Land to) at any time and from time to time, at the Mortgagee's request, do, execute and deliver or cause to be made, executed and delivered to the Mortgagee such further and other reasonable acts, deeds, conveyances, charges and assurances as may be required by the Mortgagee to fully and effectually carry out the intention and meaning of the Mortgage and the provisions included in the Mortgage and the reasonable cost of such further assurances shall be part of the Indebtedness and secured by the Mortgage.

17. *Business Purposes Only.* The Mortgagor shall use only for business purposes any amounts loaned by the Mortgagee to the Mortgagor and secured by the Mortgage.

18. *No Registration of Condominiums or Strata Title Developments.* The Mortgagor shall not, without the Mortgagee's prior written consent, register any condominium or strata title development with respect to all or part of the Mortgaged Land or any declaration or description with respect thereto and the Mortgagee shall not have any obligation to provide such consent.

19. *Delivery of Information.* The Mortgagor shall deliver to the Mortgagee, promptly at the Mortgagee's request, all financial statements and other information as the Mortgagee may request from time to time with respect to the Mortgagor, a Guarantor or the Mortgaged Land.

20. *No Litigation or Other Proceedings.* The Mortgagor represents and warrants that, as at the date of the Mortgage, there is no application, litigation, proceeding or investigation outstanding or, to the Mortgagor's knowledge, pending or threatened, against the Mortgagor or any Guarantor or with respect to the Mortgaged Land or any part thereof including any application, litigation, proceeding or investigation in respect of residential or other property by-laws or regulations. The Mortgagor shall notify the Mortgagee in writing of any such application, litigation, proceeding or investigation commenced after the date of the Mortgage, promptly after such commencement.

21. *Mortgagor a Canadian Resident.* The Mortgagor represents and warrants that, as at the date of the Mortgage, it is not a non-resident of Canada for purposes of the Income Tax Act and agrees that the Mortgagor shall not, without the Mortgagee's prior written consent, become a non-resident of Canada.

22. *Good Management of Mortgaged Land.* The Mortgagor shall at all times cause the Mortgaged Land to be managed in a commercially reasonable manner by the Mortgagor or by a property manager satisfactory to the Mortgagee, acting reasonably.

23. *Abutting Real Property.* The Mortgagor shall not, without the Mortgagee's prior written consent, acquire any real property which abuts the Mortgaged Land. If the Mortgagee gives such consent, the Mortgagor shall, at the Mortgagee's request, deliver to the Mortgagee a mortgage or charge of such abutting real property and of the Mortgaged Land in form and substance satisfactory to the Mortgagee.

E. MORTGAGE OF LEASEHOLD INTEREST

If the Mortgagor is not the owner of the Mortgaged Land in fee simple but is the owner of a leasehold interest in the Mortgaged Land as tenant, or as an assignee or successor of a tenant, pursuant to a Lease, the following provisions shall apply:

1. *Representations and Warranties.* The Mortgagor represents and warrants to the Mortgagee that, as at the date of the Mortgage:

- (a) the Lease is a good, valid and subsisting lease and has not been surrendered, forfeited or terminated or, except as specified in the Mortgage, amended, and the rents, covenants and provisions therein reserved and contained have been duly paid, performed and observed by the Mortgagor up to the date of the Mortgage; and
- (b) the Mortgagor has good right and full, lawful and absolute authority to charge, mortgage, demise and sublet the Mortgaged Land in accordance with the Mortgage and any consent thereto required of the applicable landlord has been obtained.

2. *Covenants Relating to Lease.* The Mortgagor agrees with the Mortgagee as follows:

- (a) The Mortgagor shall at all times fully perform and comply with all the obligations of the Mortgagor under or with respect to the Lease, or imposed on, assumed by or agreed to by the Mortgagor pursuant to any Other Encumbrances and, if the Mortgagor fails to do so, the Mortgagee may (but shall not be obliged to) take any action the Mortgagee deems necessary or desirable to prevent or to cure any default by the Mortgagor in the performance of or compliance with any such obligations. Upon receipt by the Mortgagee from the landlord, any prior mortgagee or encumbrancer, any claimant of any of the Other Encumbrances or any other person of any written notice of default, the Mortgagee may rely thereon and take any action to cure such default even though the existence of such default or the nature thereof may be questioned or denied by or on behalf of the Mortgagor and the Mortgagee shall have the absolute and immediate right to enter in and upon the Mortgaged Land or any part thereof to such extent and as often as the Mortgagee, in its sole discretion deems necessary or desirable, in order to

prevent or to cure any such default. The Mortgagee may pay and expend such amounts as the Mortgagee in its sole discretion deems necessary for any such purpose, and the amounts so paid shall be payable by the Mortgagor to the Mortgagee on demand by the Mortgagee with interest thereon at the Applicable Rate, and shall be a part of the Indebtedness and be secured by the Mortgage.

- (b) If the Mortgage is outstanding at the expiration of the term of the Lease and the Mortgagor refuses or neglects to exercise the Mortgagor's right, if any, to renew the Lease or refuses to pay any fees, costs, charges or expenses payable upon any such renewal, the Mortgagee may effect such renewal in the name of the Mortgagor or otherwise, and every such new or renewed Lease shall remain and be mortgaged and charged pursuant to the Mortgage in accordance with the Mortgage.
- (c) From and after the execution and delivery of the Mortgage, the Mortgagor shall stand possessed of the Mortgaged Land for the remainder of the Lease in trust for the Mortgagee, and shall assign and dispose thereof as the Mortgagee may direct, but subject to the Mortgagor's right of redemption under the Mortgage. The Mortgagor hereby irrevocably appoints the Mortgagee as the Mortgagor's attorney for and on behalf of the Mortgagor to assign the Lease and convey the leasehold interest in the Mortgaged Land and the reversion thereof as the Mortgagee shall at any time direct after the occurrence of a Default and, in particular, upon any sale made by the Mortgagee under any power of sale contained in the Mortgage or granted by statute to assign the Lease and convey the Mortgagor's leasehold interest in the Mortgaged Land and the reversion to a purchaser. The Mortgagee may at any time remove the Mortgagor or any other person from being a trustee of the Lease under the above declaration of trust and appoint a new trustee or trustees.
- (d) The Mortgagor shall not surrender, terminate, amend or modify the Lease or agree to do so without the prior written consent of the Mortgagee, which the Mortgagee may withhold in its absolute discretion. No release or forbearance of any of the Mortgagor's obligations under the Lease or under any Other Encumbrance shall release the Mortgagor from any of the Mortgagor's obligations under the Mortgage.
- (e) Unless the Mortgagee expressly consents in writing, the title in fee simple to the Mortgaged Land and the leasehold estate shall not merge but shall always remain separate and distinct, notwithstanding the union of said estates by purchase or otherwise.

3. *Last Day of Term Excepted.* Despite any other provision of the Mortgage, the last day of the term of the Lease or any renewal thereof or any agreement therefor now held or hereafter acquired by the Mortgagor shall be excepted out of the mortgage, charge and demise contained in the Mortgage.

4. *Charge by way of Sublease.* Despite section C.1. and any other provision of the Mortgage, the Mortgagor mortgages and charges, by way of sublease, the Mortgagor's leasehold interest in the Mortgaged Land pursuant to the Lease (including any right of renewal and any right to purchase the Mortgaged Land or any part thereof as set out in the Lease), the mortgages and charges contained in the Mortgage shall be by way of sublease and the Mortgagee shall not have any obligation or liability to the landlord or any other person pursuant to or in respect of the Lease.

5. *Leasehold Interests.* Wherever any reference is made in the Mortgage to any right of the Mortgagee to sell, transfer, assign, lease, sublease, alienate or otherwise deal with the Mortgaged Land, such reference shall be deemed to relate to the existing and future rights and interests of the Mortgagor in the Mortgaged Land pursuant to the Lease.

F. ASSIGNMENT OF LEASES AND RENTS

If the Mortgagor or any predecessor of the Mortgagor grants or has granted any lease, offer to lease, tenancy agreement or other similar agreement of all or any part of the Mortgaged Land as landlord, the following provisions shall apply:

1. *Assignment.* As additional and separate security for payment of all Indebtedness, the Mortgagor hereby assigns, transfers and sets over to the Mortgagee, all the Mortgagor's rights and interests in all existing and future leases, tenancy agreements, offers to lease and other similar agreements with respect to all or part of the Mortgaged Land, and all rents, incomes, profits and other amounts now or hereafter arising from or out of all or part of the Mortgaged Land or any building, improvement, fixture or part thereof forming part of the Mortgaged Land.

2. *Separate Assignments.* The assignment of each of the foregoing and of each of the rents, incomes, profits and other amounts by the Mortgagor to the Mortgagee pursuant to section F.1. shall be deemed to be a separate assignment so that the Mortgagee in its discretion may exercise its rights in respect of any or all of such leases, offers to lease, tenancy agreements or other similar agreements or the rents, incomes, profits or other amounts paid or payable thereunder.

3. *Collection by Mortgagor before Default.* Until there occurs a Default, the Mortgagor may collect, retain and apply all rents, incomes, profits and other amounts and deal with all leases, offers to lease, tenancy agreements and other similar agreements from time to time in accordance with sound business practice.

4. *No Liability of Mortgagee and Indemnity by Mortgagor.* Nothing herein shall obligate the Mortgagee to assume or perform (and nothing herein shall impose on the Mortgagee) any liability or obligation of the Mortgagor to any tenant or other person pursuant to or in respect of any lease, offer to lease, tenancy agreement, other similar agreement or otherwise and the

Mortgagor hereby indemnifies and saves harmless the Mortgagee from any and all claims with respect thereto, provided that the Mortgagee may, at its sole option, assume or perform any such obligations as it considers necessary or desirable.

5. *Re-assignment.* The Mortgagee may, at any time without further request or agreement by the Mortgagor, reassign to the Mortgagor, or the Mortgagor's heirs, administrators, successors or assigns, any or all of the collateral referred to in section F.1.

6. *Application by Mortgagee.* The Mortgagee's obligations with respect to any amount collected by the Mortgagee shall be discharged by the application of such amount to reduce Indebtedness.

7. *Not Mortgagee in Possession.* Nothing contained herein shall have the effect of making the Mortgagee a mortgagee in possession of the Mortgaged Land.

G. CONDOMINIUM OR STRATA TITLE DEVELOPMENT PROVISIONS

If the Mortgaged Land is or includes one or more condominium units or strata title units, the following provisions shall apply:

1. *Compliance with Requirements.* The Mortgagor shall observe and perform each of the covenants and provisions required to be observed and performed pursuant to the Mortgage, all applicable statutes governing or affecting condominiums or strata title developments, and the declaration, description, by-laws and rules, as amended from time to time, of the applicable condominium corporation or strata corporation.

2. *Common Expense Payments.* The Mortgagor shall pay promptly when due any and all unpaid condominium or strata development fees, common expenses, common element expenses, assessments, levies, instalments, payments or any other amounts due to the applicable condominium corporation or strata corporation or any agent thereof by the Mortgagor and, at the Mortgagee's request, deliver to the Mortgagee evidence of the payment thereof.

3. *Right of Mortgagee to Pay.* If the Mortgagor does not pay when due any condominium or strata development fees, common expenses or other amounts referred to in section G.2., the Mortgagee may (but shall not be obliged to) pay such amounts, the Mortgagor shall forthwith pay such amounts to the Mortgagee with interest thereon at the Applicable Rate, and all such amounts owing by the Mortgagor to the Mortgagee shall be a part of the Indebtedness and secured by the Mortgage.

4. *Voting by Mortgagee.* The Mortgagor hereby irrevocably authorizes the Mortgagee to exercise the rights of the Mortgagor as an owner of the Mortgaged Land to vote or to consent in all matters relating to the affairs of the condominium corporation or strata corporation or arising under applicable law or the declaration or by-laws of the condominium or strata corporation, provided that:

- (a) in any case where the Mortgagee is entitled to receive and does receive notice of a meeting of owners, the Mortgagee may notify the condominium or strata corporation and the Mortgagor of its intention to exercise the right of the owner to vote or to consent at such meeting at least two days before the date specified in the notice for the meeting, failing which the Mortgagor may exercise such right to vote or consent at such meeting;
- (b) the Mortgagee shall not, by virtue of the giving to the Mortgagee of the right to vote or consent, be under any obligation to vote or consent or to protect the interests of the Mortgagor, and the Mortgagee shall not be responsible for any exercise or failure to exercise the right to vote or consent; and
- (c) nothing herein contained, including the exercise by the Mortgagee of the right to vote or consent, shall constitute the Mortgagee a mortgagee in possession.

H. MORTGAGE AS SECURITY FOR A GUARANTEE

If the Mortgagor has delivered to the Mortgagee or now or hereafter delivers to the Mortgagee a guarantee or guarantees of payment to the Mortgagee of indebtedness or liability of another or others, the Indebtedness shall include all indebtedness and liability now or hereafter owing by the Mortgagor to the Mortgagee pursuant to such guarantee or guarantees, whether direct or indirect, absolute or contingent, and the Mortgage shall secure payment of all such indebtedness and liability of the Mortgagor pursuant to such guarantee or guarantees in addition to all other Indebtedness. If any such guarantee is increased or otherwise amended, the Mortgage shall also secure payment of all indebtedness and liability now or hereafter owing by the Mortgagor to the Mortgagee pursuant to such guarantee as increased or otherwise amended.

I. DEFAULT

The Mortgagor shall be in default of the Mortgage and a Default shall occur pursuant to the Mortgage if:

1. the Mortgagor fails to pay any Indebtedness when due;
2. the Mortgagor or a Guarantor fails to comply with any obligation of the Mortgagor or the Guarantor pursuant to or in respect of the Mortgage or any existing or future note, instrument or agreement delivered by the Mortgagor and the Guarantors (or any of them) to the Mortgagee or between the Mortgagor and the Guarantors (or any of them) and the Mortgagee;
3. the Mortgagor fails to comply with any obligation of the Mortgagor pursuant to or in respect of any Permitted Prior Mortgage or any Other Encumbrance;
4. any representation or warranty made by the Mortgagor or a Guarantor in the Mortgage, any agreement between the Mortgagor and the Guarantors (or any of them) and the

Mortgagee, or any loan or credit application made in connection with any Indebtedness was untrue when made;

5. a Receiver is appointed of any asset of the Mortgagor or of a Guarantor;
6. any construction lien, mechanics' lien or builders' lien is registered against all or any part of the Mortgaged Land and is not discharged within seven days after a request by the Mortgagee that such lien be discharged;
7. all or any part of the Mortgaged Land is condemned or expropriated;
8. the Mortgagor or a Guarantor becomes bankrupt or insolvent;
9. a petition in bankruptcy is filed against the Mortgagor or a Guarantor;
10. the Mortgagor or a Guarantor makes a proposal in bankruptcy or files a notice of intention to make a proposal in bankruptcy;
11. the Mortgagor or a Guarantor makes an application as a debtor in any Insolvency Proceeding or any other person makes an application against the Mortgagor or a Guarantor in any Insolvency Proceeding;
12. the Mortgagor sells, transfers or disposes of in any other manner the Mortgaged Land, any part thereof or any interest therein (unless the Mortgagee has approved in writing such sale, transfer or other disposition);
13. an execution, judgment or order of execution is filed or made against the Mortgaged Land or any part thereof and remains unsatisfied for a period of ten days;
14. the Mortgagor fails to pay when due any amount owing by the Mortgagor to the applicable condominium corporation or strata corporation or any agent thereof referred to in section G.2.; or
15. the Mortgagor or a Guarantor is not an individual and a change in control of the Mortgagor or such Guarantor occurs without the prior written consent of the Mortgagee; for the purposes hereof, a change in control of the Mortgagor or a Guarantor shall be deemed to occur if there occurs one or more sales, transfers or other dispositions of the beneficial ownership existing on the date of the Mortgage in the aggregate of:
 - (a) shares, other securities or other equity interests issued by the Mortgagor or such Guarantor which have more than 50% of the total ordinary voting power of all shares, other securities and other equity interests issued by the Mortgagor or such Guarantor; or
 - (b) shares, other securities or equity interests issued by any Controlling Entity which have more than 50% of the total ordinary voting power of all shares, other securities and other equity interests issued by such Controlling Entity.

J. REMEDIES OF MORTGAGEE

1. *Acceleration and Termination of Obligation to Extend Credit.* Without prejudice to any right of the Mortgagee to demand at any time payment by the Mortgagor of any and all Indebtedness, upon the occurrence of a Default all Indebtedness (or any part thereof determined by the Mortgagee) shall, at the Mortgagee's option, forthwith become due and payable, the Mortgage shall become enforceable and the Mortgagee shall not be obligated to extend any further credit to the Mortgagor.

2. *Right of Entry.* Upon the occurrence of a Default, the Mortgagee may, at any time or times without the concurrence of any person, enter upon, take and maintain possession of the Mortgaged Land, inspect, complete the construction of, repair or maintain any buildings or other improvements thereon, lease, collect the rents, profits and other amounts derived from the Mortgaged Land and manage the Mortgaged Land as the Mortgagee may deem fit without hindrance or interruption by the Mortgagor or any other person, and all reasonable costs, charges and expenses, including legal fees on a solicitor and his or her own client basis, and disbursements, commissions and allowances for the time and services of any employees of the Mortgagee or any agent of the Mortgagee or other persons appointed for any such purpose shall be forthwith payable by the Mortgagor to the Mortgagee with interest thereon at the Applicable Rate, shall be a part of the Indebtedness and shall be secured by the Mortgage. Upon the occurrence of a Default, the Mortgagee may also enforce its security against all crops growing on the Mortgaged Land, the Mortgagee may, at any time or times without the concurrence of any person, enter upon the Mortgaged Land for the purpose of cutting, harvesting and removing such crops and for otherwise farming and working the Mortgaged Land, the Mortgagee may bring on the Mortgaged Land all machines, equipment and instruments necessary for such purposes, and the Mortgagee may use all yards, barns, granaries, grain bins or all other improvements and equipment located on the Mortgaged Land to carry out any of such activities.

3. *Sale, Lease or Foreclosure.* Upon the occurrence of a Default, the Mortgagee may do any one or more of the following:

- (a) apply to a court for an order that the interest of the Mortgagor in and to the Mortgaged Land be sold or leased on terms approved by the court;
- (b) apply to a court to foreclose the interest of the Mortgagor in and to the Mortgaged Land;
- (c) without notice, sell the interest of the Mortgagor in and to the Mortgaged Land or any part thereof by public auction or private sale for such price as can reasonably be obtained therefor, and on such terms as to credit and otherwise, and with such conditions of sale and stipulations as to title or evidence of title or otherwise as the Mortgagee shall in its discretion deem proper; and in the event of any sale on credit or for part cash and part credit, the Mortgagee shall not be accountable for or charged with any moneys until actually received; and the Mortgagee may rescind or vary any contract of sale and may buy in and resell the interest of the Mortgagor in and to the Mortgaged Land or any part thereof without being

answerable for loss occasioned thereby; and no purchaser shall be bound to inquire into the legality, regularity or propriety of any sale or be affected by notice of any irregularity or impropriety; and no lack of default, lack of notice or other requirement, and no irregularity or impropriety of any kind shall invalidate any sale; and the Mortgagee may take sale proceedings hereunder, notwithstanding that other mortgage proceedings have been taken or are then pending; and for the purposes of this paragraph the Mortgagor hereby appoints the Mortgagee as its irrevocable attorney to exercise the aforesaid powers and to execute and do all deeds, documents and things as may be necessary in the circumstances; and

- (d) in respect of any property to which the *Personal Property Security Act* applies, exercise the remedies of a secured party under the *Personal Property Security Act*.

4. *Sale or Lease.* The following shall apply with respect to any sale or lease by the Mortgagee, its agent or any Receiver of all or part of the Mortgaged Land after the occurrence of a Default:

- (a) no purchaser or lessee shall be bound to enquire into the legality, regularity or propriety of any sale or lease or be affected by notice of any irregularity or impropriety and no lack of default or lack of notice or other requirement or any irregularity or impropriety of any kind shall invalidate any sale or lease;
- (b) the Mortgagee may sell or lease all or part of the Mortgaged Land without entering into actual possession of the Mortgaged Land and, when it desires to take possession, it may break locks and bolts and while in possession shall only be accountable for moneys actually received by it;
- (c) the Mortgagor hereby appoints the Mortgagee as the Mortgagor's true and lawful attorney and agent to make application under any statute for consent to sever, sell or lease part or parts of the Mortgaged Land and to do all things and execute all documents to effectually complete any such severance, sale or lease;
- (d) the Mortgagee may lease or take sale proceedings notwithstanding that other mortgage proceedings have been taken or are then pending;
- (e) the Mortgagee shall not be responsible for any loss which may arise by reason of any such leasing or sale of the Mortgaged Land unless such loss is caused by the Mortgagee's willful misconduct; and
- (f) no sale, leasing or other dealing by the Mortgagee with the Mortgaged Land or any part thereof shall in any way change the liability of the Mortgagor or in any way alter the rights of the Mortgagee as against the Mortgagor or any other person liable for payment of any Indebtedness.

5. *Attornment.* To the extent the Mortgaged Land or any part thereof is not a residential premises so as to be subject to the provisions of the applicable statute governing residential

tenancies, the Mortgagor hereby attorns to and becomes a tenant of such Mortgaged Land to the Mortgagee from year to year from the date of the execution of the Mortgage until the Mortgage is discharged at a rental equivalent to and applicable in satisfaction of the interest payments forming part of the Indebtedness, the legal relation of landlord and tenant being hereby constituted between the Mortgagee and the Mortgagor in regard to the Mortgaged Land. The Mortgagor agrees that neither the existence of this provision nor anything done by virtue hereof shall impose any obligation on the Mortgagee or render the Mortgagee a mortgagee in possession or accountable for any moneys except moneys actually received by the Mortgagee and the Mortgagee may, upon the occurrence of any Default, enter on the Mortgaged Land and terminate the tenancy hereby created without notice.

