

This is the 1st affidavit of
Remy Caruso in this
case and was made on
February 10, 2023

No. _____
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

PEAKHILL CAPITAL INC.

PETITIONER

AND:

SOUTHVIEW GARDENS LIMITED PARTNERSHIP, SOUTHVIEW GARDENS BT LTD.,
SOUTHVIEW GARDENS PROPERTIES LTD., ZHEN YU ZHONG, JUNCHAO MO,
COROMANDEL PROPERTIES (2016) LTD., BAYSTONE PROPERTIES (2016) LTD., and
COROMANDEL HOLDINGS LTD.

RESPONDENTS

AFFIDAVIT

I, Remy Caruso, of 10 King Street East, Suite 401, Toronto, Ontario SWEAR THAT:

1. I am a Director for the Petitioner, Peakhill Capital Inc. (the “**Lender**”), and as such have personal knowledge of the matters deposed to in this affidavit, except where I depose to a matter based on information from an informant I identify, in which case I believe that both the information from the informant and the resulting statement are true. I am authorized to make this Affidavit on behalf of the Lender.
2. This affidavit is made in support of the order sought by the Lender that KSV Restructuring Inc. be appointed as receiver and manager (“**Receiver**”) of certain property of Southview Gardens BT LTD., Southview Gardens Limited Partnership, and Southview Gardens Properties Ltd. (collectively, the “**Borrowers**”) pursuant to Section 423(1) of the

Bankruptcy and Insolvency Act (Canada) (the “BIA”) and Section 39 of the Law and Equity Act (British Columbia).

Introduction

3. Peakhill provided the Borrowers with a demand facility mortgage loan for \$50,000,000 (the “**Loan**”) pursuant to the terms of a commitment letter dated October 30, 2020 (the “**Commitment Letter**”). A copy of the Commitment Letter is attached and marked as **Exhibit “A”**.
4. The Commitment Letter was provided in relation to residential property located at 3240 East 58th Avenue, Vancouver, British Columbia, legally described as:

PID: 007-982-160

Lot 14, District Lot 334, Plan 13993

(the “**Land**” or “**Southview Gardens**”).
5. Each of Zhen Yu Zhong, Jun Chao Mo, Coromandel Properties (2016) Ltd., Baystone Properties (2016) Ltd., and Coromandel Holdings Ltd. have provided personal guarantees related to the Loan.
6. Copies of the BC Registry Services company summaries for each of the corporate Respondents are attached and marked as **Exhibit “B”**.
7. To secure payment of their obligations to the Lender, the Borrowers granted to the Lender a comprehensive security package over their respective assets, undertakings, and property, as further described below. This includes a first-ranking:
 - (a) mortgage over the Land;
 - (b) an assignment of rents, and
 - (c) a project specific security agreement with respect to the Borrowers and the collateral property of the Borrowers.
8. The Borrowers have committed several events of default in breach of the Commitment Letter:

- (a) an additional mortgage was registered against the Land without the consent or knowledge of the Lender;
 - (b) the Borrowers failed to pay to the Lender a monthly interest installment; and
 - (c) the Borrowers failed to pay the full balance of the Loan due on January 1, 2023
(collectively, the “**Defaults**”).
9. In further default of the Loan, the Borrowers filed a petition for protection under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, C. C-36 on February 6, 2023 (the “**CCAA Petition**”). I have reviewed the CCAA Petition and the Affidavit of Zhen Yu Zong (the “**Zhong Affidavit #1**”), and I understand that the CCAA Petition relates to 16 different properties, including Southview Gardens, and approximately \$700 million of secured debt.
 10. The relief sought in the CCAA Petition negatively impacts the Lender’s security and places that security at risk. For example, Mr. Zhong admits at paragraph 20 of his affidavit that the Borrowers are unable to meet their debt obligations as they become due. Concerningly, there is no apparent plan to service its \$700 million of secured debt, including the Loan, beyond “seek[ing] further contributions of equity,” according to paragraph 20 of the Zhong Affidavit #1.
 11. Alarming, the Borrowers intend to use the rent generated from Southview Gardens to fund their unrelated debt obligations and operations. Mr. Zhong states at paragraph 263 of his affidavit that “the Petitioners are able to operate on a positive cash flow provided that creditors are stayed”. Mr. Zhong further admits that only two properties are generating rental income, and one of those is Southview Gardens. I understand this to mean that the Borrowers intend to use the Southview Gardens rental income for purposes other than paying down the Loan. The Borrowers are not permitted to do this when there has been a default pursuant to Section 2.3 of the assignment of rents.
 12. Critically, there are no cross-guarantees between the Lender’s security for Southview Gardens and the other \$650 million in secured debt. The Southview Gardens property, and the associated security of the Lender, stand alone.
 13. For the foregoing reasons, the Lender is concerned that its security is at risk. The Borrowers have not acted transparently with the Lender, the Borrowers admit they cannot meet their

obligations, and have committed severe breaches under the Loan documents. Accordingly, the Lender does not have confidence that the Borrowers' management will work diligently, transparently, and in good faith to satisfy the Borrowers' obligations to the Lender.

14. The Lender seeks the immediate appointment of a receiver and manager over all the assets, undertakings, and businesses of the Borrowers as it relates to the Land, together with the Land itself, and including proceeds thereof. The Lender seeks the appointment to protect its secured position, prevent against the potential impairment of the value of such property, and assume conduct of the sale process of such property in the interest of all affected stakeholders.

The Land

15. Southview Gardens is a rental property with 140 townhouses and apartment units. It is not managed by the Borrowers. The property is managed by a third party, BentallGreenOak. I understand from my review of the Zhong Affidavit #1 that Southview Gardens generates approximately \$224,000 a month in rent.

The Loan, Guarantees, and Mortgage

16. The Lender provided the Borrowers with the Loan in the amount of \$50,000,000 pursuant to the terms of the Commitment Letter.
17. The principal amount of the Loan is guaranteed by Zhen Yu Zhong, Jun Chao Mo, Coromandel Properties (2016) Ltd., Baystone Properties (2016) Ltd., and Coromandel Holdings Ltd. pursuant to the terms of a guarantee dated November 24, 2020 (the "**Guarantee**"). A copy of the Guarantee is attached and marked as **Exhibit "C"**.
18. The Borrowers also granted the following additional security to the Lender:
 - (a) a mortgage dated November 24, 2020 in respect of the Land and duly registered on November 26, 2020 at the New Westminster land title office as instrument number CA8598034 (the "**Mortgage**");
 - (b) an assignment of rents dated November 24, 2020 in respect of the Land and duly registered on November 26, 2020 at the New Westminster land title office as instrument number CA8598035 (the "**Assignment of Rents**")(collectively, the "**Peahill Mortgage**").

19. A copy of the Mortgage is attached and marked as **Exhibit “D”**. A copy of the Assignment of Rents is attached and marked as **Exhibit “E”**.
20. The Mortgage and the Assignment of Rents are registered in first priority on title of the Land. As of February 2, 2023, the other charges, liens, and interests registered on the title for the Land are:
 - (a) a mortgage and an assignment of rents registered on May 28, 2019, held by Woodbourne Canada IV GP ULC, WB Canada Partners IV (INT) MF CORP., and WB Canada Partners IV MF, LLC (the “**Woodbourne Mortgage**”);
 - (b) a “Subordination and Standstill Agreement” registered on November 30, 2020, granting the Lender Mortgage priority over the Woodbourne Mortgage, (the “**Priority Agreement**”), a copy of this priority agreement is attached and marked as **Exhibit “F”**;
 - (c) a mortgage and an assignment of rents registered on March 28, 2022, held by Cenyard Pacific Developments Inc. (the “**Cenyard Mortgage**”); and
 - (d) a priority agreement registered on March 29, 2022, granting the Cenyard Mortgage priority over the Woodbourne Mortgage.
21. Attached and marked as **Exhibit “G”** is a copy of a land title search from the New Westminister Land Title Office dated February 2, 2023.
22. The Lender is permitted to appoint a receiver and manager under Section 11.5 of the Mortgage on the occurrence of an event of default.

Additional Security Documents

23. The Lender was also provided the following additional security for the Commitment Letter:
 - (a) Project Specific Security Agreement, dated November 24, 2020 (the “**Project Specific Security Agreement**”), attached and marked as **Exhibit “H”**;
 - (b) Assignment of Insurance, executed November 24, 2020;
 - (c) Deposit Agreement, dated November 24, 2020;
 - (d) Assignment of Specific Contract, dated November 24, 2020;
 - (e) General Assignment of Material Contracts, Plans, and Permits, dated November 24, 2020;
 - (f) Assignment and Postponement of Claim, dated November 24, 2020; and

- (g) Environmental Agreement and Indemnity, dated November 24, 2020.
24. The Lender holds first ranking priority over the personal property of the Borrowers related to the Land (the “**Property**”) further to the Project Specific Security Agreement.
25. As of February 1, 2023, the other interests registered in the BC Personal Property Registry against the Property are:
- (a) registrations 530256L registered on May 28, 2019, held by Woodbourne Canada Partners IV (CA) LP, WB Canada Partners IV (INT) MF CORP., and WB Canada Partners IV MF, LLC (together with the Woodbourne Mortgage, the “**Woodbourne PPSA Security**”); and
- (b) registrations 622742N, 622739N, and 622741N registered on March 25, 2022, held by Cenyard Pacific Developments Inc. and registered two years after the Lender’s security interest was registered.
26. The Priority Agreement grants the Lender priority over the Woodbourne PPSA Security.
27. Attached and marked as **Exhibit “I”** is a copy of BC Personal Property Registry searches for the Borrowers, dated February 1, 2023.
28. The Lender is permitted to appoint a receiver and manager under Section 8.2 of the Project Specific Security Agreement on the occurrence of an event of default

The Cenyard Security Default

29. On or about October 27, 2022, the Lender discovered that the Cenyard Mortgage was registered on the title of the Land in favour of Cenyard Pacific Developments Inc. as mortgage CA9812473 and an assignment of rents CA9812474 (the “**Cenyard Security Default**”). This was done without the Lender’s knowledge or consent. Attached and marked as **Exhibit “J”** is a copy of the October 27, 2022 email chain between myself and the Lender’s solicitors providing a title search that disclosed the registration of the Cenyard Mortgage.

30. The Cenyard Security Default occurred in default of the Commitment Letter, Article 10.1 of the Mortgage, Article 4.2(c) of the Assignment of Rents, and Article 7.1(c) of the Project Specific Security Agreement.
31. On January 13, 2023, the Lender, via its counsel at Osler, Hoskin & Harcourt LLP (“**Osler**”), issued a notice of default to the Borrowers as a result of the Cenyard Security Default. A copy of this notice is attached and marked as **Exhibit “K”**.

The Missed Payment Default

32. On January 1, 2023, the Borrowers failed to pay to the Lender both a monthly interest installment, and the full balance of the Loan which became due and owing on that date (the “**Missed Payment Default**”).
33. The Missed Payment Default occurred in default of the Commitment Letter, Article 4.1 of the Mortgage, and Article 7.1(c) of the Project Specific Security Agreement.

Demand for Payment

34. On January 23, 2023, the Lender, via its counsel Osler, delivered to the Respondents a notice of demand for payment of the Loan further to the Commitment Letter, the Mortgage, and the Assignment of Rents. Osler also sent a Notice of Intention to Enforce Security delivered pursuant to s. 244 of the *Bankruptcy and Insolvency Act (Canada)* on that same day. A copy of the demand and the Notice of Intention to Enforce are attached and marked as **Exhibit “L”**.
35. The Borrowers have failed to pay the outstanding Loan. The Lender did not receive a response to the demand. In fact, the Lender did not receive any correspondence from the Borrowers until the Lender’s counsel was provided the CCAA Petition on Sunday, February 5, 2023
36. As of February 8, 2023 the amount outstanding is \$51,016,552.26 (excluding fees and costs, such as legal and financial advisor fees, and accrued interest, all of which are payable to the Lender). Attached and marked as **Exhibit “M”** is a copy of the February 10, 2023 payout statement.

Concerns about Land Value

37. As a Director, I have significant experience with the valuation and sale of real property. Given this experience, I am concerned that the rising interest rates and higher costs to build have negatively affected the value of the Land. In my experience with the market, there is currently a lot of uncertainty in the economy and particularly in the real estate market.

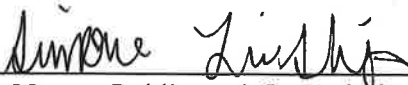
The Need for a Court-Appointed Receiver

38. As a result of the Borrowers' Defaults and the filing of the CCAA Petition, I have no confidence in their ability to work diligently, transparently, and in good faith to satisfy their obligations. I likewise have no confidence in the Borrowers' ability to pursue a commercially reasonable and transparent sale of the Land and other collateral secured under the Loan.

39. Based on my review of the CCAA Petition and supporting materials, there is no evidence as to how the Borrowers have serviced all of its debt to date. I also understand and believe that the Borrowers intend to use the rent funds generated by Southview Gardens to service unrelated debt for unrelated properties.

40. Given my understanding of the current market and the behaviour of the Borrowers as described above, I am of the view that the appointment of a receiver and manager is just and convenient in the circumstances.

SWORN BEFORE ME at the City of
Toronto, in the Province of Ontario, on
February 10, 2023.


A Notary Public and Commissioner for
taking Affidavits within Ontario



Remy Caruso

LSO # 84939C



TAB A

This is Exhibit "A" referred to in the
Affidavit of Remy Caruso, sworn
before me at Toronto, in the Province of
Ontario this 10th day of February, 2023.

Simone Lusho

A Commissioner/Notary Public for the
Province of Ontario



COMMITMENT LETTER

Loan Number: 30002

October 30, 2020

**Southview Gardens Limited Partnership
 Southview Gardens BT Ltd.
 Southview Gardens Properties Ltd.**

VIA E-MAIL ONLY

Attention: Zhen Yu Zhong, Ed Ma and Mary Yu

Peakhill Capital Inc. (the "Lender") is pleased to advise that on the basis of information provided in connection with your request for financing, your application for a mortgage loan (the "Loan") has been approved subject to the terms and conditions set out in this letter (the "Commitment Letter").

TERMS AND DETAILS

PURPOSE	The loan proceeds of \$50,000,000 will be used to refinance the existing debt with Pencor, cover the interest reserve, commitment fee and other financing related costs.
BORROWER(S)	Southview Gardens Limited Partnership Southview Gardens BT Ltd. Southview Gardens Properties Ltd. The Lender shall have full recourse against the Borrower(s).
GUARANTOR(S)	Zhen Yu Zhong Junchao Mo Coromandel Properties (2016) Ltd. Baystone Properties (2016) Ltd. Coromandel Holdings Ltd. The Lender shall have full recourse against the Guarantor(s) on a joint and several basis.
INDEMNITOR(S)	N/A
NAMED PARTIES	Borrower(s), Guarantor(s), & Indemnitor(s) collectively
MORTGAGEE(S)	Peakhill Capital Inc.
PROPERTY	3240 East 58 th Avenue, Vancouver, B.C., V5S 3T2
SUBJECT PRIORITY	First
AMOUNT	\$50,000,000
INTEREST RESERVE	\$3,250,000
AMORTIZATION	Interest Only
TERM	A demand facility payable at any time upon demand by the Lender and payable in full no later than two (2) years from the Interest Adjustment Date.
RENEWAL	None.
INTEREST RATE	RBC Prime Rate + 4.23%. A floor rate of 6.68% will apply.
COMMITMENT FEE	The non-refundable amount of \$750,000 to the Lender (\$50,000 received)
INSPECTION FEE	The non-refundable amount of \$6,000
<u>SPECIFIC CONDITIONS</u>	
RECOURSE	The Lender has recourse to the Property, and further recourse as indicated in the Borrower(s), Guarantor(s), and Indemnitor(s) definition.
LEGAL DESCRIPTION	To be confirmed by the Lender's legal counsel.
FUNDING	A single advance of funds.

FEES	Upon execution of this Commitment Letter, notwithstanding that the Lender agrees to accept any fee or standby deposit at a later date, all outstanding fees and standby deposit shall be earned, due, and payable by way of a certified cheque(s), bank draft(s) or wire transfer, to Peakhill Capital Inc. 'IN TRUST'.
STANDBY DEPOSIT	<p>The Lender agrees to accept a non-refundable deposit in the amount of \$200,000 in addition to the \$50,000 deposit already received (the "Deposit"). The Deposit is due and payable to the Lender upon the execution of this Commitment Letter by way of a certified cheque(s), bank draft(s) or wire transfer to Peakhill Capital Inc. 'IN TRUST'.</p> <p>The Deposit, less any expenses incurred during the due diligence process, shall be applied towards the Commitment Fee. The Lender shall not pay any interest to the Borrower on Deposit monies held.</p> <p>The balance of the outstanding fees shall be due and payable on the earlier of the date of Initial Advance and the date of expiry of this Commitment Letter.</p>
INTEREST ADJUSTMENT DATE	The first day of the month (the "Installment Date") following the date of the advance of funds unless funding occurs on the first day of the month whereby the funding date will concur with the interest adjustment.
REPAYMENT	<p>By consecutive monthly installments of interest only to be determined at the Interest Rate and in accordance with the Amortization commencing on the Installment Date of the next month following the Interest Adjustment Date.</p> <p>Partial Monthly Payments shall be advanced from the Interest Reserve. Interest from the date of first Advance until the Interest Adjustment Date shall be deducted from the first Advance or, at the option of the Lender, may be advanced from Interest Reserve. Each month, during the term hereof, the Lender shall advance \$145,000 from the Interest Reserve on account of the Monthly Payments due, with the remainder of the Monthly Payments due from the Borrower(s) own resources until the Interest Reserve is exhausted and thereafter the Borrower(s) shall be required to make the Monthly Payments from its own resources.</p> <p>It is understood and agreed that the Installment Date cannot be changed once the Loan Term commences. All Loan payments are to be made by way of automatic debit. The pre-authorized debit form is to be completed and returned with this executed Commitment Letter.</p> <p>The Interest Rate is to be reset with every change to RBC Prime Rate. The Interest Rate is to be compounded on a monthly basis, not in advance, and with payments made on a monthly basis.</p>
PREPAYMENT PRIVILEGE	The Loan will be closed to prepayment for the first eighteen (18) months, and open thereafter with ninety (90) days' written notice.
PREPAYMENT FEE	None.
COMMITMENT EXPIRY DATE	If, for any reason, including without limitation, any failure or inability of the Borrower(s) to satisfy any of the terms and conditions contained in this Commitment Letter or other Loan and Security Documents (as hereinafter defined), and the Initial Advance of the Loan has not been fully advanced by November 30, 2020 at the Lender's option, this Commitment Letter and all obligations of the Lender in respect of the Loan shall terminate.
PROPERTY TAXES	<p>The Lender reserves the right to deduct monies from the Loan Amount to pay all property taxes (including school taxes, penalties, interest and unpaid utilities if applicable) due or coming due within 60 days of the advance of the Loan proceeds.</p> <p>In accordance with the Loan and Security Documents a monthly property tax component will be estimated by the Lender, and collected monthly with the regular Loan payment, in an amount to be sufficient for the Lender to pay such property taxes as they become due.</p> <p>Without limiting the provisions of the Loan and Security Documents, the Borrower(s) shall be responsible to ensure:</p> <p>(a) The Lender receives a copy of the property tax notice(s) no later than 15 days prior to any due date(s); and</p> <p>(b) There are sufficient funds to pay the taxes in full prior to the due date(s).</p> <p>Any penalties and interest incurred as a result of insufficient funds will be to the account of the Borrower(s).</p> <p>Notwithstanding the foregoing, the mortgagor may be entitled to pay all property taxes directly unless there is a default of the Loan.</p>
ADDITIONAL RESERVES/HOLDBACKS	In the event the due diligence is not in line with the Lender's expectations, the Lender at its discretion may introduce the requirement for additional reserves and/or holdbacks as agreed to by the Lender and Borrower(s).

LOAN AND SECURITY DOCUMENTS

The completion, execution and registration of the Loan and Security Documents and the receipt of favorable legal opinions (including an enforceability opinion as to the Loan and Security Documents from the Borrower(s)'s legal counsel, if applicable) in respect thereof, and the completion of all other matters deemed by the Lender's legal counsel to be necessary to ensure that the title to the Property is good and marketable and that the security for the obligations of the Borrower(s) constitutes a Subject Priority mortgage over the Property and a Subject Priority charge over all other collateral charged by the Loan and Security Documents provided as security for the Loan, if any.

The Loan and Security Documents shall be the following (in form and content determined by and acceptable to the Lender and the Lender's legal counsel):

- This executed Commitment Letter.
- Subject Priority mortgage against the Property registered in the amount of 100% of the Loan Amount.
- Subject Priority general assignment of rents and leases registered against the Property.
- A site specific general security agreement providing a Subject Priority ranking charge on all present and after-acquired personal property located on or used in connection with the Property and the rents to be derived from the Property, together with a financing statement registered under the Personal Property Security Act of each province (the "PPSA") in respect of the security interest created by the general security agreement.
- A guarantee (suretyship) and postponement of claim as presented on page 1 of this Commitment Letter.
- Subject Priority transfer and assignment of insurance, attaching thereto the policy or policies in respect of the Property evidencing the Lender as Subject Priority loss payee/mortgagee and additional insured in respect of general liability insurance.
- A full Lender's title insurance policy.
- Such other security, documents, and agreements with respect to the Property as the Lender or its legal counsel reasonably require.

CONDITIONS PRECEDENT

The conditions precedent, all of which must be satisfactory to the Lender, in its sole discretion and in no event, no later than 6 business days before the advancing of the Loan, shall include:

LOAN TO VALUE	The Loan Amount over the value of the Property as determined by the Lender is 50.51% of the appraised value, based on the redevelopment of the site.
RENT ROLL	Receipt of a certified current rent roll.
OPERATING STATEMENTS	Historical operating statements for the Property for the last two (2) years, if available, and a current year and projected operating budget.
FINANCIAL STATEMENTS	Receipt of the most recent financial statements for corporate Named Parties or related parties, and signed personal net worth statement(s) for Named Parties and related parties who are individuals, including social insurance number(s), birth date(s), current address and portfolio information for all assets, no more than six (6) months old from the date of the execution of this Commitment Letter.
DEVELOPMENT TEAM RESUMES	Resumes for the personal Named Parties or related parties outlining projects within the last five (5) years.
CREDIT REPORTS	Credit reports and other due diligence conducted by the Lender or its legal counsel to obtain information concerning the character, general reputation, personal characteristics, financial and credit histories and other general credit information in respect of Named Parties and any other related parties to the Loan. The Named Parties permit the Lender and its representatives to make such inquiries.
APPRAISAL	Receipt of a current final appraisal report valuing the Property on the basis of a redevelopment site. The appraisal report shall be accompanied by a transmittal letter authorizing Peakhill Capital Inc., and their affiliates, successors, and assigns, to rely on the current appraisal report for financing purposes. The transmittal letter should be dated within six (6) months from the funding date.

ENVIRONMENT SITE ASSESSMENT	Receipt of an Environment Site Assessment and/or an Environment Site Assessment Update indicating a non-contaminated site. The Environment Site Assessment should be accompanied by a transmittal letter authorizing Peakhill Capital Inc., and their affiliates, successors, and assigns, to rely on the current Environment Site Assessment for financing purposes. The transmittal letter should be dated within six (6) months from the funding date.
BUILDING CONDITION REPORT	Receipt of a current Building Condition Report. The Building Condition Report should be accompanied by a transmittal letter authorizing Peakhill Capital Inc., and their affiliates, successors, and assigns, to rely on the current Building Condition Report for financing purposes.
CAPITAL EXPENDITURES	Receipt and satisfactory review by the Lender of a list of recent and planned capital expenditures on the Property.
ARCHITECTURAL DRAWINGS	Preliminary Architectural Drawing Plans.
PLANNING STATUS LETTER	A letter outlining progress made to achieve intended rezoning and expected timelines from Poem and Associates.
PROPERTY TAX	A copy of the Property's current year property tax notice, including interim and final tax bills indicating no tax or utility arrears or unpaid special levies.
INCOME TAX RETURNS	A copy of income tax returns for all corporate and personal Named Parties or related parties for the last two (2) years.
PURCHASE AND SALE AGREEMENT	Receipt of an executed Purchase and Sale Agreement confirming a purchase price of \$72,000,000 in March of 2017.
INSPECTION	Inspection of the Property by the Lender or its representative.
INSURANCE	Insurance and evidence of the same prior to any funding by the Lender, which has been reviewed and approved by the Lender's insurance consultant which shall include coverage in accordance with the form attached. The Borrower(s) will be responsible for the initial cost of review of \$1,485.00 plus HST as well as an on-going monitoring fee of \$125.00 per year.
CORPORATE STRUCTURE	The Lender's Solicitor shall confirm the ownership structure of the Property to the Lender prior to funding.
ANTI-MONEY LAUNDERING	All the Named Parties, plus any additional parties as determined by the Lender, acknowledge that, in accordance with the Proceeds of Crime (Money Laundering) and Terrorist Financing Act ("PCMLTFA"), the Lender is required to obtain specific information relating to the parties involved in this transaction and they and/or their legal counsel will provide such information as required including corporate structure information on the Lender's form. An identification certification is required from each individual Named Parties and beneficial owner(s) and from each of three (3) signing officers for every non-personal Named Parties and beneficial Owner(s). If there are fewer than three (3) signing officers for any non-personal Named Parties or beneficial owner(s), identification certification will be required for all signing officers. Completed and executed copy of the Corporate Structure & AML/ATF Mortgage Loan Information Statement ("AML") which will confirm that the Borrower(s) is the registered and beneficial owner of the Property and the Borrower(s) is owned by the beneficial owner(s).
SURVEY / CERTIFICATE OF LOCATION	Receipt of most recent certified survey, real property report, or certificate of location for the Property.
PRIORITY AND STANDSTILL AGREEMENT	Satisfactory Priority and Standstill Agreement to be executed between the Lender and Woodbourne Canada Management Inc.
IMPROVEMENTS	Borrower(s) shall supply evidence satisfactory to the Lender's legal counsel that the improvements on the Property have been completed and comply with all requirements of building and zoning by-laws, fire code, and any other rules, regulations and laws of any governmental authorities having jurisdiction and there are no outstanding orders from same.
BROKER CONFLICT OF INTEREST	Receipt of an executed copy of the Broker Conflict of Interest Statement.
TITLE INSURANCE	A commercial lenders' title insurance policy from First Canadian Title, Chicago Title Insurance Company Canada, or Stewart Title Company in a form satisfactory to the Lender's legal counsel. The Borrower(s) will be responsible to pay the cost of the insurance premium. Notwithstanding the foregoing, where the Lender agrees to accept a legal counsel opinion on

title to the Property in lieu of title insurance, the legal counsel's opinion may be provided by the Borrower(s)' legal counsel or the Lender's legal counsel, at the Borrower(s)' cost. The title opinion shall be in form and substance acceptable to the Lender in its sole and absolute discretion.

INFORMATION AND MATERIALS

The Borrower(s) warrants that all information and materials, financial and otherwise, provided or delivered to the Lender in connection with the Loan are correct and complete as of the date provided and will continue to be correct and complete on the date of advance, failing which the Lender shall have no obligation to advance the Loan. The Borrower(s) acknowledges that the Lender's decision to make the Loan will be based on all such information and materials. The Borrower(s) shall promptly disclose to the Lender from time to time any and all changes in such information and materials or any additional information or materials which may reasonably be expected to influence the Lender's decision to make the Loan.

FURTHER DOCUMENTS Such other reports or information as the Lender or its legal counsel may reasonably request.

REPRESENTATION & WARRANTIES

SURVIVAL

The representations, warranties, covenants and obligations of each of the Named Parties contained in each Loan and Security Document shall (i) survive any disbursement or repayment of the Loan, any full or partial release, termination or discharge of any Loan and Security Documents, and any remedial proceedings taken by the Lender under any Loan and Security Document or applicable law, (ii) ensure to the benefit of the Lender and (iii) be fully effective and enforceable by the Lender, notwithstanding any due diligence performed by or on behalf of the Lender or any breach or other information (to the contrary or otherwise) known to the Lender at any time. Such representations and warranties are deemed to be made on the date of execution of each such Loan and Security Document and are deemed repeated as of the date of the advance of the Loan proceeds.

HAZARDOUS MATERIALS Without limiting the detailed environmental provisions contained in the Loan and Security Documents:

(a) The Borrower(s) shall provide the Lender with a certificate (such certificate to be deemed to have been made as of the date of the advance of the Loan) that, other than as disclosed in the environmental and engineer reports, and to the best of the Borrower's knowledge, the Property has never been used as a land fill site, has never been used to store hazardous substances either below or above ground, through the use of storage tanks or otherwise and that no part of the Property contains asbestos, urea formaldehyde foam insulation (UFFI), polychlorinated biphenyls (PCB's), radio-active substances or other materials deemed to be hazardous under any applicable environmental legislation, that there are no outstanding orders or notices, and that any required permits or licenses are in good standing;

(b) The Borrower(s) at its sole cost and expense, shall comply, or cause its tenants, agents, and invitees, at their sole cost and expense, to comply with all federal, provincial and municipal laws, and without limitation all laws and regulations of an environmental nature, and including, without limitation, with respect to the discharge and removal of hazardous or toxic wastes, and with respect to the discharge of contaminants into the natural environment, pay immediately when due the cost of removal of any such wastes and the cost of any improvements necessary to deal with such contaminants and keep the Property free and clear of any lien imposed pursuant to such laws, and applicable laws of an environmental nature. If the Borrower(s) fails to do so, after notice to the Borrower(s) and the expiration of the earlier of (i) any reasonable applicable cure period specified under the Loan and Security Documents or (ii) the cure period under the applicable law, rule, regulation or order, then the Lender, at its sole option, may declare the Loan to be in default. The Borrower(s) shall promptly notify the Servicer (as hereinafter defined) of any violation of any environmental laws relating to the Property or operations or any investigation or inquiry by any governmental authority or other third party in connection with any environmental laws relating to the Property or operations, or of the identification of any conditions at or off the Property requiring significant expenditures for corrective or remedial measures to address environmental matters at the Property;

(c) The Borrower(s) shall indemnify and hold the Lender harmless from and against all losses, costs, damage or expenses (including, without limitation, legal fees and costs on a legal counsel and client basis incurred in the investigation, defence and settlement of any claim) relating to the presence of any hazardous waste or contaminant referred to herein. This indemnity will survive the repayment of the Loan and discharge of the Loan and Security Documents; and

(d) The Borrower(s) further covenants and agrees to complete and implement, prior to any major renovation or building demolition activities, a hazardous materials management program, if such recommendation is contained in the above-referenced ESA reports.

GENERAL CONDITIONS

FINANCIAL REPORTING

The Borrower(s) and corporate Guarantor(s) shall provide the Lender with Notice to Reader financial statements respectively all satisfactory to the Lender in form and content, prepared in accordance with Canadian accounting standards for private enterprises, within 120 days of each

fiscal year-end for the Borrower(s), and Guarantor(s). The financial statements shall be accompanied by a current rent roll, balance sheet and a detailed income and expenditure statement with supporting notes and schedules for each Property mortgaged in favour of the Lender. If the Borrower(s) or Guarantor(s) are individuals, personal net worth statements shall be provided within 120 days of each calendar year, or more often if requested by the Lender.

The Lender may request operating statements and a current rent roll on a quarterly basis.

BORROWER COSTS

The Borrower(s) will be responsible for legal services, property survey or real property report, insurance review, and third-party reporting costs associated with the Loan.

PROPERTY MANAGEMENT

The Borrower(s) shall at all times maintain professional property management of the Property satisfactory to the Lender, in its sole discretion. Any changes in property management shall require the prior written consent of the Lender, both as to the manager and the terms and conditions of the management agreement. The Borrower(s) covenants and agrees that any management agreement is cancellable on 30 days' notice upon the occurrence of an event of default.

The Lender acknowledges that asset management by the Borrower(s) or an affiliate is acceptable and the Borrower(s) covenants and agrees that any management fees payable to the undersigned relating to its self or affiliated management of the Property shall be fully postponed and subordinated to all amounts owing to the Lender. Any property management agreement(s) must be cancellable on 30 days' notice by the Lender if an event of default has occurred and continued beyond any applicable cure periods.

ENCUMBRANCES

Prior to the disbursement of the Loan, when applicable, the Loan and Security Documents shall be registered, the Property shall be free and clear of all liens, charges, prior claims and other encumbrances (save and except any existing charge to be paid out and discharged from the Loan advance, and those permitted by the Lender as well as minor easements) and all other terms and conditions of this Commitment Letter shall have been satisfied.

TRANSFERS

No sale or transfer of the Property in whole or in part (or sale, transfer or pledge of any ownership interest in the Borrower(s)) shall be permitted without the prior written consent of the Lender not to be unreasonably withheld without delay.

NO DEMOLITION

The Borrower(s) shall not demolish any material portion of the Property, or any exterior material improvements thereon, without obtaining the prior written approval of the Lender.

RESTRICTIONS ON FURTHER FINANCING

The Named Parties agree not to further encumber the Property in any manner without the Lender's Written Approval. The Lender acknowledges that there is a current second mortgage in the amount of \$25,000,000 in favour of Woodbourne Canada Management Inc.

DIRECTION OF LOAN PROCEEDS

If at the time of any advance of the Loan, there is a mortgage registered against title to the Property or in Personal Property Security Registry which is not permitted by the Lender, the Lender will require that its legal counsel apply any or all of the proceeds of the advance of the Loan to pay out the encumbrance on behalf of the Borrower(s) by payment directly to the holder thereof. The Borrower(s) irrevocably directs and authorizes the Lender and its legal counsel to make such pay-out and agrees to obtain and register discharges of any such encumbrance as soon as possible after such pay-out provided that the executed discharge of any private mortgage must be delivered in registrable form in exchange for such a pay-out. In executing this Commitment Letter, the Borrower(s) authorizes the Lender to pay the balance of the Loan proceeds directly to the Borrower(s)'s legal counsel.

NON-COMPLIANCE AND SERVICING

In addition to all reasonable costs and expenses incurred by the Lender, the Lender reserves the right to charge service fees should the Borrower(s) require servicing or fail to comply with the financial obligations and/or the non-monetary terms and conditions of any of the Loan and Security Documents. Such fees will be paid by the Borrower(s) to the Lender as liquidated damages and not as a penalty.

DEFAULT

At the time of the advance of the Loan, in whole or in part, no default under the Loan and Security Documents shall have occurred. At the time of the advance of any part of the Loan, all Named Parties and any beneficial owner(s) shall not be insolvent or the subject of any bankruptcy, arrangement with creditors, proposal, amalgamation, reorganization, liquidation, winding-up, dissolution, receivership or material litigation or continuation under the laws of any other jurisdiction. Any default under any provision of this Commitment Letter shall be deemed to be default under the other Loan and Security Documents. Any default under the other Loan and Security Documents shall be deemed to be default under this Commitment Letter.

MATERIAL ADVERSE CHANGE

At the sole option of the Lender, this Commitment may be cancelled and there shall be no obligation to disburse the Loan if:

- (i) due to the failure, for any reason, of the Borrower or any Additional Covenantor to satisfy any of the provisions or requirements hereof, the Lender

has not been willing or able to disburse the Loan Amount on or before November 30, 2020 (the "Close Out Date");

- (ii) the Borrower or any Additional Covenantor is in breach of any provision, representation or warranty herein;
- (iii) in the opinion of the Lender, in its sole discretion, there is a material adverse change in the position, financial or otherwise, of the Borrower or any Additional Covenantor from that represented to the Lender as at the date hereof;
- (iv) in the opinion of the Lender, in its sole discretion, there has been a material adverse change in the condition of the Property or in the actual or anticipated revenues therefrom;
- (v) the results of the Lender's due diligence investigations regarding the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada)* (the "PCTF Act") are not wholly satisfactory to the Lender, in its sole discretion, or the Borrower or any Additional Covenantor fails to provide all information required by the Lender pursuant to the PCTF Act; or
- (vi) any situation exists which would constitute a default hereunder or under any of the Security Documents.

If the whole Loan Amount has not been disbursed on or before the Close Out Date, the Lender may, at its sole option, close out the Loan Amount at the amount then disbursed, if any.

ASSIGNMENT

This Commitment Letter may not be transferred or assigned by the Borrower(s). The Lender (and its successors and assigns) may, at its sole discretion and without notice to or the consent of, and without any third-party cost or expense to, all Named Parties, assign, sell or transfer the Loan, and the Loan and Security Documents, in whole or in part, and the Named Parties hereby consent to the disclosure by the Lender to any such assignee, transferee or participant of all information and documentation regarding the Loan, the Property, and the Named Parties within the possession and control of the Lender.

CONSENT TO DISCLOSURE

The Named Parties acknowledge and agree that the Loan (or securities or certificates backed by or representing any interest in the Loan or a pool of loans which includes the Loan) may be sold or securitized into the secondary market without restriction and without notice to or the consent of, and without any third-party cost or expense to, the Named Parties. The Lender may release, disclose, exchange, share, transfer and assign from time to time, as it may determine in its sole discretion, all information and materials (including financial statements and information concerning the status of the Loan, such as existing or potential Loan defaults, lease defaults or other facts or circumstances which might affect the performance of the Loan) provided to or obtained by the Lender relating to any of the Named Parties the Property or the Loan without restriction and without notice to or the consent of the Named Parties as follows: (i) to any subsequent or proposed purchaser of the Loan and its third party advisors and agents, such as legal counsel, accountants, consultants, appraisers, credit verification sources and servicers (ii) to any governmental authority having jurisdiction over such sale or securitization of the Loan or Loan pool or any trade of any interest in the Loan or Loan pool; and (iii) to any other person in connection with the sale, assignment or securitization of the Loan or in connection with any collection or enforcement proceedings taken under or in respect of the Loan and/or the Loan and Security Documents. Each of the Named Parties irrevocably consents to the collection, obtaining, release, disclosure, exchange, sharing, transfer and assignment of all such information and materials. The Named Parties further acknowledge that the Lender may share the terms and details of the Loan with the general public for the sole purpose of advertising the Lender's program to its clients. Notwithstanding the foregoing, the Lender will not make public the personal details of the Named Parties for any such purposes.

MORTGAGEE & SERVICER

This Commitment Letter will be assigned by the Lender. The other Loan and Security Documents will be drawn to reflect the Mortgagee(s) as agent, nominee and custodian for and on behalf of the Lender. Upon completion of this loan transaction, the Loan and Loan and Security Documents will be serviced for and on behalf of the Lender and the Mortgagee(s) by Peakhill Capital Inc. (in such capacity, the "Servicer"), and the Borrower(s) will be directed to make all payments under the Loan and Security Documents and to deal with the Servicer on all matters of administration of the Loan and the Loan and Security Documents until further directed in writing by the Servicer.

BROKER FEE

The Lender acknowledge that the Borrower(s) shall pay \$250,000 to Fanson Capital as brokerage fees. In addition, The Borrower(s) shall pay any and all commissions, finder's fees, brokerage fees or other compensation which may be due or become due to any finder or broker, other than the Lender, in connection with the Loan.

The Borrower(s) shall indemnify and save harmless the Lender, Mortgagee(s), Servicer, and their respective agents, representatives, employees, officers and directors, from any and all claims for any such amounts, and such indemnity shall survive the expiry, or termination of the

Loan transaction and the advance of funds under the Loan.

LEGAL AND OTHER COSTS

All third party costs and expenses incurred whether directly or indirectly by the Lender, whether directly or indirectly in connection with this Commitment Letter, including without limitation legal fees and disbursements, appraisal fees, title insurance and insurance consultant's fees, are payable by the Borrower(s) whether or not the transaction proceeds as contemplated, and may be deducted from the proceeds of the Loan. The Borrower(s) shall pay all reasonable costs and expenses imposed by the Lender in connection with any amendments to the Loan or the Loan and Security documents, the discharge or assumption of the Loan, the preparation of any mortgage statement, dishonored payments or similar matters during the Loan Term.

PERSONAL INFORMATION

The Personal Information Protection and Electronic Documents Act (Canada) ("PIPEDA"), is intended to protect the confidentiality of information about an identifiable individual that is recorded in any form ("the Personal Information").

By evidence of their respective signatures to this Commitment Letter, each signatory to the letter hereby expressly consents and authorizes the Lender to collect, use, or disclose to third parties its Personal Information as required and as permitted pursuant to PIPEDA or other laws. Such third parties may include mortgage loan investors, mortgage loan trustees, law firms, insurance companies, credit bureaus or other third parties involved in the mortgage loan industry.

A copy of the Lender's privacy policy or procedures may be obtained by contacting the Lender's Chief Privacy Officer.

CONDITIONS

All conditions to the Lender's obligation to make advances hereunder are imposed solely for the benefit of the Lender and its successors and assigns and any or all of such conditions may be waived in whole or in part at any time by such party in its sole discretion.

NO WAIVER

The Lender's failure to insist upon strict performance of any obligation or covenant of the Loan and Security Documents by the Borrower(s) or to exercise any option or right herein shall not be a waiver for the future of such obligations or covenant, but the same shall remain in effect and the Lender shall have the right to insist upon strict performance by the Borrower(s) of any and all of the terms of the Loan and Security Documents.

AMENDMENTS

No provision of this Commitment Letter, or any other document or instrument in existence among the parties may be modified, waived or terminated except by an instrument in writing executed by the party against whom such modification, waiver or termination is sought to be enforced.

GOVERNING LAW

This Commitment Letter shall be governed by and constituted in accordance with the laws of Canada and of the province in which the Property is situated.

TIME OF PAYMENTS

The Loan will provide that in the event that any payment permitted or required to be made on account of the Loan is made after 1:00 PM EST, on any payment date, that payment will be deemed to have been made on the next following business day.

TIME

Time shall be of the essence in all respects herein

COUNTERPARTS

This Commitment Letter may be executed in several counterparts, each of which shall be deemed to be an original, and all counterparts, taken together, shall constitute one and the same instrument. It is not necessary in making proof of this Commitment Letter to produce or account for more than one such counterpart, signed manually, or an electronic copy thereof.

NON-MERGER

All Named Parties acknowledge that the terms and conditions outlined in this Commitment Letter are summaries and not inclusive of all terms of the Loan which may be further explained in the Loan and Security Documents. If there is a direct conflict between this Commitment Letter and the Loan and Security Documents, the Lender shall determine which prevails.

FUNDING REQUESTS

Once all conditions of this Commitment Letter have been met, the Lender will order funds and process all advances given notice of a minimum of 5 clear business days' notice prior to the intended funding.

EXECUTION PAGE

The Lender's legal counsel for this loan transaction will be:

Brent Clark
Fasken
2900 - 550 Burrard Street
Vancouver, B.C.

The Borrower(s)' legal counsel shall be:

Name: _____
Phone: _____
Email: _____

The Borrower(s)' insurance agent shall be:


Name: _____
Phone: _____
Email: _____

The Borrower(s) will execute any additional documents which the Lender may require to give effect to the terms and conditions set out herein, including at the option of the Lender, a mortgage amending agreement which may be registered on title. In the event that the Lender does not require a mortgage amending agreement, this Commitment Letter shall govern the terms and conditions of the Loan.


If the terms and conditions of this Commitment Letter are agreeable to you, please have the enclosed copy of this Commitment Letter executed by the Named Parties and return it to the Lender on or before November 6, 2020 together with a wire to the Lender for the balance of all outstanding fees and/or deposits.

Yours very truly,

PEAKHILL CAPITAL INC.



Shawn Ning

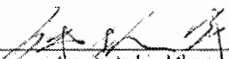


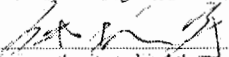
Remy Caruso

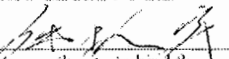
By signing below, each party hereby represents that such party has the legal capacity and authority to enter this transaction and execute this Commitment Letter and agree to be bound by the terms and conditions contained hereof.

ACCEPTED this _____ day of _____, _____.

BORROWER(S)

Per: 
I/We have authority to bind the company
Southview Gardens Limited Partnership

Per: 
I/We have authority to bind the company
Southview Gardens ~~BT~~ Ltd.

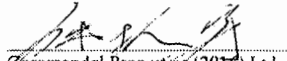
Per: 
I/We have authority to bind the company
Southview Gardens Properties Ltd.

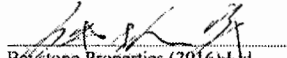
(continued on the following page)

GUARANTOR(S)


Zhen Yu Zhong

Junchao Mo


Coromandel Properties (2016) Ltd.


Baystone Properties (2016) Ltd.


Coromandel Holdings Ltd.