6. *Right to Distrain.* Upon the occurrence of a Default, to the extent permitted by law, the Mortgagee may distrain for payment of any and all Indebtedness upon the Mortgaged Land or any part thereof and all chattels situated thereon and by distress warrant recover, by way of rent reserved from the Mortgaged Land, such moneys as shall from time to time be or remain in arrear and all costs, charges and expenses incurred by or on behalf of the Mortgagee with respect to or in connection therewith as in like cases of distress for rent. The Mortgagor waives the right to claim exceptions and agrees that the Mortgagee shall not be limited in the amount for which it may distrain.

7. *Judgments and Non-Merger.* The taking of a judgment or judgments with respect to any of the covenants contained herein, in the Mortgage or otherwise shall not operate as a merger of any such covenants or affect the Mortgagee's right to receive interest under the Mortgage and each such judgment may provide, at the option of the Mortgagee, that interest thereon shall be computed and payable until such judgment has been fully paid and satisfied.

8. *Separate Remedies.* All remedies of the Mortgagee may be exercised from time to time separately or in combination and are in addition to and not in substitution for any other rights of the Mortgagee however created.

9. *Application of Proceeds and Mortgagor's Liability for Deficiency.* All amounts received by the Mortgagee or any Receiver pursuant to any enforcement of the Mortgage may be held by the Mortgagee as security for the Indebtedness or applied to reduce Indebtedness in such manner as may be determined by the Mortgagee and the Mortgagee may at any time apply or change any such appropriation of such payments to such part or parts of the Indebtedness as the Mortgagee may determine in its sole discretion. The Mortgagor shall be and remain liable to the Mortgagee for any deficiency. Any surplus amounts realized after payment of all Indebtedness shall be paid in accordance with applicable law.

10. *Mortgagor's Insolvency Proceedings.* The Mortgagor acknowledges that the Mortgaged Land is of such a unique nature that, if the Mortgagor seeks to reorganize or restructure its affairs pursuant to any Insolvency Proceeding, the Mortgagee would not have a sufficient commonality of interest with any other creditor or creditors of the Mortgagor such that the Mortgagee would be required to vote on any plan, reorganization, arrangement, compromise or other transaction in a class with any other creditor or creditors of the Mortgagor and, in that regard, the Mortgagor

agrees that the Mortgagee shall be placed in its own exclusive class of creditors for voting purposes. The Mortgagor further agrees that:

- (a) it will give the Mortgagee not less than 10 days written notice prior to the commencement of any Insolvency Proceeding with respect to the Mortgagor;
- (b) in no circumstance will the Mortgagor seek an order which stays any right of the Mortgagee or, to the extent permitted by law, permit any right of the Mortgagee to be stayed, in any Insolvency Proceeding and, if any Court-ordered or automatic stay is imposed on the Mortgagee, the Mortgagor hereby consents to an order lifting such stay as against the Mortgagee;
- (c) if an Insolvency Proceeding is commenced with respect to the Mortgagor, the Mortgagor will consent to an order directing that all rents or other revenues generated or received from or in respect of the Mortgaged Land be deposited to a segregated trust account under the sole control of the Mortgagee and that same shall not result in the Mortgagee's being a mortgagee in possession of, or in control or management of the Mortgaged Land or result in the acceleration of payment of any Indebtedness unless such acceleration is required by the Mortgagee in writing; and
- (d) it shall not, without the Mortgagee's prior written consent, propose or permit the sale or transfer of the Mortgaged Land or any part thereof, in or as part of any Insolvency Proceeding, for a net sale price less than the amount required to pay in full all Indebtedness outstanding as at the date of payment of such net sale proceeds to the Mortgagee.

K. APPOINTMENT OF A RECEIVER

1. *Appointment.* Upon the occurrence of a Default, in addition to any other remedies available to the Mortgagee, the Mortgagee may by instrument in writing appoint a Receiver of all or any part of the Mortgaged Land and all rents, incomes, profits and other amounts now or hereafter arising therefrom. The Mortgagee may also apply to any court of competent jurisdiction for the appointment of a Receiver.

2. *Powers of Receiver.* Any Receiver appointed by the Mortgagee shall, to the extent permitted by law, have the following powers:

- (a) to enter upon, take possession of, use, and occupy the Mortgaged Land or any part thereof;
- (b) to collect all rents, incomes, profits and other amounts in respect of the Mortgaged Land and to carry on the business of the Mortgagor on the Mortgaged Land;

- (c) to borrow money required for the maintenance, preservation or protection of the Mortgaged Land or for carrying on the business of the Mortgagor and, in the discretion of the Receiver, to charge the Mortgaged Land in priority to the Mortgage as security for the principal amounts so borrowed, interest thereon and costs related thereto;
- (d) to sell, lease, or otherwise dispose of the Mortgaged Land or any part thereof on such terms and conditions and in such manner as the Receiver shall determine in its sole discretion, and to effect such sale by conveying in the name and on behalf of the Mortgagor or otherwise;
- (e) to demand, commence, continue or defend any judicial or administrative proceedings for the purpose of protecting, seizing, collecting, realizing or obtaining possession of the Mortgaged Land, and to give valid and effectual receipts and discharges therefor and to compromise or give time for the payment or performance of all or any part of the rents, accounts receivable or any other obligation of any person to the Mortgagor;
- (f) to exercise any rights or remedies which could have been exercised by the Mortgagee against the Mortgagor or the Mortgaged Land or with respect thereto; and
- (g) to execute all documents required to effect any of the foregoing.

3. *Identity of Receiver and Removal.* Any Receiver so appointed by the Mortgagee may be any person or persons satisfactory to the Mortgagee, and the Mortgagee may remove any Receiver so appointed and appoint another or others instead.

4. *Receiver as Agent of Mortgagor.* Any Receiver appointed by the Mortgagee shall be deemed to be agent of the Mortgagor unless the Mortgagee expressly specifies in writing that the Receiver shall be agent of the Mortgagee. The Mortgagor agrees to ratify and confirm all actions of the Receiver acting as agent for the Mortgagor and to release and indemnify the Receiver in respect of all such actions.

5. *Receivership Expenses.* The Mortgagor shall pay to the Receiver, forthwith on demand by the Mortgagee or the Receiver, the amount of all reasonable fees, disbursements and other expenses incurred by the Receiver in the exercise of its powers hereunder, with interest thereon at the Applicable Rate from the date on which such sums are incurred. All such sums, together with interest thereon at the Applicable Rate, shall be part of the Indebtedness and secured by the Mortgage.

6. *No Enquiries Required.* No persons dealing with the Receiver or its agents, upon any sale or other dealing with the Mortgaged Land, shall be concerned to inquire as to their powers or as to the application of any money paid to them, such sale or dealing shall be deemed as regards such person to be within the powers hereby conferred and to be valid and effectual.

L. MISCELLANEOUS

1. *Records of Mortgagee.* The records of the Mortgagee disclosing the amount of an extension of credit by the Mortgagee to the Mortgagor, the repayment of any principal amount of Indebtedness, the amount of accrued and unpaid interest owing by the Mortgagor and the amount of other Indebtedness (or any part thereof) at any time outstanding, shall constitute conclusive evidence thereof in the absence of mathematical error.

2. *Revolving Line of Credit.* The Mortgagee may wish to make loan advances and re-advances or otherwise extend credit to the Mortgagor from time to time up to a total outstanding principal amount not exceeding the principal amount referred to in the Mortgage. The Mortgage is and shall be continuing security to the Mortgagee for the payment of all Indebtedness. Any portion of the Indebtedness may be advanced or re-advanced by the Mortgagee or other credit may be extended by the Mortgagee in one or more sums at any future time or times and the amount of all such advances, re-advances or other credits when so made or extended shall be secured by the Mortgage and be payable by the Mortgagor with interest thereon at the Applicable Rate and the Mortgage shall be deemed to be taken as security for the ultimate balance of the monies hereby secured, provided that none of the execution or registration of the Mortgage or the advance in part of any monies or extension of any other credit by the Mortgagee shall obligate the Mortgagee to advance any unadvanced portion thereof or to extend any other credit. The Mortgage shall not be void or cease to operate because the Indebtedness secured hereby has at any time or times been paid in full.

3. *Assignment and Syndication.* The Mortgagee shall be entitled from time to time, both before and after a Default, without notice to, or the consent of the Mortgagor or any Guarantor:

- (a) to sell or assign all or part of the Indebtedness and the Mortgagee's interests in the Mortgage and any other security and agreements held by the Mortgagee; and
- (b) to syndicate all or part of the Indebtedness, the Mortgage and any other security and agreements held by the Mortgagee and to grant participations therein.

To facilitate the foregoing, the Mortgagee may provide each prospective purchaser, assignee, syndicated lender or participant and their respective advisers with financial and other information concerning the Indebtedness, the Mortgagor, the Mortgaged Land, any Guarantor, any other collateral or any other matter.

4. *General Indemnity by Mortgagor.* The Mortgagor hereby agrees, on demand by the Mortgagee, to indemnify and hold harmless the Mortgagee and its officers, directors, employees and agents from and against any and all claims, expenses, liabilities, losses and damages that may be asserted against or incurred by any of such indemnified persons arising out of, or in connection with the Mortgage, any Indebtedness or any claim, investigation, proceeding or litigation relating to any of the foregoing, regardless of whether any such indemnified person is a party thereto (including any and all breakage costs reasonably incurred by the Mortgagee in respect of any breach by the Mortgagor of any of its obligations under the Mortgage) and to reimburse each such indemnified person, on demand by the Mortgagee, for any and all

reasonable legal and other expenses incurred in investigating, pursuing or defending any of the foregoing or otherwise in connection with any of the foregoing; provided that the foregoing indemnity shall not, as to any indemnified person, apply to any claim, expense, liability, loss or damage or related expense to the extent they are found by a final, non-appealable judgment of a court of competent jurisdiction to have resulted from the wilful misconduct or gross negligence of such indemnified person.

5. *Effect of Sale.* No sale, conveyance, transfer or other dealing by the Mortgagor with the Mortgaged Land or any part thereof or any approval of the Mortgagee relating thereto shall in any way change or affect the liability of the Mortgagor or in any way alter the rights of the Mortgagee as against the Mortgagor or any other person or persons liable for payment of the Indebtedness or any part thereof.

6. *Dealings with the Mortgagor and Others.* The Mortgagee may grant time, renewals, extensions, indulgences, releases and discharges to, may take security from and give the same and any and all existing security up to, may abstain from taking security from or from perfecting security of, may accept compositions from, may amend the Mortgage, and may otherwise deal with the Mortgagor and all other persons (including any principal debtor, any guarantor or any owner of the Mortgaged Land) and security as the Mortgagee may see fit without prejudicing any rights of the Mortgagee under the Mortgage.

7. *Amendments to Mortgage.* The Mortgagor and the Mortgagee may from time to time amend the Mortgage (including to increase the interest rate specified by the Mortgage) by an amendment agreement between the Mortgagor and the Mortgagee, whether or not such amendment agreement (or notice thereof) is registered. This provision shall constitute notice of such amendments and the Mortgage shall secure payment of all Indebtedness (including all interest and other Indebtedness arising or resulting from such amendments) and retain its priority with respect thereto over any mortgage, charge or other instrument registered subsequent to the Mortgage.

8. *Waiver.* No waiver, condonation or excusing by the Mortgagee of any default, breach or other non-performance by the Mortgagor at any time or times in respect of any provision of the Mortgage (including any Default) shall operate as a waiver by the Mortgagee of any subsequent or other default, breach or non-performance or prejudice or affect in any way the rights of the Mortgagee in respect of any such subsequent or other default, breach or non-performance.

9. *Discharge or Assignment.* The Mortgagee shall be entitled to prepare or have its counsel prepare a discharge or assignment of the Mortgage and any other documents necessary to discharge or assign any other security held by the Mortgagee and shall have a reasonable time after payment of the Indebtedness in full within which to prepare, execute and deliver such instruments. All reasonable costs, fees and disbursements of the Mortgagee and the Mortgagee's counsel in connection with the preparation, review, execution and delivery of the discharge, assignment or any other documents necessary to discharge or assign the Mortgage or any other security shall, to the extent permitted by law, be paid by the Mortgagor to the Mortgagee and be secured by the Mortgage.

10. *No Obligation to Advance.* Nothing herein and nothing contained in the Mortgage shall obligate the Mortgagee to loan any amount to the Mortgagor or to extend any other credit to the Mortgagor.

11. *Appointment of Attorney Irrevocable.* Each appointment by the Mortgagor of an attorney in the Mortgage or the Standard Mortgage Terms is coupled with an interest and may not be revoked.

12. *Other Security.* The Mortgage is in addition to and not in substitution for any other security at any time held by the Mortgagee as security for payment of all or any part of the Indebtedness, and the Mortgagee may, at its option, pursue its remedies thereunder or under the Mortgage concurrently or successively. Any judgment or recovery under the Mortgage or under any other security held by the Mortgagee as security for payment of Indebtedness shall not affect the right of the Mortgagee to enforce or realize on the Mortgage or any other such security.

13. *Financing Statement.* To the extent permitted by law, the Mortgagor hereby waives its right to receive from the Mortgagee a copy of any financing statement, financing change statement, verification statement or other similar statement filed by or received by the Mortgagee or any agent of the Mortgagee.

14. *Notice.* Except as otherwise herein provided, any notice, demand or other communication to the Mortgagor referred to herein or in the Mortgage may be forwarded to the Mortgagor by personal delivery or mailed by prepaid ordinary or registered mail to the Mortgagor at the Mortgagor's last known address as shown on the Mortgagee's records. The Mortgagor shall be deemed to have received the same on the date of delivery, if personally delivered, or on the fourth day after the same is mailed by prepaid ordinary mail or registered mail, if mailed, even if the Mortgagor does not actually receive it.

15. *Different Currencies.* The payment of any part of the Indebtedness shall be made by the Mortgagor in the same currency as the currency in which such part of the Indebtedness is then denominated and all interest and fees shall be paid by the Mortgagor in the same currency as the currency in which that part of the Indebtedness to which they relate is denominated.

16. *Judgment Currency.* If in the recovery by the Mortgagee of any Indebtedness in any currency, judgment can only be obtained in another currency and, because of changes in the exchange rate of such currencies between the date of judgment and payment in full of the amount

of such judgment, the recovery under the judgment differs from the receipt by the Mortgagee of the full amount of such Indebtedness, the Mortgagor shall pay any such deficiency to the Mortgagee, such deficiency may be claimed by the Mortgagee against the Mortgagor as an alternative or additional cause of action and any surplus received by the Mortgagee shall be repaid to the Mortgagor.

17. *Foreign Exchange Rate Determinations.* Whenever any provision of the Mortgage requires or permits the determination of the rate of exchange between any currencies, such rate of exchange shall be determined by the Mortgagee based on its normal practice as at the date of such determination.

18. *Governing Law.* The Standard Mortgage Terms and the Mortgage shall be governed by the law of the jurisdiction in which the Mortgaged Land is located.

19. *Time of Essence.* Time shall be of the essence of the Mortgage.

20. *Severability.* If any provision of the Mortgage is found by a court of competent jurisdiction to be illegal, invalid or unenforceable, such provision shall not apply and the Mortgage shall remain in full force and effect without such provision.

21. *Interpretation.* Whenever the context so requires, words in the singular shall include the plural, words in the plural shall include the singular and words importing any gender shall include the other genders. Whenever used in the Standard Mortgage Terms, the Mortgage or any Schedule, the words "including" and "includes" shall mean "including, without limitation" and "includes, without limitation", respectively, and the word "person" shall include an individual, corporation, partnership, government, government agency and any other entity.

22. *Titles.* Titles used in the Standard Mortgage Terms, the Mortgage or any Schedule are inserted for convenience of reference only and shall not affect or modify the interpretation or construction of any provision of the Standard Mortgage Terms, the Mortgage or any Schedule.

23. *Joint and Several Obligations.* If there is more than one Mortgagor, all Mortgagors shall be jointly and severally liable for all obligations of the Mortgagors pursuant to the Mortgage.

24. *Schedule.* Schedule "A" shall form part of the Standard Mortgage Terms.

25. *Equivalent Rate Information.* Schedule "A" is a summary of various annual rates of interest calculated half-yearly not in advance equivalent to the corresponding annual rates calculated monthly not in advance. The rate of interest chargeable, calculated half-yearly not in advance, equivalent to each Applicable Rate, is shown by Schedule "A".

26. *Successors and Assigns.* All rights and powers of the Mortgagee shall enure to the benefit of and be exercisable by the Mortgagee and the Mortgagee's successors and assigns. All covenants, obligations and liabilities entered into or imposed on the Mortgagor shall be binding on the Mortgagor and the Mortgagor's heirs, executors, administrators, personal representatives, successors and assigns.


SCHEDULE "A"

The interest rates set out in Column B are the annual interest rates calculated half-yearly not in advance which are equivalent to the corresponding annual interest rates calculated monthly not in advance, set out in Column A.

COLUMN A Interest rate calculated monthly not in advance	COLUMN B Interest rate calculated half-yearly not in advance	COLUMN A Interest rate calculated monthly not in advance	COLUMN B Interest rate calculated half-yearly not in advance
3.0000%	3.0188%	11.6250%	11.9102%
3.1250%	3.1454%	11.7500%	12.0414%
3.2500%	3.2721%	11.8750%	12.1727%
3.3750%	3.3988%	12.0000%	12.3040%
3.5000%	3.5256%	12.1250%	12.4354%
3.6250%	3.6525%	12.2500%	12.5669%
3.7500%	3.7794%	12.3750%	12.6985%
3.8750%	3.9064%	12.5000%	12.8301%
4.0000%	4.0335%	12.6250%	12.9618%
4.1250%	4.1606%	12.7500%	13.0935%
4.2500%	4.2878%	12.8750%	13.2253%
4.3750%	4.4151%	13.0000%	13.3572%
4.5000%	4.5424%	13.1250%	13.4892%
4.6250%	4.6698%	13.2500%	13.6212%
4.7500%	4.7973%	13.3750%	13.7533%
4.8750%	4.9248%	13.5000%	13.8854%
5.0000%	5.0524%	13.6250%	14.0177%
5.1250%	5.1800%	13.7500%	14.1499%
5.2500%	5.3078%	13.8750%	14.2823%
5.3750%	5.4355%	14.0000%	14.4147%
5.5000%	5.5634%	14.1250%	14.5472%
5.6250%	5.6913%	14.2500%	14.6798%
5.7500%	5.8193%	14.3750%	14.8124%
5.8750%	5.9474%	14.5000%	14.9451%
6.0000%	6.0755%	14.6250%	15.0779%
6.1250%	6.2037%	14.7500%	15.2108%
6.2500%	6.3319%	14.8750%	15.3437%
6.3750%	6.4603%	15.0000%	15.4766%
6.5000%	6.5887%	15.1250%	15.6097%
6.6250%	6.7171%	15.2500%	15.7428%
6.7500%	6.8456%	15.3750%	15.8760%
6.8750%	6.9742%	15.5000%	16.0092%
7.0000%	7.1028%	15.6250%	16.1425%
7.1250%	7.2316%	15.7500%	16.2759%
7.2500%	7.3604%	15.8750%	16.4094%
7.3750%	7.4892%	16.0000%	16.5429%
7.5000%	7.6182%	16.1250%	16.6765%
7.6250%	7.7472%	16.2500%	16.8102%
7.7500%	7.8762%	16.3750%	16.9439%
7.8750%	8.0053%	16.5000%	17.0777%
8.0000%	8.1345%	16.6250%	17.2116%
8.1250%	8.2638%	16.7500%	17.3455%
8.2500%	8.3931%	16.8750%	17.4795%
8.3750%	8.5225%	17.0000%	17.6136%
8.5000%	8.6519%	17.1250%	17.7444%
8.6250%	8.7815%	17.2500%	17.8819%
8.7500%	8.9111%	17.3750%	18.0162%
8.8750%	9.0407%	17.5000%	18.1506%
9.0000%	9.1704%	17.6250%	18.2850%

9.1250%	9.3002%	17.7500%	18.4195%
9.2500%	9.4301%	17.8750%	18.5540%
9.3750%	9.5600%	18.0000%	18.6887%
9.5000%	9.6900%	18.1250%	18.8233%
9.6250%	9.8201%	18.2500%	18.9581%
9.7500%	9.9502%	18.3750%	19.0929%
9.8750%	10.0804%	18.5000%	19.2278%
10.0000%	10.2107%	18.6250%	19.3628%
10.1250%	10.3410%	18.7500%	19.4979%
10.2500%	10.4714%	18.8750%	19.6330%
10.3750%	10.6019%	19.0000%	19.7682%
10.5000%	10.7324%	19.1250%	19.9034%
10.6250%	10.8630%	19.2500%	20.0387%
10.7500%	10.9937%	19.3750%	20.1741%
10.8750%	11.1244%	19.5000%	20.3096%
11.0000%	11.2552%	19.6250%	20.4451%
11.1250%	11.3861%	19.7500%	20.5807%
11.2500%	11.5170%	19.8750%	20.7163%
11.3750%	11.6480%	20.0000%	20.8521%
11.5000%	11.7791%		

ANNEXURE #4

BMO  Bank of Montreal

Guarantee for Indebtedness of an Incorporated Company

To BANK OF MONTREAL:

IN CONSIDERATION of Bank of Montreal (the "Bank") dealing with WISTON INTERNATIONAL TRADE CO., LTD. (the "Customer"), the undersigned hereby jointly and severally (solidarily in the Province of Québec) guarantees payment to the Bank of all present and future debts and liabilities in any currency, direct, indirect, contingent or otherwise, matured or not, including interest thereon, now or at any time, due or owing to the Bank from or by the Customer or by any successor of the Customer, whether arising from dealings between the Bank and the Customer or from other dealings or proceedings by which the Bank may be or become in any manner whatever a creditor of the Customer, wherever incurred and whether incurred by the Customer as principal or surety, alone or jointly with any other person, or otherwise howsoever. The liability of the undersigned (or each undersigned, if more than one), under this Guarantee, is limited to the aggregate amount of **FOUR HUNDRED NINETY THOUSAND** Dollars \$490,000.00 plus interest thereon at a rate of 6.00 per cent per annum above the Bank's prime interest rate in effect from time to time, from and including the date of demand until payment, and legal or other costs, charges and expenses. The liability of the undersigned to make payment under this Guarantee shall arise immediately after demand for payment under this Guarantee has been made in writing by the Bank on the undersigned or any one of them, if more than one. The term "prime interest rate" means the floating annual rate of interest established from time to time by the Bank as the base rate it uses to determine rates of interest on Canadian dollar loans to customers in Canada and designated as Prime Rate.