SCHEDULE: INSURANCE

All policies are to be written through insurers acceptable to the Lender and will contain reasonable deductibles. All insurers must be legally qualified to carry on business in the province in which the Property is located. All policies are to be maintained or renewed to be maintained by the Borrower(s) at their own expense. Loss on property and boiler policies will be to the "Mortgagee" (Peakhill Capital Inc. and PH Financial Ltd.), as holder of security and loss payee, subject to a standard mortgage clause and 30 days' notice of cancellation. The full name and mailing address for the Mortgagee for this purpose are as follows:

Addressed to the Mortgagee
 c/o Peakhill Capital Inc.
 401 - 10 King Street East, Toronto, ON, M5C 1C3
 Tel: 416-363-7325
 Attention: Harley Gold, Managing Director

The Mortgagee, and their respective successors and assigns, as their interests may appear, are to be named as additional insured on all liability policies, subject to 30 days' notice of cancellation.

Property insurance is required on all buildings and contents owned by the Borrower(s) in an amount sufficient to represent 100% replacement cost. Coverage is to be written on an all risks form, including earthquake & flood, sewer back up and by-laws, subject to replacement cost and stated amount co-insurance or no co-insurance. Any requirement for rebuilding on the same or adjacent site must be deleted from the replacement cost and by-laws wordings. Any insurance proceeds in respect of a casualty, other than business interruption/rental income insurance and third party liability, is payable to the loss payee and mortgagee, such insurance proceeds are to be applied either to the repair or restoration of the Property or to the repayment of the outstanding principal balance of the Loan.

Boiler & machinery insurance is to be written on a comprehensive form, including by-laws, subject to repair/replacement. Coverage must extend to air conditioning and heating/ventilating equipment and any production equipment. Commercial general liability insurance, inclusive of umbrella insurance, must be written with minimum limits of \$5,000,000 per occurrence and in the annual aggregate, or such higher limits as required by the Lender. The Lender acting reasonably retains the right to update and change the requirements at any time during the term of the mortgage agreement.

These requirements are the minimum required for making the Loan and are to be maintained while the Loan is outstanding. These requirements are not intended to be all-inclusive for the Borrower(s)'s purposes and the Borrower(s) may exceed these requirements in order to insure their business.

Evidence of insurance is to be provided to the Lender's insurance consultant as follows:

Gordon Tulloch
 INTECH Risk Management
 400-3 Church Street, Toronto, ON
 (416)907-8409
 gtulloch@intechrisk.com

Certificates of insurance coverage are to be provided to the Lender as soon as possible after this Commitment Letter is entered into between the Borrower(s) and Lender, with certified copies of insurance policies to be delivered to the Servicer within 90 days following funding of the Loan. The cost of the Lender's insurance consultant's review of the Borrower(s)'s insurance shall be for the account of the Borrower(s) and may be deducted from an advance of funds under the Loan. If material changes to insurance coverage are made during the term of the Loan, then, at the sole discretion of the Lender, the Lender may require an additional review by the Lender's insurance consultant. All insurance review costs will be for the account of the Borrower(s).

It is the responsibility of the Borrower(s) and/or the Borrower(s)'s insurance broker to notify the Servicer directly of any changes in coverage from the actual binder or certificates issued at the time the loan is advanced and the funds are released. All insurance documentation after the loan funding date is to be submitted directly to the Servicer as follows:

Peakhill Capital Inc.
 401 - 10 King Street East, Toronto, ON, M5C 1C3
 Tel: 416-363-7325
 Attention: Harley Gold, Managing Director

The Borrower(s) is responsible for providing evidence of a policy renewal (by certified certificates of insurance) in advance of each existing policies' lapse. Evidence of the renewal and all required provisions to be delivered to maxgozmani@peakhillcapital.com no later than 10 business days prior to the current policies' expiration.

The Borrower(s) will effect and maintain Business Interruption Insurance on the profits or gross rents for one hundred percent of the annual rents for a minimum period of 18 months or such greater period as the Lender may require. The limit for the indemnity period is not to be less than \$3,763,369.50 and shall apply to both the Property and Boiler. If the Borrower(s) fails to take out or keep in force or provide the Lender with evidence of such minimum insurance as is required hereunder, then the Lender may, but shall not be obligated to, take out and keep in force such insurance for the benefit of the Lender, at the immediate sole cost and expense of the Borrower(s).

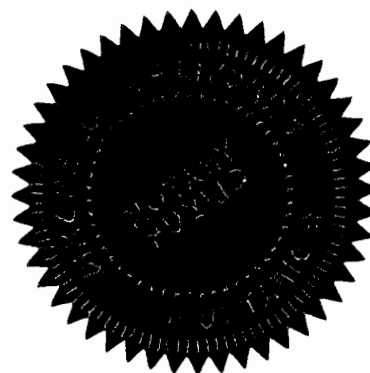
During any period of construction on, or renovation or alteration of the Property, a Builder's All Risk insurance policy shall be placed and in effect in an amount approved by the Lender.

TAB B

This is Exhibit "B" referred to in the
Affidavit of Remy Caruso, sworn
before me at Toronto, in the Province of
Ontario this 10th day of February, 2023.

Simone Lussato

A Commissioner/Notary Public for the
Province of Ontario





Limited Partnership Summary
For
SOUTHVIEW GARDENS LIMITED PARTNERSHIP

Date and Time of Search: February 02, 2023 11:34 AM Pacific Standard Time
Currency Date: December 20, 2022

ACTIVE

Registration Number: LP0703456
Name of Limited Partnership: SOUTHVIEW GARDENS LIMITED PARTNERSHIP
Registration Date: November 18, 2016
Termination Date: December 31, 2080

REGISTERED OFFICE INFORMATION

Registered Office Address:
2400 - 745 THURLOW ST
VANCOUVER BC V6E 0C5

GENERAL PARTNER INFORMATION

Individual or Company Name: SOUTHVIEW GARDENS PROPERTIES LTD.	Incorporation or Registration 1096426
Residential or Registered Address: 500 - 789 PENDER ST W VANCOUVER BC V6C 1H2	



BC Company Summary

For
SOUTHVIEW GARDENS BT LTD.

Date and Time of Search: February 02, 2023 11:33 AM Pacific Time
Currency Date: September 20, 2022

ACTIVE

Incorporation Number: BC1096430
Name of Company: SOUTHVIEW GARDENS BT LTD.
Business Number: 742188121 BC0001
Recognition Date and Time: Incorporated on November 14, 2016 11:24 AM Pacific Time
Last Annual Report Filed: November 14, 2022

In Liquidation: No
Receiver: No

REGISTERED OFFICE INFORMATION

Mailing Address: SUITE 2400, 745 THURLOW STREET VANCOUVER BC V6E 0C5 CANADA	Delivery Address: SUITE 2400, 745 THURLOW STREET VANCOUVER BC V6E 0C5 CANADA
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RECORDS OFFICE INFORMATION

Mailing Address: SUITE 2400, 745 THURLOW STREET VANCOUVER BC V6E 0C5 CANADA	Delivery Address: SUITE 2400, 745 THURLOW STREET VANCOUVER BC V6E 0C5 CANADA
---	--

DIRECTOR INFORMATION

Last Name, First Name, Middle Name:
Zhong, Zhen Yu

Mailing Address: 1800 - 1188 WEST GEORGIA STREET VANCOUVER BC V6E 4A2 CANADA	Delivery Address: 3029 WEST 45TH AVENUE VANCOUVER BC V6N 3L9 CANADA
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NO OFFICER INFORMATION FILED AS AT November 14, 2022.



BC Company Summary

For SOUTHVIEW GARDENS PROPERTIES LTD.

Date and Time of Search: February 02, 2023 11:35 AM Pacific Time

Currency Date: September 20, 2022

ACTIVE

Incorporation Number: BC1096426

Name of Company: SOUTHVIEW GARDENS PROPERTIES LTD.

Business Number: 742194327 BC0001

Recognition Date and Time: Incorporated on November 14, 2016 11:04 AM Pacific Time **In Liquidation:** No

Last Annual Report Filed: November 14, 2022 **Receiver:** No

REGISTERED OFFICE INFORMATION

Mailing Address:
 SUITE 2400, 745 THURLOW STREET
 VANCOUVER BC V6E 0C5
 CANADA

Delivery Address:
 SUITE 2400, 745 THURLOW STREET
 VANCOUVER BC V6E 0C5
 CANADA

RECORDS OFFICE INFORMATION

Mailing Address:
 SUITE 2400, 745 THURLOW STREET
 VANCOUVER BC V6E 0C5
 CANADA

Delivery Address:
 SUITE 2400, 745 THURLOW STREET
 VANCOUVER BC V6E 0C5
 CANADA

DIRECTOR INFORMATION

Last Name, First Name, Middle Name:
 Zhong, Zhen Yu

Mailing Address:
 1800 - 1188 WEST GEORGIA STREET
 VANCOUVER BC V6E 4A2
 CANADA

Delivery Address:
 3029 WEST 45TH AVENUE
 VANCOUVER BC V6N 3L9
 CANADA

NO OFFICER INFORMATION FILED AS AT November 14, 2022.



BC Company Summary

For COROMANDEL PROPERTIES (2016) LTD.

Date and Time of Search: February 02, 2023 11:36 AM Pacific Time

Currency Date: September 20, 2022

ACTIVE

Incorporation Number: BC1086528

Name of Company: COROMANDEL PROPERTIES (2016) LTD.

Business Number: 755995099 BC0001

Recognition Date and Time: Incorporated on August 18, 2016 11:20 AM Pacific Time **In Liquidation:** No

Last Annual Report Filed: August 18, 2022 **Receiver:** No

REGISTERED OFFICE INFORMATION

Mailing Address:

800 - 885 WEST GEORGIA STREET
 VANCOUVER BC V6C 3H1
 CANADA

Delivery Address:

800 - 885 WEST GEORGIA STREET
 VANCOUVER BC V6C 3H1
 CANADA

RECORDS OFFICE INFORMATION

Mailing Address:

800 - 885 WEST GEORGIA STREET
 VANCOUVER BC V6C 3H1
 CANADA

Delivery Address:

800 - 885 WEST GEORGIA STREET
 VANCOUVER BC V6C 3H1
 CANADA

DIRECTOR INFORMATION

Last Name, First Name, Middle Name:

Zhong, Zhen Yu

Mailing Address:

3029 WEST 45TH AVENUE
 VANCOUVER BC V6N 3L9
 CANADA

Delivery Address:

3029 WEST 45TH AVENUE
 VANCOUVER BC V6N 3L9
 CANADA

NO OFFICER INFORMATION FILED AS AT August 18, 2022.



BC Company Summary

For BAYSTONE PROPERTIES (2016) LTD.

Date and Time of Search: February 02, 2023 11:38 AM Pacific Time
Currency Date: September 20, 2022

ACTIVE

Incorporation Number: BC1099345
Name of Company: BAYSTONE PROPERTIES (2016) LTD.
Business Number: 738525724 BC0001
Recognition Date and Time: Incorporated on December 07, 2016 10:39 AM Pacific Time
Last Annual Report Filed: December 07, 2022
In Liquidation: No
Receiver: No

REGISTERED OFFICE INFORMATION

Mailing Address:
 SUITE 2400, 745 THURLOW STREET
 VANCOUVER BC V6E 0C5
 CANADA
Delivery Address:
 SUITE 2400, 745 THURLOW STREET
 VANCOUVER BC V6E 0C5
 CANADA

RECORDS OFFICE INFORMATION

Mailing Address:
 SUITE 2400, 745 THURLOW STREET
 VANCOUVER BC V6E 0C5
 CANADA
Delivery Address:
 SUITE 2400, 745 THURLOW STREET
 VANCOUVER BC V6E 0C5
 CANADA

DIRECTOR INFORMATION

Last Name, First Name, Middle Name:
 Zhong, Zhen Yu

Mailing Address:
 1800 - 1188 WEST GEORGIA STREET
 VANCOUVER BC V6E 4A2
 CANADA
Delivery Address:
 3029 WEST 45TH AVENUE
 VANCOUVER BC V6N 3L9
 CANADA

NO OFFICER INFORMATION FILED AS AT December 07, 2022.



BC Company Summary

For
COROMANDEL HOLDINGS LTD.

Date and Time of Search: February 02, 2023 11:39 AM Pacific Time
Currency Date: September 20, 2022

ACTIVE

Incorporation Number: BC1086510
Name of Company: COROMANDEL HOLDINGS LTD.
Business Number: 756006490 BC0001
Recognition Date and Time: Incorporated on August 18, 2016 10:43 AM Pacific Time **In Liquidation:** No
Last Annual Report Filed: August 18, 2022 **Receiver:** No

REGISTERED OFFICE INFORMATION

Mailing Address:
 800 - 885 WEST GEORGIA STREET
 VANCOUVER BC V6C 3H1
 CANADA

Delivery Address:
 800 - 885 WEST GEORGIA STREET
 VANCOUVER BC V6C 3H1
 CANADA

RECORDS OFFICE INFORMATION

Mailing Address:
 800 - 885 WEST GEORGIA STREET
 VANCOUVER BC V6C 3H1
 CANADA

Delivery Address:
 800 - 885 WEST GEORGIA STREET
 VANCOUVER BC V6C 3H1
 CANADA

DIRECTOR INFORMATION

Last Name, First Name, Middle Name:
 Zhong, Zhen Yu

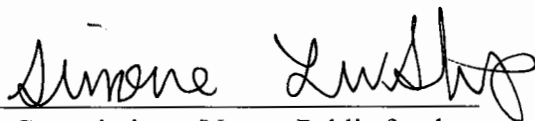
Mailing Address:
 3029 WEST 45TH AVENUE
 VANCOUVER BC V6N 3L9
 CANADA

Delivery Address:
 3029 WEST 45TH AVENUE
 VANCOUVER BC V6N 3L9
 CANADA

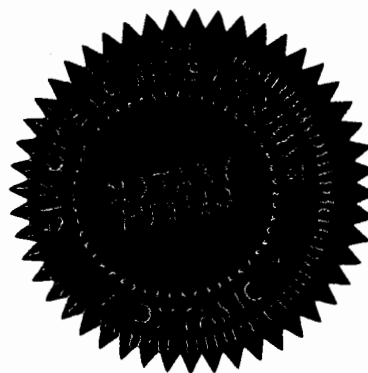
NO OFFICER INFORMATION FILED AS AT August 18, 2022.

TAB C

This is Exhibit "C" referred to in the
Affidavit of Remy Caruso, sworn
before me at Toronto, in the Province of
Ontario this 10th day of February, 2023.



A Commissioner/Notary Public for the
Province of Ontario



GUARANTEE AND POSTPONEMENT OF CLAIMS

THIS GUARANTEE AND POSTPONEMENT OF CLAIMS is dated November 24, 2020
and made

BETWEEN:

COROMANDEL PROPERTIES (2016) LTD., a company under the *Business Corporations Act* of British Columbia (BC1086528), having an office at Suite 1800, 1188 West Georgia Street, Vancouver, BC V6E 4A2;

and

BAYSTONE PROPERTIES (2016) LTD., a company under the *Business Corporations Act* of British Columbia (BC1099345), having an office at Suite 1800, 1188 West Georgia Street, Vancouver, BC V6E 4A2;

and

COROMANDEL HOLDINGS LTD., a company under the *Business Corporations Act* of British Columbia (BC1086510), having an office at Suite 1800, 1188 West Georgia Street, Vancouver, BC V6E 4A2;

and

ZHEN YU ZHONG, a REAL ESTATE DEVELOPER having an address at 3029 West 45th Avenue, Vancouver, BC V6N 3L9;

and

JUN CHAO MO, a REAL ESTATE DEVELOPER having an address at Suite 701 - 277 Thurlow Street, Vancouver, BC V6C 0C1;

(collectively, "Guarantor")

AND:

PEAKHILL CAPITAL INC., a company under the *Business Corporations Act* of Ontario (002728932), having an office at Suite 401, 10 King Street East, Toronto, ON M5C 1C3:

(the "Lender")

A. The Borrower has agreed to borrow the moneys representing the Loan from the Lender who has agreed to make the Loan to the Borrower.

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B. It is a condition of the Loan that the Guarantor execute and deliver this Guarantee to the Lender.

C. The Guarantor has agreed to unconditionally guarantee in the manner hereinafter set forth the payment, observance and performance of the Borrower's Obligations and Liabilities whether now or hereafter existing.

D. The Guarantor has also agreed to assign and postpone to the Lender all debts and liabilities (as defined in Article 3 hereof) owed to it by the Borrower in the manner hereinafter provided.

In consideration of the sum of \$1.00 and other good and valuable consideration now paid by the Lender to the Guarantor (the receipt and sufficiency of which is hereby acknowledged by the Guarantor) the Guarantor represents to and agrees with the Lender as set forth herein.

ARTICLE 1 - DEFINITIONS

1.1 Definitions

In this Guarantee the following words and phrases will have the meaning given to them below.

- (a) **"Borrower"** means Southview Gardens Limited Partnership (LP0703456), Southview Gardens Properties Ltd. (BC1096426) and Southview Gardens BT Ltd. (BC1096430) and their respective successors and assigns, as the case may be, whether immediate or derivative.
- (b) **"Borrower's Obligations and Liabilities"** means the Obligations and Liabilities from time to time of the Borrower to the Lender arising out of or in any way relating to the Loan or the Loan Documents.
- (c) **"Commitment Letter"** means the letter dated October 30, 2020, issued by the Lender to and accepted by the Borrower in connection with the Loan, as amended, modified, restated or replaced from time to time.
- (d) **"Guarantee"** or **"this Guarantee"** means this Guarantee and Postponement of Claims including all recitals and schedules hereto, as amended, modified, restated or replaced from time to time.
- (e) **"Guarantor"** means the Persons so described above and their respective heirs, executors, administrators, personal representatives, successors and assigns, as the case may be, whether immediate or derivative.
- (f) **"Lender"** means the Person so described above and its heirs, executors, administrators, personal representatives, successors and assigns, as the case may be, whether immediate or derivative.
- (g) **"Loan"** means loans aggregating up to \$50,000,000.00 made or to be made by the Lender to the Borrower, as contemplated by the Commitment Letter.

- (h) **“Loan Documents”** means the agreements, instruments, securities and other documents heretofore, now or hereafter created, issued or granted and made by or on behalf of the Borrower in favour of or with the Lender in connection with the Loan as they or each may from time to time be supplemented, amended, restated or replaced and in effect, including but not limited to the Commitment Letter and the security documents entered into pursuant thereto.
- (i) **“Obligations and Liabilities”** whenever used herein in respect of the obligations and liabilities of one Person to another Person, are used in their most comprehensive sense and include all obligations and liabilities of that Person to the other Person heretofore, now or hereafter assumed, made, incurred or created, whether for or on account of any indebtedness of that Person to that other Person (and whether by way of any fee, charge, cost, damage, expense, interest, legal cost, advance or re-advance of principal, debt or otherwise), whether voluntary or involuntary and however arising, whether due or not due, absolute or contingent, liquidated or unliquidated, determined or undetermined, direct or indirect, express or implied, and whether that Person may be liable individually or jointly with others and whether recovery upon any such obligations and liabilities may be or hereafter becomes in any way unenforceable or irrecoverable and irrespective of the genuineness, validity or regularity thereof, of any security therefor or of the existence or extent of such security.
- (j) **“Persons”** or **“Person”** means and includes any individual, sole proprietorship, corporation, partnership, bank, joint venture, trust, unincorporated association, association, institution, entity, party or government (whether national, federal, provincial, state, municipal, city, county or otherwise and including any instrumentality, division, agency, body, or department thereof).

ARTICLE 2 - GUARANTEE

2.1 Guarantee

The Guarantor absolutely and unconditionally guarantees the due payment, observance and performance of all of the Borrower's Obligations and Liabilities (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise) including, without limitation, the Borrower's covenant to pay the Loan and interest and other sums at the times and places and in the manner set forth in the Loan Documents, without setoff, counterclaim, recoupment or deduction of any amounts owing or alleged to be owing by the Lender to the Borrower. Upon the Borrower's failure to do so, the Guarantor promises, on demand, to pay, observe and perform such of the Borrower's Obligations and Liabilities as it may be required to do by virtue of such demand and to pay interest on any moneys to be paid by the Guarantor to the Lender from the date of such demand at the rate or rates then applicable to such sums pursuant to the Loan Documents. Without limiting the foregoing, the Guarantor specifically guarantees payment of any judgment entered against the Borrower and any damages that may be awarded in any action brought against the Borrower by the Lender.

2.2 Terms of Payment, Observance and Performance

In order to implement the foregoing:

- (a) **Borrower's Obligations and Liabilities:** the Guarantor guarantees that the Borrower's Obligations and Liabilities shall be paid, observed and performed strictly in accordance with the terms and provisions of any agreement, express or implied, which has been made or may hereafter be made or entered into between the Lender and the Borrower relating thereto, and regardless of any law, regulation or decree now or hereafter in effect which might in any manner affect any of the terms or provisions of any such agreement or the rights or remedies of the Lender as against the Borrower or any other Person with respect to any of the Borrower's Obligations and Liabilities, or cause or permit to be invoked, any alteration in the time, amount or manner of payment or performance of any of the Borrower's Obligations and Liabilities by the Borrower or any other Person;
- (b) **Payment on Demand:** in each instance when the Borrower has agreed, relative to any of the Borrower's Obligations and Liabilities to pay or provide the Lender with any amount of money, if such amount is not actually paid or provided as and when agreed, the Guarantor shall, forthwith upon demand made by the Lender, and as the Lender may elect, pay or provide the amount in the exact currency and place as agreed by the Borrower; and
- (c) **Taxes:** the Guarantor agrees that all such payments contemplated hereby shall be made without set-off or counterclaim and free and clear of and without deduction for or on account of any present or future income, stamp or other taxes, levies, imposts, duties, charges, fees, deductions, withholdings or restrictions or conditions of any nature whatsoever now or hereafter imposed, levied, calculated, withheld or assessed by any country or any political subdivision or taxing authority thereof (all of the foregoing being referred to in this subsection as "Taxes"). If any Taxes are required to be withheld for any amounts payable to the Lender, the amounts so payable to the Lender will be increased to the extent necessary to yield to the Lender (after payment of all Taxes) interest or such other amounts payable hereunder at the rate(s) or in the amount(s) herein specified.