IT IS AGREED that no change in the name, objects, capital stock, ownership, control or constitution of the Customer shall in any way affect the liability of the undersigned with respect to transactions occurring either before or after any such change. If the Customer amalgamates with one or more other corporations this Guarantee shall continue and apply to all debts and liabilities owing to the Bank by the corporation continuing from the amalgamation. The Bank shall not be required to inquire into or confirm the powers of the Customer or any of its directors or other agents acting or purporting to act on its behalf, and all amounts, liabilities, advances, renewals and credits in fact incurred, borrowed or obtained from the Bank shall be deemed to form part of the debts and liabilities hereby guaranteed, notwithstanding whether incurring such debts or liabilities exceeded the powers of the Customer or of its directors or agents, or was in any way irregular, defective or improper.

IT IS FURTHER AGREED that the undersigned shall be liable to the Bank in respect of all debts and liabilities, subject to the limitation, if any, set forth in the first paragraph of this Guarantee, stated to be owing to the Bank by the Customer under any agreement entered into by the Customer with respect to such debts and liabilities, notwithstanding whether any such agreement or any provision thereof is invalid, void, illegal, or unenforceable and notwithstanding whether such agreement was properly completed, entered into or authorized. Subject to the limitation, if any, set forth in the first paragraph of this Guarantee, the undersigned shall indemnify and save the Bank harmless from any losses which may arise by virtue of any debts and liabilities stated to be owing to the Bank by the Customer under any agreement entered into by the Customer with respect to such debts and liabilities, or any other agreement relating to any of the foregoing, being or becoming for any reason whatsoever in whole or in part (a) void, voidable, null, ultra vires, illegal, invalid, ineffective or otherwise unenforceable in accordance with its terms, or (b) released or discharged by operation of law (all of the foregoing being an "Indemnifiable Circumstance"). For greater certainty, the losses shall include the amount of all debts and liabilities owing to the Bank by the Customer which would have been payable by the Customer but for the Indemnifiable Circumstance. Nothing set out herein shall be interpreted as requiring any debts or liabilities which are hereby guaranteed to be documented by written agreement between the Bank and the Customer.

IT IS FURTHER AGREED that the Bank, without the consent of the undersigned and without exonerating in whole or in part the undersigned, may grant time, renewals, extensions, indulgences, releases and discharges to, may abstain from taking, perfecting or realizing upon security from, may release security to, may accept compositions from, and may otherwise change the terms of any of the debts and liabilities hereby guaranteed and otherwise deal with, the Customer and all other persons (including any other undersigned and any other guarantor) and security, as the Bank may see fit. No loss or diminution of any security received by the Bank from the Customer or others, whether the loss or diminution is due to the fault of the Bank or otherwise, shall in any way limit or lessen the liability of the undersigned under this Guarantee. All dividends, compositions, and amounts received by the Bank from the Customer or from any other person or estate capable of being applied by the Bank in reduction of the debts and liabilities hereby guaranteed, shall be regarded for all purposes as payments in gross, and the Bank shall be entitled to prove against the estate of the Customer upon any insolvency or winding-up in respect of the whole of said debts and liabilities, and the undersigned shall have no right to be subrogated to the Bank in respect of any such proof until the Bank has received from such estate payment in full of its claim with interest.

AND IT IS FURTHER AGREED that this shall be a continuing guarantee, and shall guarantee any ultimate balance owing to the Bank, including all costs, charges and expenses which the Bank may incur in enforcing or obtaining payment of amounts due to the Bank from the Customer either alone or in conjunction with any other person or otherwise howsoever, or attempting to do so. The Bank shall not be obliged to seek recourse against the Customer or any other person or realize upon any security it may hold before being entitled to payment from the undersigned of all debts and liabilities hereby guaranteed. The undersigned hereby renounces the benefits of discussion and division. The undersigned renounces claiming or setting up against the Bank any right which such undersigned may have to be subrogated in any of the rights, hypothecs, privileges and other security held from time to time by the Bank. The undersigned may terminate the further liability of such terminating party under this continuing Guarantee by providing ninety days' prior written notice to be given to the Bank. The liability of such terminating party shall continue under this Guarantee during such 90-day period, notwithstanding the death or insanity of such terminating party. After the expiry of such 90-day period, the terminating party shall be released from this Guarantee with respect to debts and liabilities arising after the expiry of such 90-day period but shall remain liable under this Guarantee in respect of all debts and liabilities owing to the Bank prior to the expiry of such 90-day period and also in respect of any contingent or future liabilities incurred to or by the Bank on or before such date which mature thereafter. Termination by the undersigned or the executors, liquidators, administrators or legal representatives of such undersigned shall not terminate the liability hereunder of any other undersigned. If after such termination any payment from the Customer must be returned to the Customer, or any successor or representative of the Customer, for any reason (including the designation of such payment as a mistake or as a preference following the bankruptcy of the Customer), then this

Guarantee shall continue after the termination as if such payment had not been made. A written statement from any manager or acting manager of the Bank purporting to show the amount at any particular time due and payable to the Bank, and guaranteed by this Guarantee, shall be conclusive evidence as against the undersigned that such amount is at such time so due and payable to the Bank and is guaranteed hereby. Each of the executors, liquidators, administrators and legal representatives of the undersigned shall immediately give notice in writing to the Bank of the death of such undersigned.

Invent name of Canadian Province in which Customer's account with the Bank is kept at the time Guarantee is given

THIS CONTRACT shall be construed in accordance with the laws of the Province of British Columbia and for the purpose of legal proceedings this contract shall be deemed to have been made in the said province and to be performed there, and the courts of that province shall have non-exclusive jurisdiction over all disputes which may arise under this contract, provided always that nothing herein contained shall prevent the Bank from proceeding at its election against the undersigned in the courts of any other province or country.

IF ANY PROVISION of this Guarantee is determined to be unenforceable, prohibited, invalid or illegal, it shall be severed from this Guarantee solely to the extent of such unenforceability, prohibition, invalidity or illegality and the remainder of such provision and the remainder of this Guarantee shall be unaffected thereby. The liability of the undersigned under this Guarantee shall not be terminated if this Guarantee is held to be unenforceable against any other undersigned.

ALL DEBTS AND LIABILITIES present and future of the Customer to the undersigned are hereby assigned (to the extent permitted by applicable law) to the Bank and postponed to the debts and liabilities of the Customer to the Bank and all such amounts paid to the undersigned or its assigns shall be received on behalf of and in trust for the Bank and shall immediately be paid over to the Bank. Any request by the undersigned to the Bank for useful information respecting the content and the terms and conditions of the debts and liabilities of the Customers hereby guaranteed or the progress made in their performance, shall be made in writing by such undersigned to the Bank.

THE UNDERSIGNED acknowledges that this Guarantee has been delivered free of any conditions and that no representations have been made to the undersigned affecting the liability of the undersigned under this Guarantee save as may be specifically embodied herein and agrees that this Guarantee is in addition to and not in substitution for any other guarantees now or subsequently held by the Bank.

THE UNDERSIGNED represents and warrants that (i) it fully understands the provisions of this Guarantee and its obligations hereunder; (ii) it has been afforded the opportunity to engage independent legal counsel, at its own expense, to explain the provisions of this Guarantee and its obligations hereunder; and (iii) it has either engaged legal counsel in connection with its execution of this Guarantee or has decided, at its sole discretion, not to do so.

THE UNDERSIGNED agrees, without limitation of the rights of the Bank under applicable law, that the Bank may apply any amounts owing to, or sum standing to the credit of, the undersigned with any office, branch, subsidiary or affiliate of the Bank to the payment when due of any amount owing by the undersigned hereunder. For this purpose, the Bank may convert any such amount or sum into the currency of the amount owing hereunder at a rate of exchange at which the Bank could purchase the relevant currency on the relevant date acting in good faith.

THIS GUARANTEE shall remain in effect notwithstanding any change in the circumstances having led the undersigned to execute this Guarantee and notwithstanding the termination of or a change in the office or duties of such undersigned or in any relationship between such undersigned and the Customer.


THE UNDERSIGNED acknowledges and agrees that the Bank may make a claim or demand payment hereunder notwithstanding any limitation period regarding such claim or demand set forth in the Limitations Act, 2002 (Ontario) or under any other applicable law with similar effect and, to the maximum extent permitted by applicable law, any limitations periods set forth in such act or applicable law are hereby explicitly excluded or, if excluding such limitations periods is not permitted by such act or applicable law, are hereby extended to the maximum limitation period permitted by such act or applicable law. For greater certainty, the undersigned acknowledges and agrees that this Guarantee is a "business agreement" as defined under Section 22 of the Limitations Act, 2002 (Ontario).

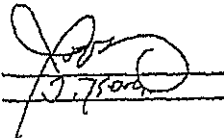
IN THIS GUARANTEE, unless the context otherwise requires, references to the undersigned shall be interpreted as referring to each of the undersigned if there is more than one undersigned.

It is the express wish of the parties hereto that this agreement and any related documents be drawn up and executed in English. Les parties conviennent que la présente convention et tous les documents s'y rattachant soient rédigés et signés en anglais.

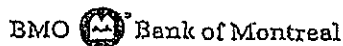
This clause applies to the Province of Quebec only

DATED as of March 21st 2011.


Name: HUI GANS SUN

Witness
Name 

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Guarantee for Indebtedness of an Incorporated Company

To BANK OF MONTREAL:

IN CONSIDERATION of Bank of Montreal (the "Bank") dealing with WISTON INTERNATIONAL TRADE CO., LTD. (the "Customer"), the undersigned hereby jointly and severally (solidarity in the Province of Québec) guarantees payment to the Bank of all present and future debts and liabilities in any currency, direct, indirect, contingent or otherwise, matured or not, including interest thereon, now or at any time, due or owing to the Bank from or by the Customer or by any successor of the Customer, whether arising from dealings between the Bank and the Customer or from other dealings or proceedings by which the Bank may be or become in any manner whatever a creditor of the Customer, wherever incurred and whether incurred by the Customer as principal or surety, alone or jointly with any other person, or otherwise howsoever. The liability of the undersigned (or each undersigned, if more than one), under this Guarantee, is limited to the aggregate amount of TWO MILLION FIVE HUNDRED THIRTY THOUSAND Dollars \$2,530,000.00 plus interest thereon at a rate of 3.00 per cent per annum above the Bank's prime interest rate in effect from time to time, from and including the date of demand until payment, and legal or other costs, charges and expenses. The liability of the undersigned to make payment under this Guarantee shall arise immediately after demand for payment under this Guarantee has been made in writing by the Bank on the undersigned or any one of them, if more than one. The term "prime interest rate" means the floating annual rate of interest established from time to time by the Bank as the base rate it uses to determine rates of interest on Canadian dollar loans to customers in Canada and designated as Prime Rate.

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IT IS FURTHER AGREED that the undersigned shall be liable to the Bank in respect of all debts and liabilities, subject to the limitation, if any, set forth in the first paragraph of this Guarantee, stated to be owing to the Bank by the Customer under any agreement entered into by the Customer with respect to such debts and liabilities, notwithstanding whether any such agreement or any provision thereof is invalid, void, illegal, or unenforceable and notwithstanding whether such agreement was properly completed, entered into or authorized. Subject to the limitation, if any, set forth in the first paragraph of this Guarantee, the undersigned shall indemnify and save the Bank harmless from any losses which may arise by virtue of any debts and liabilities stated to be owing to the Bank by the Customer under any agreement entered into by the Customer with respect to such debts and liabilities, or any other agreement relating to any of the foregoing, being or becoming for any reason whatsoever in whole or in part (a) void, voidable, null, ultra vires, illegal, invalid, ineffective or otherwise unenforceable in accordance with its terms, or (b) released or discharged by operation of law (all of the foregoing being an "Indemnifiable Circumstance"). For greater certainty, the losses shall include the amount of all debts and liabilities owing to the Bank by the Customer which would have been payable by the Customer but for the Indemnifiable Circumstance. Nothing set out herein shall be interpreted as requiring any debts or liabilities which are hereby guaranteed to be documented by written agreement between the Bank and the Customer.

IT IS FURTHER AGREED that the Bank, without the consent of the undersigned and without exonerating in whole or in part the undersigned, may grant time, renewals, extensions, indulgences, releases and discharges to, may abstain from taking, perfecting or realizing upon security from, may release security to, may accept compositions from, and may otherwise change the terms of any of the debts and liabilities hereby guaranteed and otherwise deal with, the Customer and all other persons (including any other undersigned and any other guarantor) and security, as the Bank may see fit. No loss or diminution of any security received by the Bank from the Customer or others, whether the loss or diminution is due to the fault of the Bank or otherwise, shall in any way limit or lessen the liability of the undersigned under this Guarantee. All dividends, compositions, and amounts received by the Bank from the Customer or from any other person or estate capable of being applied by the Bank in reduction of the debts and liabilities hereby guaranteed, shall be regarded for all purposes as payments in gross, and the Bank shall be entitled to prove against the estate of the Customer upon any insolvency or winding-up in respect of the whole of said debts and liabilities, and the undersigned shall have no right to be subrogated to the Bank in respect of any such proof until the Bank has received from such estate payment in full of its claim with interest.

AND IT IS FURTHER AGREED that this shall be a continuing guarantee, and shall guarantee any ultimate balance owing to the Bank, including all costs, charges and expenses which the Bank may incur in enforcing or obtaining payment of amounts due to the Bank from the Customer either alone or in conjunction with any other person or otherwise howsoever, or attempting to do so. The Bank shall not be obliged to seek recourse against the Customer or any other person or realize upon any security it may hold before being entitled to payment from the undersigned of all debts and liabilities hereby guaranteed. The undersigned hereby renounces the benefits of discussion and division. The undersigned renounces claiming or setting up against the Bank any right which such undersigned may have to be subrogated in any of the rights, hypothecs, privileges and other security held from time to time by the Bank. The undersigned may terminate the further liability of such terminating party under this continuing Guarantee by providing ninety days' prior written notice to be given to the Bank. The liability of such terminating party shall continue under this Guarantee during such 90-day period, notwithstanding the death or insanity of such terminating party. After the expiry of such 90-day period, the terminating party shall be released from this Guarantee with respect to debts and liabilities arising after the expiry of such 90-day period but shall remain liable under this Guarantee in respect of all debts and liabilities owing to the Bank prior to the expiry of such 90-day period and also in respect of any contingent or future liabilities incurred to or by the Bank on or before such date which mature thereafter. Termination by the undersigned or the executors, liquidators, administrators or legal representatives of such undersigned shall not terminate the liability hereunder of any other undersigned. If after such termination any payment from the Customer must be returned to the Customer, or any successor or representative of the Customer, for any reason (including the designation of such payment as a mistake or as a preference following the bankruptcy of the Customer), then this

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Under name of Canadian Province in which Customer's account with the Bank is kept at the time Guarantee is given

THIS CONTRACT shall be construed in accordance with the laws of the Province of British Columbia and for the purpose of legal proceedings this contract shall be deemed to have been made in the said province and to be performed there, and the courts of that province shall have non-exclusive jurisdiction over all disputes which may arise under this contract, provided always that nothing herein contained shall prevent the Bank from proceeding at its election against the undersigned in the courts of any other province or country.

IF ANY PROVISION of this Guarantee is determined to be unenforceable, prohibited, invalid or illegal, it shall be severed from this Guarantee solely to the extent of such unenforceability, prohibition, invalidity or illegality and the remainder of such provision and the remainder of this Guarantee shall be unaffected thereby. The liability of the undersigned under this Guarantee shall not be terminated if this Guarantee is held to be unenforceable against any other undersigned.

ALL DEBTS AND LIABILITIES present and future of the Customer to the undersigned are hereby assigned (to the extent permitted by applicable law) to the Bank and postponed to the debts and liabilities of the Customer to the Bank and all such amounts paid to the undersigned or its assigns shall be received on behalf of and in trust for the Bank and shall immediately be paid over to the Bank. Any request by the undersigned to the Bank for useful information respecting the content and the terms and conditions of the debts and liabilities of the Customers hereby guaranteed or the progress made in their performance, shall be made in writing by such undersigned to the Bank.

THE UNDERSIGNED acknowledges that this Guarantee has been delivered free of any conditions and that no representations have been made to the undersigned affecting the liability of the undersigned under this Guarantee save as may be specifically embodied herein and agrees that this Guarantee is in addition to and not in substitution for any other guarantees now or subsequently held by the Bank.

THE UNDERSIGNED represents and warrants that (i) it fully understands the provisions of this Guarantee and its obligations hereunder; (ii) it has been afforded the opportunity to engage independent legal counsel, at its own expense, to explain the provisions of this Guarantee and its obligations hereunder; and (iii) it has either engaged legal counsel in connection with its execution of this Guarantee or has decided, at its sole discretion, not to do so.

THE UNDERSIGNED agrees, without limitation of the rights of the Bank under applicable law, that the Bank may apply any amounts owing to, or sum standing to the credit of, the undersigned with any office, branch, subsidiary or affiliate of the Bank to the payment when due of any amount owing by the undersigned hereunder. For this purpose, the Bank may convert any such amount or sum into the currency of the amount owing hereunder at a rate of exchange at which the Bank could purchase the relevant currency on the relevant date acting in good faith.

THIS GUARANTEE shall remain in effect notwithstanding any change in the circumstances having led the undersigned to execute this Guarantee and notwithstanding the termination of or a change in the office or duties of such undersigned or in any relationship between such undersigned and the Customer.


THE UNDERSIGNED acknowledges and agrees that the Bank may make a claim or demand payment hereunder notwithstanding any limitation period regarding such claim or demand set forth in the Limitations Act, 2002 (Ontario) or under any other applicable law with similar effect and, to the maximum extent permitted by applicable law, any limitations periods set forth in such act or applicable law are hereby explicitly excluded or, if excluding such limitations periods is not permitted by such act or applicable law, are hereby extended to the maximum limitation period permitted by such act or applicable law. For greater certainty, the undersigned acknowledges and agrees that this Guarantee is a "business agreement" as defined under Section 22 of the Limitations Act, 2002 (Ontario).

IN THIS GUARANTEE, unless the context otherwise requires, references to the undersigned shall be interpreted as referring to each of the undersigned if there is more than one undersigned.

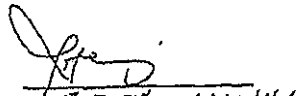
It is the express wish of the parties hereto that this agreement and any related documents be drawn up and executed in English. Les parties conviennent que la présente convention et tous les documents s'y rattachant soient rédigés et signés en anglais.

This clause applies to the Province of Québec only

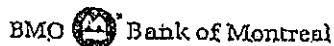
DATED as of Oct 12, 2011


Name: Hui Gang Sun

Witness Name


Name: J. J. Seny, CMAA, CMY

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Guarantee for Indebtedness of an Incorporated Company

To BANK OF MONTREAL:

IN CONSIDERATION of Bank of Montreal (the "Bank") dealing with Wiston International Trade Co. Ltd. (the "Customer"), the undersigned hereby jointly and severally (solidarity in the Province of Québec) guarantee payment to the Bank of all present and future debts and liabilities in any currency, direct, indirect, contingent or otherwise, matured or not, including interest thereon, now or at any time, due or owing to the Bank from or by the Customer or by any successor of the Customer, whether arising from dealings between the Bank and the Customer or from other dealings or proceedings by which the Bank may be or become in any manner whatever a creditor of the Customer, wherever incurred and whether incurred by the Customer as principal or surety, alone or jointly with any other person, or otherwise howsoever. The liability of the undersigned (or each undersigned, if more than one), under this Guarantee, is limited to the aggregate amount of Two Million Six Hundred Ten Thousand and 00/100 Dollars (\$2,610,000.00) plus interest thereon at a rate of 5.00 per cent per annum above the Bank's prime interest rate in effect from time to time, from and including the date of demand until payment, and legal or other costs, charges and expenses. The liability of the undersigned to make payment under this Guarantee shall arise immediately after demand for payment under this Guarantee has been made in writing by the Bank on the undersigned or any one of them, if more than one. The term "prime interest rate" means the floating annual rate of interest established from time to time by the Bank as the base rate it uses to determine rates of interest on Canadian dollar loans to customers in Canada and designated as Prime Rate.

IT IS AGREED that no change in the name, objects, capital stock, ownership, control or constitution of the Customer shall in any way affect the liability of the undersigned with respect to transactions occurring either before or after any such change. If the Customer amalgamates with one or more other corporations this Guarantee shall continue and apply to all debts and liabilities owing to the Bank by the corporation continuing from the amalgamation. The Bank shall not be required to inquire into or confirm the powers of the Customer or any of its directors or other agents acting or purporting to act on its behalf, and all amounts, liabilities, advances, renewals and credits in fact incurred, borrowed or obtained from the Bank shall be deemed to form part of the debts and liabilities hereby guaranteed, notwithstanding whether incurring such debts or liabilities exceeded the powers of the Customer or of its directors or agents, or was in any way irregular, defective or improper.

IT IS FURTHER AGREED that the undersigned shall be liable to the Bank in respect of all debts and liabilities, subject to the limitation, if any, set forth in the first paragraph of this Guarantee, stated to be owing to the Bank by the Customer under any agreement entered into by the Customer with respect to such debts and liabilities, notwithstanding whether any such agreement or any provision thereof is invalid, void, illegal, or unenforceable and notwithstanding whether such agreement was properly completed, entered into or authorized. Subject to the limitation, if any, set forth in the first paragraph of this Guarantee, the undersigned shall indemnify and save the Bank harmless from any losses which may arise by virtue of any debts and liabilities stated to be owing to the Bank by the Customer under any agreement entered into by the Customer with respect to such debts and liabilities, or any other agreement relating to any of the foregoing, being or becoming for any reason whatsoever in whole or in part (a) void, voidable, null, ultra vires, illegal, invalid, ineffective or otherwise unenforceable in accordance with its terms, or (b) released or discharged by operation of law (all of the foregoing being an "Indemnifiable Circumstance"). For greater certainty, the losses shall include the amount of all debts and liabilities owing to the Bank by the Customer which would have been payable by the Customer but for the Indemnifiable Circumstance. Nothing set out herein shall be interpreted as requiring any debts or liabilities which are hereby guaranteed to be documented by written agreement between the Bank and the Customer.

IT IS FURTHER AGREED that the Bank, without the consent of the undersigned and without exonerating in whole or in part the undersigned, may grant time, renewals, extensions, indulgences, releases and discharges to, may abstain from taking, perfecting or realizing upon security from, may release security to, may accept compositions from, and may otherwise change the terms of any of the debts and liabilities hereby guaranteed and otherwise deal with, the Customer and all other persons (including any other undersigned and any other guarantor) and security, as the Bank may see fit. No loss or diminution of any security received by the Bank from the Customer or others, whether the loss or diminution is due to the fault of the Bank or otherwise, shall in any way limit or lessen the liability of the undersigned under this Guarantee. All dividends, compositions, and amounts received by the Bank from the Customer or from any other person or estate capable of being applied by the Bank in reduction of the debts and liabilities hereby guaranteed, shall be regarded for all purposes as payments in gross, and the Bank shall be entitled to prove against the estate of the Customer upon any insolvency or winding-up in respect of the whole of said debts and liabilities, and the undersigned shall have no right to be subrogated to the Bank in respect of any such proof until the Bank has received from such estate payment in full of its claim with interest.

AND IT IS FURTHER AGREED that this shall be a continuing guarantee, and shall guarantee any ultimate balance owing to the Bank, including all costs, charges and expenses which the Bank may incur in enforcing or obtaining payment of amounts due to the Bank from the Customer either alone or in conjunction with any other person or otherwise howsoever, or attempting to do so. The Bank shall not be obliged to seek recourse against the Customer or any other person or realize upon any security it may hold before being entitled to payment from the undersigned of all debts and liabilities hereby guaranteed. The undersigned hereby renounces the benefits of discussion and division. The undersigned renounces claiming or settling up against the Bank any right which such undersigned may have to be subrogated in any of the rights, hypothecs, privileges and other security held from time to time by the Bank. The undersigned may terminate the further liability of such terminating party under this continuing Guarantee by providing ninety days' prior written notice to be given to the Bank. The liability of such terminating party shall continue under this Guarantee during such 90-day period, notwithstanding the death or insanity of such terminating party. After the expiry of such 90-day period, the terminating party shall be released from this Guarantee with respect to debts and liabilities arising after the expiry of such 90-day period but shall remain liable under this Guarantee in respect of all debts and liabilities owing to the Bank prior to the expiry of such 90-day period and also in respect of any contingent or future liabilities incurred to or by the Bank on or before such date which mature thereafter. Termination by the undersigned or the executors, liquidators, administrators or legal representatives of such undersigned shall not terminate the liability hereunder of any other undersigned. If after such termination any payment from the Customer must be returned to the Customer, or any successor or representative of the Customer, for any reason (including the designation of such payment as a mistake or as a preference following the bankruptcy of the Customer), then this

Guarantee shall continue after the termination as if such payment had not been made. A written statement from any manager or acting manager of the Bank purporting to show the amount at any particular time due and payable to the Bank, and guaranteed by this Guarantee, shall be conclusive evidence as against the undersigned that such amount is at such time so due and payable to the Bank and is guaranteed hereby. Each of the executors, liquidators, administrators and legal representatives of the undersigned shall immediately give notice in writing to the Bank of the death of such undersigned.

Insert name of Canadian Province in which Customer's account with the Bank is kept at the time Guarantee is given

THIS CONTRACT shall be construed in accordance with the laws of the Province of British Columbia and for the purpose of legal proceedings this contract shall be deemed to have been made in the said province and to be performed there, and the courts of that province shall have non-exclusive jurisdiction over all disputes which may arise under this contract, provided always that nothing herein contained shall prevent the Bank from proceeding at its election against the undersigned in the courts of any other province or country.

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THE UNDERSIGNED acknowledges that this Guarantee has been delivered free of any conditions and that no representations have been made to the undersigned affecting the liability of the undersigned under this Guarantee save as may be specifically embodied herein and agrees that this Guarantee is in addition to and not in substitution for any other guarantees now or subsequently held by the Bank.

THE UNDERSIGNED represents and warrants that (i) it fully understands the provisions of this Guarantee and its obligations hereunder; (ii) it has been afforded the opportunity to engage independent legal counsel, at its own expense, to explain the provisions of this Guarantee and its obligations hereunder; and (iii) it has either engaged legal counsel in connection with its execution of this Guarantee or has decided, at its sole discretion, not to do so.

THE UNDERSIGNED agrees, without limitation of the rights of the Bank under applicable law, that the Bank may apply any amounts owing to, or sum standing to the credit of, the undersigned with any office, branch, subsidiary or affiliate of the Bank to the payment when due of any amount owing by the undersigned hereunder. For this purpose, the Bank may convert any such amount or sum into the currency of the amount owing hereunder at a rate of exchange at which the Bank could purchase the relevant currency on the relevant date acting in good faith.

THIS GUARANTEE shall remain in effect notwithstanding any change in the circumstances having led the undersigned to execute this Guarantee and notwithstanding the termination of or a change in the office or duties of such undersigned or in any relationship between such undersigned and the Customer.

THE UNDERSIGNED acknowledges and agrees that the Bank may make a claim or demand payment hereunder notwithstanding any limitation period regarding such claim or demand set forth in the Limitations Act, 2002 (Ontario) or under any other applicable law with similar effect and, to the maximum extent permitted by applicable law, any limitations periods set forth in such act or applicable law are hereby explicitly excluded or, if excluding such limitations periods is not permitted by such act or applicable law, are hereby extended to the maximum limitation period permitted by such act or applicable law. For greater certainty, the undersigned acknowledges and agrees that this Guarantee is a "business agreement" as defined under Section 22 of the Limitations Act, 2002 (Ontario).

IN THIS GUARANTEE, unless the context otherwise requires, references to the undersigned shall be interpreted as referring to each of the undersigned if there is more than one undersigned.

This clause applies to the Province of Quebec only

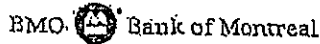
It is the express wish of the parties hereto that this agreement and any related documents be drawn up and executed in English. Les parties conviennent que la présente convention et tous les documents s'y rattachant soient rédigés et signés en anglais.

DATED as of March 1, 2013.

Witness Name: Danni Zhang

Name: Sun Hui Gang

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Guarantee for Indebtedness of an Incorporated Company

To BANK OF MONTREAL:

IN CONSIDERATION of Bank of Montreal (the "Bank") dealing with Wilson International Trade Co. Ltd. (the "Customer"), the undersigned hereby jointly and severally (solidarity in the Province of Québec) guarantees payment to the Bank of all present and future debts and liabilities in any currency, direct, indirect, contingent or otherwise, matured or not, including interest thereon, now or at any time, due or owing to the Bank from or by the Customer or by any successor of the Customer, whether arising from dealings between the Bank and the Customer or from other dealings or proceedings by which the Bank may be or become in any manner whatever a creditor of the Customer, wherever incurred and whether incurred by the Customer as principal or surety, alone or jointly with any other person, or otherwise howsoever. The liability of the undersigned (or each undersigned, if more than one), under this Guarantee, is limited to the aggregate amount of Seventy Thousand and 00/100 Dollars (\$70,000.00) plus interest thereon at a rate of 3.00 per cent per annum above the Bank's prime interest rate in effect from time to time, from and including the date of demand until payment, and legal or other costs, charges and expenses. The liability of the undersigned to make payment under this Guarantee shall arise immediately after demand for payment under this Guarantee has been made in writing by the Bank on the undersigned or any one of them, if more than one. The term "prime interest rate" means the floating annual rate of interest established from time to time by the Bank as the base rate it uses to determine rates of interest on Canadian dollar loans to customers in Canada and designated as Prime Rate.

IT IS AGREED that no change in the name, objects, capital stock, ownership, control or constitution of the Customer shall in any way affect the liability of the undersigned with respect to transactions occurring either before or after any such change. If the Customer amalgamates with one or more other corporations this Guarantee shall continue and apply to all debts and liabilities owing to the Bank by the corporation continuing from the amalgamation. The Bank shall not be required to inquire into or confirm the powers of the Customer or any of its directors or other agents acting or purporting to act on its behalf, and all amounts, liabilities, advances, renewals and credits in fact incurred, borrowed or obtained from the Bank shall be deemed to form part of the debts and liabilities hereby guaranteed, notwithstanding whether incurring such debts or liabilities exceeded the powers of the Customer or of its directors or agents, or was in any way irregular, defective or improper.

IT IS FURTHER AGREED that the undersigned shall be liable to the Bank in respect of all debts and liabilities, subject to the limitation, if any, set forth in the first paragraph of this Guarantee, stated to be owing to the Bank by the Customer under any agreement entered into by the Customer with respect to such debts and liabilities, notwithstanding whether any such agreement or any provision thereof is invalid, void, illegal, or unenforceable and notwithstanding whether such agreement was properly completed, entered into or authorized. Subject to the limitation, if any, set forth in the first paragraph of this Guarantee, the undersigned shall indemnify and save the Bank harmless from any losses which may arise by virtue of any debts and liabilities stated to be owing to the Bank by the Customer under any agreement entered into by the Customer with respect to such debts and liabilities, or any other agreement relating to any of the foregoing, being or becoming (for any reason whatsoever in whole or in part (a) void, voidable, null, ultra vires, illegal, invalid, ineffective or otherwise unenforceable in accordance with its terms, or (b) released or discharged by operation of law (all of the foregoing being an "Indemnifiable Circumstance"). For greater certainty, the losses shall include the amount of all debts and liabilities owing to the Bank by the Customer which would have been payable by the Customer but for the Indemnifiable Circumstance. Nothing set out herein shall be interpreted as requiring any debts or liabilities which are hereby guaranteed to be documented by written agreement between the Bank and the Customer.

IT IS FURTHER AGREED that the Bank, without the consent of the undersigned and without exonerating in whole or in part the undersigned, may grant time, renewals, extensions, indulgences, releases and discharges to, may abstain from taking, perfecting or realizing upon security from, may release security to, may accept compositions from, and may otherwise change the terms of any of the debts and liabilities hereby guaranteed and otherwise deal with, the Customer and all other persons (including any other undersigned and any other guarantor) and security, as the Bank may see fit. No loss or diminution of any security received by the Bank from the Customer or others, whether the loss or diminution is due to the fault of the Bank or otherwise, shall in any way limit or lessen the liability of the undersigned under this Guarantee. All dividends, compositions, and amounts received by the Bank from the Customer or from any other person or estate capable of being applied by the Bank in reduction of the debts and liabilities hereby guaranteed, shall be regarded for all purposes as payments in gross, and the Bank shall be entitled to prove against the estate of the Customer upon any insolvency or winding-up in respect of the whole of said debts and liabilities, and the undersigned shall have no right to be subrogated to the Bank in respect of any such proof until the Bank has received from such estate payment in full of its claim with interest.

AND IT IS FURTHER AGREED that this shall be a continuing guarantee, and shall guarantee any ultimate balance owing to the Bank, including all costs, charges and expenses which the Bank may incur in enforcing or obtaining payment of amounts due to the Bank from the Customer either alone or in conjunction with any other person or otherwise howsoever, or attempting to do so. The Bank shall not be obliged to seek recourse against the Customer or any other person or realize upon any security it may hold before being entitled to payment from the undersigned of all debts and liabilities hereby guaranteed. The undersigned hereby renounces the benefits of discussion and division. The undersigned renounces claiming or setting up against the Bank any right which such undersigned may have to be subrogated in any of the rights, hypothecs, privileges and other security held from time to time by the Bank. The undersigned may terminate the further liability of such terminating party under this continuing Guarantee by providing ninety days' prior written notice to be given to the Bank. The liability of such terminating party shall continue under this Guarantee during such 90-day period, notwithstanding the death or insanity of such terminating party. After the expiry of such 90-day period, the terminating party shall be released from this Guarantee with respect to debts and liabilities arising after the expiry of such 90-day period but shall remain liable under this Guarantee in respect of all debts and liabilities owing to the Bank prior to the expiry of such 90-day period and also in respect of any contingent or future liabilities incurred to or by the Bank on or before such date which mature thereafter. Termination by the undersigned or the executors, liquidators, administrators or legal representatives of such undersigned shall not terminate the liability hereunder of any other undersigned. If after such termination any payment from the Customer must be returned to the Customer, or any successor or representative of the Customer, for any reason (including the designation of such payment as a mistake or as a preference following the bankruptcy of the Customer), then this Guarantee shall continue after the

termination as if such payment had not been made. A written statement from any manager or acting manager of the Bank purporting to show the amount at any particular time due and payable to the Bank, and guaranteed by this Guarantee, shall be conclusive evidence as against the undersigned that such amount is at such time so due and payable to the Bank and is guaranteed hereby. Each of the executors, liquidators, administrators and legal representatives of the undersigned shall immediately give notice in writing to the Bank of the death of such undersigned.

Insert name of Guarantor provided in with Customer's account with the Bank to be placed at the top of this Guarantee in green

THIS CONTRACT shall be construed in accordance with the laws of the Province of British Columbia and for the purpose of legal proceedings this contract shall be deemed to have been made in the said province and to be performed there, and the courts of that province shall have non-exclusive jurisdiction over all disputes which may arise under this contract, provided always that nothing herein contained shall prevent the Bank from proceeding at its election against the undersigned in the courts of any other province or country.

IF ANY PROVISION of this Guarantee is determined to be unenforceable, prohibited, invalid or illegal, it shall be severed from this Guarantee solely to the extent of such unenforceability, prohibition, invalidity or illegality and the remainder of such provision and the remainder of this Guarantee shall be unaffected thereby. The liability of the undersigned under this Guarantee shall not be terminated if this Guarantee is held to be unenforceable against any other undersigned.

ALL DEBTS AND LIABILITIES present and future of the Customer to the undersigned are hereby assigned (to the extent permitted by applicable law) to the Bank and postponed to the debts and liabilities of the Customer to the Bank and all such amounts paid to the undersigned or its assigns shall be received on behalf of and in trust for the Bank and shall immediately be paid over to the Bank. Any request by the undersigned to the Bank for useful information respecting the content and the terms and conditions of the debts and liabilities of the Customers hereby guaranteed or the progress made in their performance, shall be made in writing by such undersigned to the Bank.

THE UNDERSIGNED acknowledges that this Guarantee has been delivered free of any conditions and that no representations have been made to the undersigned affecting the liability of the undersigned under this Guarantee save as may be specifically embodied herein and agrees that this Guarantee is in addition to and not in substitution for any other guarantees now or subsequently held by the Bank.

THE UNDERSIGNED represents and warrants that (i) it fully understands the provisions of this Guarantee and its obligations hereunder; (ii) it has been afforded the opportunity to engage independent legal counsel, at its own expense, to explain the provisions of this Guarantee and its obligations hereunder; and (iii) it has either engaged legal counsel in connection with its execution of this Guarantee or has decided, at its sole discretion, not to do so.

THE UNDERSIGNED agrees, without limitation of the rights of the Bank under applicable law, that the Bank may apply any amounts owing to, or sum standing to the credit of, the undersigned with any office, branch, subsidiary or affiliate of the Bank to the payment when due of any amount owing by the undersigned hereunder. For this purpose, the Bank may convert any such amount or sum into the currency of the amount owing hereunder at a rate of exchange at which the Bank could purchase the relevant currency on the relevant date acting in good faith.

THIS GUARANTEE shall remain in effect notwithstanding any change in the circumstances having led the undersigned to execute this Guarantee and notwithstanding the termination of or a change in the office or duties of such undersigned or in any relationship between such undersigned and the Customer.

THE UNDERSIGNED acknowledges and agrees that the Bank may make a claim or demand payment hereunder notwithstanding any limitation period regarding such claim or demand set forth in the Limitations Act, 2002 (Ontario) or under any other applicable law with similar effect and, to the maximum extent permitted by applicable law, any limitations periods set forth in such act or applicable law are hereby explicitly excluded or, if excluding such limitations periods is not permitted by such act or applicable law, are hereby extended to the maximum limitation period permitted by such act or applicable law. For greater certainty, the undersigned acknowledges and agrees that this Guarantee is a "business agreement" as defined under Section 22 of the Limitations Act, 2002 (Ontario).

IN THIS GUARANTEE, unless the context otherwise requires, references to the undersigned shall be interpreted as referring to each of the undersigned if there is more than one undersigned.

It is the express wish of the parties hereto that this agreement and any related documents be drawn up and executed in English. Les parties conviennent que la présente convention et tous les documents s'y rattachant soient rédigés et signés en anglais.

This clause applies to the Province of Quebec only

DATED as of May 18th, 2015.

Witness Name [Signature]

Name: Hui Gang Sun ✓

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ANNEXURE # 5

FORBEARANCE AGREEMENT

This Agreement is dated for reference November 28, 2017

BETWEEN:

BANK OF MONTREAL

Mezzanine Level
595 Burrard Street,
Vancouver, B.C.

(the "Bank")

AND:

WISTON INTERNATIONAL TRADE CO. LTD.

c/o Its Registered and Records Office
120 - 4611 Viking Way
Richmond, B.C.

("Wiston")

AND:

HUIGANG SUN

1922 44th Avenue West
Vancouver, B.C.

("Sun")

(Wiston and Sun are, collectively, the "Parties")

WHEREAS:

- A. The Parties are indebted to the Bank under certain credit agreements (collectively, the "Credit Agreements"), pursuant to which the Bank has established and authorized certain credit facilities (the "Credit Facilities"), as set out and defined on Schedule "A" hereto.
- B. As at November 27, 2017, the Parties are indebted to the Bank pursuant to the Credit Agreements, and their respective guarantees of the indebtedness of the others, as set out in Schedule "A", for the total amount of \$2,431,732.55 (the "Indebtedness").
- C. All security (collectively and individually, the "Security") now or hereafter held by the Bank in respect of the Credit Agreements, Credit Facilities and the Indebtedness is collectively referred to as the "Security Documents" which include, without limitation,

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the security documents, mortgages, and guarantees listed in Schedule "B" attached hereto.

D. Sun is the registered owner of the following lands and premises:

PID: 006-486-126
 Lot 34 of Lot 9 Block 15 District Lot 526 Plan 5019

(the "Lands")

As set out on Schedule "B", Sun has mortgaged the Lands to the Bank as security for the amounts outstanding on the Credit Facilities.

E. The Parties are in default of their obligations to the Bank pursuant to the Credit Agreements and Security Documents, including

- (a) Wiston has incurred repeated operating losses, including a significant loss records for fiscal 2016;
- (b) There have been repeated excesses in Wiston's accounts due to insufficient funds to satisfy cheques written on those accounts; and
- (c) Wiston has not repaid the Corporate Mastercard balance in full each month; and

F. The Parties have requested that the Bank forbear from taking steps to enforce the Security and to recover the Indebtedness, all on the terms and conditions set out herein, in order to provide the Parties with a reasonable period of time to develop a plan to repay the Indebtedness.

WITNESSES THAT in consideration of the promises and covenants hereinafter set forth, the parties hereto covenant and agree as follows:

Forbearance

1. Subject to the execution and delivery of this Agreement and the further agreements and documents contemplated herein by the Parties, the Bank agrees that, provided that no further Event of Default (as defined below) occurs, it will not take steps to enforce the Security or recover the Indebtedness until after March 31, 2018, or such later date as may be agreed to by the Bank in its sole discretion (the "Forbearance Period").
2. The Parties, and each of them, acknowledge and agree that the Forbearance Period is reasonable in the circumstances. However, the Bank, in its sole discretion and at the request of the Parties, may be prepared to extend the Forbearance Period for further periods. The Bank will only consider extending the Forbearance Period after having reviewed the financial and operational information to be provided by the Parties pursuant to this Agreement.

Sun

Confirmation of Credit Agreements, Indebtedness, and Security

3. The Parties, and each of them, acknowledge and agree that the recitals to this Agreement are incorporated into and form an integral part of this Agreement and are true and accurate in every respect.
4. The Parties, and each of them, acknowledge and agree that the particulars of the Credit Facilities and the Indebtedness, as set out in Schedule A, are true and accurate in every respect.
5. The Parties, and each of them, acknowledge and agree that, except as set out herein, the Bank is not under any obligation whatsoever to provide further loans, overdraft facilities, or other credit facilities to the Parties, or any of them.
6. The Parties, and each of them, acknowledge and agree that the Indebtedness is due and owing to the Bank, and hereby waive any rights which it may have as at the date of this Agreement to claim any abatement or offset of the amounts whether arising by way of defence or counterclaim.
7. The Parties, and each of them, acknowledge having reviewed and being familiar with the Security Documents, including their respective guarantees of the indebtedness of the Borrowers, that all of the Security Documents, including their respective guarantees, are in full force and effect, and are valid and enforceable in accordance with their terms.
8. The Parties, and each of them, acknowledge and agree that whatever interest, claim, or right it may have in and to any of the undertakings, properties, and assets of any of the Parties shall be postponed, subordinated, and subject to the rights of the Bank under the Security Documents.
9. The Parties, and each of them, acknowledge and agree that they are duly authorized to enter into and be bound by the terms of the Credit Agreements, the Security Documents, and this Agreement and to carry out the terms of each such agreement.

Releases and Waivers

10. The Parties, and each of them, hereby release and forever discharge the Bank, and its successors and assigns of and from any and all manner of actions, causes of actions, suits, contracts, claims, demands, damages, costs, and expenses of any nature or kind whatsoever, whether known or unknown, suspected or unsuspected whether at law or in equity, which the Parties, or any of them, ever had or now have or which they or their administrators, officers, agents, successors, and assigns hereafter can, shall or may have or by reason of any cause, matter or thing whatsoever existing up to the present time and relating to the Credit Agreement, the Credit Facilities, the Indebtedness, the Security Documents, or the Bank's actions, errors or omissions with regard thereto.
11. The Parties, and each of them, hereby waive against the Bank, and its successors and assigns any defense which they or any of them may have existing up to the present time to any action brought by the Bank to collect the Indebtedness or to enforce or realize

upon the Security which said defense arises, whether by counterclaim or defense, by reason of any cause, matter, error, omission, neglect, or thing caused or done, whether direct or indirect, by the Bank, its executors, administrators, officers, agents, successors, and assigns existing as at the date of this Agreement and relating to or arising from the Credit Agreement, the Credit Facilities, the Indebtedness, or the Security Documents or the Bank's actions, errors or omissions with regard thereto.