2.3 Nature of Guarantee

The Guarantor covenants and agrees with the Lender that:

- (a) **No Prejudice:** the Obligations and Liabilities of the Guarantor hereunder are irrevocable and absolute and, as long as any of the Borrower's Obligations and Liabilities remain outstanding, they will continue and be in full force and effect and will not be determined or in any manner affected and no right of the Lender hereunder will, in any manner, be prejudiced or impaired by any circumstance whatsoever, including by:
 - (i) **Dissolution and Winding-Up:** the dissolution, winding-up or other cessation of existence of any Person (including the Borrower, the Guarantor or any other guarantor or surety) liable for the payment, observance and performance of the Borrower's Obligations and Liabilities or any part thereof, or the institution of any proceeding relating thereto; the death or loss or diminution of capacity of any such Person, if a natural Person; any continuance or reorganization or any change in the business,

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capital structure, directorate, management, members, name, objects, organization, partners, powers or shareholders of any such Person; the amalgamation or merger of any such Person with a corporation; the sale or disposal of or appointment of a custodian, liquidator, receiver or trustee in respect of the assets or undertaking, in whole or in part, of any such Person; any distribution of the assets, in whole or in part, of any such Person upon any arrangement, bankruptcy, composition, insolvency, liquidation, readjustment, receivership, reorganization or other similar proceeding or occurrence relating to any such Person; any assignment by any such Person for the benefit of creditors; any other marshalling of any of the assets of any such Person; or any other act or event which would constitute a novation of any obligation or liability of the Borrower in respect of any of the Borrower's Obligations and Liabilities, whether by substitution of the Obligations and Liabilities of any other Person in place of those of the Borrower or otherwise;

- (ii) **Any other Person:** any Obligations and Liabilities of the Borrower, whether in respect of any of the Borrower's Obligations and Liabilities or otherwise, the Guarantor (whether under this Guarantee or otherwise), any other Person who is or may become liable in respect of any of the Borrower's Obligations and Liabilities; or any agreement or instrument evidencing any such obligation or liability, heretofore, now or hereafter being invalid, illegal or unenforceable including, without limitation, any failure by the Borrower or any guarantor or surety to pay, perform or comply with the Borrower's Obligations and Liabilities or the terms of any documents, instruments or agreements evidencing, securing or documenting the same;
- (iii) **Defect:** any defect in, omission from, failure to file or register, or defective filing or registration of any instrument under which the Lender has taken or has had created and issued or granted in its favour any security for payment, observance and performance of any of the Borrower's Obligations and Liabilities, or for payment, observance or performance of any Obligations and Liabilities of the Borrower, the Guarantor, whether under this Guarantee or otherwise, or of any other Person who is or may become liable in respect of any of the Borrower's Obligations and Liabilities; any failure or loss of or in respect of any such security received or held or intended to have been received or held by the Lender, whether arising out of or in connection with the fault of the Lender or otherwise; or any irregularity, defect or unauthorized action by the Lender, the Borrower, the Guarantor or other guarantor or surety or any of their respective officers, directors, members, managers or other agents in executing and delivering any documents, instruments or agreements evidencing, securing or documenting the Borrower's Obligations and Liabilities or in carrying out or attempting to carry out the terms of any such documents, instruments or agreements;

- (iv) **Issue or Levy of Award, Etc.:** any issue or levy by any administrative, governmental, judicial or other authority or arbitrator of any award, execution, injunction, judgment, order, warrant of attachment, writ of similar process against the Borrower (whether in respect of any of the Borrower's Obligations and Liabilities or otherwise), the Guarantor (whether in respect of any of its Obligations and Liabilities under this Guarantee or otherwise), or against any other Person who is or may become liable in respect of any of the Borrower's Obligations and Liabilities;
- (v) **Setoffs and Counterclaims; Defences:** any setoff, counterclaim, recoupment, deduction, any defence or other right which the Guarantor may have against the Lender, the Borrower, any other guarantor, surety or any other Person for any reason whatsoever whether related to the Borrower's Obligations and Liabilities or otherwise; or any other circumstance which might constitute a legal or equitable discharge or defence, in whole or in part, of a surety or guarantor;
- (vi) **Consents and Waivers:** any act or omission of the Lender consented to in this Guarantee including, without limitation, pursuant to Section (e) hereof; or the failure to receive any notice, demand, presentment or protest waived in this Guarantee including, without limitation, pursuant to Sections 2.5 and 6.5 hereof;
- (vii) **Organizational Changes:** any change in the name, state of organization, entity type or structure, capital stock or other ownership interests or constitution of the Borrower or any guarantor or surety; or
- (viii) **Any Other Act or Event:** any occurrence or non-occurrence of any other act or event which, by operation of law or equity or otherwise, would directly or indirectly now or hereafter result in the determination, discharge, extinction, limitation, merger, novation, reduction or release, pro tanto or otherwise of the Guarantor or of any of its Obligations and Liabilities hereunder, or which would otherwise prejudice or impair any right of the Lender hereunder;

and by signing this Guarantee, the Guarantor hereby waives all defences of a surety to which it may be entitled by statute or otherwise;

- (b) **Continuing Guarantee:** this Guarantee is a continuing guarantee and will be binding upon the Guarantor regardless of how long before or after the date hereof any of the Borrower's Obligations and Liabilities were or are incurred. Credit may be granted or continued from time to time by the Lender to the Borrower without notice to or authorization from the Guarantor regardless of the Borrower's then-existing financial or other condition. The Guarantor agrees that this Guarantee will continue to be effective or will be reinstated as the case may be if at any time any payment to the Lender of any of the Borrower's Obligations and Liabilities is rescinded or must be restored or returned by the Lender upon all insolvency, bankruptcy or reorganization of the Borrower, all as though such

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payment had not been made. In the event this Guarantee is preceded or followed by any other agreement of suretyship or guarantee by the Guarantor or others, all will be deemed to be cumulative, and the obligations of the Guarantor hereunder will be in addition to those stated in any suretyship or guaranty agreement;

- (c) **Pay Moneys:** the Obligations and Liabilities of the Guarantor hereunder to pay moneys will constitute Obligations and Liabilities of payment and not of collectability and will be absolute and independent of and not in consideration of or conditional or contingent upon any other Obligations and Liabilities of the Guarantor, any Obligations and Liabilities of the Borrower (whether in respect of any of the Borrower's Obligations and Liabilities or otherwise), or any Obligations and Liabilities of any other Person who is or may become liable in respect of any of the Borrower's Obligations and Liabilities; or any prior notice or protest to, demand upon or action, suit or other proceeding against the Borrower, or any such other Person and the Lender may bring or prosecute a separate action, suit or other proceeding against the Guarantor whether such action, suit or other proceeding is brought or prosecuted against the Borrower or any such other Person or whether the Borrower or any such other Person is joined in such action, suit or other proceeding;
- (d) **Part Payment:** any part payment, observance or performance by the Borrower of any of the Borrower's Obligations and Liabilities or other circumstance which operates to toll any statute of limitations or law of prescription as to the Borrower will operate to toll such statute of limitations or law of prescription as to the Guarantor; and
- (e) **Waiver of Immunities:** to the extent that the Guarantor has or may hereafter acquire any immunity from jurisdiction of any court or from any legal process (whether through service or notice, attachment prior to judgment, attachment in aid of execution, execution, or otherwise) under the laws of any jurisdiction, the Guarantor hereby irrevocably waives such immunity in respect of its Obligations and Liabilities under this Guarantee and agrees that it will be subject to the laws governing this Guarantee with respect thereto.

2.4 Authorization

The Guarantor authorizes the Lender, at the sole and absolute discretion of the Lender, without notice or demand and without in any manner affecting the liability of the Guarantor hereunder or under any security now or hereafter furnished to the Lender by the Guarantor in connection herewith, and without prejudicing or impairing any right of the Lender hereunder, from time to time to:

- (a) **Renew, Modify Etc.:** renew, compromise, extend, accelerate, waive or otherwise modify the terms of any Loan Document or any other document, instrument or agreement, whether now or hereafter existing, evidencing, documenting, securing or otherwise relating to the Borrower's Obligations and Liabilities, including the time, form or manner for payment, observance or performance of, or any term in respect of, the Borrower's Obligations and Liabilities, or any part thereof, including increasing or decreasing the amount of the Loan and any rate of interest

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payable in connection therewith or changing the method of calculation thereof, or the obligations of any surety or guarantor, or any instrument or agreement evidencing the same;

- (b) **Security:** take and hold any collateral or security for the payment, observance and performance of this Guarantee or the Borrower's Obligations and Liabilities, or any part thereof, or for the payment, observance or performance of any Obligations and Liabilities in any way relating to or arising out of the Borrower's Obligations and Liabilities or any collateral or security now or hereafter held therefor from the Borrower, the Guarantor, whether under this Guarantee or otherwise, or from any other Person who is or may become liable in respect of any of the Borrower's Obligations and Liabilities, and assign, sell, exchange, enforce, waive, perfect, release, subordinate, subrogate, substitute, surrender or take advantage of or defer, or waive taking, perfecting, enforcing or otherwise taking advantage of any such collateral or security (including any rights or remedies of the Lender in respect of any collateral or security now or hereafter held) and apply any such security and direct the order or manner of sale thereof as the Lender in its discretion may determine;
- (c) **Realize:** realize on any security interest or lien, judicially or nonjudicially, with or without preservation of a deficiency judgment;
- (d) **Exercise:** compromise, release or settle with or substitute or delay or waive the exercise of any one or more right or remedy against the Borrower, the Guarantor or any other Person (including any guarantor or surety) who is or may become liable in respect of any of the Borrower's Obligations and Liabilities;
- (e) **Grant Indulgence:** release any guarantor or surety, or grant any other indulgence to the Borrower, the Guarantor or any other Person who is or may become liable in respect of any of the Borrower's Obligations and Liabilities, or any part thereof, and compound with all or any of such Persons as the Lender shall see fit;
- (f) **Acceptance:** accept any of the Borrower's Obligations and Liabilities incurred after the date hereof;
- (g) **Recovery:** apply any payment by, recovery from or credit, deposit or offset due to, or any funds realized from or payable on account of any security heretofore, now or hereafter furnished to the Lender by the Borrower, the Guarantor or any other Person (including any other guarantor or surety) who is or may become liable in respect of any of the Borrower's Obligations and Liabilities, to the Borrower's Obligations and Liabilities or any part or parts thereof now or hereafter existing, whether in respect of any of the Borrower's Obligations and Liabilities or otherwise of the Borrower, the Guarantor or any such other Person to the Lender, as the case may be, in such order, priority and manner and at such times as the Lender in its sole and absolute discretion may determine;
- (h) **Lien or Set Off:** impose a lien upon or set off any money, security or other property of the Guarantor now or hereafter in the possession of or on deposit with the Lender, whether held in a general or special account or on deposit or for

safekeeping or otherwise, against any payment due from the Guarantor to the Lender hereunder; and

- (i) **Any Other Person:** otherwise deal with the Borrower, the Guarantor, any other Person who is or may become liable in respect of any of the Borrower's Obligations and Liabilities, or any security heretofore, now or hereafter furnished to the Lender by the Borrower, the Guarantor or any such other Person, as the Lender may deem appropriate or desirable.

2.5 Waivers

The Guarantor unconditionally waives:

- (a) **Right to Receive:** any right to receive from the Lender any communication whatsoever with respect to any of the Borrower's Obligations and Liabilities or any Obligations and Liabilities of the Guarantor, whether under this Guarantee or otherwise, or of any other Person who is or may become liable in respect of any of the Borrower's Obligations and Liabilities, including, without limitation:
 - (i) Notice of Creation: any notice of the creation, existence or incurring, now or hereafter, of any Borrower's Obligations and Liabilities or any change therein, the acceptance by the Lender of, or the intention of the Lender to act on or in reliance on, any Obligation or Liability of the Guarantor, whether under this Guarantee or otherwise, or of any other Person (including any guarantor or surety) who is or may become liable in respect of any of the Borrower's Obligations and Liabilities, or any default by or non-payment, non-observance or non-performance of any obligation of the Borrower, the Guarantor or any such other Person;
 - (ii) Renewal and Modification: any renewal, extension or modification of the terms of any of Borrower's Obligations and Liabilities of any surety or guarantor or any documents, instruments or agreements evidencing, securing or documenting the same;
 - (iii) Additional Guaranty and Security: the obtaining of any guaranty or surety agreement (in addition to this Guarantee), the obtaining of any collateral or security for the payment and performance of any of the Borrower's Obligations and Liabilities, the release of any surety or guarantor, or the release of any collateral or security;
 - (iv) Communication: any communication of any information known by the Lender relating to the financial condition of the Borrower or to any other circumstance bearing upon the risk of non-payment of any of the Borrower's Obligations and Liabilities; or
 - (v) Demand for Performance: any demand for performance, notice of dishonour, notice of protest, presentment, protest or acceptance relating to any of the Borrower's Obligations and Liabilities or the Obligations and

Liabilities of the Guarantor or any other Person who is or may become liable in respect of any of the Borrower's Obligations and Liabilities;

- (b) **Right to Require:** any right to require the Lender to:
- (i) Proceed Against Borrower, Guarantor, Etc.: proceed against the Borrower, the Guarantor or any other Person who is or may become liable in respect of any of the Borrower's Obligations and Liabilities, including, without limitation, any right or benefit of discussion or division;
 - (ii) Proceed Against Security: proceed against or exhaust any security heretofore, now or hereafter furnished to the Lender by the Borrower, the Guarantor or any other Person who is or may become liable in respect of any of the Borrower's Obligations and Liabilities;
 - (iii) Application: first apply any property or assets of the Borrower or any other Person who is or may become liable in respect of any of the Borrower's Obligations and Liabilities to the discharge of the Borrower's Obligations and Liabilities or marshal in favour of the Guarantor; or
 - (iv) Pursue: pursue or exercise any other right or remedy of the Lender whatsoever;
- (c) **Borrower's Outstanding Obligations and Liabilities:** so long as any of the Borrower's Obligations and Liabilities remain outstanding (including such part thereof, if any, that exceeds the liability of the Guarantor hereunder, if the liability of the Guarantor is expressly limited hereunder), any right of subrogation to, or any right to enforce, any right or remedy which the Lender now has or may hereafter have against or in respect of the Borrower, any other Person who is or may become liable in respect of any of the Borrower's Obligations and Liabilities or any security heretofore, now or hereafter furnished to the Lender by the Borrower or any such other Person or any benefit of or right to participate in any such security;
- (d) **Defence:** any defence arising out of or in connection with:
- (i) Absence: any absence, impairment or loss of any right of contribution, reimbursement or subrogation or any other right or remedy of the Guarantor against or in respect of the Borrower, any other Person who is (including any other guarantor or surety) or may become liable in respect of any of the Borrower's Obligations and Liabilities or any security heretofore, now or hereafter furnished to the Lender by the Borrower or any such other Person;
 - (ii) Disability: any disability, incapacity or other defence available to the Borrower or any other Person who is or may become liable in respect of any of the Borrower's Obligations and Liabilities or any cessation from any cause whatsoever of any of the Borrower's Obligations and Liabilities

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or the Obligations and Liabilities of any such other Person in respect of any of the Borrower's Obligations and Liabilities;

- (iii) Other Circumstances: any other circumstance which might otherwise constitute a defence to any action, suit or other proceeding against the Guarantor, whether on this Guarantee or otherwise;
- (iv) Statute of Limitations: any benefit of any statute of limitations or law of prescription affecting any obligation or liability of the Guarantor, whether under this Guarantee or otherwise, or the enforcement thereof, to the fullest extent permitted by law; or
- (v) Immunities: any immunity at any time acquired from the jurisdiction of any court or from any legal process (whether through service or notice, attachment prior to judgment, attachment in aid of execution, execution, or otherwise) under the laws of any jurisdiction that may apply in respect of any of its Obligations and Liabilities under this Guarantee.

2.6 Bankruptcy, Etc.

In the event of any distribution of the assets, in whole or in part, of the Borrower, or the Guarantor or any other Person who is or may become liable in respect of any of the Borrower's Obligations and Liabilities, or upon any arrangement, bankruptcy, composition, execution sale, insolvency, liquidation, readjustment, receivership, reorganization or other similar proceeding or occurrence relating to any such Person, or any proceeding for the dissolution, liquidation, winding-up or other cessation of existence of any such Person, voluntary or involuntary, whether or not involving bankruptcy or insolvency proceedings, or any assignment by any such Person for the benefit of creditors or any other marshalling of any of the assets of any such Person:

- (a) **Omission**: none of the Obligations and Liabilities of the Guarantor hereunder will be determined or in any manner affected and no right of the Lender hereunder will in any manner be prejudiced or impaired by any omission by the Lender to prove its claim or to prove its full claim and the Lender may prove such claim as it sees fit and may refrain from proving any claim and may value as it sees fit or refrain from valuing any security held by the Lender; and
- (b) **Right to Include**: so long as any of the Borrower's Obligations and Liabilities remain outstanding (including such part thereof, if any, that exceeds the liability of the Guarantor hereunder, if the liability of the Guarantor is expressly limited hereunder). the Lender will have the right to include, in any claim made by it, the amount of all sums paid by the Guarantor, whether under this Guarantee or otherwise, and to prove and rank for and receive dividends in respect to such claim; any and all right to prove and rank for such sums paid by the Guarantor and to receive the full amount of all dividends in respect thereof is hereby assigned and transferred by the Guarantor to the Lender.

ARTICLE 3 - POSTPONEMENT OF CLAIMS

3.1 Assignment

To secure the payment, observance and performance of its Obligations and Liabilities to the Lender hereunder, the Guarantor:

- (a) assigns and grants a security interest in all present and future debts, obligations and liabilities owed to it by the Borrower, together with all interest therein and fees and other charges payable to it in connection therewith and all liens, security interests, charges and other security therefor (collectively the “**debts and liabilities**”); and
- (b) postpones the payment, observance and performance of the debts and liabilities to the prior payment, observance and performance of the Borrower’s Obligations and Liabilities, to the Lender in full, in cash.

The Guarantor agrees that the debts and liabilities shall not be paid or performed in whole or in part, and the Guarantor shall not cause or permit any Person other than the Lender to accept any payment or performance of or on account of the debts and liabilities while this Guarantee is in effect. The Guarantor further agrees that if and whenever it receives any moneys representing the debts and liabilities it shall receive and hold such moneys in trust for and shall immediately pay the same to the Lender in addition to and without otherwise limiting its obligations to pay, observe or perform the Borrower’s Obligations and Liabilities.

3.2 Severability

The provisions of this Article 3 are independent and severable from the guarantee of the Borrower’s Obligations and Liabilities provided herein regardless of whether the Guarantor is obligated under such guarantee.

3.3 If More than One Guarantor

In the event that the Guarantor is comprised of more than one Person, the provisions of this Article 3 will apply to the debts and liabilities owed by the Borrower to any one or more of those Persons.

ARTICLE 4 - REPRESENTATIONS AND WARRANTIES

4.1 Representations and Warranties

The Guarantor makes the following representations and warranties to the Lender as continuing representations and warranties so long as any of the Borrower’s Obligations and Liabilities remain outstanding:

- (a) **Existence and Rights:**
 - (i) the Guarantor, if a corporation:

- 13 -

- (A) is a corporation under the laws of the Province of British Columbia without limitation as to the duration of its existence;
 - (B) is validly existing and in good standing under the laws of the Province of British Columbia;
 - (C) has the full corporate power and authority to own its property and to carry on its business as now owned and carried on and is duly qualified and in good standing in each jurisdiction in which the property owned by it or the business conducted by it makes such qualification necessary or desirable; and
 - (D) has full corporate power and authority to make and carry out this Guarantee; and
- (b) **Authorization, Execution, Delivery and Performance:** the execution, delivery and performance of this Guarantee:
- (i) if the Guarantor is a corporation, have been duly authorized by all required corporate action;
 - (ii) if the Guarantor is a partnership, have been duly authorized by all required partnership action;
 - (iii) do not require the consent or approval of any shareholder, partner, trustee, holder of any Obligations and Liabilities of the Guarantor, or any governmental body or other regulatory authority;
 - (iv) are not and will not be in contravention of, or in conflict with, any law or regulation by which the Guarantor is bound;
 - (v) if the Guarantor is a corporation, any term or provision of the certificate or articles of incorporation, bylaws, or constating documents of the Guarantor;
 - (vi) if the Guarantor is a partnership, any term or provision of the Guarantor's partnership agreement; and
 - (vii) are not and will not be, in contravention of, or in conflict with, any agreement, indenture, mortgage, other instrument, or undertaking to which the Guarantor is a party or by which it or any of its properties is or may be bound or affected and do not, and will not, save as herein provided, cause any security interest, lien or other encumbrance to be created or imposed upon any such properties;
- (c) **Execution:** the Guarantor is executing and delivering this Guarantee at the sole and exclusive request of the Borrower;

- (d) **No Representations by Lender:** the Guarantor has in no way whatsoever, directly or indirectly, sought, received or relied upon any representation or statement from or any agreement or undertaking with the Lender or any officer, employee or agent the Lender with respect to any matter relating to this Guarantee, the Loan, the Borrower's Obligations and Liabilities, the Loan Documents, the Borrower or any other Person liable or proposed to be liable for the Borrower's Obligations and Liabilities or any part thereof or any security now held or proposed to be held therefor from any Person whomsoever;
- (e) **Litigation:** there is no litigation or other proceeding pending or, to the knowledge of the Guarantor, threatened against, or affecting, the Guarantor or its properties which, if determined adversely to the Guarantor, would have a materially adverse effect on the financial condition, properties or operations of the Guarantor and the Guarantor is not in default with respect to any order, writ, injunction, decree or demand of any court or other governmental or regulatory authority;
- (f) **Financial Condition of Guarantor:** any financial information which has heretofore been submitted in writing by the Guarantor to the Lender in connection herewith is true and correct, truly presents the financial condition of the Guarantor as at the date thereof and the results of the operations of the Guarantor for the period covered thereby and has been prepared in accordance with sound accounting principles on a basis consistently maintained. The Guarantor has no knowledge of any liabilities, contingent or otherwise, at the date of said financial information which are not reflected in said financial information and the Guarantor has not entered into any commitments or contracts which are not reflected in the financial information which may have a materially adverse effect upon its financial condition, operations or business as now conducted;
- (g) **Financial Condition of Borrower:** the Borrower has furnished the Guarantor with all financial and other information and copies of all agreements, instruments and other writings which the Guarantor has requested concerning the Borrower, the Loan, the Borrower's Obligations and Liabilities, the Loan Documents, the Borrower's relationship with the Lender and the nature, scope and extent of the risk which the Guarantor assumes and incurs under this Guarantee;
- (h) **Future Financial Information:** the Guarantor has established means satisfactory to it of obtaining from the Borrower, independently of the Lender, on a continuing basis such additional or future financial and other information and copies of all agreements, instruments and other writings as it may deem appropriate or desirable concerning the Loan, the Borrower, the Borrower's Obligations and Liabilities, the Loan Documents, the Borrower's relationship with the Lender and the nature, scope and extent of the risk which the Guarantor assumes and incurs under this Guarantee; and the Guarantor has reviewed such documents and other information as it has deemed appropriate in order to permit it to be fully apprised of the operations, business, properties or financial condition of the Borrower and has, in entering into this Guarantee made its own credit analysis independent and without reliance upon any information communicated to it by the Lender;

- (i) **Financial Benefit:** the Guarantor has derived or expects to derive a financial advantage from each and every loan or other extension of credit and from each and every renewal, extension, release of collateral or other relinquishment of legal rights made or granted or to be made or granted by the Lender to the Borrower or any other Person in connection with any of the Borrower's Obligations and Liabilities; and
- (j) **Binding Obligations, Etc.** this Guarantee has been duly executed and delivered by the Guarantor to the Lender without condition and constitutes a legal, valid and binding obligation of the Guarantor enforceable against the Guarantor in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, similar laws affecting creditors' rights generally or general principles of equity.