12. Notwithstanding the granting of the forbearance herein, the Bank does not waive or condone any of the aforementioned breaches of terms of the Credit Facilities.

The Parties' Financial, Reporting and Other Obligations

13. Effective immediately, the interest rates on the DLNR (Demand Loan Non-Revolving) and ODL (Operating Demand Loan) shall increase to 2.5% above the Bank's prime rate of interest in effect from time to time.
14. Commencing on December 31, 2017, the monthly blended payments on the DLNR shall be increased to \$13,489 to allow for repayment to conform to the original amortization schedule.
15. On or before January 31, 2018, the Parties shall pay the Corporate Mastercard balance in full and the credit limit on that credit facility shall be reduced to \$60,000, and the Parties may thereafter utilize the Corporate Mastercard credit facility in accordance with its terms.
16. On or before March 31, 2018, Wiston shall reduce the balance on the ODL to below \$600,000, and the credit limit on that credit facility shall then be reduced to \$600,000.
17. The Company shall not provide any further loans to any other party, including related parties, without the Bank's express written consent, subsequent to December 31, 2017.
18. There shall be no further unauthorized excess on the Company's bank accounts, or on bank accounts held in the names of any of the numerous related bank accounts, including but not exclusively those for Viceroy Construction Ltd. and Viceroy Houses Ltd.
19. On or before March 31, 2018, the Parties shall cause a minimum of \$2 million to be injected into the Company, whether by way of repayment of related company loans or equity injection.
20. The Parties shall keep the Bank apprised of the progress of Viceroy Construction Ltd.'s efforts to recover the amounts owing in relation to the Fort McMurray condo development, including progress of the litigation related thereto.
21. The Parties shall provide the following financial reporting:
- (a) By no later than the 25th day after the end of each fiscal quarter, the Parties will provide monthly internally-prepared financial statements (including an income

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statement and balance sheet) for Wiston, beginning with the financial statements for January 31, 2018 by February 25, 2018.

- (b) On or before February 28, 2018, the Parties shall provide external Review Engagement financial statements for Wiston for the year ended October 31, 2017.
22. Effective immediately, the authorization for the Wiston \$USD Letter of Credit will be withdrawn, as this facility has never been activated.
23. The Parties shall pay a forbearance fee in the amount of \$10,000, which shall be added to the Indebtedness and secured by the Security.
24. On or before December 15, 2017, the Parties shall provide evidence of the amount of priority payables owing by Wiston to any government authority and shall pay all arrears of such priority payables by January 31, 2018.
25. On or before March 31, 2018, the Parties shall repay the Indebtedness then owing in full.

Default

26. Except as set out herein, all other terms of the Credit Agreements and Security Documents will remain in full force and effect.
27. It shall be an Event of Default under this Agreement if:
- (a) any of the Parties fail to duly perform any covenant required of them contained in this Agreement or there is otherwise a default under this Agreement;
- (b) except as expressly provided in this Agreement, there is any further default under the terms of the Credit Agreements, the Credit Facilities or the Security;
- (c) any encumbrancer or creditor of any of the Parties takes possession of, or commences proceedings previously unknown to the Bank or steps to realize upon, any property or asset of any of the Parties including a distress, execution, foreclosure, forfeiture, registration of builders lien or other charge, or any similar process levied or enforced there against and any such event is not cured within 5 days of notice thereof having given by the Bank;
- (d) any of the Parties, without the prior written consent of the Bank, passes a resolution or institute proceedings for its winding-up, restructuring, liquidation, or dissolution or consents to the institution or filing of any petition or proceedings with respect thereto;
- (e) any application is made or proceeding commenced with respect to any of the Parties seeking reorganization, readjustment, rearrangement, restructuring, composition or similar relief under any applicable Canadian or other law, or if a step is taken or proceeding is instituted for the winding-up, liquidation, or dissolution of any of the Parties or seeking an order adjudging it insolvent or




- seeking the appointment of a Trustee, Receiver, Receiver/Manager, Liquidator, or similar person over any part of any of the Parties' property;
- (f) any of the Parties becomes bankrupt;
 - (g) without the prior written consent of the Bank, any of the Parties effects or passes a resolution authorizing any consolidation, merger, or amalgamation with any other entity or disposition of all or a substantial portion of its assets;
 - (h) during the forbearance period herein, the Bank discovers any material fact, which, in the sole and absolute judgment of the Bank, impairs the financial condition of any of the Parties, the validity of the security documents, or the value of the undertaking, property, and assets charged by the security documents; and
 - (i) during the forbearance period herein, there occurs, in the sole and absolute judgment of the Bank, any material adverse change in the financial condition of any of the Parties, the validity of the security documents, or the value of the undertaking, property, and assets charged by the security documents.
28. The Parties, and each of them, acknowledge and agree that, upon the happening of an Event of a Default under this Agreement, the Bank shall have the immediate right to terminate the remainder of the Forbearance Period and, without further demand or notice, proceed to enforce the Security and recover the Indebtedness.
29. In the event that the Bank commences proceedings to enforce some or all of the Security, either at the expiry of the Forbearance Period or after the Forbearance Period has been terminated at the Bank's election, each of the Parties shall consent to:
- (a) the appointment of a Receiver or Receiver/Manager over any or all of the Parties' assets and undertakings charged by the Security; and
 - (b) if the Bank elects to commence foreclosure proceedings against any or all of the lands and personal property charged by the Security, a shortened redemption period of three months, with conduct of sale in favour of Bank or Receiver, as the case may be, immediately thereafter; and
30. The Bank may, at its option and in its sole discretion, waive any Event of Default but such waiver shall not constitute a waiver of any subsequent event which would constitute an Event of Default herein.

General

31. The Parties, and each of them, covenants and agrees that it will not, nor shall anyone on its behalf, seek any relief under the *Bankruptcy & Insolvency Act*, the *Companies Creditors' Arrangement Act*, the *Winding-up Act*, the *B.C. Personal Property Security Act*, the *B.C. Law and Equity Act*, or under any statute of similar nature in any other jurisdiction.
32. The Parties, and each of them, agree that all fees and disbursements paid by the Bank to its lawyers (on the basis of complete indemnification on a solicitor and its own client basis) in connection with advising the Bank in relation to the affairs of the Parties and in relation to the Credit Agreement, the Credit Facilities, the Indebtedness, the Security Documents, and this Agreement, and all matters incidental or relating thereto, including enforcement and realization, and whether past, present, or future, shall be added to the Indebtedness as the Bank sees fit and shall be secured by the Security.
33. Any notice to be given to any party hereunder shall be given by delivery to the respective party at the address hereinafter set forth:
- If to the Bank:
- c/o Lawson Lundell LLP
Barristers & Solicitors
1600 - 925 West Georgia Street
Vancouver, BC V6C 3L2
- Attention: William L. Roberts
- If to the Parties:
- Wiston International Trade Co. Ltd.
120 - 4611 Viking Way
Richmond, B.C. Canada V6V 2K9
- Attention: Huigaug Sun
34. This Agreement shall be governed by the law of British Columbia and the Courts of British Columbia shall have exclusive jurisdiction with respect to any disputes arising hereunder or pursuant hereto.
35. The Parties, and each of them, acknowledge and agree that this Agreement shall in all respects be binding upon it, and its respective administrators, successors, and assigns.
36. If there is any inconsistency between this Agreement and any other agreement with the Bank concerning the Indebtedness, the provisions of this Agreement shall prevail.

- 37. This Agreement may be executed in two or more counterparts and all such executed counterparts shall constitute one in the same document. All such counterparts may be delivered by fax or any electronic form.
- 38. The Parties, and each of them, acknowledge and agree that they have had the opportunity to seek independent legal advice prior to execution of this Agreement.
- 39. This Agreement may be executed in two or more counterparts and all such executed counterparts shall constitute one and the same document. All such counterparts may be delivered by fax or any electronic form.

IN WITNESS WHEREOF the parties have caused these presents to be executed on the day and year first written above.

<p>ACCEPTED, ACKNOWLEDGED, AND AGREED AS OF NOVEMBER <u>13</u>, 2017: <i>December</i> BANK OF MONTREAL</p> <p>Per:  Authorized Signatory</p>	<p>ACCEPTED, ACKNOWLEDGED, AND AGREED AS OF NOVEMBER <u>17</u>, 2017: <i>December</i> WISTON INTERNATIONAL TRADE CO. LTD.</p> <p>Per:  Authorized Signatory</p>
<p> HUIGANG SUN</p>	

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SCHEDULE "A"

<u>Account</u>	<u>Credit Limit</u>	<u>Balance owing as at November 27, 2017</u>	<u>Interest Rate per annum</u>
Operating Demand Loan ("ODL")	\$1,250,000	\$1,254,150.82	P+1.5%
Demand Loan Non-Revolving ("DLNR")	\$994,943.82	\$998,413.39	P+1.5%
Corporate Mastercard	\$180,000	\$179,168.34	18.4% fixed
		\$2,431,732.55	

Sum

SCHEDULE "B"

1. Combined Canadian &/or US Dollar Operating Loan Agreement dated May 18, 2015 signed by Wiston International Trade Co. Ltd. ("Wiston") regarding Canadian Dollar Account No. 0760-1262-550 with loan limit of \$1,250,000 with interest rate in respect of (a) a Canadian Dollar Availment, a rate equal to the Bank's Prime Rate plus 1.5% per annum; and (b) a U.S. Dollar Availment, a rate equal to the Bank's U.S. Base Rate plus 1.5% per annum;
2. Promissory Note in Bank's Form 808 in the amount of \$1,250,000 dated May 18, 2015 signed by Wiston in favour of the Bank, with interest rate at the Bank's Prime Rate plus 1.50% per annum in respect of Loan Account No. 0760-6996-342;
3. General Assignment of Debts, etc. in Bank's Form LF 32 (the "GAD") signed on March 6, 2010 made by Wiston in favour of the Bank;
4. General Security Agreement in form LF 379 (the "GSA") made March 1, 2010 signed by Wiston in favour of the Bank;
5. Form B Mortgage (the "Mortgage") in the principal amount of \$3,000,000 dated March 6, 2010 given by Hui gang Sun ("Hui gang"), as mortgagor in favour of the Bank charging certain real property located at 1922 44th Avenue West, Vancouver, B.C., legally described as PID No. 006-486-126 Lot 34 of Lot 9 Block 15 District Lot 526 Plan 5019 (the "Lands"), bearing particulars of registration in the New Westminster Land Title Office on March 12, 2010 under No. CA1486265 (MT080118 --All indebtedness);
6. Acknowledgment of Standard Mortgage Terms No. MT080118 signed by Hui gang on March 6, 2010;
7. Guarantee in Form LF 44 (the "Hui gang First Guarantee") with respect to the indebtedness and liability of Wiston dated March 21, 2011 given by Hui gang in favour of the Bank, limited to \$490,000;
8. Guarantee in Form LF 44 (the "Hui gang Second Guarantee") with respect to the indebtedness and liability of Wiston dated October 12, 2011 given by Hui gang in favour of the Bank, limited to \$2,530,000;
9. Guarantee in Form LF 44 (the "Hui gang Third Guarantee") with respect to the indebtedness and liability of Wiston dated March 1, 2013 given by Hui gang in favour of the Bank, limited to \$2,610,000;
10. Guarantee in Form LF 44 (the "Hui gang Fourth Guarantee") with respect to the indebtedness and liability of Wiston dated May 18, 2015 given by Hui gang in favour of the Bank, limited to \$70,000.

Sun



Suite 1600 Cathedral Place
925 West Georgia Street
Vancouver, BC
Canada V6C 3L2

CONFIDENTIAL

March 16, 2018

William Roberts
T: (604) 631-9163
F: 604-641-4401
wroberts@lawsonlundell.com

DELIVERED

Wiston International Trade Co., Ltd.
c/o Its Registered and Records Office
120 - 4611 Viking Way
Richmond, BC V6V 2K9

Dear Sirs/Mesdames:

Re: Your outstanding indebtedness to Bank of Montreal (the "Bank") secured by, among other things, a General Security Agreement (the "GSA") dated March 1, 2010 and a General Assignment of Debts (the "GAD") dated March 6, 2010

We are the solicitors for the Bank with respect to the above-captioned matter. We are instructed that you have defaulted in your obligations to the Bank, including default under the terms of the Forbearance Agreement dated for reference November 28, 2017 (the "Forbearance Agreement").

We are further instructed that as at March 9, 2018 you are indebted to the Bank for the total sum of \$2,407,961.76, as follows:

Description	Balance owing as at March 9, 2018	Interest Rate
Operating Demand Loan #0760-1262-550*	\$1,251,738.42	Prime + 2.5%
Demand Loan #0760-6996-342	978,415.50	Prime + 2.5%
Corporate Mastercard Facility	177,807.84	18.4%
Total	\$2,407,961.76*	

(*Total may fluctuate - updated figures must be obtained prior to paying out this loan.)

(the "Indebtedness")

Please be advised that the existence of this situation entitles our client to:

1. terminate the Forbearance Agreement; and
2. accelerate the full balance outstanding.

Our client elects to exercise both of these options. Accordingly, on behalf of the Bank, we hereby terminate the Forbearance Agreement and make formal demand upon you for payment of the Indebtedness. We also make demand upon you pursuant to the GSA and the GAD.

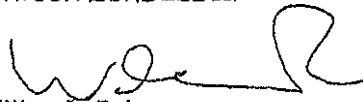
This letter is to advise you that unless payment of the Indebtedness, plus interest to the date of payment, plus legal costs, is made into this office by certified cheque or bank draft payable to Lawson Lundell LLP, in trust, on or before March 26, 2018, legal proceedings, which may include enforcement of the Bank's security, the appointment of a Receiver or Receiver/Manager and/or the appointment of an agent, will be commenced against you without further notice.

Pursuant to the provisions of the *Bankruptcy and Insolvency Act*, we are enclosing a Notice of Intention to Enforce Security in the prescribed form.

All inquiries and payments should be directed to the attention of the writer to ensure that due credit is given immediately to your account.

Yours very truly,

LAWSON LUNDELL LLP



William L. Roberts

/lea

cc: Bank of Montreal

BANKRUPTCY AND INSOLVENCY ACT
FORM 86
NOTICE OF INTENTION TO ENFORCE SECURITY
[Subsection 244(1)]

TO: WISTON INTERNATIONAL TRADE CO., LTD.

Take notice that:

1. BANK OF MONTREAL, a secured creditor, intends to enforce its security on the property of Wiston International Trade Co., Ltd.. described below:

General Security Agreement:

All presently owned or held or after acquired or held personal property (other than consumer goods)


General Assignment of Debts:

Accounts

2. The security that is to be enforced is in the form of a General Security Agreement and a General Assignment of Debts.
3. The total amount of indebtedness secured by the security is \$2,407,961.76 as at March 9, 2018.
4. The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period following the sending of this notice, unless Wiston International Trade Co., Ltd. consents to an earlier enforcement.

Dated at Vancouver, British Columbia, this 16 day of March, 2018

BANK OF MONTREAL


LAWSON LUNDELL LLP,
solicitors for Bank of Montreal



Suite 1600 Cathedral Place
925 West Georgia Street
Vancouver, BC
Canada V6C 3L2

March 16, 2018

DELIVERED - CONFIDENTIAL

Huigang Sun
1922 West 44th Avenue
Vancouver, BC V6M 2E7

William Roberts
T: (604) 631-9163
F: 604-641-4401
wroberts@lawsonlundell.com

Dear Sir:

Re: Your guarantees of the indebtedness of Wiston International Trade Co., Ltd. ("Wiston") to Bank of Montreal (the "Bank") dated March 21, 2011, October 12, 2011, March 1, 2013 and May 18, 2015 (collectively, the "Guarantees") and your indebtedness to the Bank pursuant to an unauthorized excess on Account No. 0760-1268-469, secured by, *inter alia*, an all-indebtedness Mortgage dated March 6, 2010 registered against property located at 1922 - West 44th Avenue, Vancouver, BC (collectively, the "Lands")

We are the solicitors for the Bank with respect to the above-captioned matters. We are instructed that the Forbearance Agreement made between the Bank, Wiston and yourself, dated for reference November 28, 2017, is in default.

Please be advised that the existence of this situation entitles our client to:

1. terminate the Forbearance Agreement; and
2. accelerate the full balance outstanding under the Mortgage.

Our client has elected to exercise both of these options and hereby terminates the Forbearance Agreement. Demand for payment has now been made upon Wiston. A copy of our demand letter to Wiston is enclosed for your reference.

Pursuant to the terms of the Guarantees, you have guaranteed the indebtedness of the Company to the Bank, to a combined limit of \$5.7 Million, plus interest and costs as set out therein. As at March 9, 2018, the Company was indebted to the Bank for the sum of \$2,407,961.76, plus interest thereafter (the "Wiston Indebtedness").

In addition, we are instructed that you are currently indebted to Bank of Montreal for the sum of \$129,817.82 (the "Viceroy Indebtedness" and collectively with the Wiston Indebtedness, the "Indebtedness"), plus interest from and after March 9, 2018 at the rate of 21% per annum, plus legal costs, in relation to an unauthorized excess in account no. 0760-1268-469. Demand for payment has been made upon both Viceroy and yourself, and a copy of that demand letter is

Page 2

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again enclosed for your reference. As you are aware, this excess is the result of cheques drawn by Viceroy Construction Ltd. on the above-noted account. In the circumstances, you are also personally responsible for payment of these amounts.

Accordingly, on behalf of our client, we hereby make formal demand upon you, pursuant to the Guarantees, for payment of the Indebtedness, plus interest and costs from and after March 9, 2018 to the date of payment, as set out above.

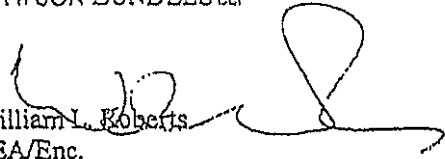
This letter is to advise you that unless payment of the Indebtedness plus interest to the date of payment as set out above, plus legal costs, is made into this office by certified cheque or bank draft payable to Lawson Lundell LLP, in trust, on or before noon on March 26, 2018, legal proceedings, including foreclosure proceedings against the Lands, may be commenced against you without further notice.

Pursuant to the provisions of the *Bankruptcy and Insolvency Act*, we are enclosing a Notice of Intention to Enforce Security in the prescribed form.

All inquiries and payments should be directed to the attention of the writer to ensure that due credit is given immediately to your account.

Yours very truly,

LAWSON LUNDELL LLP


William L. Roberts
LEA/Enc.

cc: Bank of Montreal

BANKRUPTCY AND INSOLVENCY ACT
FORM 86
NOTICE OF INTENTION TO ENFORCE SECURITY
[Subsection 244(1)]

TO: HUIGANG SUN

Take notice that:

- 1. BANK OF MONTREAL, a secured creditor, intends to enforce its security on the property of Huigang Sun described below:

Mortgage


All of the right, title and interest of Huigang Sun as registered owner in and to real property located at 1922 West 44th Avenue, Vancouver, BC legally described as:

FID No. 006-486-126
Lot 34 of Lot 9 Block 15 District Lot 526 Plan 5019

- 2. The security that is to be enforced is in the form of a Mortgage.
- 3. The total amount of indebtedness secured by the security is \$2,537,779.58 as at March 9; 2018.
- 4. The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period following the sending of this notice, unless Huigang Sun consents to an earlier enforcement.

Dated at Vancouver, British Columbia, this 16 day of March, 2018

BANK OF MONTREAL



LAWSON LUNDELL LLP,
solicitors for Bank of Montreal



Suite 1600 Cathedral Place
925 West Georgia Street
Vancouver, BC
Canada V6C 3L2

RECEIVED 03/12/18

March 12, 2018

DELIVERED

William L. Roberts
D: 604.631.9163
F: 604.641.4401
wroberts@lawsonlundell.com

Viceroy Construction Ltd.
c/o Registered and Records Office
12211 Horseshow Way
Richmond, BC V7A 4V4

Huigang Sun
1922 44th Avenue West
Vancouver, BC
V6M 2E7

Dear Sirs and Mesdames:


Re: Your outstanding indebtedness to Bank of Montreal

We are solicitors for Bank of Montreal in relation to the above-captioned matter. Viceroy Construction Ltd. is currently indebted to Bank of Montreal for the sum of \$129,817.82, plus interest from and after March 9 at the rate of 21% per annum, plus legal costs, in relation to an unauthorized excess in account no. 0760-1268-469. As you are aware, this excess is the result of cheques drawn by Viceroy Construction Ltd. on the noted account. As well, in the circumstances, Mr. Sun is also responsible for payment of these amounts.

We hereby make demand upon each of you for payment of these amounts. We are instructed to commence proceedings against each of you to recover these amounts unless the full amount owing plus accrued interest and legal costs are delivered to our office by certified cheque or bank draft within ten (10) days of the date of this letter.

Yours very truly,

LAWSON LUNDELL LLP


William L. Roberts

WLR/czc



Suite 1500 Cathedral Place
925 West Georgia Street
Vancouver, BC
Canada V6C 3L2
T: 604.685.3456

ANNEXURE #8

May 1, 2018

DELIVERED – CONFIDENTIAL

Kimberley A. Robertson
Direct Lines: 604.631.9142 |
403.218.7527
Direct Fax Line: 604.641.4428
krobertson@lawsonlundell.com

Huigang Sun
1922 West 44th Avenue
Vancouver, BC V6M 2E7

Viceroy Houses Ltd
c/o Registered Office
12211 Horseshoe Way
Richmond, BC V7A 4V4.

Dear Sirs/Mesdames:

Re: Indebtedness of Huigang Sun ("Mr. Sun") and Viceroy Houses Ltd. (the "Company")
to Bank of Montreal (the "Bank") pursuant to two Mastercard account (the
"Mastercard Accounts"), payable upon demand

We are the solicitors for the Bank with respect to the above-captioned matter.

We are instructed that you are liable to the Bank under two mastercard accounts opened jointly by
the Company and yourself, with cards being issued in your own name and, at your direction, to
employees from time to time. As of April 30, 2018, amounts were owed under outstanding and
issued cards as follows:

Description	Amount as at April 30, 2018	Interest Rate per annum
Credit Card No. ***0967 (Cardholder: Huigang Sun)	\$46,746.26	19.9%
Credit Card No. ***3841 (Cardholder: Danni Zhang)	\$5,656.62	19.9%
TOTAL	\$52,402.88	

(the "Indebtedness")

We are further instructed that the Mastercard Accounts have been cancelled and are payable upon
demand. Accordingly, on behalf of our client, we hereby make formal demand upon you for
payment of the Indebtedness.

This letter is to advise you that unless payment of the Indebtedness, plus interest to the date of
payment as set out above, plus legal costs, is made into this office by certified cheque or bank

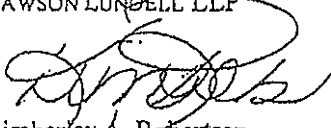
Page 2

draft payable to Lawson Lundell LLP, in trust, no later than May 8, 2018, legal proceedings may be commenced against you without further notice.

All inquiries and payments should be directed to the attention of the writer to ensure that due credit is given immediately to your account.

Yours very truly,

LAWSON LUNDELL LLP



Kimberley A. Robertson
LEA

cc: Bank of Montreal

No. _____
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

BANK OF MONTREAL

PETITIONER

AND:

HUIGANG SUN
RELIABLE MORTGAGES INVESTMENT CORP.
SHAN DA LIN
FENG LUAN
DIRECTOR OF EMPLOYMENT STANDARDS
LILI CHENG
WEICHANG YANG
ALL TENANTS AND OCCUPIERS OF THE SUBJECT
LANDS AND PREMISES

RESPONDENTS

PETITION TO THE COURT



Barristers and Solicitors
1600 Cathedral Place
925 West Georgia Street
Vancouver, British Columbia V6C 3L2
Phone: (604) 685-3456
Attention: William L. Roberts

File No. 14134.128644



This is the 1st Affidavit of Lawrence Chipman in this case
and was made on May 16, 2018

No. H-18-0214
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

BANK OF MONTREAL

PETITIONER

AND:

HUIGANG SUN, also known as HUI GANG SUN
RELIABLE MORTGAGES INVESTMENT CORP.
SHAN DA LIN
FENG LUAN
DIRECTOR OF EMPLOYMENT STANDARDS
LILI CHENG
WEICHANG YANG
ALL TENANTS AND OCCUPIERS OF THE SUBJECT
LANDS AND PREMISES

RESPONDENTS

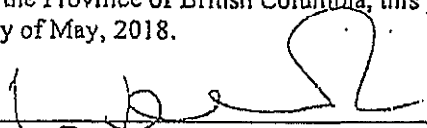
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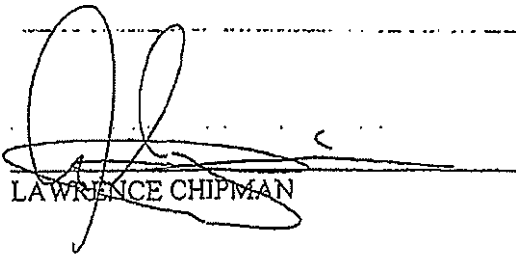
I, LAWRENCE CHIPMAN, Banker, of 2203 – 595 Burrard Street, in the City of Vancouver, in the Province of British Columbia, MAKE OATH AND SAY AS FOLLOWS:

1. I am an Account Manager for the Petitioner and as such have personal knowledge of the matters herein deposed to. I am authorized to make this Affidavit on behalf of the Petitioner.
2. I have read the Petition herein, and say that the matters and facts therein set out are true, and that the documents annexed to the Petition are true copies, and that such documents, other than the land title search, are documents prepared by the Petitioner and kept in the ordinary course of business of the Petitioner.

- 3. I know of no fact which would constitute a defence to the whole or part of the claims as set out in the Petition.

SWORN BEFORE ME at the City of Vancouver,)
 in the Province of British Columbia, this 16)
 day of May, 2018.)


 _____)
 A Commissioner for taking Affidavits)
 within British Columbia.)


 _____)
 LAWRENCE CHIPMAN)

WILLIAM L. ROBERTS
Barrister & Solicitor
 1600 - 925 WEST GEORGIA ST.
 VANCOUVER, B.C. V6C 3L2
 (604) 685-3456

No. _____

Granbrook-Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

BANK OF MONTREAL

PETITIONER

AND:

HUIGANG SUN, also known as HUI GANG SUN
 RELIABLE MORTGAGES INVESTMENT CORP.
 SHAN DA LIN
 FENG LUAN
 DIRECTOR OF EMPLOYMENT STANDARDS
 LILI CHENG
 WEICHANG YANG
 ALL TENANTS AND OCCUPIERS OF THE SUBJECT
 LANDS AND PREMISES

RESPONDENTS

 AFFIDAVIT



Barristers and Solicitors
 1600 Cathedral Place
 925 West Georgia Street
 Vancouver, BC, V6C 3L2
 Phone: (604) 685-3456
 Attention: William L. Roberts

14134.137184.LEA.15198299.1

Tab U

THIS IS EXHIBIT "U"

referred to in the Affidavit of

Weichang Yang sworn before me this

17th day of September, 2018



*Commissioner for Taking Affidavits
(or as may be)*

(A commissioner for taking Affidavits for the Province of British Columbia)

Jantzen C. M. Chu, Barrister & Solicitor, Notary
Barrister & Solicitor, Province of British Columbia, Canada
Suite 618, 3381 Cambie Street, Vancouver, B.C. V5Z 4R3
Oriental Kenzo Plaza, Dong Cheng District, Beijing, China
China: +86- 135.2088.0208 Email: bc_lawyer@163.com
Canada: +1- 778.898.8787 Facsimile: +1- 604.430.8613

FASKEN

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

333 Bay Street, Suite 2400
P.O. Box 20
Toronto, Ontario M5H 2T6
Canada

T +1 416 366 8381
+1 800 268 0424
F +1 416 364 7813

fasken.com

June 13, 2018
File No.: 310739.00002/18295

Dylan Chochla
Direct +1 416 868 3425
dchochla@fasken.com

Via Email (wei.shao@dentons.com)

Huigang Sun
c/o Dentons Canada LLP
20th Floor, 250 Howe Street
Vancouver, BC
V6C 3R8

Besco International Investment Co. Ltd.
c/o Dentons Canada LLP
20th Floor, 250 Howe Street
Vancouver, BC
V6C 3R8

Attention: Wei Shao

Attention: Wei Shao

Dear Sir:

Re: Forbearance Agreement between Weichang Yang (the "Lender"), Huigang Sun (the "Borrower") and Besco International Investment Co., Ltd. ("Besco"), among others

We are legal counsel to the Lender.

The Borrower is indebted to the Lender pursuant to a loan agreement made as of July 20, 2017 (as amended, the "Loan Agreement"). Besco, Viceroy Houses Ltd., Viceroy Construction Ltd., Royal Union Base Group Limited and Max Master Investments Limited (collectively, the "Guarantors") have each guaranteed the obligations of the Borrower to the Lender pursuant to certain guarantee and postponement agreements (as amended, the "Guarantees").

The obligations of the Borrower and the Guarantors to the Lender are secured by, among other security, general security agreements executed by the Borrower and each Guarantor, and a first ranking charge/mortgage of land in the principal amount of \$5,000,000 executed by Besco in favour of the Lender and registered against lands known municipally as 414 Croft Street, Port Hope, Ontario, legally described as PIN #S1082-0010(LT), described as PT LT 1-2 CON 1 HOPE PT 2 9R2307 EXCEPT PT 1 39R9406; PORT HOPE (the "Mortgage").

On or about March 14, 2018, the Lender made demand upon the Borrower and the Guarantors for payment of the indebtedness owing under the Loan Agreement and Guarantees and delivered notices of intention to enforce security pursuant to section 244 of the *Bankruptcy and Insolvency Act* ("BIA") to the Borrower and the Guarantors.

On or about May 17, 2018, the Borrower, the Guarantors, and the Lender entered into a forbearance agreement (the "Forbearance Agreement") which provided for the forbearance by the Lender of its remedies under the Loan Agreement, the Guarantees and its security, until the

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FASKEN

earlier of (i) August 20, 2018; and (ii) the occurrence of an event of default under the Forbearance Agreement (the "Forbearance Period").

On or about June 1, 2018, the Lender was served with a petition by the Bank of Montreal ("BMO") to the British Columbia Superior Court seeking, among other things, to enforce a mortgage given by the Borrower to BMO in respect of property legally described as CITY OF VANCOUVER, PID #006-486-126, LOT 34 OF LOT 9 BLOCK 15 DISTRICT LOT 526 PLAN 5019 (over which the Lender also holds a mortgage).

The commencement of the BMO petition constitutes an Event of Default pursuant to Article 4.1(g) of the Forbearance Agreement. The Forbearance Period has therefore terminated, the indebtedness owing under the Loan Agreement is immediately due and payable, and the Lender's security is enforceable immediately without further notice to the Borrower.

The Lender has instructed us to, among other remedies, enforce its security under the Mortgage. We enclose a Notice of Intention to Enforce Security pursuant to section 244(1) of the BIA. Notwithstanding the foregoing, the Lender specifically reserves its right to make an application to the court to appoint an interim receiver under the BIA to protect its security during the demand period.

The Lender reserves all of its rights and claims under the Loan Agreement, the Guarantees, its security (including the Mortgage) and at law. Nothing contained in this letter or in any discussions or meetings that may occur between the Lender, the Borrower, or any Guarantor(s), shall be construed as a waiver of any such rights or remedies.

Yours truly,

FASKEN MARTINEAU DuMOULIN LLP



Dylan Chochla

DC/ts

cc. KC Miu/Kristian Arciaga (kmiu@fasken.com/ karciaga@fasken.com)
Fasken Martineau DuMoulin LLP



FASKEN

NOTICE OF INTENTION TO ENFORCE A SECURITY

(Subsection 244(1) of the Bankruptcy and Insolvency Act)

TO: **Besco International Investment Co., Ltd.** (the "Debtor"), an insolvent person

Take notice that:

1. Weichang Yang (the "Secured Creditor"), a secured creditor, intends to enforce its security on the insolvent person's property described below:
 - (a) the lands known municipally as 414 Croft Street, Port Hope, Ontario, legally described as PIN #51082-0010(LT), described as PT LT 1-2 CON 1 HOPE PT 2 9R2307 EXCEPT PT 1 39R9406; PORT HOPE (the "Lands").
2. The security that is to be enforced is in the form of the mortgage executed by the Debtor, as mortgagor, in favour of the Secured Creditor, as mortgagee, and registered against the Lands on May 28, 2018.
3. The total amount of indebtedness secured by the security as at June 13, 2018 amounts to the aggregate sum of \$3,242,973 (excluding unpaid interest, fees and costs).
4. The Secured Creditor will not have the right to enforce the security until after the expiry of the 10-day period after this notice is sent unless the Debtor consents to an earlier enforcement.

Dated at Toronto, Ontario, this 13th day of June, 2018.

WEICHANG YANG

Per: 

Dylan Chochla, lawyer and authorized agent

The undersigned hereby waives the 10-day notice period provided for in this Notice of Intention to Enforce Security and consents to the immediate enforcement by the Secured Creditor of all security above-noted.

BESCO INTERNATIONAL INVESTMENT CO., LTD.



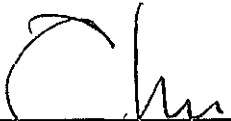
Tab V

THIS IS EXHIBIT "V"

referred to in the Affidavit of

Weichang Yang sworn before me this

17th day of September, 2018



*Commissioner for Taking Affidavits
(or as may be)*

(A commissioner for taking Affidavits for the Province of British Columbia)

Jantzen C. M. Chu, Barrister & Solicitor, Notary
Barrister & Solicitor, Province of British Columbia, Canada
Suite 618, 3381 Cambie Street, Vancouver, B.C. V5Z 4R3
Oriental Kenzo Plaza, Dong Cheng District, Beijing, China
China: +86- 135.2088.0208 Email: bc_lawyer@163.com
Canada: +1- 778.898.8787 Facsimile: +1- 604.430.8613

FASKEN

Fasken Martineau DuMoulin LLP
 551 Bay Street, Suite 2400
 Toronto, Ontario M5G 2B6

551 Bay Street, Suite 2400
 Toronto, Ontario M5G 2B6
 416-593-2700

T +1 416 593 2700
 F +1 416 593 2700
 fasken.com

July 17, 2018
 File No.: 310739 00002-18295

Dylan Chochla
 Direct +1 416 868 3425
 dchochla@fasken.com

By Email (wei.shao@dentons.com)

Besco International Investment Co., Ltd.
 c/o Dentons Canada LLP
 20th Floor, 250 Howe Street
 Vancouver, BC V6C 3R8

Attention: Wei Shao

Dear Sir:

Re: Notice of Sale Under Mortgage - 414 Croft Street, Port Hope, Ontario (the
 "Property")

Please find enclosed a notice of sale in respect of the Property being delivered under the
Mortgages Act (Ontario). The notice of sale has also been sent directly to Besco International
 Investment Co., Ltd. Enclosed is a copy of the cover letter addressed to your client, among
 others.

Please confirm that you acknowledge receipt of the notice of sale on behalf of your client.

Yours very truly,

FASKEN MARTINEAU DuMOULIN LLP

Dylan Chochla

DC/hs
 Enclosures

cc: KC Miu/ Kristian Arciaga/ Sarah Turney
 (kmiu@fasken.com/ karciaga@fasken.com/ sturney@fasken.com)
 Fasken Martineau DuMoulin LLP

310739 00002-18295-1

NOTICE OF SALE UNDER MORTGAGE

- TO: BESCO INTERNATIONAL INVESTMENT CO., LTD.
809 - 6081 NO. 3 ROAD
RICHMOND, BC V6Y 2B2
- AND TO: BESCO INTERNATIONAL INVESTMENT CO., LTD.
414 CROFT STREET EAST
PORT HOPE, ON L1A 4H1
- AND TO: OCCUPANT
414 CROFT STREET EAST
PORT HOPE, ON L1A 4H1
- AND TO: THE MUNICIPALITY OF PORT HOPE
TOWN HALL
56 QUEEN STREET
PORT HOPE, ON L1A 3Z9

TAKE NOTICE that default has been made in payment of the money due under a certain mortgage dated May 28, 2018 and registered on May 28, 2018, as Instrument No. ND166861 in the Land Registry Office of the Land Titles Division of Northumberland (LRO #39) made between:

BESCO INTERNATIONAL INVESTMENT CO., LTD.

Mortgagor

and

WEICHANG YANG

Mortgagee,

on the security of all and singular that certain parcel or tract of land and premises situate, lying and being 414 CROFT STREET, PORT HOPE, ONTARIO and being composed of: PIN #51082-0010(1.1), described as PT 1.1 1-2 CON 1 HOPE PT 2 9R2307 EXCEPT PT 1 39R9406; PORT HOPE.

And I hereby give you notice that the amounts now due on the mortgage for principal money, interest and costs, respectively, are as follows:

For principal as at July 17, 2018	\$3,211,300.00
For interest to August 23, 2018 (37 days from July 17, 2018)	\$127,149.61
For taxes as at July 6, 2018	\$826,837.88
And for costs	\$107,640.47 ¹
Total:	<u>\$4,272,927.96</u>

And unless the said sums are paid, together with interest thereon at the rate of 15% per annum compounded monthly, not in advance, before and after demand, default and judgment and any further costs and disbursements incurred in these proceedings, on or before the 23rd day of August, 2018 the undersigned shall sell the property covered by the said mortgage under the provisions contained in it.

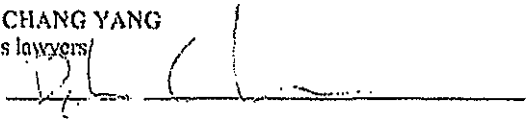
¹ Exclusive of applicable taxes and disbursements.

- 2 -

This notice is given to you as you appear to have an interest in the mortgaged property and may be entitled to redeem the same.

Dated this 17th day of July 2018

WEICHANG YANG
by his lawyers/



FASKEN MARTINEAU DUMOULIN LLP
Barristers and Solicitors
333 Bay Street, Suite 2400
P.O. Box 20
Toronto, ON M5H 2T6

FASKEN

Fasken Martineau DuMoulin LLP
 Barristers and Solicitors
 Patent and Trade-Mark Agents

333 Bay Street, Suite 2400
 P.O. Box 10
 Toronto, Ontario M5H 2T6
 Canada

T +1 416 593 8381
 +1 800 268 8424
 F +1 416 361 7014
 fasken.com

July 17, 2018
 File No. 310739 00002 18295

Dylan Chochla
 Direct +1 416 868 3425
 dchochla@fasken.com

By Registered Mail

Besco International Investment Co., Ltd.
 809-6081 No. 3 Road
 Richmond, BC V6Y 2B2

Besco International Investment Co., Ltd.
 414 Croft Street East
 Port Hope, ON L1A 4H1

Occupant
 414 Croft Street East
 Port Hope, ON L1A 4H1

The Municipality of Port Hope
 Town Hall
 56 Queen Street
 Port Hope, ON L1A 3Z9

Dear All:

Re: Notice of Sale Under Mortgage - 414 Croft Street, Port Hope, Ontario (the
 "Property")

Please find enclosed a notice of sale in respect of the Property being delivered under the
Mortgages Act (Ontario).

Please contact the undersigned if you have any questions about the notice of sale.

Yours very truly,

FASKEN MARTINEAU DuMOULIN LLP

Dylan Chochla

DC/as
 Enclosure

cc: KC' Mia/ Kristian Arciaga/ Sarah Turney
 (kmia@fasken.com/ karciaga@fasken.com/ sturney@fasken.com)
 Fasken Martineau DuMoulin LLP

310739 00002 18295


Tab W

THIS IS EXHIBIT "W"

referred to in the Affidavit of

Weichang Yang sworn before me this

17th day of September, 2018



***Commissioner for Taking Affidavits
(or as may be)***

(A commissioner for taking Affidavits for the Province of British Columbia)

Jantzen C. M. Chu, Barrister & Solicitor, Notary
Barrister & Solicitor, Province of British Columbia, Canada
Suite 618, 3381 Cambie Street, Vancouver, B.C. V5Z 4R3
Oriental Kenzo Plaza, Dong Cheng District, Beijing, China
China: +86- 135.2088.0208 Email: bc_lawyer@163.com
Canada: +1- 778.898.8787 Facsimile: +1- 604.430.8613

Dylan Chochla

From: Rebecca Huang <rhuang@rh-law.ca>
Sent: July-27-18 11:34 AM
To: Dylan Chochla; Sarah Turney; Kristian Arciaga; KC Miu
Cc: Carolyn Best; Hannah Biesterfeld; Rebecca Huang
Subject: 414 Croft Street, Port Hope, Ontario
Attachments: 92535417_v(1)_Letter to Wei Shao (July 17, 2018) re_ Notice of Sale Under Mortgage - 414 Croft Street, Port Hope, Ontario (the _Property_).PDF

Dear Counsel:

Please be advised that we are the process of being retained by Besco International Investment Co. Ltd. as its litigation counsel in Ontario in respect of the Notice of Sale issued by your office dated July 17, 2018. Please do not take any steps with respect to the property without first notifying our office.

Best regards,

Rebecca Huang LL.B., LL.M.
Principal Lawyer
Rebecca Huang* & Associates
Barristers
Suite 311, 330 Bay Street
Toronto, ON M5H 2S8
Office: 416.306.8450
Mobile: 416.816.6456
Fax: 416.306.8451
Email: rhuang@rh-law.ca
Website: www.rh-law.ca

*Services provided through a professional corporation

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Tab X

THIS IS EXHIBIT "X"

*referred to in the Affidavit of
Weichang Yang sworn before me this
17th day of September, 2018*



***Commissioner for Taking Affidavits
(or as may be)***

(A commissioner for taking Affidavits for the Province of British Columbia)

Jantzen C. M. Chu, Barrister & Solicitor, Notary
Barrister & Solicitor, Province of British Columbia, Canada
Suite 618, 3381 Cambie Street, Vancouver, B.C. V5Z 4R3
Oriental Kenzo Plaza, Dong Cheng District, Beijing, China
China: +86- 135.2088.0208 Email: bc_lawyer@163.com
Canada: +1- 778.898.8787 Facsimile: +1- 604.430.8613

VICEROY CONSTRUCTION LTD
12211 HORSESHOE WAY
RICHMOND BC V7A 4V4

000032

DATE 2018-04-15
Y Y Y Y M M D D

PAY to Wei Chang Yang
the order of Five Hundred Thousand Only

\$ 500000.00/100
DOLLARS

BMO Bank of Montreal
2601 GRANVILLE ST.
VANCOUVER, B.C. V6H 3H2

VICEROY CONSTRUCTION LTD

RE _____

PER [Signature]

⑈000032⑈ ⑆07600⑈00⑆⑆⑆ ⑆265⑈⑈620⑈

PESCO INTERNATIONAL INVESTMENT CO, LTD
120-4611 VIKING WAY
RICHMOND BC V6V 2K9

001

DATE 2018-06-20
Y Y Y Y M M D D

PAY to WEI CHANG YANG
the order of Forty Thousand One Hundred and Forty

\$ 40140.00/100
DOLLARS

Canada Trust
511 WEST 41ST AVENUE AT CAMBIE
VANCOUVER, BC V5Z 2M7

PER [Signature]

RE _____

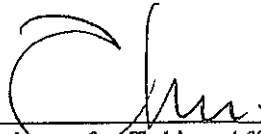
PER _____

⑈00⑆⑈ ⑆00340⑈00⑆⑆⑆ 0034⑈⑈5242666⑈

Tab Y

THIS IS EXHIBIT "Y"

***referred to in the Affidavit of
Weichang Yang sworn before me this
17th day of September, 2018***



***Commissioner for Taking Affidavits
(or as may be)***

(A commissioner for taking Affidavits for the Province of British Columbia)

Jantzen C. M. Chu, Barrister & Solicitor, Notary
Barrister & Solicitor, Province of British Columbia, Canada
Suite 618, 3381 Cambie Street, Vancouver, B.C. V5Z 4R3
Oriental Kenzo Plaza, Dong Cheng District, Beijing, China
China: +86- 135.2088.0208 Email: bc_lawyer@163.com
Canada: +1- 778.898.8787 Facsimile: +1- 604.430.8613

FASKEN

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

333 Bay Street, Suite 2400
P.O. Box 20
Toronto, Ontario M5H 2T6
Canada

T +1 416 366 8381
+1 800 268 8424
F +1 416 364 7813
fasken.com

Sarah J. Turney
Direct +1 416 865 4542
sturney@fasken.com

August 16, 2018

Via Email

Rebecca Huang
Rebecca Huang & Associates
Barristers
Suite 311, 330 Bay Street
Toronto, ON M5H 2S8

Dear Ms. Huang:

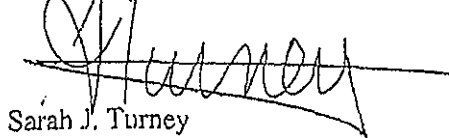
Re: Mortgage between Besco International Investment Co., Ltd. as mortgagor, and Weichang Yang as mortgagee (the "Mortgage"), secured against 414 Croft Street, Port Hope, Ontario (the "Property")

I write to advise you that our client's accountant has received two cheques: one in the amount of \$500,000.00 and the other in the amount of \$40,140.00 (collectively, the "Cheques"), which appear to be payments sent in respect of the Mortgage. Our client will deposit the cheques as a partial payment toward the outstanding balance due under the Mortgage (the "Partial Payment"). In doing so, our client reserves all of his rights and remedies in respect of the Mortgage including, without limitation, to sell the Property if the remaining balance secured by the Mortgage is not paid on or before August 23, 2018 as set out in the notice of sale dated July 17, 2018 (the "Notice").