ARTICLE 5 - MISCELLANEOUS

5.1 Entire Guarantee

Upon the execution and delivery by the Guarantor to the Lender of this Guarantee, this Guarantee will be deemed to be finally executed and delivered by the Guarantor as of the date hereof and will not be subject to or affected by any promise or condition affecting or limiting the liability of the Guarantor except as set forth herein and no statement, representation, agreement or promise on the part of the Lender or any officer, employee or agent thereof unless contained herein forms any part of this Guarantee or has induced the making hereof or will be deemed to affect the Guarantor's liability hereunder. This Guarantee comprises the complete, final and integrated agreement of the parties hereto on the subject matter hereof and supersedes all prior agreements, written or oral, on such subject matter. This Guarantee will be operative and binding upon every signatory hereto notwithstanding the non-execution hereof by any other proposed signatory hereto.

5.2 Lender's Records Conclusive

The statement in writing of an officer of the Lender of the amount of or existence of any of the Borrower's Obligations and Liabilities or as to the occurrence of any failure by the Borrower to fully and punctually pay, observe or perform any of the Borrower's Obligations and Liabilities when due or required, as the case may be, will be binding on and conclusive against the Guarantor, and all right to question in any way the Lender's present or future method of dealing with the Borrower or any Person or Persons now or hereafter liable to the Lender for the Borrower's Obligations and Liabilities, or any part thereof, or with any security now or hereafter held by the Lender therefor or with any property covered by such security is hereby waived.

5.3 Guarantor Principal Debtor

For the purpose of greater clarity it is hereby declared to be the intention of the parties that this Guarantee will be construed so as to impose the like obligation upon the Guarantor as if the Guarantor had covenanted as a principal jointly and severally with the Borrower with respect to the Borrower's Obligations and Liabilities and not as a surety.

5.4 Corporate Borrower

It is not necessary for the Lender to inquire into the powers of the Borrower, if a corporation partnership or a trust, or the officers, directors, partners, trustees or agents acting or purporting to act on its behalf, and any of the Borrower's Obligations and Liabilities made, created, incurred or assumed in reliance upon the professed exercise of such powers will form part of the Borrower's Obligations and Liabilities even though those Borrower's Obligations and Liabilities are or were irregularly, fraudulently, defectively or informally made, created, incurred or assumed by or in excess of the powers of the Borrower or of its officers, directors, partners, trustees or agents and notwithstanding that the Lender has specific notice of the powers of the Borrower or its officers, directors, partners, trustees or agents.

5.5 Guarantor to Keep Informed

The Guarantor agrees with the Lender that so long as any of the Borrower's Obligations and Liabilities remain outstanding it shall assume all responsibility for being and keeping itself informed of the financial condition of the Borrower and of all other circumstances bearing upon the nature, scope and extent of the risk which it assumes and incurs under this Guarantee. Without limiting the foregoing, the Guarantor shall enter into such agreements and arrangements with the Borrower as may be necessary to ensure its receipt of notice of such material changes and of periodic financial statements. The Guarantor expressly waives any requirement that the Lender advise, disclose, discuss or deliver notice to the Guarantor regarding the operations, business, properties or financial condition of the Borrower or with respect to any default by the Borrower in its payment or performance of the Borrower's Obligations and Liabilities whether or not knowledge of such condition, operations or default is or reasonably could be in the possession of the Guarantor and whether or not such knowledge is in the possession of the Lender before or after the extension of any credit giving rise to Obligations and Liabilities by the Borrower.

5.6 Effect

The provisions of this Guarantee are in addition to and not in substitution for the provisions of any other guarantee or any debenture, mortgage, note, pledge or other security or evidence of liability held by the Lender, all of which will be construed as complementary to each other. Nothing contained herein will prevent the Lender from enforcing any other guarantee or any debenture, mortgage, note, pledge or other security or evidence of liability in accordance with its terms.

5.7 Relationship of the Parties

Any sum falling within the terms of this Guarantee which may not be recoverable from the Guarantor on the footing of a guarantee, whether by reason of any legal or equitable limitation, disability, incapacity, or any other fact or circumstance, and whether known to the Lender or not, will nevertheless be recoverable from the Guarantor as an indemnifier of the Lender.

5.8 Survival of Warranties

All covenants, agreements, representations and warranties made herein will survive the execution and delivery of this Guarantee.

5.9 Failure or Indulgence Not Waiver

No failure or delay on the part of this Lender in the exercise of any power, right of privilege hereunder will operate as a waiver thereof, nor will any single or partial exercise or any such power, right of privilege preclude any other or further exercise of any such power, right or privilege. All powers, rights and privileges hereunder are cumulative to, and not exclusive of, any powers, rights or privileges otherwise available.

5.10 Notices

Any notice, demand or other document to be given, or any delivery to be made hereunder will be effective if in writing and delivered in Person and left with, or if faxed and confirmed by prepaid registered letter addressed to the attention of:

- (a) in the case of the Lender, addressed as follows:

PEAKHILL CAPITAL INC.

Suite 401, 10 King Street East
Toronto, ON M5C 1C3

Attention: Harley Gold, Managing Director
Shawn Ning, Vice President Investment & Financing

Fax No: N/A

with a copy to:

FASKEN MARTINEAU DUMOULIN LLP

Barristers & Solicitors
Bentall 5, Suite 2900 - 550 Burrard Street
Vancouver, BC V6C 0A3

Attention: Brent C. Clark

Fax No: 604.631.3232

- (b) in the case of the Guarantor, addressed as follows:

COROMANDEL PROPERTIES (2016) LTD.

BAYSTONE PROPERTIES (2016) LTD.

COROMANDEL HOLDINGS LTD.

Suite 1800, 1188 West Georgia Street
Vancouver, BC V6E 4A2

- 18 -

Attention: Zhen Yu Zhong

Fax No: N/A

ZHEN YU ZHONG3029 West 45th Avenue
Vancouver, BC V6N 3L9Fax No: 604.559.1667**JUN CHAO MO**Suite 701, 277 Thurlow Street
Vancouver, BC V6C 0C1Fax No: 604.559.1667

with a copy to:

CLARK WILSON LLPBarristers and Solicitors
Suite 900, 885 West Georgia Street
Vancouver, BC V6C 3H1

Attention: Karen Ngan

Fax No: 604.687.6314

Any notice, demand or other document or delivery so given or made will be deemed to have been given or made and received at the time of delivery in Person or on the business day next following the date of the faxing of the same. Any party hereto may from time to time by notice in writing change his or its address (or in the case of a corporate party, the designated recipient) for the purposes of this Section.

5.11 Expenses and Fees

The Guarantor shall pay all costs and expenses, including, without limitation, lawyer's fees (on a solicitor and his own client basis) and accountants fees, incurred by the Lender in connection with the payment, observance and performance of the Borrower's Obligations and Liabilities or any part thereof, whether such payment, observance or performance be made by the Borrower, the Guarantor or any other Person now or hereafter liable therefor in whole or in part. The Guarantor shall indemnify and save harmless the Lender from any claim, loss or damage whatsoever arising out of or in connection with the Guarantee.

5.12 Time of the Essence

Time is of the essence of this Guarantee.

5.13 Modification of Guarantee

No alteration, modification or waiver of this Guarantee or any of its terms, provisions or conditions will be binding on the Lender unless made in writing over the signature of an authorized officer of the Lender.

5.14 Judgment Currency

If for the purpose of obtaining judgment in any court or calculating the liability of Guarantor hereunder it is necessary to convert a sum due hereunder into Canadian dollars, the rate of exchange used will be that at which in accordance with normal banking procedures the Lender could purchase Canadian dollars with the other applicable currency on the business day preceding that on which final judgment is given, or in the case of the exercise of nonjudicial remedies, the business day preceding the day final calculation of liability hereunder is to be made. The obligation of Guarantor in respect of any such sum due from it will, notwithstanding any judgment in Canadian dollars, be discharged only to the extent that, on the business day following receipt by the Lender of the sum adjudged so due in Canadian dollars, whether by realization on a judgment, nonjudicial foreclosure or other means of collection, the Lender may in accordance with normal banking procedures purchase the Other Currency with the Canadian dollars. If the Other Currency so purchased is less than the sum originally due to the Lender in the Other Currency, the Guarantor agrees as a separate obligation and notwithstanding any such judgment to indemnify the Lender against such loss.

ARTICLE 6 - INTERPRETATION

6.1 Headings

All headings and titles in this Guarantee are for reference only and are not to be used in the interpretation of the terms hereof.

6.2 Interpretation

Wherever the singular or masculine or neuter is used herein the same shall be construed as meaning the plural or the feminine or body corporate or vice-versa where the context or the parties hereto so require.

6.3 Severability

If any provision of this Guarantee or any part thereof is be found or determined to be invalid, illegal or unenforceable, that provision or such part thereof will be severable from this Guarantee and the remainder of this Guarantee will be construed as if such invalid, illegal or unenforceable provision or part had been deleted herefrom.

6.4 Applicable Law

This Guarantee and the rights and obligations of the Guarantor and the Lender hereunder will be governed and be construed according to the laws of the Province of British Columbia.

6.5 Jurisdiction

The Guarantor irrevocably agrees that any legal action or proceeding against it with respect to this Guarantee may be brought in the courts of the Province of British Columbia, or in such other court as the Lender may elect and, by execution and delivery of this Guarantee, the Guarantor irrevocably submits to each such jurisdiction. The Guarantor irrevocably consents to the service of any and all process in any such action or proceeding by the mailing of copies of such process to the Guarantor by registered or certified mail at the address set forth in Section 5.10 hereto. In addition, Guarantor irrevocably waives to the fullest extent permitted by law any objection which it may now or hereafter have to the laying of venue in any such action or proceeding in either: (a) any court sitting in the Province of British Columbia; or (b) any other court as the Lender may elect; and hereby further irrevocably waives any claim that any such forum is an inconvenient forum. The Guarantor further agrees that a final judgment in any such action or proceeding will be conclusive and may be enforced in any other jurisdiction by suit on the judgment or in any other manner provided by law.

6.6 Multiple Guarantors

If more than one Person executes this instrument as Guarantor the provisions hereof will be read with all grammatical changes thereby rendered necessary and each reference to the Guarantor will include each and every one of them severally and all representations, warranties covenants and agreements herein contained will be deemed to be the joint and several representations, warranties, covenants and agreements of each such Person.

6.7 Successors and Assigns

This Guarantee will be binding upon the Guarantor and its heirs, executors, administrators, personal representatives, successors and permitted assigns, as the case may be, and will enure to the benefit of the Lender and its successors and assigns. The Lender may assign or otherwise transfer this Guarantee or any of its rights and powers hereunder in whole or in part without notice, with all or any of the Borrower's Obligations and Liabilities hereby guaranteed, and in such event the assignee will have the same rights and remedies as if originally named herein in place of the Lender to the extent as the same are assigned. The Guarantor may not assign or otherwise transfer all or any part of its rights or obligations hereunder without the prior written consent of the Lender and any such assignment or transfer purported to be made without such consent shall be ineffective.

6.8 Counterparts

This Agreement may be executed in counterparts and an executed copy of this Agreement may be delivered by electronic facsimile transmission or other means of electronic communication capable of producing a signed printed copy of this Agreement. **Any such execution and delivery will be deemed to have occurred as of the date set forth above by the party so delivering such copy.**

*[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK;
SIGNATURE PAGE(S) TO FOLLOW]*

EXECUTED this 24 day of November, 2020.

COROMANDEL PROPERTIES (2016) LTD.,
by its authorized signatory(ies):

Per: 
Name: Zhen Yu Zhong
Title: Director

Per: _____
Name:
Title:

We/I have the authority to bind the corporation

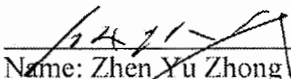
BAYSTONE PROPERTIES (2016) LTD., by its
authorized signatory(ies):

Per: 
Name: Zhen Yu Zhong
Title: Director

Per: _____
Name:
Title:

We/I have the authority to bind the corporation

COROMANDEL HOLDINGS LTD., by its
authorized signatory(ies):

Per: 
Name: Zhen Yu Zhong
Title: Director

Per: _____
Name:
Title:

We/I have the authority to bind the corporation

**SIGNED, SEALED and
DELIVERED**
by **ZHEN YU ZHONG** in the
presence of:


Signature

Print Name

KAREN NGAN
Barrister & Solicitor

Address **CLARK WILSON LLP**
900 - 885 WEST GEORGIA STREET
VANCOUVER, BC V6C 3H1
T. 604.687.5700

Occupation


ZHEN YU ZHONG



**SIGNED, SEALED and
DELIVERED**
by JUN CHAO MO in the
presence of:

Signature

Print Name

KAREN NGAN
Barrister & Solicitor

Address **CLARK WILSON LLP**
900 - 885 WEST GEORGIA STREET
VANCOUVER, BC V6C 3H1
T. 604.687.5700

Occupation

JUN CHAO MO 

BETWEEN:

**COROMANDEL PROPERTIES (2016) LTD.,
BAYSTONE PROPERTIES (2016) LTD., ZHEN
YU ZHONG and
JUN CHAO MO**

AND:

PEAKHILL CAPITAL INC.

**GUARANTEE AND POSTPONEMENT OF
CLAIMS**

**FASKEN MARTINEAU DUMOULIN LLP
Barristers & Solicitors**

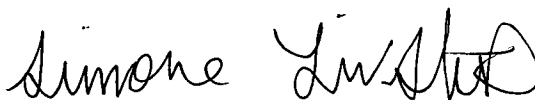
**Bentall 5, Suite 2900 - 550 Burrard Street
Vancouver, BC, Canada V6C 0A3
Telephone: 604.631.3131**

Counsel: Brent C. Clark

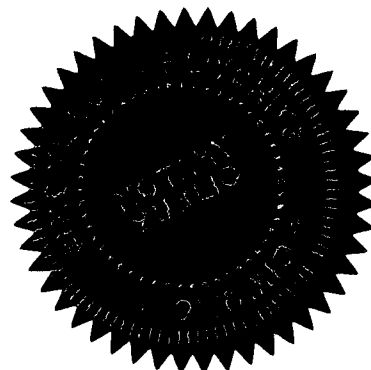
File No: 324371.00001

TAB D

This is Exhibit "D" referred to in the
Affidavit of Remy Caruso, sworn
before me at Toronto, in the Province of
Ontario this 10th day of February, 2023.



A Commissioner/Notary Public for the
Province of Ontario



LAND TITLE ACT
FORM B (Section 225)

Nov-26-2020 11:28:12.001

CA8598034

MORTGAGE - PART I Province of British Columbia

PAGE 1 OF 35 PAGES

Your electronic signature is a representation that you are a designate authorized to certify this document under section 168.4 of the *Land Title Act*, RSBC 1996 c.250, that you certify this document under section 168.41(4) of the act, and that an execution copy, or a true copy of that execution copy, is in your possession.

Brent
Christopher
Clark 8XCA6K

Digitally signed by Brent
Christopher Clark 8XCA6K
Date: 2020.11.26 10:23:02
-08'00'

1. APPLICATION: (Name, address, phone number of applicant, applicant's solicitor or agent)

Brent C. Clark, Barrister and Solicitor

Fasken Martineau DuMoulin LLP

Suite 2900, 550 Burrard Street

Vancouver

BC V6C 0A3

Phone No. 604.631.3131

Client No. 11565

File No. 324371.00001/20239

Document Fees: \$74.87

Deduct LTSA Fees? Yes

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND:

[PID]

[legal description]

007-982-160 LOT 14 DISTRICT LOT 334 PLAN 13993

STC? YES

3. BORROWER(S) (MORTGAGOR(S)): (including postal address(es) and postal code(s))

SOUTHVIEW GARDENS BT LTD.

SUITE 1800, 1188 WEST GEORGIA STREET

VANCOUVER

V6E 4A2

BRITISH COLUMBIA

CANADA

Incorporation No

BC1096430

4. LENDER(S) (MORTGAGEE(S)): (including occupation(s), postal address(es) and postal code(s))

PEAKHILL CAPITAL INC.

SUITE 401, 10 KING STREET EAST

TORONTO

CANADA

ONTARIO

M5C 1C3

Incorporation No

002728932

5. PAYMENT PROVISIONS:

(a) Principal Amount:

SEE SCHEDULE

(b) Interest Rate:

SEE SCHEDULE

(c) Interest Adjustment

Date: N/A

Y

M

D

(d) Interest Calculation Period:

Monthly, not in advance

(e) Payment Dates:

1st day of each month

(f) First Payment

Date: N/A

(g) Amount of each periodic payment:

INTEREST ONLY

(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 NO

If YES, page and paragraph number:

(k) Place of payment:

POSTAL ADDRESS IN
ITEM 4

(l) Balance Due

Date: ON
DEMAND

MORTGAGE – PART 1

PAGE 2 OF 35 PAGES

6. MORTGAGE contains floating charge on land ?

YES NO

7. MORTGAGE secures a current or running account ?

YES NO

8. INTEREST MORTGAGED:

Fee Simple Other (specify)

9. MORTGAGE TERMS:

Part 2 of this mortgage consists of (select one only):

(a) Prescribed Standard Mortgage Terms (b) Filed Standard Mortgage Terms (c) Express Mortgage Terms

D F Number:

(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:

N/A

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)

Karen Ngan

Barrister & Solicitor

Clark Wilson LLP

900 - 885 West Georgia Street

Vancouver, BC V6C 3H1

T. 604.687.5700

Execution Date

Y	M	D
20	11	24

Borrower(s) Signature(s)

SOUTHVIEW GARDENS BT LTD.,
by its authorized signatory(ies):

Print Name: Zhen Yu Zhong

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.

LAND TITLE ACT
FORM B (Section 225)

MORTGAGE - PART 1 Province of British Columbia

PAGE 1 OF 35 PAGES

Your electronic signature is a representation that you are a designate authorized to certify this document under section 168.4 of the *Land Title Act*, RSBC 1996 c.250, that you certify this document under section 168.41(4) of the act, and that an execution copy, or a true copy of that execution copy, is in your possession.

1. APPLICATION: (Name, address, phone number of applicant, applicant's solicitor or agent)

Brent C. Clark, Barrister and Solicitor
Fasken Martineau DuMoulin LLP
Suite 2900, 550 Burrard Street
Vancouver

BC V6C 0A3

Phone No. 604.631.3131
Client No. 11565
File No. 324371.00001/20239

Deduct LTSA Fees? Yes

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND:

[PID]

[legal description]

007-982-160 LOT 14 DISTRICT LOT 334 PLAN 13993

STC? YES

3. BORROWER(S) (MORTGAGOR(S)): (including postal address(es) and postal code(s))

SOUTHVIEW GARDENS BT LTD.

SUITE 1800, 1188 WEST GEORGIA STREET
VANCOUVER BRITISH COLUMBIA
V6E 4A2 CANADA

Incorporation No
BC1096430

4. LENDER(S) (MORTGAGEE(S)): (including occupation(s), postal address(es) and postal code(s))

PEAKHILL CAPITAL INC.

SUITE 401, 10 KING STREET EAST
TORONTO ONTARIO
CANADA M5C 1C3

Incorporation No
002728932

5. PAYMENT PROVISIONS:

(a) Principal Amount:

SEE SCHEDULE

(b) Interest Rate:

SEE SCHEDULE

(c) Interest Adjustment

Date: N/A

Y M D

(d) Interest Calculation Period:

Monthly, not in advance

(e) Payment Dates:

1st day of each month

(f) First Payment

Date: N/A

(g) Amount of each periodic payment:

INTEREST ONLY

(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 NO

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:
 Fee Simple
 Other (specify)

9. MORTGAGE TERMS:

Part 2 of this mortgage consists of (select one only):

(a) Prescribed Standard Mortgage Terms

(b) Filed Standard Mortgage Terms

(c) Express Mortgage Terms

D F Number:

(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:

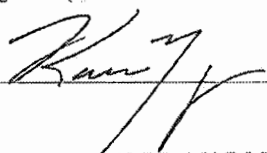
N/A

11. PRIOR ENCUMBRANCES PERMITTED BY LENDER:

N/A

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)



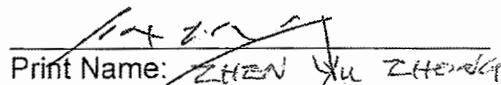
KAREN NGAN
 Barrister & Solicitor
 CLARK WILSON LLP
 900 - 885 WEST GEORGIA STREET
 VANCOUVER, BC V6C 3H1
 T. 604.687.5700

Execution Date

Y	M	D
20	11	24

Borrower(s) Signature(s)

SOUTHVIEW GARDENS BT LTD.,
 by its authorized signatory(ies):



Print Name: ZHEN YU ZHEN

Print Name:

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.

LAND TITLE ACT
FORM E
SCHEDULE

ENTER THE REQUIRED INFORMATION IN THE SAME ORDER AS THE INFORMATION MUST APPEAR ON THE FREEHOLD TRANSFER FORM, MORTGAGE FORM OR GENERAL DOCUMENT FORM.

5. PAYMENT PROVISIONS:

(a) **Principal Amount:**

This Mortgage secures the payment, observance, performance and satisfaction of all present and future debts, liabilities and obligations of the Mortgagor and each of them to the Mortgagee (including all future advances) whether direct or indirect, absolute or contingent, joint or several, matured or not, extended or renewed, wherever and however incurred, of whatever nature or kind, whether or not provided for herein in connection with the credit facility(ies) contemplated by the Commitment Letter and the security or other documents referred to therein (including this Mortgage) up to the aggregate of:

- (i) the principal sum of \$50,000,000.00;
- (ii) all present and future debts, liabilities and obligations of the Mortgagor hereunder; and
- (iii) any unpaid interest on such debts, liabilities and obligations from time to time, at the applicable rate(s) of interest.