Without limiting the foregoing, there has been no accord and satisfaction of the Mortgage and we confirm that no other principle or doctrine applies to reduce the amount owing. The entire balance due under the Mortgage, as it may be reduced by the Partial Payment if the Cheques clear, remains outstanding.

Yours truly,

FASKEN MARTINEAU DuMOULIN LLP



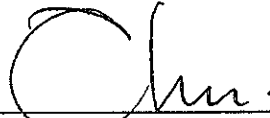
Sarah J. Turney

SJT/sr

Tab Z

THIS IS EXHIBIT "Z"

*referred to in the Affidavit of
Weichang Yang sworn before me this
17th day of September, 2018*



*Commissioner for Taking Affidavits
(or as may be)*

(A commissioner for taking Affidavits for the Province of British Columbia)

Jantzen C. M. Chu, Barrister & Solicitor, Notary
Barrister & Solicitor, Province of British Columbia, Canada
Suite 618, 3381 Cambie Street, Vancouver, B.C. V5Z 4R3
Oriental Kenzo Plaza, Dong Cheng District, Beijing, China
China: +86- 135.2088.0208 Email: bc_lawyer@163.com
Canada: +1- 778.898.8787 Facsimile: +1- 604.430.8613

Dylan Chochla

From: Rebecca Huang <rhuang@rh-law.ca>
Sent: August-27-18 9:31 AM
To: Dylan Chochla
Cc: Hannah Biesterfeld; Carolyn Best
Subject: RE: 414 Croft Street, Port Hope, Ontario
Attachments: RHLAW-Brother_009835.pdf

Dylan:

Without prejudice to the Injunction application, and acting in good faith, Besco has provided me with a cheque dated July 20, 2018 in the amount of \$40,140, and another cheque in the same amount dated August 20, 2018. Attached are scan copies of the two cheques. They will be delivered to your office tomorrow when my office manager returns to the office. The two cheques represent the interest payments for the months of July and August 2018. Besco's interest payment are therefore current with these two cheques.

I have also received post-dated cheques for the interest payments pending the disposition of the injunction application. A cheque of \$40,140 dated September 20, 2018 will be delivered to you in September.

Rebecca Huang LL.B., LL.M.
 Principal Lawyer
 Rebecca Huang* & Associates
 Barristers
 Suite 311, 330 Bay Street
 Toronto, ON M5H 2S8
 Office: 416.306.8450
 Mobile: 416.816.6456
 Fax: 416.306.8451
 Email: rhuang@rh-law.ca
 Website: www.rh-law.ca

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From: Dylan Chochla <dchochla@fasken.com>
Sent: August 24, 2018 12:04 PM
To: Rebecca Huang <rhuang@rh-law.ca>
Subject: Re: 414 Croft Street, Port Hope, Ontario

Thanks

On Aug 24, 2018, at 9:59 AM, Rebecca Huang <rhuang@rh-law.ca> wrote:

Dylan: please see attached. As Justice Conway stated yesterday, if your client wishes to appoint a receiver, you have to book a 930 to schedule a hearing and, in the event that 2 hours booked for October 19 is inadequate for a combined hearing, we will have to reschedule the combined hearing to a later date. I have a two-week trial from November 26 to December 7, and I will be in intense trial preparation starting from November 12.

Rebecca Huang LL.B., LL.M.
Principal Lawyer
Rebecca Huang* & Associates
Barristers
Suite 311, 330 Bay Street
Toronto, ON M5H 2S8
Office: 416.306.8450
Mobile: 416.816.6456
Fax: 416.306.8451
Email: rhuang@rh-law.ca
Website: www.rh-law.ca

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From: Dylan Chochla <dchochla@fasken.com>
Sent: August 20, 2018 2:03 PM
To: Rebecca Huang <rhuang@rh-law.ca>
Cc: Carolyn Best <cbest@rh-law.ca>; Hannah Biesterfeld <hbiesterfeld@rh-law.ca>; Sarah Turney <sturney@fasken.com>; Kristian Arciaga <karciaga@fasken.com>; KC Miu <kmiu@fasken.com>
Subject: RE: 414 Croft Street, Port Hope, Ontario

Rebecca,

You are the party seeking urgent relief. You cannot split your evidence in multiple application records. We expect that you will deliver a complete application record prior to the 9:30 hearing.

Regards,
Dylan

Dylan Chochla
ASSOCIATE
T. +1 416 868 3425 | F. +1 416 364 7813

From: Rebecca Huang [<mailto:rhuang@rh-law.ca>]
Sent: August-20-18 1:41 PM
To: Dylan Chochla
Cc: Carolyn Best; Hannah Biesterfeld; Sarah Turney; Kristian Arciaga; KC Miu
Subject: RE: 414 Croft Street, Port Hope, Ontario

In the interest of time, we will be serving and filing a brief application record to put some documents before the 930 Judge on August 23. Our client will provide a more fulsome affidavit later on. We need to fix a hearing date and a timetable to exchange affidavits, conduct cross-examinations, and deliver factums.

Rebecca Huang LL.B., LL.M.
Principal Lawyer
Rebecca Huang* & Associates
Barristers
Suite 311, 330 Bay Street
Toronto, ON M5H 2S8
Office: 416.306.8450
Mobile: 416.816.6456
Fax: 416.306.8451
Email: rhuang@rh-law.ca
Website: www.rh-law.ca

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From: Dylan Chochla <dchochla@fasken.com>
Sent: August 20, 2018 11:40 AM
To: Rebecca Huang <rhuang@rh-law.ca>
Cc: Carolyn Best <cbest@rh-law.ca>; Hannah Biesterfeld <hbiesterfeld@rh-law.ca>; Sarah Turney <sturney@fasken.com>; Kristian Arciaga <karciaga@fasken.com>; KC Miu <kmiu@fasken.com>
Subject: RE: 414 Croft Street, Port Hope, Ontario

Rebecca,

We have instructions to accept service. You may sign the hearing request form on our behalf. We will seek the earliest possible hearing date to deal with your application and request that you deliver your application materials prior to the 9:30 appointment so we can set a schedule. Please also deliver your client's undertaking as to damages.

Regards,
Dylan

Dylan Chochla
ASSOCIATE
T. +1 416 868 3425 | F. +1 416 364 7813

From: Rebecca Huang [<mailto:rhuang@rh-law.ca>]
Sent: August-17-18 4:19 PM
To: Dylan Chochla; Sarah Turney; Kristian Arciaga; KC Miu
Cc: Carolyn Best; Hannah Biesterfeld
Subject: RE: 414 Croft Street, Port Hope, Ontario

Dear counsel:

On behalf of Besco, we have commenced an injunction application. A copy of the notice of application is attached here for your reference. Please confirm that you have authority to accept service. We are also enclosing here a form to request a 930 appointment at the Commercial List. The Court's office has advised that the 9:30 Court is available on August 23. If you have received instructions to act as counsel for Mr. Wang, please sign back the form or authorize me to sign on your behalf. If you have no client instructions to accept service, please let me know too. I will then remove your name from the form.

Best regards,

Rebecca Huang LL.B., LL.M.
Principal Lawyer
Rebecca Huang* & Associates
Barristers
Suite 311, 330 Bay Street
Toronto, ON M5H 2S8
Office: 416.306.8450
Mobile: 416.816.6456
Fax: 416.306.8451
Email: rhuang@rh-law.ca
Website: www.rh-law.ca

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From: Dylan Chochla <dchochla@fasken.com>
Sent: August 16, 2018 5:12 PM
To: Rebecca Huang <rhuang@rh-law.ca>; Sarah Turney <sturney@fasken.com>; Kristian Arciaga <karciaga@fasken.com>; KC Miu <kmiu@fasken.com>
Cc: Carolyn Best <cbest@rh-law.ca>; Hannah Biesterfeld <hbiesterfeld@rh-law.ca>
Subject: RE: 414 Croft Street, Port Hope, Ontario

Dear Ms. Huang – We have your email and will confer with our client. Please inform us if/when you receive the instructions you are seeking. Please also confirm that, in the event we are required to bring proceedings for possession or other relief in connection with the enforcement of our client's mortgage, you will accept service on behalf of the mortgagor.

Regards,
Dylan

Dylan Chochla
ASSOCIATE
T. +1 416 868 3425 | F. +1 416 364 7813

From: Rebecca Huang [<mailto:rhuang@rh-law.ca>]
Sent: August-16-18 4:20 PM
To: Dylan Chochla; Sarah Turney; Kristian Arciaga; KC Miu
Cc: Carolyn Best; Hannah Biesterfeld
Subject: RE: 414 Croft Street, Port Hope, Ontario

Dear counsel:

I am seeking instructions to commence an injunction application against Mr. Weichang Yang next week. Please seek client instructions and advise you are authorized to accept service.

Rebecca Huang LL.B., LL.M.
 Principal Lawyer
Rebecca Huang* & Associates
 Barristers
 Suite 311, 330 Bay Street
 Toronto, ON M5H 2S8
 Office: 416.306.8450
 Mobile: 416.816.6456
 Fax: 416.306.8451
 Email: rhuang@rh-law.ca
 Website: www.rh-law.ca

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From: Rebecca Huang
Sent: July 27, 2018 11:34 AM
To: dchochla@fasken.com; Sarah Turney <sturney@fasken.com>; karciaga@fasken.com;
kmiu@fasken.com
Cc: Carolyn Best <cbest@rh-law.ca>; Hannah Biesterfeld <hbiesterfeld@rh-law.ca>; Rebecca Huang
 <rhuang@rh-law.ca>
Subject: 414 Croft Street, Port Hope, Ontario

Dear Counsel:

Please be advised that we are the process of being retained by Besco International Investment Co. Ltd. as its litigation counsel in Ontario in respect of the Notice of Sale issued by your office dated July 17, 2018. Please do not take any steps with respect to the property without first notifying our office.

Best regards,

Rebecca Huang LL.B., LL.M.
 Principal Lawyer
Rebecca Huang* & Associates

Barristers
Suite 311, 330 Bay Street
Toronto, ON M5H 2S8
Office: 416.306.8450
Mobile: 416.816.6456
Fax: 416.306.8451
Email: rhuang@rh-law.ca
Website: www.rh-law.ca

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This email contains privileged or confidential information and is intended only for the named recipients. If you have received this email in error or are not a named recipient, please notify the sender and destroy the email. A detailed statement of the terms of use can be found at the following address <https://www.fosken.com/en/terms-of-use-email/>.

Ce message contient des renseignements confidentiels ou privilégiés et est destiné seulement à la personne à qui il est adressé. Si vous avez reçu ce courriel par erreur, S.V.P. le retourner à l'expéditeur et le détruire. Une version détaillée des modalités et conditions d'utilisation se retrouve à l'adresse suivante <https://www.fosken.com/fr/terms-of-use-email/>.

<Endorsement of August 23, 2018.pdf>

RESICO INTERNATIONAL INVESTMENT CO., LTD

002

DATE 2008-07-20
Y Y Y Y M M D D

CO NAME
120-4611 Viking Way

ADDRESS
Richmond, BC V6V 2K9

CITY, PROVINCE, POSTAL CODE

PAY to WEI CHANG YANG \$ 40140.00/100
the order of Forty Thousand One Hundred and Forty /100 DOLLARS

Canada Trust
511 WEST 41ST AVENUE AT CAMBIE
VANCOUVER, BC V5Z 2M7

PER 张强

RE _____

⑈002⑈ ⑆00340⑈004⑆ 0034⑈5242666⑈

RESICO INTERNATIONAL INVESTMENT CO., LTD

003

DATE 2008-08-20
Y Y Y Y M M D D

CO NAME
21-4111 Viking Way

ADDRESS
Richmond, BC V6V 2K9

CITY, PROVINCE, POSTAL CODE

PAY to WEI CHANG YANG \$ 40140.00/100
the order of Forty Thousand One Hundred and Forty /100 DOLLARS

Canada Trust
511 WEST 41ST AVENUE AT CAMBIE
VANCOUVER, BC V5Z 2M7

PER 张强

RE _____

⑈003⑈ ⑆00340⑈004⑆ 0034⑈5242666⑈

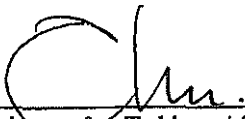
Tab AA

THIS IS EXHIBIT "AA"

referred to in the Affidavit of

Weichang Yang sworn before me this

17th day of September, 2018



***Commissioner for Taking Affidavits
(or as may be)***

(A commissioner for taking Affidavits for the Province of British Columbia)

Jantzen C. M. Chu, Barrister & Solicitor, Notary
Barrister & Solicitor, Province of British Columbia, Canada
Suite 618, 3381 Cambie Street, Vancouver, B.C. V5Z 4R3
Oriental Kenzo Plaza, Dong Cheng District, Beijing, China
China: +86- 135.2088.0208 Email: bc_lawyer@163.com
Canada: +1- 778.898.8787 Facsimile: +1- 604.430.8613

08/08/2018 17:09

(FAX)

P.001/005

RACINE LAW PROFESSIONAL CORPORATION
Barrister & Solicitor
50 Walton Street
Port Hope
ON
L1A 1N1

Tel: 905-800-0873
Fax: 905-800-1410

FAX TRANSMISSION

TO: Fasken Martineau DuMoulin LLP
333 Bay Street, Suite 2400
P.O. Box 20
Toronto, ON, M5H 2T6

Attention: Dylan Chochla

SUBJECT: Notice of Sale Under Mortgage
414 Croft Street, Port Hope, Ontario
My File No.: 180268

DATE: August 8, 2018

FAX NUMBER: 416-364-7813

NO. OF PAGES: 6 including cover sheet

MATERIAL SENT: Response to your Notice of Sale Under Mortgage of 414 Croft Street, Port Hope

IN CASE OF INCOMPLETE TRANSMISSION, PLEASE CONTACT OUR OFFICE

The documentation transmitted in this telecopy may contain confidential or privileged information. It is intended for the exclusive use of the person to whom it is addressed and may not otherwise be read, distributed, copied or disclosed. If you have received this telecopy in error, please notify our office immediately and return the original transmission to us. Thank you for your co-operation.

08/08/2018 17:09

(FAX)

P.002/005



Melanie Racine, B.A., LL.B.
Bruce Coleman, B.E.S., LL.B.
Colin Lyon, B.A., J.D.

August 8, 2018

Dylan Chochla
Fasken Martineau DuMoulin LLP
333 Bay Street, Suite 2400
P.O. Box 20
Toronto, ON, M5H 2T6

Dear Mr. Chochla:

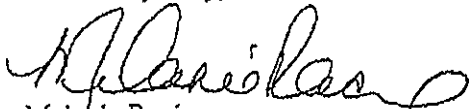
Re: Notice of Sale Under Mortgage
414 Croft Street, Port Hope, Ontario
My File No.: 180268

I am the solicitor representing the Corporation of the Municipality of Port Hope in the above-noted matter and I understand that you are representing the mortgagee, Weichang Yang.

On behalf of my client, I wish to confirm receipt of your letter of July 17, 2018, a copy of which I enclose herewith for your convenience, and thank you for same. I understand from your notice that you will be paying out municipal realty taxes as part of your power of sale proceeding. Please be advised that as of August 8, 2018 the total taxes and penalties owing to my client are \$839,897.02. This amount includes taxes, interest and water and waste arrears that have been added to the tax roll to date.

Please feel free to contact me should you have any questions about the foregoing.

Yours very truly,



Melanie Racine

MR:cj

08/08/2018 17:09

(FAX)

P.003/005

FASKEN

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

333 Bay Street, Suite 2400
P.O. Box 20
Toronto, Ontario M5H 2Y6
Canada

T +1 416 366 8381
+1 800 268 8424
F +1 416 366 7013
fasken.com

July 17, 2018
File No.: 310739,00002/18295

Dylan Chochla
Direct +1 416 868 3425
dchochla@fasken.com

By Registered Mail

Besco International Investment Co., Ltd.
809-6081 No. 3 Road
Richmond, BC V6Y 2B2

Besco International Investment Co., Ltd.
414 Croft Street East
Port Hope, ON L1A 4H1

Occupant
414 Croft Street East
Port Hope, ON L1A 4H1

The Municipality of Port Hope
Town Hall
56 Queen Street
Port Hope, ON L1A 3Z9

Dear All:

Re: Notice of Sale Under Mortgage - 414 Croft Street, Port Hope, Ontario (the "Property")

Please find enclosed a notice of sale in respect of the Property being delivered under the *Mortgages Act* (Ontario).

Please contact the undersigned if you have any questions about the notice of sale.

Yours very truly,

FASKEN MARTINEAU DU MOULIN LLP



Dylan Chochla

DC/ts
Enclosure

cc. KC Miu/ Kristian Arciaga/ Sarah Turney
(kmiu@fasken.com/ karciaga@fasken.com/ surney@fasken.com)
Fasken Martineau DuMoulin LLP

310739,00002/02533872.2

08/08/2018 17:10

(FAX)

P.004/005

NOTICE OF SALE UNDER MORTGAGE

TO: BESCO INTERNATIONAL INVESTMENT CO., LTD.
809 - 6081 NO. 3 ROAD
RICHMOND, BC V6Y 2B2

AND TO: BESCO INTERNATIONAL INVESTMENT CO., LTD.
414 CROFT STREET EAST
PORT HOPE, ON L1A 4M1

AND TO: OCCUPANT
414 CROFT STREET EAST
PORT HOPE, ON L1A 4M1

AND TO: THE MUNICIPALITY OF PORT HOPE
TOWN HALL
56 QUEEN STREET
PORT HOPE, ON L1A 3Z9

TAKE NOTICE that default has been made in payment of the money due under a certain mortgage dated May 28, 2018 and registered on May 28, 2018, as Instrument No. ND166861 in the Land Registry Office of the Land Titles Division of Northumberland (LRO #39) made between:

BESCO INTERNATIONAL INVESTMENT CO., LTD.

Mortgagor

and

WHICHANG YANG

Mortgagee,

on the security of all and singular that certain parcel or tract of land and premises situate, lying and being 414 CROFT STREET, PORT HOPE, ONTARIO and being composed of: PIN #51082-0010(LT), described as PT LT 1-2 CON 1 HOPE PT 2 9R2307 EXCEPT PT 1 39R9406; PORT HOPE.

And I hereby give you notice that the amounts now due on the mortgage for principal money, interest and costs, respectively, are as follows:

For principal as at July 17, 2018	\$3,211,300.00
For interest to August 23, 2018 (37 days from July 17, 2018)	\$127,149.61
For taxes as at July 6, 2018	\$826,837.88
And for costs	\$107,640.47 ¹
Total:	<u>\$4,272,927.96</u>

And unless the said sums are paid, together with interest thereon at the rate of 15% per annum compounded monthly, not in advance, before and after demand, default and judgment and any further costs and disbursements incurred in these proceedings, on or before the 23rd day of August, 2018 the undersigned shall sell the property covered by the said mortgage under the provisions contained in it.

¹ Exclusive of applicable taxes and disbursements.

08/08/2018 17:10

(FAX)

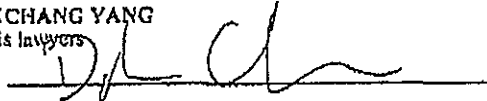
P.005/005

- 2 -

This notice is given to you as you appear to have an interest in the mortgaged property and may be entitled to redeem the same.

Dated this 17th day of July 2018

WEICHANG YANG
by his lawyers

A handwritten signature in black ink, appearing to be 'D. La...', written over a horizontal line.