The following terms will have the following meanings in this Mortgage unless the context otherwise requires:

- (a) “**Commitment Letter**” means the letter dated October 30, 2020, issued by the Mortgagee to and accepted by, *inter alia*, the Mortgagor in connection with the Principal Amount, and any other term sheet, commitment letter or loan agreement entered into at any time between the Mortgagor and the Mortgagee to evidence the terms of the Secured Obligations, and includes all amendments and modifications thereto and all restatements and replacements thereof from time to time;
- (b) “**Mortgagee**” means the Person(s) described as Lender(s) [Mortgagee(s)] in Item 4 of the attached Form B and its successors and assigns, whether immediate or derivative;
- (c) “**Mortgagor**” means the Person(s) described as Borrower(s) [Mortgagor(s)] in Item 3 of the attached Form B and their respective heirs, executors, administrators, successors and assigns, whether immediate or derivative; and
- (d) “**Secured Obligations**” means all of the debts, liabilities and obligations referred to in this Item 5(a), up to the aggregate limit set out above.

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LAND TITLE ACT
FORM E
SCHEDULE

ENTER THE REQUIRED INFORMATION IN THE SAME ORDER AS THE INFORMATION MUST APPEAR ON THE FREEHOLD TRANSFER FORM, MORTGAGE FORM OR GENERAL DOCUMENT FORM.

(b) **Interest Rate:**

The Interest Rate shall be at a rate equal to the greater of:

- (i) Prime Rate plus 4.23% per annum; and
- (ii) 6.68% per annum,

calculated daily on the outstanding balance and compounded and payable monthly or such rate or rates of interest as may be agreed to in writing from time to time by the Mortgagor and the Mortgagee with respect to the Secured Obligations.

“**Prime Rate**” means, for any day, the rate of interest per annum established and published from time to time by Royal Bank of Canada as the reference rate of interest for the determination of interest rates that Royal Bank of Canada will charge its customers for varying degrees of creditworthiness in Canada for Canadian Dollar demand loans made by the Royal Bank of Canada in Toronto, Ontario.

MORTGAGE TERMS – PART 2

ARTICLE 1
DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Mortgage unless the parties or the context otherwise requires:

- (a) “**Balance Due Date**” means the balance due date, if any, set out or referred to in Item 5(L) of the Mortgage Form;
- (b) “**business day**” means any day which in Vancouver, British Columbia is a day that:
 - (i) is not a “holiday” as that word is defined in the *Interpretation Act* of British Columbia, as amended or replaced from time to time; and
 - (ii) the Mortgagee is open for business at its Payment Office;
- (c) “**Commitment Letter**” means the letter dated October 30, 2020, issued by the Mortgagee to and accepted by, *inter alia*, the Mortgagor in connection with the Principal Amount and any other term sheet, commitment letter or loan agreement entered into at any time between the Mortgagor and the Mortgagee to evidence the terms of the Secured Obligations, and includes all amendments and modifications thereto and all restatements and replacements thereof from time to time;
- (d) “**Discharge Fee**” means the sum of \$500.00 per unit or discharge request to be paid by the Mortgagor to the Mortgagee prior to the delivery of any discharge;
- (e) “**First Payment Date**” means the first payment date, if any, set out or referred to in Item 5(f) of the Mortgage Form;
- (f) “**Fixture(s)**” or “**fixture(s)**” mean all real or personal property whatsoever (whether affixed mobile or stationary) including all structures, additions, improvements, plant, machinery, apparatus, facilities, equipment, fixtures, other goods and other personal property, now or hereafter placed, installed or erected in, on, under or in relation to the Lands and which is owned or acquired by the Mortgagor and is in law a fixture, including without limitation:
 - (i) all fences, motors, wiring, fixed mirrors, suspended ceiling tiles, doors, windows and computers and all other structures, additions, improvements, plant, machinery, apparatus, facilities, equipment, fixtures and other goods installed in or affixed or attached to the buildings or improvements situate on the Lands or affixed or attached thereto for use in carrying on an activity inside the said buildings or improvements or on the Lands;

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- (ii) all carpeting and other floor coverings, including without limitation all carpets and floor coverings in all rooms, halls and stairways;
- (iii) all window coverings and fixtures, including without limitation all awnings, shutters, drapes, blinds and valances;
- (iv) all heating, cooling, plumbing, air-conditioning, air-filtering, ventilating, conveyancing, electrical, lighting, telecommunications, security, vacuum, sprinkler, fire-fighting, cooking and refrigeration devices, systems and equipment, including without limitation all furnaces, water heaters, hot water tanks, oil and gas burners, electric fixtures, escalators, elevators, boilers, pressure vessels, stokers, blowers, tanks, gas pipes, radiators, aerials, television antennae, satellite dishes and built-in furniture; and
- (v) all pipes, conduits, services and the like installed in, on under or in relation to the Lands for the purposes of providing utilities and other services within the boundaries of the Lands or any parcel(s) of land hereafter created out of or comprising the Lands;
- (g) **“Interest Adjustment Date”** means the interest adjustment date, if any, set out or referred to in Item 5(c) of the Mortgage Form;
- (h) **“Interest Calculation Period”** means the interest calculation period set out or referred to in Item 5(d) of the Mortgage Form;
- (i) **“Interest Rate”** means, subject to the provisions of Article 15 of this Mortgage, the interest rate(s) set out or referred to in Item 5(b) of the Mortgage Form;
- (j) **“Lands”** mean:
 - (i) the land(s) described or referred to in Item 2 of the Mortgage Form together with the improvements, appurtenances and every other thing referred to in Section 10 of the *Land Transfer Form Act* of British Columbia, as amended or replaced from time to time, and whether now or hereafter existing or acquired, in connection with such land(s); and
 - (ii) the Fixtures;
- (k) **“Last Payment Date”** means the last payment date, if any, set out or referred to in Item 5(i) of the Mortgage Form;
- (l) **“Mortgage”** means the Mortgage Form and these express mortgage terms read together, as amended, modified and extended from time to time;
- (m) **“Mortgage Form”** means the Form B under the *Land Title (Transfer Forms) Regulation* of British Columbia, as amended or replaced from time to time, which refers to these express mortgage terms and is executed by the Mortgagor and the Covenantor, if any, and all schedules and addenda attached to such Form B;

- (n) **“Mortgage Moneys”** at any point in time means the outstanding balance of the Principal Amount, interest thereon and all other costs, charges and expenses then secured by this Mortgage including the Discharge Fee;
- (o) **“Mortgagee”** means each person described in Item 4 of the Mortgage Form as lender or mortgagee and their heirs, personal representatives, successors or assigns, as the case may be;
- (p) **“Mortgagor”** means each person described in Item 3 of the Mortgage Form who executed the Mortgage Form as borrower or mortgagor and their respective heirs, personal representatives, successors or permitted assigns, as the case may be;
- (q) **“Other Document”** means any commitment letter, loan agreement, note, instrument or other document other than this Mortgage evidencing, securing or evidencing and securing the payment of the Mortgage Moneys in whole or in part, whether provided by or on behalf of the Mortgagor or any Other Obligant;
- (r) **“Other Obligant”** means each person other than the Mortgagor who is now or at any time hereafter liable for the payment of the Mortgage Moneys in whole or in part;
- (s) **“Payment Dates”** means the payment dates, if any, set out or referred to in Item 5(e) of the Mortgage Form and **“Payment Date”** means any one of them;
- (t) **“Payment Office”** means the place of payment set out or referred to in Item 5(k) of the Mortgage Form;
- (u) **“Periodic Payment”** means the amount of each payment, if any, set out or referred to in Item 5(g) of the Mortgage Form;
- (v) **“Permitted Encumbrances”** means the prior notations, charges, liens or interests, if any, set out or referred to in Item 11 of the Mortgage Form and as otherwise contemplated by the Commitment Letter;
- (w) **“Persons”** or **“Person”** means and includes any individual, sole proprietorship, corporation, partnership, bank, joint venture, trust, unincorporated association, association, institution, entity, party or government (whether national, federal, provincial, state, municipal, city, county or otherwise and including any instrumentality, division, agency, body or department thereof);
- (x) **“Principal Amount”** means the principal amount described in Item 5(a) of the Mortgage Form;
- (y) **“Secured Obligations”** has the meaning given to it in Item 5(a) of the Mortgage Form;
- (z) **“terms”** and **“mortgage terms”** mean, unless the context otherwise requires, all of the covenants, agreements, provisos, terms, conditions and provisions of this Mortgage, and the agreement set out in Item 12 of the Mortgage Form of the Mortgagor and the Covenantor (if any) to be bound by the mortgage terms referred to in Item 9 will

constitute the agreement of the Mortgagor and the Covenantor (if any) to be bound by all of the covenants, agreements, provisos, terms, conditions and provisions of this Mortgage.

1.2 No Reliance

The Mortgagor acknowledges that the Mortgagee has not made and the Mortgagor does not rely on any representations, warranties, covenants, agreements, conditions or provisos, oral or otherwise, whether made by the Mortgagee or any person acting actually or ostensibly on the Mortgagee's behalf, other than those contained in this Mortgage and the Commitment Letter unless those representations, warranties, covenants, agreements, conditions and provisos are contained in a supplementary contract in writing duly executed by both the Mortgagor and the Mortgagee which supplementary contract is expressed to survive the closing of the transaction referred to therein and the registration of this Mortgage.

1.3 Headings

All headings and titles in this Mortgage are inserted for convenience of reference only and will not affect the construction or interpretation of this Mortgage.

1.4 Hereof, Etc.

All references in this Mortgage to the words "hereof", "herein" or "hereunder" will be construed to mean and refer to this Mortgage as a whole and will not be construed to refer only to a specific Article, Section, paragraph or clause of this Mortgage unless the context clearly requires such construction.

1.5 Joint and Several Liability

If any party hereto is comprised of more than one person, the grants, mortgages and any other charges constituted hereby and the representations, warranties, covenants, agreements, obligations and liabilities made by or imposed upon that party herein or by law will be deemed to have been made or incurred by all those persons jointly and by each of those persons severally.

1.6 Severability

If any of the terms of this Mortgage are or are held to be unenforceable or otherwise invalid, such holding will not in any way affect the enforceability or validity of the remaining terms of this Mortgage.

1.7 Governing Law

This Mortgage including any covenants and indemnity of the Covenantor (if any) provided for herein will be governed by and construed in accordance with the laws of the Province of British Columbia, and each party hereby submits to the jurisdiction of the courts of the Province of British Columbia and agrees to be bound by any suit, action or proceeding commenced in such courts and by any order or judgment resulting from such suit, action or proceeding; provided that the foregoing will in no way limit the right of the Mortgagee to commence suits, actions or proceedings based on this Mortgage in any other jurisdiction.

1.8 Interpretation

Wherever the singular or masculine gender is used throughout this Mortgage, the same will be construed as meaning the plural or the feminine or the body corporate or politic where the context or the parties hereto so require.

1.9 Capacity

If the Lands or any portion thereof or any interest therein are held by the Mortgagor as a partner of a firm, as a trustee, as an agent, or in any other similar capacity, whether fiduciary or otherwise:

- (a) each and every warranty, representation, covenant, agreement, term, condition, proviso and stipulation; and
- (b) each and every grant, mortgage and other charge constituted hereby,

made by or imposed upon the Mortgagor hereunder will be and be deemed to be jointly and severally made by or imposed upon the Mortgagor and the partnership, the beneficiary (or beneficiaries) of the trust, the principal(s) of the agent, or other entity (or entities), as the case may be, and each grant, mortgage and other charge contained in this Mortgage will be deemed to be a grant, mortgage or charge of the estate, right, title and interest of the partnership, the beneficiary (or beneficiaries), the principal(s), or such entity (or entities), as the case may be, in and to the Lands as well as being a grant, mortgage or other charge of the estate, interest and title of the Mortgagor in and to the Lands, it being the intention of the parties hereto that this Mortgage will constitute a charge against both the legal and beneficial title to the Lands.

1.10 Mortgagee as Agent

If this Agreement is granted to the Mortgagee in its capacity as agent for one or more other Persons, the Mortgagor agrees that all:

- (a) grants, mortgages, assignments, charges and security interests;
- (b) representations, warranties, covenants and agreements; and
- (c) obligations and liabilities,

created, made, assumed or incurred hereunder by the Mortgagor in favour of the Mortgagee are also created, made, assumed or incurred hereunder by the Mortgagor in favour of those Persons.

1.11 Binding Effect

This Mortgage will be binding on the Mortgagor and the respective heirs, executors, personal representatives, successors and assigns of each person comprising the Mortgagor and will enure to the benefit of the Mortgagor and its successors and assigns.

1.12 Time of the Essence

Time will be of the essence hereof.

ARTICLE 2
GRANT OF SECURITY

2.1 Land Transfer Form Act

This Mortgage is made pursuant to Part 3 of the *Land Transfer Form Act* of British Columbia, as amended or replaced from time to time.

2.2 Grant of Mortgage

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Mortgagor, the Mortgagor **HEREBY GRANTS AND MORTGAGES** the Lands to and in favour of the Mortgagee forever, subject only to Permitted Encumbrances and the proviso for redemption hereinafter contained.

2.3 Enlargement of Charge

If in the future the Mortgagor acquires any further or greater right, title, estate or interest in the Lands, or any part thereof, this Mortgage will extend to such right, title, estate or interest in the Lands.

2.4 Assignments

Without in any way affecting or releasing the Mortgagor's liability to the Mortgagee for the payment of the Mortgage Moneys and for the consideration aforesaid:

- (a) the Mortgagor assigns, transfers and sets over to the Mortgagee any moneys due and payable by an expropriating authority upon an expropriation of the Lands or any part thereof provided that such assignment is limited to the amount of the Mortgage Moneys outstanding at the date the Mortgagor ceases to be the registered owner of the Lands subject to any such expropriation. The Mortgagor agrees that it will execute and deliver any such further or additional documentation which the Mortgagee may in the Mortgagee's sole discretion deem necessary to effect the above assignment or which is requested by the expropriating authority. The Mortgagor also agrees to forward to the Mortgagee copies of any documentation relating to an expropriation or proposed expropriation of the Lands or any portion thereof, forthwith upon its receipt of the same; and
- (b) the Mortgagor assigns, transfer and sets over to the Mortgagee all right, title, claim, demand and interest of the Mortgagor whatsoever at law or in equity or otherwise to indemnification, express or implied, of and from the performance and observance of any and all of the terms of this Mortgage, including without limitation payment of the whole or any portion of the Mortgage Moneys by any purchaser of the Lands, or any part thereof, from the Mortgagor.

ARTICLE 3 REDEMPTION

3.1 Redemption

This Mortgage will be void upon receipt by the Mortgagee of a written request from the Mortgagor for a discharge of this Mortgage and full payment, observance, performance and satisfaction thereafter of the Secured Obligations. Subject to the foregoing, the Mortgagor releases to the Mortgagee all the claims of the Mortgagor on the Lands.

ARTICLE 4 PAYMENT AND OBSERVANCE

4.1 Payment of Mortgage Moneys and Observance of Proviso

The Mortgagor will duly pay the Principal Amount, interest, and all other moneys secured hereby when due hereunder and will observe the above proviso.

4.2 No Set-off

The Principal Amount, interest and all other moneys payable hereunder will be paid when due hereunder without any set-off, deduction, defalcation or abatement whatsoever.

4.3 Compound Interest

If the Mortgagor fails to pay the Principal Amount, interest or other moneys secured hereby, or any part thereof, including compound interest, when due hereunder, the Mortgagor will pay to the Mortgagee compound interest thereon on demand, as well after as before maturity, default and judgment, to be computed with rests on the last day of each Interest Calculation Period.

4.4 Payment Office

Until the Mortgagee will notify the Mortgagor otherwise, all payments to be made to the Mortgagee under this Mortgage will be paid to or to the order of the Mortgagee at the Payment Office, in dollars of lawful money of Canada, solely on business days, and before 1:00 p.m. local time on any such day. In the event a payment is made after 1:00 p.m. local time on any business day, or is made on any day that is not a business day, such payment will be deemed to have been received by the Mortgagee on the next following business day.

4.5 Taxes

The Mortgagor will, on the due date thereof, pay and satisfy all taxes, rates, levies, charges, rents, assessments, statute labour and other impositions whatsoever already or hereafter rated, charged, assessed or imposed no matter by whom or by what authority howsoever on the Lands, or the Mortgagor, or the Mortgagee in respect of the Lands (collectively, the “**taxes**”). The Mortgagor will submit tax receipts to the Mortgagee evidencing the payment of taxes immediately after they become due, provided that:

- (a) at the option of the Mortgagee, the Mortgagor will in each year during the continuance of this security if directed by the Mortgagee, pay to the Mortgagee in equal monthly instalments on the first day of each calendar month such amount as the Mortgagee may estimate as being the taxes due and payable in each calendar year and such instalments and such instalments will be applied on account of taxes so long as the Mortgagor is not in default hereunder but the Mortgagor will not be paid interest on moneys paid to the Mortgagee on account of taxes; and
- (b) the Mortgagor will transmit to the Mortgagee the assessment notices, tax bills and other notices affecting the imposition of taxes forthwith after the receipt of same by the Mortgagor.

4.6 Prepayment

No prepayments may be made on account of the Mortgage Moneys for the first 18 months following the first date of advance of the Mortgage Moneys.

4.7 Other Charges

If the Lands or any part thereof are now or at any time hereafter subject to any charge, lien or interest, including but not limited to Permitted Encumbrances (each hereinafter called an “**other charge**”):

- (a) the Mortgagor will pay all payments required to be made under or by virtue of each other charge, whether for principal, interest, taxes or otherwise (or cause the same to be paid) as they become due;
- (b) the Mortgagor will duly observe, perform and comply with the covenants, provisos and agreements contained in each other charge which are to be kept, observed and performed by it;
- (c) any default under any other charge will be deemed to be default hereunder and will entitle the Mortgagee to exercise any and all remedies available to the Mortgagee in the event of default hereunder; and
- (d) in the event of default by the Mortgagor under any other charge, the Mortgagee will have the right (exercisable in its sole and absolute discretion), but not the obligation, to cure the same.

4.8 Pre-enforcement Costs

The Mortgagor will pay all fees, costs, charges and expenses (including without limitation legal fees, costs, charges and expenses on a solicitor and his own client basis), in connection with the negotiation, preparation, registration, modification and extension of this Mortgage.

4.9 Enforcement Costs

The Mortgagor will pay all fees, costs, charges and expenses (including without limitation legal fees, costs, charges and expenses on a solicitor and his own client basis), which may be incurred by or on behalf of the Mortgagee whether before or after court proceedings are commenced, or whether otherwise

incurred, in recovering, collecting, procuring or enforcing payment of any or all the Mortgage Moneys or in any way enforcing or protecting the security of this Mortgage or enforcing any of the terms of this Mortgage (including but not limited to all travelling expenses of the Mortgagee, the Mortgagee's servants and agents and commissions on collection of rent which may be incurred by or on behalf of the Mortgagee in the taking, recovering and keeping possession of the Lands or in inspecting the same) and all other amounts generally in any other measure or proceedings taken by or on behalf of the Mortgagee to realize or collect the Mortgage Moneys, in whole or in part, or to defend or perfect the title of the Lands, all of which fees, costs, charges, commissions, expenses and other amounts will be a charge under this Mortgage on the Lands in favour of the Mortgagee and will be payable forthwith by the Mortgagor to the Mortgagee with interest at the Interest Rate until paid.

4.10 Other Outlays

The Mortgagor will forthwith upon demand repay to the Mortgagee all proper outlays incurred by the Mortgagee and not covered by any other covenant herein.

4.11 Fees

The Mortgagor will pay, or cause to be paid, all fees from time payable to the Mortgagee or its agents in connection with:

- (a) the origination of any loan forming part of the Mortgage Moneys (including processing fees, work fees, brokerage fees, funding fees, commitment fees, facility fees and structuring fees);
- (b) advances or readvances made on account of any loan forming part of the Mortgage Moneys (including advance fees, draw request fees, standby fees and letter of credit or guarantee fees);
- (c) the administration of any loan from time to time forming part of the Mortgage Moneys;
- (d) the modification, renewal or extension of any loan from time to time forming part of the Mortgage Moneys;
- (e) the discharge of this Mortgage or any Other Document, in whole or in part; and
- (f) the enforcement (or forbearance from enforcement) of this Mortgage or any Other Document (including restructuring fees, administration fees during enforcement and forbearance fees),

and all federal and provincial taxes payable in connection therewith, all of which will be a charge under this Mortgage on the Lands in favour of the Mortgagee and will be payable forthwith to the Mortgagee with interest at the Interest Rate until paid.

4.12 Discharge

The Mortgagee will have a reasonable time after payment in full of the Mortgage Moneys within which to prepare and execute a discharge of this Mortgage, and interest at the Interest Rate will continue to run and accrue until actual payment and performance in full of the Mortgage Moneys has been received by the Mortgagee. All legal and other expenses for the preparation and execution of any such discharge will be borne by the Mortgagor and the Mortgagor will not be entitled to a discharge of this Mortgage unless and until the Mortgagor will have kept and performed all the covenants, provisos, agreements and stipulations herein contained, whether the Mortgagee has taken legal proceedings thereon and recovered judgment or otherwise.

ARTICLE 5 THE LANDS

5.1 No Further Mortgages

In the event the Mortgagor grants any further mortgage or charge or otherwise encumbers the Lands save and except for this Mortgage and Permitted Encumbrances, then, at the sole discretion of the Mortgagee and notwithstanding the other provisions of this Mortgage, the Mortgagee may declare that all moneys hereby secured will immediately become due and be paid.

5.2 Further Assurances

The Mortgagor will execute such further assurances of the Lands as the Mortgagee may require including without limitation any and all documents required by the Mortgagee in connection with the *Personal Property Security Act* of British Columbia, as amended by the *Personal Property Security Amendment Act*, 1990 of British Columbia, as further amended or replaced from time to time.

5.3 No Builders Lien

The Mortgagor will not permit a lien to be acquired or filed against the Lands under the *Builders' Lien Act* of British Columbia, as amended or replaced from time to time, or under any other statute or law at any time in force affecting the Lands.

ARTICLE 6 INSURANCE

6.1 General

The Mortgagor will forthwith insure (or will cause to keep insured) and during the continuance of this Mortgage will keep insured (or will cause to be kept insured) each and every building, structure, erection, improvement, fixture or replacement thereof (including without limitation all plant, equipment, apparatus, machinery and fixtures of every kind and nature whatsoever) now or hereafter erected on the Lands against loss or damage by fire and such other perils and in such amount(s) as the Mortgagee may reasonably require (including but not limited to boiler insurance, loss of rental income and business interruption insurance).

6.2 Liability Insurance

The Mortgagor will keep and maintain third party liability insurance in an amount satisfactory to the Mortgagee.

6.3 Other Insurance

The Mortgagor will keep and maintain such other insurance as is customarily maintained by persons operating or occupying similar properties in equivalent locations.

6.4 Payment of Loss

All insurance coverage required by the Mortgagee will be issued by insurers in form and upon terms and in amounts acceptable to the Mortgagee, and the Mortgagor will cause the Mortgagee to be named as a loss payee as its interest may appear in respect of the Lands on the policy or policies of insurance effected by the Mortgagor or the lessor under the Leases and will cause mortgage clauses in a form approved by the Mortgagee to be included in such policy or policies and will provide evidence of such insurance to the Mortgagee forthwith upon demand.

6.5 Premiums

The Mortgagor will pay all insurance premiums and sums of money necessary for such purposes as the same will become due.

6.6 Assignment

The Mortgagor will, upon written request by the Mortgagee, forthwith assign, transfer and deliver over to the Mortgagee each and every policy or policies of insurance and receipts appertaining thereto.

6.7 Proofs of Insurance

The Mortgagor will forthwith on the happening of any loss or damage furnish to the Mortgagee at the Mortgagor's expense all necessary proofs and do all necessary acts to ensure payment of insurance moneys.

6.8 Application of Proceeds

Unless otherwise agreed to by the Mortgagor and the Mortgagee in writing, any insurance moneys received may, at the option of the Mortgagee, be applied to a suspense account or in or towards rebuilding, reinstating or repairing all or any portion of the Lands 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 Lands or be applied or paid partly in one way and partly in another, or such moneys may be applied, in the sole discretion of the Mortgagee, in whole or in part on account of the Mortgage Moneys, or any part thereof, whether due or not then due.

6.9 Waiver

To ensure that the Mortgagee may so apply such insurance moneys in the manner herein contemplated, the Mortgagor also assigns and releases to the Mortgagee all rights of the Mortgagor to receive the insurance moneys and the Mortgagor waives any statutory right to request or require the insurance

proceeds to be applied in any particular manner and expressly waives all the Mortgagor's rights and benefits under the *Fire Prevention (Metropolis) Act 1774* as amended or replaced from time to time.

ARTICLE 7 USE, ALTERATIONS AND REPAIRS

7.1 Use of Lands

Except as contemplated by the Commitment Letter, the Mortgagor will not, without the express written consent of the Mortgagee first had and obtained:

- (a) change the present use of the Lands; nor
- (b) permit the Lands to be unoccupied or unused.

7.2 Compliance

The Mortgagor will promptly observe, perform, execute and comply with all laws, rules, requirements, orders, directions, ordinances and regulations of every governmental, municipal, civil authority or agency concerning the Lands and further agrees, at the cost and expense of the Mortgagor, to do and perform all acts and things which may be required at any time hereafter by any such present or future laws, rules, requirements, orders, directions, ordinances and regulations.

7.3 Repair

The Mortgagor will keep the Lands and all buildings, structures, erections, improvements and the like now or hereafter constructed thereon in good condition and repair according to the nature and description thereof respectively, and will not commit any act of waste or allow any act of waste to be committed upon the Lands.

7.4 Demolition, Alterations

The Mortgagor will not, without the prior written consent of the Mortgagee, demolish the whole or any part of the buildings, structures, erections, improvements and the like now or hereafter existing on the Lands and will not proceed with any alteration, remodelling, rebuilding or addition thereto or thereof, in whole or in part.

7.5 Inspection

The Mortgagee and any agent of the Mortgagee, may at any time and from time to time enter upon the Lands to inspect the Lands or any part or parts thereof, at any time the Mortgagee in its sole discretion deems necessary or advisable. The Mortgagee may without the concurrence of the Mortgagor or any other person make arrangements to repair, finish, and put the buildings, structures, erections, improvements and the like now or hereafter existing on the Lands in order, and inspect, take care of, lease, collect the rents of, and generally manage the Lands as the Mortgagee may deem proper, and the Mortgagee will not thereby become or be liable as a mortgagee in possession.

ARTICLE 8
SECURED OBLIGATIONS

8.1 General Continuing Security

This Mortgage is security for the Secured Obligations and any ultimate unpaid balance thereof, including a current or running account if so designated in Item 7 of the Mortgage Form. The Secured Obligations may be reduced to zero from time to time without affecting the continuing nature of this Mortgage as security for any Secured Obligations .

8.2 Discharges

No discharge of this Mortgage will be effective unless it is in writing and is executed by the Mortgagee. Without limiting the foregoing, no payment, observance, performance or satisfaction of the Secured Obligations, nor any ceasing by the Mortgagor to be indebted or liable to the Mortgagee, will be deemed a redemption or discharge of this Mortgage.

8.3 Status Certificate

Every certificate signed by an officer of the Mortgagee purporting to show the amount at any particular time due and payable under this Mortgage on account of the Secured Obligations will be prima facie evidence as against the Mortgagor of the amount due and payable at such time under this Mortgage.

8.4 No Obligation to Advance

Except to the extent that the Mortgagee by issuing letters of credit or letters of guarantee or accepting bills of exchange or other negotiable instruments at the request of the Mortgagor is required to make advances (or re-advances if so noted in Item 7 of the Mortgage Form) of money thereunder, the Mortgagor agrees that neither the preparation, execution or registration of this Mortgage, nor the advance (or re-advance, if applicable) in part of the moneys from time to time comprising part of the Secured Obligations, nor any course of conduct of the Mortgagee or of any of its officers, agents or employees will bind the Mortgagee to advance (or re-advance, if applicable) the moneys from time to time comprising part of the Secured Obligations or any unadvanced portion thereof to the Mortgagor or to any other person the obligations of whom are guaranteed by the Mortgagor, it being understood and agreed that the advance (or re-advance, if applicable) of the moneys from time to time comprising part of the Secured Obligations or any part thereof, from time to time will be in the absolute discretion of the Mortgagee and not exercised or deemed exercised unless and until that advance (or re-advance, if applicable) has actually been made to the Mortgagor, but nevertheless the security created by this Mortgage will take effect in accordance with the terms of this Mortgage forthwith upon the execution hereof by the Mortgagor. **NOTICE IS HEREBY GIVEN** to every person dealing with the title to the Lands or any part thereof that advances (and re-advances, if applicable) not exceeding the aggregate amount secured by this Mortgage are contemplated and secured by this Mortgage and, to the extent that such advances (and re-advances, if applicable) are payments required to be made by the Mortgagee pursuant to the terms of letters of credit, letters of guarantee or bills of exchange or other negotiable instruments, the Mortgagee is hereby required to make those advances (and re-advances, if applicable).

8.5 Future Advances and Re-Advances

Any portion of the Secured Obligations which is comprised of principal moneys may be advanced and if provided by Item 7 of the Mortgage Form, re-advanced by the Mortgagee all or in part at any future date or dates and the amount of those advances (and if applicable, re-advances) when so made will be secured by this Mortgage and be repayable with interest at the Interest Rate and if provided by Item 7 of the Mortgage Form, this Mortgage will be deemed to be taken as security for the principal moneys hereby secured arising from the current and running accounts represented by advances and re-advances hereunder under a line of credit or a current loan or otherwise, and the charge and mortgage created by the Mortgage will take effect forthwith on the execution of the Mortgage Form.

8.6 Cancellation on Redemption

If this Mortgage is redeemed by the Mortgagor, it will be cancelled and will not be re-issued, but if pursuant to Item 7 of the Mortgage Form this Mortgage secures a current or running account, neither:

- (a) any partial payment made thereon by the Mortgagor to the Mortgagee; nor
- (b) any ceasing by the Mortgagor to be indebted to the Mortgagee,

will be deemed to be a redemption or cancellation pro tanto or otherwise, and this Mortgage will be and remain valid security for any subsequent advance or re-advance by the Mortgagee to the Mortgagor to the same extent as if that advance or re-advance had been made on the execution of this Mortgage.

**ARTICLE 9
MORTGAGEE'S ELECTION TO MAKE PAYMENTS AND CURE DEFAULTS**

9.1 Payments by Mortgagee

If the Mortgagor fails to make any payment which the Mortgagor has covenanted or agreed to make by the terms of this Mortgage, or to provide proof of the making of any such payment to the Mortgagee upon demand, the Mortgagee may make any such payment.

9.2 Performance by Mortgagee

If the Mortgagor fails to perform any covenant or agreement herein contained on the part of the Mortgagor or to provide proof of performance to the Mortgagee upon demand, the Mortgagee may in its sole discretion perform, or cause to be performed, any such covenant or agreement and may do such acts as it considers are reasonable to protect the interests of the Mortgagee and for such purposes the Mortgagee and its authorized representatives may enter onto the Lands. Without limiting the generality of the foregoing, the Mortgagee may:

- (a) insure the buildings on the Lands in accordance with the provisions hereof if the Mortgagor neglects to insure or to deliver policies and receipts in accordance herewith;
- (b) repair and reinstate the buildings and improvements on the Lands if the Mortgagor fails to repair in accordance herewith or demolishes or alters such buildings or improvements in contravention hereof;

- (c) without any order or direction of the Mortgagor, pay to contractors, sub-contractors, material men, labourers, and other persons supplying or having a claim for work, services, or materials supplied in and about the construction, repairing, altering or replacing of any buildings, structures, erections or improvements and the like now or hereafter constructed on the Lands, any moneys due to them for such work, services or materials; and
- (d) pay common expenses, assessments, contributions or levies required to be paid in connection with any strata lot comprising the Lands,

provided that the Mortgagee will not be bound to exercise its rights hereunder and, if the Mortgagee will exercise its rights hereunder, it will not be liable to the Mortgagor for any loss or damage suffered by the Mortgagor as a result of such exercise.

9.3 Entitlement to Equities

If the Mortgagee will make payment to any creditor of the Mortgagor or any encumbrance holder in respect of the Lands pursuant to the provisions hereof, the Mortgagee will be entitled to all equities and securities held by such creditor or encumbrance holder in respect of the indebtedness or encumbrance paid or satisfied.

9.4 Repayment

All payments made and all sums of money expended by the Mortgagee under this Article 9, including incidental costs, charges, expenses and outlays incurred in doing anything under this Article 9, will be forthwith payable by the Mortgagor on demand with interest at the Interest Rate from the time or respective times of the payment thereof until paid, and until paid will be a charge on the Lands in favour of the Mortgagee prior to all claims thereon subsequent to this Mortgage and may be added to the principal moneys then comprising the Mortgage Moneys as if the same had originally formed part thereof.

9.5 No Prejudice

Nothing done by the Mortgagee in reliance on the provisions of this Article 9 will in any manner prejudice the remedies of the Mortgagee in respect of any default of the Mortgagor or otherwise.

ARTICLE 10 DEFAULT AND ACCELERATION

10.1 Default and Acceleration

Notwithstanding the Mortgage Moneys or any part thereof may be payable on demand, and without prejudice thereto, in the event that:

- (a) at any time there is a default or a breach by the Mortgagor or any Other Obligant of any representation, warranty, covenant, agreement, term, condition, stipulation or proviso contained herein or in any Other Document; or

- (b) any representation or warranty made by the Mortgagor or any Other Obligant to the Mortgagee herein or in any Other Document or in any certificate, declaration, application or other instrument delivered by or on behalf of the Mortgagor or that Other Obligant to the Mortgagee, as the case may be, in connection with Mortgage Moneys is found at any time to be incorrect in any material respect; or
- (c) the Mortgagor or any Other Obligant becomes bankrupt or insolvent or makes or demonstrates an intention to make an assignment for the benefit of its creditors or makes a proposal or takes advantage of any provision of the *Bankruptcy and Insolvency Act* of Canada or any other legislation for the benefit of insolvent debtors; or
- (d) any proceedings with respect to the Mortgagor or any Other Obligant is commenced under the compromise or arrangement provisions of any applicable legislation, or the Mortgagor or any Other Obligant enters into an arrangement or compromise with any or all of its creditors pursuant to such provisions or otherwise; or
- (e) the Mortgagor or any Other Obligant without the consent in writing of the Mortgagee, grants or purport to grant any mortgage, charge, lien or interest, whether fixed or floating, upon the Lands or any part thereof, other than this Mortgage or Permitted Encumbrances; or
- (f) the Mortgagor or any Other Obligant defaults under any Permitted Encumbrances; or
- (g) the Mortgagor or any Other Obligant ceases, or threatens to cease, to carry on his, her or its business as the same is conducted by the Mortgagor or that Other Obligant from time to time; or
- (h) any of the moneys secured under this Mortgage are used for any purpose other than as declared to and agreed upon by the Mortgagee; or
- (i) the Mortgagor or any Other Obligant is a corporation and:
 - (i) it authorizes the purchase of its shares without the prior written consent of the Mortgagee; or
 - (ii) one of its members commences an action against it which action relates to the Mortgage Moneys, or gives a notice of dissent in accordance with the provisions of the *Business Corporations Act* of British Columbia, or amendments thereto or a similar notice by a shareholder under other applicable legislation; or
 - (iii) it carries on any business that it is restricted from carrying on by its constating documents; or
 - (iv) an order is made, a resolution is passed or a motion is filed for its liquidation, dissolution or winding-up; or
 - (v) there is any change in its beneficial ownership of its shares of from the ownership of same which exists as of the date hereof; or

- (j) the whole or any portion of the Lands become the subject of expropriation proceedings; or
- (k) the Mortgagee in good faith believes that the prospect for payment, observance and performance of all or any part of the Mortgage Moneys is impaired; or
- (l) in the opinion of the Mortgagee, there is a material adverse change in the financial condition of the Mortgagor or any Other Obligant or in the value of the Lands; or
- (m) an Obligant is a corporation and:
 - (i) it authorizes the purchase of its shares without the prior written consent of the Mortgagee; or
 - (ii) one of its members commences an action against it which action relates to the Secured Obligations, or gives a notice of dissent in accordance with the provisions of the *Business Corporations Act* of British Columbia, or amendments thereto or a similar notice by a shareholder under other applicable legislation; or
 - (iii) it carries on any business that it is restricted from carrying on by its constating documents; or
 - (iv) an order is made, a resolution is passed or a motion is filed for its liquidation, dissolution or winding-up; or
 - (v) there is any change in its beneficial ownership of its shares of from the ownership of same which exists as of the date of the execution of the Mortgage Form; or
- (n) if an Obligant is a limited partnership and:
 - (i) it authorizes the purchase or redemption of its units without the Mortgagee's prior written consent; or
 - (ii) it carries on any business it that it is restricted from carrying on by its limited partnership agreement; or
 - (iii) there is any change in the beneficial ownership of its units from the ownership of same that exists as of the date of the execution of this Mortgage by the Mortgagor; or
- (o) an Obligant, who is an individual, dies or is declared incompetent by a court of competent jurisdiction; or
- (p) in the opinion of the Mortgagee, any material portion of the property, assets and undertakings charged by this Mortgage becomes the subject of expropriation proceedings; or

- (q) if there is or has been a material adverse change in the financial condition of an Obligor or in the value of the any property charged in the Mortgagee's favour pursuant to any one or more of the Other Documents; or
- (r) if the Mortgagee in good faith believes and has commercially reasonable grounds to believe that:
 - (i) the prospect for payment of any of the Loan or the observance and performance of all or any part of the Mortgagor's obligations in connection therewith is impaired; or
 - (ii) any of the property charged in the Mortgagee's favour pursuant to any one or more of the Other Documents is or is about to be placed in jeopardy.

then, and in every such case and in the sole discretion of the Mortgagee:

- (s) the Mortgage Moneys will forthwith become due and payable without notice in like manner and with like consequences and effects to all intents and purposes whatsoever as if the Balance Due Date had fully come and expired, and notwithstanding that this Mortgage is declared to be made in pursuance of Part 3 of the *Land Transfer Form Act* of British Columbia it is expressly understood and agreed by the Mortgagor that the reinstatement provisions of the form of words numbered 15 in Column II of Schedule 6 to the said *Land Transfer Form Act* of British Columbia will have no force and effect in respect of this Mortgage or any of the Mortgage Moneys, whether for interest, principal or upon any other account whatsoever and the provisions relating to a default under this Mortgage by the Mortgagor will be as set out herein and the Mortgagor will not be relieved from the consequences of default by payment of the moneys of which default of payment has been made and costs and charges related thereto;
- (t) the Mortgagee will have possession of the Lands free and clear from all encumbrances subject only to Permitted Encumbrances; and
- (u) the Mortgagee may exercise any and all remedies to enforce this Mortgage.

Waiver of or failure to enforce at any time or from time to time any of the rights of the Mortgagee hereunder will not prejudice the Mortgagee's rights in the event of any future default or breach.

ARTICLE 11 REMEDIES OF MORTGAGE ON DEFAULT

11.1 Power of Sale

The Mortgagee, on default of any payment required to be made hereunder as and when due, may on one week's notice enter on and sell, assign, or convey the Lands or any part or parts thereof. Should default in payment continue for one month, the foregoing power of sale may be exercised without notice and the Mortgagee may sell as aforesaid without entering into possession of the Lands.

The Mortgagor agrees that the foregoing power of sale granted hereby will include the power to the Mortgagee to lease the Lands in whole or in part as if such words had been inscribed in this paragraph as necessary in all appropriate places.

The Mortgagor further agrees that:

- (a) title of a purchaser upon a sale made in professed exercise of the above power will not be liable to be impeached on the ground that no case had arisen to authorize the exercise of such power, or that such power had been improperly or irregularly exercised or that notice had not been given;
- (b) the Mortgagee may sell the whole or any part or parts of the Lands by public auction or private contract, or partly one and partly the other, on such terms as to credit and otherwise as to the Mortgagee appears most advantageous and for such prices as can reasonably be obtained therefor;
- (c) sales may be made from time to time of portions of the Lands to satisfy interest or parts of principal moneys representing the Mortgage Moneys overdue, leaving the balance thereof to run at interest payable at the Interest Rate;
- (d) the Mortgagee may make any stipulations as to title or commencement of title, or otherwise, as the Mortgagee will deem proper;
- (e) the Mortgagee may buy in or rescind or vary any contract for sale of any of the Lands and re-sell, without being answerable for any loss occasioned thereby;
- (f) in the case of a sale on credit the Mortgagee will only be bound to account to the Mortgagor for such moneys as have been actually received from the purchaser(s) after the satisfaction of the Mortgagee's claim;
- (g) the Mortgagee may make and execute all agreements and assurances that the Mortgagee deems fit for any of the foregoing purposes and the purchaser at any sale hereunder will not be bound to see to the propriety or regularity thereof;
- (h) no want of notice or of publication, even if required hereby, will invalidate any sale hereunder; and
- (i) the above powers may be exercised by the Mortgagee and against the Mortgagor, and the costs of any abortive sale will become a charge upon the Lands, and bear interest at the highest interest rate then in effect between the Mortgagor and the Mortgagee until paid and the Mortgagee may add them to the Mortgage Moneys.

11.2 Distraint

If default is made in payment of any part of the Mortgage Moneys at any time herein provided therefore it will be lawful for the Mortgagee to, and the Mortgagor hereby grants full power and license to the Mortgagee to:

- (a) enter, seize and distrain upon any goods of the Mortgagor upon the Lands; and
- (b) by distress warrant;

to recover, by way of rent reserved as in the case of a demise of the Lands, as much of the Mortgage Moneys as will from time to time be or remain in arrears or unpaid, together with all costs, charges and expenses of the Mortgagee in connection therewith (including without limitation legal fees, costs, charges and expenses on a solicitor and his own client basis).

11.3 No Merger

The obtaining of a judgment or judgments in any action to enforce this Mortgage or any of the covenants herein contained or any covenant contained in any other security for payment of the Mortgage Moneys or the observance or performance of the obligations contained therein will not operate as a merger of this Mortgage or of the Mortgage Moneys or any of the said covenants or affect the right of the Mortgagee to interest at the applicable Interest Rate and at the times aforesaid on any moneys owing to the Mortgagee under any covenant therein or herein set forth. Any judgment will provide that interest will be computed at the applicable Interest Rate and in the same manner as herein provided until the judgment or judgments will have been fully paid and satisfied.

11.4 Rents

Upon any default or breach by the Mortgagor in the performance or observance of any of the terms of this Mortgage, or of any of the assignments of rents or leases or other deeds or instruments from time to time given by the Mortgagor to the Mortgagee as additional or collateral security for the Mortgage Moneys, the Mortgagor will refrain from collecting and receiving all rents accruing as aforesaid and, upon notice from the Mortgagee, all subtenants will thereafter pay all such rents to the Mortgagee and any payment made otherwise will not discharge the obligations of such subtenant.

In addition, the Mortgagee will be entitled to have a receiver, receiver-manager or a receiver and manager appointed and, without proof of any ground for his appointment other than the said default, to take possession and charge of the Lands and to fully and effectively operate the business which the Lands are comprised of, or which was conducted thereon, by the Mortgagor including, without limiting the generality of the foregoing, the right to rent the Lands in whole or in part and receive and collect the rents, issues and profits thereof under direction of the Court. Any amount so collected by such receiver will be applied under direction of the Court to the payment of any judgment rendered, or amounts found due, according to the terms of this Mortgage including the costs of collection and legal fees, costs, charges and expenses on a solicitor and his own client basis.

In the event of any default or defaults in the payment, observance or performance of the Mortgage Moneys, the Mortgagee will have the right forthwith after any such default to enter upon, take possession of and rent the Lands and receive the rents, issues and profits thereof and apply the same, after payment of all necessary charges and expenses, on account of the Mortgage Moneys.

11.5 Receiver

In addition to the foregoing rights and powers, upon default the Mortgagee may appoint by instrument in writing a receiver, receiver-manager or receiver and manager (herein called the “**Receiver**”) of the Lands, with or without bond, and may from time to time remove the Receiver and appoint another in his stead. A Receiver appointed by the Mortgagee as aforesaid will be deemed to be the agent of the Mortgagor and the Mortgagor will be solely responsible for the Receiver’s acts or defaults and the Mortgagee will not be in any way responsible therefor and the Mortgagee will not be liable to the Receiver for his remuneration, costs, charges or expenses.