FASKEN MARTINEAU DUMOULIN LLP
Barristers and Solicitors
333 Bay Street, Suite 2400
P.O. Box 20
Toronto, ON M5H 2T6

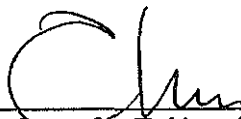
Tab BB

THIS IS EXHIBIT "BB"

referred to in the Affidavit of

Weichang Yang sworn before me this

17th day of September, 2018



***Commissioner for Taking Affidavits
(or as may be)***

(A commissioner for taking Affidavits for the Province of British Columbia)

Jantzen C. M. Chu, Barrister & Solicitor, Notary
Barrister & Solicitor, Province of British Columbia, Canada
Suite 616, 3381 Cambie Street, Vancouver, B.C. V5Z 4R3
Oriental Kenzo Plaza, Dong Cheng District, Beijing, China
China: +86- 135.2088.0208 Email: bc_lawyer@163.com
Canada: +1- 778.898.8787 Facsimile: +1- 604.430.8613

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Page: 1

Lterm: XPSP0050 BC OnLine: PPRS SEARCH RESULT 2018/09/08
For: PA52731 FASKEN MARTINEAU DUMOULIN LLP 11:44:30

Search Criteria: BESCO INTERNATIONAL INVESTMENT Index: BUSINESS DEBTOR

***** P P S A S E C U R I T Y A G R E E M E N T *****

Reg. Date: JUL 13, 2017 Reg. Length: 1 YEAR
Reg. Time: 17:46:54 Expiry Date: JUL 13, 2020
Base Reg. #: 138970K Control #: D4651060
*** Expiry date includes subsequent registered renewal(s).

This registration was selected and included for your protection because of close proximity to your search criteria.

Block#

S0001 Secured Party: WEICHANG YANG
NO. 8 BEISANJIE FUCHENG RD
BEIJING PRC 100048

=D0001 Base Debtor: BESCO INTERNATIONAL INVESTMENT CO LTD
(Business) 120-4611 VIKING WAY
RICHMOND BC V6Y 2K9

General Collateral:
ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY,
INCLUDING WITHOUT LIMITATION FIXTURES, AND AN UNCRYSTALLIZED FLOATING
CHARGE ON LAND.
(TERMS USED HEREIN THAT ARE DEFINED IN THE PERSONAL PROPERTY SECURITY
ACT OF BRITISH COLUMBIA OR THE REGULATIONS MADE THEREUNDER HAVE THOSE
DEFINED MEANINGS).
THE FULL ADDRESS OF THE SECURED PARTY IS:
NO. 8 BEISANJIE FUCHENG ROAD, HAIDIAN DISTRICT, BEIJING, CHINA, 100048

Registering
Party: FASKEN MARTINEAU DUMOULIN LLP
SUITE 2900, 550 BURREARD STREET
VANCOUVER BC V6C 0A3

----- R E N E W A L -----

Reg. #: 148431k Reg. Date: JUL 18, 2017
Reg. Life: 2 YEARS Reg. Time: 17:43:08
Control #: D4660717
Base Reg. Type: PPSA SECURITY AGREEMENT
Base Reg. #: 138970K Base Reg. Date: JUL 13, 2017

Registering
Party: FASKEN MARTINEAU DUMOULIN LLP
SUITE 2900, 550 BURREARD STREET
VANCOUVER BC V6C 0A3

Continued on Page 2

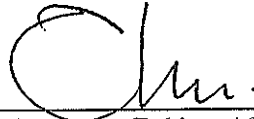
Tab CC

THIS IS EXHIBIT "CC"

referred to in the Affidavit of

Weichang Yang sworn before me this

17th day of September, 2018



*Commissioner for Taking Affidavits
(or as may be)*

(A commissioner for taking Affidavits for the Province of British Columbia)

Jantzen C. M. Chu, Barrister & Solicitor, Notary
Barrister & Solicitor, Province of British Columbia, Canada
Suite 618, 3381 Cambie Street, Vancouver, B.C. V5Z 4R3
Oriental Kenzo Plaza, Dong Cheng District, Beijing, China
China: +86- 135.2088.0208 Email: bc_lawyer@163.com
Canada: +1- 778.898.8787 Facsimile: +1- 604.430.8613

Per Diem Interest Calculation Schedule

Date	Principal Amount	Other Fees	Monthly Accrued Interest	Adjusted Principal Amount	Interest Rate	Interest Per Diem	Accrued Interest
21-May-18	3,211,300.00	-	-	3,211,300.00	15% / 365	1,319.71	1,319.71
22-May-18	3,211,300.00	-	-	3,211,300.00	15% / 365	1,319.71	2,639.42
23-May-18	3,211,300.00	-	-	3,211,300.00	15% / 365	1,319.71	3,959.14
24-May-18	3,211,300.00	-	-	3,211,300.00	15% / 365	1,319.71	5,278.85
25-May-18	3,211,300.00	-	-	3,211,300.00	15% / 365	1,319.71	6,598.56
26-May-18	3,211,300.00	-	-	3,211,300.00	15% / 365	1,319.71	7,918.27
27-May-18	3,211,300.00	-	-	3,211,300.00	15% / 365	1,319.71	9,237.99
28-May-18	3,211,300.00	-	-	3,211,300.00	15% / 365	1,319.71	10,557.70
29-May-18	3,211,300.00	-	-	3,211,300.00	15% / 365	1,319.71	11,877.41
30-May-18	3,211,300.00	-	-	3,211,300.00	15% / 365	1,319.71	13,197.12
31-May-18	3,211,300.00	-	-	3,211,300.00	15% / 365	1,319.71	14,516.84
01-Jun-18	3,211,300.00	-	14,516.84	3,225,816.84	15% / 365	1,325.68	15,842.51
02-Jun-18	3,211,300.00	-	-	3,225,816.84	15% / 365	1,325.68	17,168.19
03-Jun-18	3,211,300.00	-	-	3,225,816.84	15% / 365	1,325.68	18,493.87
04-Jun-18	3,211,300.00	-	-	3,225,816.84	15% / 365	1,325.68	19,819.55
05-Jun-18	3,211,300.00	-	-	3,225,816.84	15% / 365	1,325.68	21,145.23
06-Jun-18	3,211,300.00	-	-	3,225,816.84	15% / 365	1,325.68	22,470.90
07-Jun-18	3,211,300.00	-	-	3,225,816.84	15% / 365	1,325.68	23,796.58
08-Jun-18	3,211,300.00	-	-	3,225,816.84	15% / 365	1,325.68	25,122.26
09-Jun-18	3,211,300.00	-	-	3,225,816.84	15% / 365	1,325.68	26,447.94
10-Jun-18	3,211,300.00	-	-	3,225,816.84	15% / 365	1,325.68	27,773.62
11-Jun-18	3,211,300.00	-	-	3,225,816.84	15% / 365	1,325.68	29,099.30
12-Jun-18	3,211,300.00	-	-	3,225,816.84	15% / 365	1,325.68	30,424.97
13-Jun-18	3,211,300.00	-	-	3,225,816.84	15% / 365	1,325.68	31,750.65
14-Jun-18	3,211,300.00	-	-	3,225,816.84	15% / 365	1,325.68	33,076.33
15-Jun-18	3,211,300.00	-	-	3,225,816.84	15% / 365	1,325.68	34,402.01
16-Jun-18	3,211,300.00	-	-	3,225,816.84	15% / 365	1,325.68	35,727.69
17-Jun-18	3,211,300.00	-	-	3,225,816.84	15% / 365	1,325.68	37,053.36
18-Jun-18	3,211,300.00	-	-	3,225,816.84	15% / 365	1,325.68	38,379.04

19-Jun-18	3,211,300.00	-	-	3,225,816.84	15% / 365	1,325.68	39,704.72
20-Jun-18	3,211,300.00	-	-	3,225,816.84	15% / 365	1,325.68	41,030.40
21-Jun-18	3,211,300.00	-	-	3,225,816.84	15% / 365	1,325.68	42,356.08
22-Jun-18	3,211,300.00	-	-	3,225,816.84	15% / 365	1,325.68	43,681.75
23-Jun-18	3,211,300.00	-	-	3,225,816.84	15% / 365	1,325.68	45,007.43
24-Jun-18	3,211,300.00	-	-	3,225,816.84	15% / 365	1,325.68	46,333.11
25-Jun-18	3,211,300.00	-	-	3,225,816.84	15% / 365	1,325.68	47,658.79
26-Jun-18	3,211,300.00	-	-	3,225,816.84	15% / 365	1,325.68	48,984.47
27-Jun-18	3,211,300.00	-	-	3,225,816.84	15% / 365	1,325.68	50,310.15
28-Jun-18	3,211,300.00	-	-	3,225,816.84	15% / 365	1,325.68	51,635.82
29-Jun-18	3,211,300.00	-	-	3,225,816.84	15% / 365	1,325.68	52,961.50
30-Jun-18	3,211,300.00	-	-	3,225,816.84	15% / 365	1,325.68	54,287.18
01-Jul-18	3,211,300.00	-	54,287.18	3,265,587.18	15% / 365	1,342.02	55,629.20
02-Jul-18	3,211,300.00	-	-	3,265,587.18	15% / 365	1,342.02	56,971.22
03-Jul-18	3,211,300.00	-	-	3,265,587.18	15% / 365	1,342.02	58,313.25
04-Jul-18	3,211,300.00	-	-	3,265,587.18	15% / 365	1,342.02	59,655.27
05-Jul-18	3,211,300.00	-	-	3,265,587.18	15% / 365	1,342.02	60,997.29
06-Jul-18	3,211,300.00	-	-	3,265,587.18	15% / 365	1,342.02	62,339.31
07-Jul-18	3,211,300.00	-	-	3,265,587.18	15% / 365	1,342.02	63,681.34
08-Jul-18	3,211,300.00	-	-	3,265,587.18	15% / 365	1,342.02	65,023.36
09-Jul-18	3,211,300.00	-	-	3,265,587.18	15% / 365	1,342.02	66,365.38
10-Jul-18	3,211,300.00	-	-	3,265,587.18	15% / 365	1,342.02	67,707.40
11-Jul-18	3,211,300.00	-	-	3,265,587.18	15% / 365	1,342.02	69,049.42
12-Jul-18	3,211,300.00	-	-	3,265,587.18	15% / 365	1,342.02	70,391.45
13-Jul-18	3,211,300.00	-	-	3,265,587.18	15% / 365	1,342.02	71,733.47
14-Jul-18	3,211,300.00	-	-	3,265,587.18	15% / 365	1,342.02	73,075.49
15-Jul-18	3,211,300.00	-	-	3,265,587.18	15% / 365	1,342.02	74,417.51
16-Jul-18	3,211,300.00	-	-	3,265,587.18	15% / 365	1,342.02	75,759.53
17-Jul-18	3,211,300.00	-	-	3,265,587.18	15% / 365	1,342.02	77,101.56
18-Jul-18	3,211,300.00	-	-	3,265,587.18	15% / 365	1,342.02	78,443.58
19-Jul-18	3,211,300.00	-	-	3,265,587.18	15% / 365	1,342.02	79,785.60
20-Jul-18	3,211,300.00	-	-	3,265,587.18	15% / 365	1,342.02	81,127.62
21-Jul-18	3,211,300.00	-	-	3,265,587.18	15% / 365	1,342.02	82,469.64
22-Jul-18	3,211,300.00	-	-	3,265,587.18	15% / 365	1,342.02	83,811.67

23-Jul-18	3,211,300.00	-	-	3,265,587.18	15% / 365	1,342.02	85,153.69
24-Jul-18	3,211,300.00	-	-	3,265,587.18	15% / 365	1,342.02	86,495.71
25-Jul-18	3,211,300.00	-	-	3,265,587.18	15% / 365	1,342.02	87,837.73
26-Jul-18	3,211,300.00	-	-	3,265,587.18	15% / 365	1,342.02	89,179.76
27-Jul-18	3,211,300.00	-	-	3,265,587.18	15% / 365	1,342.02	90,521.78
28-Jul-18	3,211,300.00	-	-	3,265,587.18	15% / 365	1,342.02	91,863.80
29-Jul-18	3,211,300.00	-	-	3,265,587.18	15% / 365	1,342.02	93,205.82
30-Jul-18	3,211,300.00	-	-	3,265,587.18	15% / 365	1,342.02	94,547.84
31-Jul-18	3,211,300.00	-	-	3,265,587.18	15% / 365	1,342.02	95,889.87
01-Aug-18	3,211,300.00	-	95,889.87	3,307,189.87	15% / 365	1,359.12	97,248.99
02-Aug-18	3,211,300.00	-	-	3,307,189.87	15% / 365	1,359.12	98,608.10
03-Aug-18	3,211,300.00	-	-	3,307,189.87	15% / 365	1,359.12	99,967.22
04-Aug-18	3,211,300.00	-	-	3,307,189.87	15% / 365	1,359.12	101,326.34
05-Aug-18	3,211,300.00	-	-	3,307,189.87	15% / 365	1,359.12	102,685.46
06-Aug-18	3,211,300.00	-	-	3,307,189.87	15% / 365	1,359.12	104,044.58
07-Aug-18	3,211,300.00	-	-	3,307,189.87	15% / 365	1,359.12	105,403.70
08-Aug-18	3,211,300.00	-	-	3,307,189.87	15% / 365	1,359.12	106,762.82
09-Aug-18	3,211,300.00	-	-	3,307,189.87	15% / 365	1,359.12	108,121.94
10-Aug-18	3,211,300.00	-	-	3,307,189.87	15% / 365	1,359.12	109,481.06
11-Aug-18	3,211,300.00	-	-	3,307,189.87	15% / 365	1,359.12	110,840.18
12-Aug-18	3,211,300.00	-	-	3,307,189.87	15% / 365	1,359.12	112,199.30
13-Aug-18	3,211,300.00	-	-	3,307,189.87	15% / 365	1,359.12	113,558.41
14-Aug-18	3,211,300.00	-	-	3,307,189.87	15% / 365	1,359.12	114,917.53
15-Aug-18	3,211,300.00	-	-	3,307,189.87	15% / 365	1,359.12	116,276.65
16-Aug-18	3,211,300.00	-	-	3,307,189.87	15% / 365	1,359.12	117,635.77
17-Aug-18	3,211,300.00	-	-	3,307,189.87	15% / 365	1,359.12	118,994.89
18-Aug-18	3,211,300.00	-	-	3,307,189.87	15% / 365	1,359.12	120,354.01
19-Aug-18	3,211,300.00	-	-	3,307,189.87	15% / 365	1,359.12	121,713.13
20-Aug-18	3,211,300.00	-	-	3,307,189.87	15% / 365	1,359.12	123,072.25
21-Aug-18	3,211,300.00	-	-	3,307,189.87	15% / 365	1,359.12	124,431.37
22-Aug-18	3,211,300.00	-	-	3,307,189.87	15% / 365	1,359.12	125,790.49
23-Aug-18	3,211,300.00	-	-	3,307,189.87	15% / 365	1,359.12	127,149.61
24-Aug-18	3,211,300.00	-	-	3,307,189.87	15% / 365	1,359.12	128,508.73
25-Aug-18	3,211,300.00	-	-	3,307,189.87	15% / 365	1,359.12	129,867.84

26-Aug-18	3,211,300.00	-	-	3,307,189.87	15% / 365	1,359.12	131,226.96
27-Aug-18	3,211,300.00	-	-	3,307,189.87	15% / 365	1,359.12	132,586.08
28-Aug-18	3,211,300.00	-	-	3,307,189.87	15% / 365	1,359.12	133,945.20
29-Aug-18	3,211,300.00	-	-	3,307,189.87	15% / 365	1,359.12	135,304.32
30-Aug-18	3,211,300.00	-	-	3,307,189.87	15% / 365	1,359.12	136,663.44
31-Aug-18	3,211,300.00	-	-	3,307,189.87	15% / 365	1,359.12	138,022.56
01-Sep-18	3,211,300.00	-	138,022.56	3,349,322.56	15% / 365	1,376.43	139,398.99
02-Sep-18	3,211,300.00	-	-	3,349,322.56	15% / 365	1,376.43	140,775.43
03-Sep-18	3,211,300.00	-	-	3,349,322.56	15% / 365	1,376.43	142,151.86
04-Sep-18	3,211,300.00	-	-	3,349,322.56	15% / 365	1,376.43	143,528.29
05-Sep-18	3,211,300.00	-	-	3,349,322.56	15% / 365	1,376.43	144,904.73
06-Sep-18	3,211,300.00	-	-	3,349,322.56	15% / 365	1,376.43	146,281.16
07-Sep-18	3,211,300.00	-	-	3,349,322.56	15% / 365	1,376.43	147,657.60
08-Sep-18	3,211,300.00	-	-	3,349,322.56	15% / 365	1,376.43	149,034.03
09-Sep-18	3,211,300.00	-	-	3,349,322.56	15% / 365	1,376.43	150,410.46
10-Sep-18	3,211,300.00	-	-	3,349,322.56	15% / 365	1,376.43	151,786.90
11-Sep-18	3,211,300.00	-	-	3,349,322.56	15% / 365	1,376.43	153,163.33
12-Sep-18	3,211,300.00	-	-	3,349,322.56	15% / 365	1,376.43	154,539.77
13-Sep-18	3,211,300.00	-	-	3,349,322.56	15% / 365	1,376.43	155,916.20
14-Sep-18	3,211,300.00	-	-	3,349,322.56	15% / 365	1,376.43	157,292.63
15-Sep-18	3,211,300.00	-	-	3,349,322.56	15% / 365	1,376.43	158,669.07
16-Sep-18	3,211,300.00	-	-	3,349,322.56	15% / 365	1,376.43	160,045.50
17-Sep-18	3,211,300.00	-	-	3,349,322.56	15% / 365	1,376.43	161,421.94
18-Sep-18	3,211,300.00	-	-	3,349,322.56	15% / 365	1,376.43	162,798.37
19-Sep-18	3,211,300.00	-	-	3,349,322.56	15% / 365	1,376.43	164,174.80
20-Sep-18	3,211,300.00	-	-	3,349,322.56	15% / 365	1,376.43	165,551.24
21-Sep-18	3,211,300.00	-	-	3,349,322.56	15% / 365	1,376.43	166,927.67
22-Sep-18	3,211,300.00	-	-	3,349,322.56	15% / 365	1,376.43	168,304.11
23-Sep-18	3,211,300.00	-	-	3,349,322.56	15% / 365	1,376.43	169,680.54
24-Sep-18	3,211,300.00	-	-	3,349,322.56	15% / 365	1,376.43	171,056.97
25-Sep-18	3,211,300.00	-	-	3,349,322.56	15% / 365	1,376.43	172,433.41
26-Sep-18	3,211,300.00	-	-	3,349,322.56	15% / 365	1,376.43	173,809.84
27-Sep-18	3,211,300.00	-	-	3,349,322.56	15% / 365	1,376.43	175,186.28
28-Sep-18	3,211,300.00	-	-	3,349,322.56	15% / 365	1,376.43	176,562.71

29-Sep-18	3,211,300.00	-	-	3,349,322.56	15% / 365	1,376.43	177,939.14
30-Sep-18	3,211,300.00	-	-	3,349,322.56	15% / 365	1,376.43	179,315.58
01-Oct-18	3,211,300.00	-	179,315.58	3,390,615.58	15% / 365	1,393.40	180,708.98

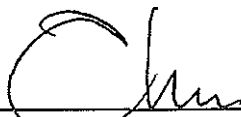
Tab DD

THIS IS EXHIBIT "DD"

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Weichang Yang sworn before me this

17th day of September, 2018



***Commissioner for Taking Affidavits
(or as may be)***

(A commissioner for taking Affidavits for the Province of British Columbia)

Jantzen C. M. Chu, Barrister & Solicitor, Notary
Barrister & Solicitor, Province of British Columbia, Canada
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Oriental Kenzo Plaza, Dong Cheng District, Beijing, China
China: +86- 135.2088.0208 Email: bc_lawyer@163.com
Canada: +1- 778.898.8787 Facsimile: +1- 604.430.8613

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

WEICHANG YANG

Applicant

- and -

BESCO INTERNATIONAL INVESTMENT CO., LTD.

Respondent

APPLICATION UNDER section 243(1) of the *Bankruptcy and Insolvency Act*, RSC, 1985, c B-3, as amended, and section 101 of the *Courts of Justice Act*, RSO 1990, c C.43, as amended


CONSENT

KSV KOFFMAN INC. hereby consents to act as receiver in the above-captioned proceeding pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended, and section 101 of the *Courts of Justice Act*, RSO 1990, c C.43, as amended.

Dated at Toronto this 12th day of September, 2018.

KSV KOFFMAN INC.

Per:


Name: Mitch Vinitsky
Title: Managing Director
I have authority to bind the company

Court File No.:

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceedings commenced at Toronto

CONSENT OF RECEIVER

FASKEN MARTINEAU DuMOULIN LLP
333 Bay Street, Suite 2400
Bay Adelaide Centre, Box 20
Toronto, ON M5H 2T6

Stuart Brotman [LSO# 43430D]
Tel: 416 865 5419
Fax: 416 364 7813
Email: sbrotman@fasken.com

Dylan Chochla [LSO# 62137I]
Tel: 416 868 3425
Fax: 416 364 7813
Email: dchochla@fasken.com

Lawyers for the Applicant

ESCO INTERNATIONAL INVESTMENT CO., LTD.
Applicant

-and-

WEICHANG YANG
Respondent

Court File No.: CV-18-603559-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceedings commenced at Toronto

AFFIDAVIT OF WEICHANG YANG

FASKEN MARTINEAU DuMOULIN LLP
333 Bay Street, Suite 2400
Bay Adelaide Centre, Box 20
Toronto, ON M5H 2T6

Stuart Brotman [LSO# 43430D]
Tel: 416 865 5419
Fax: 416 364 7813
Email: sbrotman@fasken.com

Dylan Chochla [LSO# 62137I]
Tel: 416 868 3425
Fax: 416 364 7813
Email: dchochla@fasken.com

Lawyers for the Respondent

2-18-9-17
[Handwritten initials]

Tab 3

WEICHANG YANG
Applicant

-and-

BESCO INTERNATIONAL INVESTMENT CO., LTD.
Respondent

Court File No.: CV-18-605366-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceedings commenced at Toronto

APPLICATION RECORD

FASKEN MARTINEAU DuMOULIN LLP
333 Bay Street, Suite 2400
Bay Adelaide Centre, Box 20
Toronto, ON M5H 2T6

Stuart Brotman [LSO# 43430D]

Tel: 416 865 5419

Fax: 416 364 7813

Email: sbrotman@fasken.com

Dylan Chochla [LSO# 62137I]

Tel: 416 868 3425

Fax: 416 364 7813

Email: dchochla@fasken.com

Lawyers for the Applicant