11.6 Powers of Receiver

It is further specifically understood and agreed that the Receiver appointed by the Mortgagee will have the following powers, subject to any limitations in the instrument in writing or any order of a court of competent jurisdiction appointing him, namely to:

- (a) take possession of the Lands;
- (b) lease the Lands or any portion thereof and receive and collect the rents, issues and profits thereof;
- (c) carry on or concur in carrying on the business of the Mortgagor in operating the business comprised of the Lands or which is conducted thereon by the Mortgagor;
- (d) pay any or all debts and liabilities in connection with the Lands;
- (e) sell, assign or lease or concur in selling, assigning or leasing any or all of the Lands;
- (f) make any arrangements or compromises which the Receiver considers expedient;
- (g) borrow money, upon the security of the whole or any part of the Lands, to carry on the business of the Mortgagor comprised of the Lands or to maintain the whole or any part of the Lands in a manner that will be sufficient to obtain the amounts from time to time required in the opinion of the Receiver, and in so doing the Receiver may issue certificates (each herein called a “**Receiver’s Certificate**”) that may be payable as the Receiver considers expedient and bear interest as stated therein, and the amounts from time to time payable under any Receiver’s Certificate will charge the Lands in priority to this Mortgage and the Mortgagor hereby charges the Lands with the debt, if any, owing from time to time under any Receiver’s Certificate; and
- (h) institute and prosecute all suits, proceedings and actions which the Receiver considers necessary or advisable for the proper protection of the Lands, to defend all suits, proceedings and actions against the Mortgagor or the Receiver, to appear in and conduct the prosecution and defence of any suit, proceeding or action then pending or thereafter instituted, and appeal any suit, proceeding or action.

11.7 No Obligation to Marshal

In exercising his powers hereunder, any Receiver will be free to deal with the Lands and any assets of the Mortgagor related thereto in such order or manner as he may be directed by the Mortgagee, any rule of law or equity to the contrary notwithstanding, and the Receiver will be under no obligation to marshal in favour of the Mortgagor.

11.8 Application of Revenue

The net revenue received from the Lands and the net proceeds of sale of the Lands or any part thereof will be applied by the Receiver, subject to the claims of creditors, if any, ranking in priority to this Mortgage, as follows:

- (a) firstly, in payment of all costs, charges and expenses of and incidental to the appointment of the Receiver and the exercise by him of all or any of the powers aforesaid including the reasonable remuneration of the Receiver and all amounts properly payable to him;
- (b) secondly, in payment to the Mortgagee of all costs, charges and expenses due and owing to the Mortgagee hereunder other than interest and principal;
- (c) thirdly, in payment to the Mortgagee of outstanding interest;
- (d) fourthly, in payment to the Mortgagee of outstanding principal; and
- (e) lastly, any surplus will be paid to the Mortgagor,

provided that in the event any party claims a charge against all or a portion of the surplus, the Receiver will make such disposition of all or any portion of the surplus as the Receiver deems appropriate in the circumstances.

11.9 Not a Mortgagee in Possession

Neither the provisions of this Mortgage nor the exercise of the powers provided in this Mortgage will render the Mortgagee a mortgagee in possession, and the Mortgagee will not be accountable except for the moneys actually received by the Mortgagee.

11.10 Remedies Cumulative

All remedies available to the Mortgagee herein will be in addition to and not restrictive of the remedies of the Mortgagee at law and in equity and by statute.

11.11 Enforcement of Remedies

Each remedy of the Mortgagee may be enforced in priority to or concurrently with or subsequent to any other remedy or remedies of the Mortgagee.

11.12 Realization on Securities

The Mortgagee may realize on various securities and any parts thereof in any order that the Mortgagee may consider advisable, and any realization, whether by foreclosure or sale, on any security or securities will not bar realization on any other security or securities.

**ARTICLE 12
PRESERVATION OF MORTGAGE AND OTHER SECURITY**

12.1 Equity of Redemption

No extension of time given by the Mortgagee to the Mortgagor, nor anyone claiming under the Mortgagor, nor any other dealing by the Mortgagee with the owner of the equity of redemption of the Lands, will in any way affect or prejudice the rights or remedies of the Mortgagee against the Mortgagor or any Other Obligant.

12.2 No Apportionment

Every part, lot or strata lot into which the Lands are or may hereafter be divided does and will stand as charged with the Mortgage Moneys and no person will have any right to require the Mortgage Moneys to be apportioned upon or in respect of any such part, lot or strata lot.

12.3 Fixtures

All Fixtures are deemed to be part of the Lands and the security for the Mortgage Moneys, even though not attached otherwise than by their own weight.

12.4 Partial Release of Mortgage

The Mortgagee may at all times release any part or parts of the Lands or any other security or any surety for payment of all or any part of the Mortgage Moneys or may release the Mortgagor or any Other Obligant from any covenant or other liability to pay the Mortgage Moneys or any part thereof, either with or without any consideration therefor and without being accountable for the value thereof or for any moneys except those actually received by the Mortgagee, and without thereby releasing any other part of the Lands or any other securities or covenants herein contained, it being agreed that, notwithstanding any such release, the Lands, securities and covenants remaining unreleased will stand charged with the whole of the Mortgage Moneys.

12.5 Waiver

The Mortgagee may waive any default hereunder provided that no such waiver, nor any failure to enforce at any time or from time to time any of the rights of the Mortgagee hereunder, will prejudice the Mortgagee's rights in the event of any future default or breach.

12.6 Additional Security

The provisions of this Mortgage and the security of this Mortgage are in addition to, but not in substitution for, any other security now or hereafter held by the Mortgagee for the Mortgage Moneys or any part thereof.

12.7 Doctrine of Consolidation Applies

The doctrine of consolidation will apply to this Mortgage notwithstanding Section 31 of the *Property Law Act* of British Columbia, as amended or replaced from time to time.

ARTICLE 13 SALE OR TRANSFER

13.1 Due on Sale

Save and except as contemplated by the Commitment Letter and Permitted Encumbrances:

- (a) if the Lands or any part thereof are sold, transferred, conveyed, assigned, leased or otherwise disposed of, or the Mortgagor enters into any agreement to effect any of the foregoing, whether by registered or unregistered instrument and whether for valuable or nominal consideration or otherwise, to a party not first approved in writing by the Mortgagee;
- (b) if such a purchaser, grantee, transferee or assignee should fail to:
 - (i) apply for and receive the Mortgagee's written approval as aforesaid;
 - (ii) if required by the Mortgagee, personally assume all obligations of the Mortgagor under this Mortgage; and
 - (iii) if required by the Mortgagee, execute an assumption agreement in the form required by the Mortgagee;

then the Mortgagee at its option may declare the Principal Amount then secured hereunder, all accrued interest and all other moneys then secured hereby, to become immediately due and payable in full and the Mortgagor will pay the same forthwith.

13.2 Assigned

The word “assigned” as used in Section 13.1 will include any transfer, sale, assignment, bequest, inheritance, encumbrance or other disposition of shares of any body corporate comprising the Mortgagor, in whole or in part, having the result of changing the identity of the person(s) who during the currency of this Mortgage exercise the effective voting control of such body corporate.

13.3 Servicing Fee

The Mortgagee will be entitled to charge a reasonable servicing fee to process each application for approval as herein contemplated, which fee will be payable forthwith upon demand. Failure by the Mortgagor to pay such servicing fee will be deemed to be an act of default hereunder. It is further understood and agreed that any approval given hereunder will in no 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 the moneys hereby secured.

ARTICLE 14 STRATA LOT PROVISIONS

14.1 Definitions

In this Article 14:

- (a) “Act” means for the purposes of this Article, the *Strata Property Act* of British Columbia, as amended or replaced from time to time; and
- (b) where used in this paragraph, the terms “common property”, “Certificate of Payment”, “Certificate of Lien”, “Information Certificate”, “owner”, “strata corporation”, and “strata lot” will have the respective meanings attributed to them in the Act.

14.2 Strata Lots

If the Lands now or at any time hereafter are comprised of one or more strata lots, the Mortgagor covenants and agrees:

- (a) to observe and perform all the covenants, agreements, conditions and provisos required to be observed and performed under the Act and any by-laws, rules and regulations that may be passed by the strata corporation or any special interest section thereof of which the Mortgagor is a member by virtue of the leasing by the Mortgagor of the strata lot(s) hereby charged;
- (b) to pay on or before the due dates thereof, the share of common expenses and each and every assessment, contribution or levy made by the strata corporation or any special interest section thereof against the strata lot(s) and interest(s) in the Lands and the Mortgagor will not permit a situation under which the strata corporation or any special interest section thereof may register a Certificate of Lien in the land title office;
- (c) pursuant to Section 115 of the Act, the Mortgagor hereby authorizes any officer of the Mortgagor to from time to time during the term hereof obtain a Certificate of Payment as provided for in the Act certifying that no moneys are owing to the strata corporation by the Mortgagor in respect of any one or more of the strata lots forming part of the Lands;
- (d) that the Mortgagor will not without the prior written consent of the Mortgagee:

- (i) assign any of the Mortgagor's rights, powers, duties or obligations under the Act or the by-laws created under the Act; or
 - (ii) give possession of any strata lot(s) hereby charged to any person whether on the basis of an agreement providing for the purchase of the strata lot(s) by the occupier or on the basis of a lease, sublease or assignment of lease;
- (e) to grant and hereby grants to the Mortgagee all rights and powers to vote conferred on the Mortgagor by the Act, but neither this section nor anything done by virtue thereof will render the Mortgagee a mortgagee in possession;
- (f) that this Mortgage constitutes express written notice to the Mortgagor that the Mortgagee intends to exercise the power to vote on any matters relating to insurance, maintenance, finance or other matters affecting the security for this Mortgage that the Mortgagor is permitted to execute and no additional notice need be given to the Mortgagor to permit the Mortgagee to exercise any such right and power to vote conferred on the Mortgagor in respect of these matters, and the Mortgagee may, at any duly called meeting of the strata corporation of which the Mortgagee has received written notice, exercise the right to vote on these matters if the Mortgagee is not by its authorized representative, agent or proxy, present at that meeting;
- (g) that the right and power to vote granted in this Mortgage to the Mortgagee does not impose on the Mortgagee any duty or obligation whatsoever to protect the interest of the Mortgagor, and the Mortgagee will not be responsible for the consequences of any exercise of the right to vote or any failure to exercise the right to vote;
- (h) pursuant to Section 59 of the Act, the Mortgagor hereby authorizes any officer of the Mortgagee to apply at any time and from time to time during the term hereof to the strata corporation under section 59 of the Act for an Information Certificate, in respect of each strata lot forming part of the Lands, to have the by-laws for the time being in force governing the strata lot(s) and interest in the Lands hereby charged made available for inspection by an officer of the Mortgagee;
- (i) that the Mortgagor will cause the Mortgagee to be named as a loss payee as its interest may appear in respect of the strata lot(s) on the policy or policies of insurance effected by the strata corporation, on the buildings, common facilities and the insurable improvements owned by the strata corporation and will cause mortgage clauses in a form approved by the Mortgagee to be included in such insurance policy or policies and will provide evidence of such insurance to the Mortgagee forthwith upon demand;
- (j) that if the insurance effected by the strata corporation on the buildings and common facilities is inadequate in the opinion of the Mortgagee, then the Mortgagor will upon demand effect insurance of the strata lot(s) and the Mortgagor's interest in the common property against such risks or hazards and in an amount as the Mortgagee may require with an insurance company and by a policy satisfactory to the Mortgagee, which policy or policies will contain loss payable provisions and mortgage clauses as aforesaid, and will provide evidence of such insurance to the Mortgagee; and

- (k) that the Mortgagee is the Mortgagor's agent to examine, inspect and obtain copies of any and all records, minutes, books of account or other documents of any nature and kind whatsoever which the Mortgagor is entitled to examine or inspect.

ARTICLE 15
INTEREST RATE ALTERNATIVE AND
MAXIMUM RETURN TO MORTGAGEE

15.1 Interest Rate Alternative

Subject to the provisions of Section 15.2 hereof, if the Interest Rate would, except for this clause, be a criminal rate, or void for uncertainty, or unenforceable for any other reason, or not capable of being ascertained, or is determined by court to be subject to deemed reinvestment of interest then the Interest Rate will be one percent (1%) per annum less than the minimum rate which would be a criminal rate calculated in accordance with generally accepted actuarial practices and principles.

15.2 Maximum Return

It is agreed that, notwithstanding any agreement to the contrary, no Interest on the Credit Advanced 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, would exceed 60% on the Credit Advanced, then:

- (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 principal amount; and
- (c) any overpayment that may remain after such crediting will be returned forthwith upon demand.

In this Article the terms “Interest” and “Credit Advanced” have the meanings given to them in section 347 of the Criminal Code of Canada.

ARTICLE 16
COMMITMENT LETTER

16.1 Commitment Letter

The provisions of the Commitment Letter which are not expressly restated herein or in any other editorial or other security documentation which is to be executed and delivered to the Mortgagee by the Mortgagor or any Other Obligant, will survive the execution and registration of this Mortgage and the collateral or other security documents to be delivered herewith. Accordingly there will be no merger of such provisions in this Mortgage or the collateral or other security documents, until the parties thereto, by an appropriate instrument in writing so declare. Furthermore, if any conflict at any time exists between any term of the Commitment Letter (whether restated herein or not) and any term of this Mortgage, then the term of the Commitment Letter will govern and take precedence. Also, it is

understood and agreed that a default under the terms of the Commitment Letter will constitute a default under this Mortgage and will entitle the Mortgagee to exercise all of its rights and remedies contained in this Mortgage.

ARTICLE 17 COVENANTOR

17.1 Covenantor

This Article applies if this Mortgage has been executed by a “Covenantor” and if so, the Covenantor for the sum of TEN (\$10.00) DOLLARS of lawful money of Canada and other good and valuable consideration now paid by the Mortgagee to the Covenantor (the receipt and sufficiency of which is hereby acknowledged), hereby covenants, promises and agrees to and with the Mortgagee as a principal debtor and not as a surety:

- (a) to duly and punctually pay the Mortgage Moneys and to observe and perform the or cause to be observed and performed all the covenants, agreements, terms, provisos, stipulations and conditions herein contained on the part of the Mortgagor to be observed and performed and to indemnify, protect and save harmless the Mortgagee from all loss, costs and damage in respect of this Mortgage and every matter and thing herein contained;
- (b) that no release or releases of any portion or portions of the Lands and no indulgence shown by the Mortgagee in respect of any default by the Mortgagor which may arise under this Mortgage and no extension or extensions granted by the Mortgagee to the Mortgagor for payment of the Mortgage Moneys, in whole or in part, or for the doing, observing or performing of any covenant, agreement, matter or thing herein contained, to be done, observed or performed by the Mortgagor, nor any variation in or departure from the provisions of this Mortgage including but not limited to any variation or increase of the Interest Rate or any extension of the term(s) of payment of any the moneys secured hereunder, nor any taking of further security from the Mortgagor nor any other dealings between the Mortgagee and the Mortgagor, will in any way prejudice the Mortgagee or modify, alter, vary or affect the liability of the Covenantor in any way under this covenant, which will continue and be binding on the Covenantor, as well after as before default under, judgment upon, or maturity of this Mortgage, until the Principal Amount, interest and other moneys owing hereunder are fully paid and satisfied;
- (c) that the Mortgagee will not be bound to exhaust its recourse against the Mortgagor or the Covenantor or any other person before enforcing its rights against the Covenantor;
- (d) that any failure on the part of the Mortgagee to perfect, maintain or enforce its rights, whether due to default, negligence or otherwise on the part of the Mortgagee, with respect to this Mortgage, or any other security granted to the Mortgagee relating to the within mortgage or the Mortgage Moneys, in whole or in part, will not prejudice the Mortgagee with respect to its rights pursuant to this covenant and will not discharge or limit or lessen the liability of the Covenantor pursuant to the terms hereof,

- (e) that the release of any person or persons comprising the Covenantor from his or her or its liability hereunder, in whole or in part, will not affect the liability of any person or persons remaining as Covenantor above, which liability will in each instance remain unimpaired and still in full force and effect as if each person being so released had not been party to this Mortgage; and
- (f) that the Mortgagee may vary any agreement or arrangement with any or all of the persons comprising the Covenantor and grant extensions of time to or otherwise deal with the Covenantor without any consent on the part of the Mortgagor.

ARTICLE 18 MISCELLANEOUS

18.1 Promissory Note

Any promissory note or notes taken in connection with any advance or re-advance of funds to be secured hereunder is taken as collateral security only and not in satisfaction of the Secured Obligations.

18.2 Estoppel Certificate

The Mortgagor, within seven (7) days after receipt of a request to do so, will certify to the Mortgagee, or any person designated by the Mortgagee, the amount of the Mortgage Moneys then due hereunder, the date to which interest is paid, that it has no right of set-off against the Mortgage Moneys or, if it has such a right of set-off, the amount thereof, and that there have been no amendments hereof or, if there has been any such amendment, specifying it.

18.3 Modifications to Mortgage

In order for any addition to or modification, amendment or variation of this Mortgage to be effective it must be in writing and signed by all parties to this Mortgage.

18.4 Syndication

This Mortgage may be assigned by the Mortgagee without the consent of the Mortgagor. The Mortgage terms, representations and warranties herein contained shall enure to the benefit of each assignee of the Mortgagee. The Mortgagee shall have the right to assign, sell, syndicate, grant participations or transfer all or any portion of this Mortgage, whether directly or by way of securitization, and as part of any such transaction the Mortgagee is hereby authorized to provide to prospective participants in such transactions all personal information relevant to this Mortgage (including credit and default information) of the Mortgagor, the Covenantor and the Lands received by the Mortgagee. This information will be held in strict confidence between the Mortgagee and any prospective participant in this Mortgage.

18.5 Extension, Renewal of Mortgage

Any extension of the term of payment of the Mortgage Moneys, or any part thereof, and any agreement increasing or decreasing the rate or rates of interest payable on account of the Principal Amount prior to the execution of the discharge of this Mortgage by the Mortgagee need not be registered in a land title office, but will be effectual and binding on the Mortgagor, the Covenantor (if any) and any other person

liable for payment of the Mortgage Moneys, in whole or in part, and it will not be necessary to register any such agreement in order to retain priority of this Mortgage so altered over any instrument registered as a charge against the Lands subsequently to the registration of this Mortgage.

18.6 Status Updates

The Mortgagor will provide the Mortgagee with monthly status updates pertaining to construction of the project in respect of the Lands as provided for in the Commitment Letter.

18.7 Notice of Demand

Any demand or notice necessary to be given in pursuance of the exercise of the powers and provisions herein contained may be given to the Mortgagor or to any chargeholder by writing signed or purporting to be signed by or on behalf of the Mortgagee.

18.8 Address for Notices

Any notice, demand or other document to be given, or any delivery to be made hereunder will be effective if in writing and delivered in person and left with, or if telecopied and confirmed by prepaid registered letter addressed to the attention of:

- (a) in the case of the Mortgagee, addressed as follows:

PEAKHILL CAPITAL INC.

Suite 401, 10 King Street East
Toronto, ON M5C 1C3

Attention: Harley Gold, Managing Director
Shawn Ning, Vice President Investment & Financing

Fax No: N/A

with a copy to:

FASKEN MARTINEAU DUMOULIN LLP

Barristers & Solicitors
Suite 2900, 550 Burrard Street
Vancouver, BC V6C 0A3

Attention: Brent Clark

Fax No: 604.631.3232

- (b) in the case of the Mortgagor, addressed as follows:

SOUTHVIEW GARDENS BT LTD.

Suite 1800, 1188 West Georgia Street
Vancouver, BC V6E 4A2

Attention: Zhen Yu Zhong

Fax No: N/A

with a copy to:

CLARK WILSON LLP
Barristers and Solicitors
Suite 900, 885 West Georgia Street
Vancouver, BC V6C 3H1

Attention: Karen Ngan

Fax No: 604.687.6314

Any notice, demand or other document or delivery so given or made will be deemed to have been given or made and received at the time of delivery in person or on the business day next following the date of telecopying of the same. Any party hereto may from time to time by notice in writing change his or its address (or in the case of a corporate party, the designated recipient) for the purposes of this section.

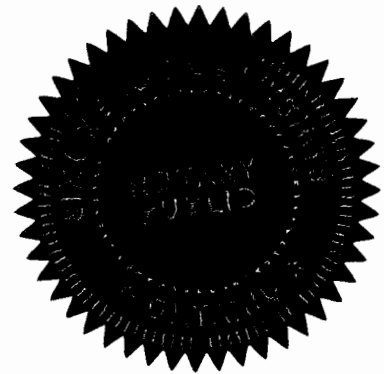
END OF DOCUMENT

TAB E

This is Exhibit "E" referred to in the
Affidavit of Remy Caruso, sworn
before me at Toronto, in the Province of
Ontario this 10th day of February, 2023.

Simone Linsky

A Commissioner/Notary Public for the
Province of Ontario



LAND TITLE ACT
FORM C (Section 233) CHARGE
GENERAL INSTRUMENT - PART I Province of British Columbia

Nov-26-2020 11:28:12.002

CA8598035

PAGE 1 OF 14 PAGES

Your electronic signature is a representation that you are a designate authorized to certify this document under section 168.4 of the *Land Title Act*, RSBC 1996 c.250, that you certify this document under section 168.41(4) of the act, and that an execution copy, or a true copy of that execution copy, is in your possession.

Brent
Christopher
Clark 8XCA6K

Digitally signed by Brent
Christopher Clark 8XCA6K
Date: 2020.11.26 10:57:56
-08'00'

1. APPLICATION: (Name, address, phone number of applicant, applicant's solicitor or agent)

Brent C. Clark, Barrister and Solicitor

Fasken Martineau DuMoulin LLP

Suite 2900, 550 Burrard Street

Vancouver

BC V6C 0A3

Phone No. 604.631.3131

Client No. 11565

File No. 324371.00001/20239

Document Fees: \$74.87

Deduct LTSA Fees? Yes

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND:

[PID]

[LEGAL DESCRIPTION]

007-982-160 LOT 14 DISTRICT LOT 334 PLAN 13993

STC? YES

3. NATURE OF INTEREST

CHARGE NO.

ADDITIONAL INFORMATION

Assignment of Rents

4. TERMS: Part 2 of this instrument consists of (select one only)

(a) Filed Standard Charge Terms D.F. No.

(b) Express Charge Terms Annexed as Part 2

A selection of (a) includes any additional or modified terms referred to in Item 7 or in a schedule annexed to this instrument.

5. TRANSFEROR(S):

SOUTHVIEW GARDENS BT LTD. (INC. NO. BC1096430)

6. TRANSFEREE(S): (including postal address(es) and postal code(s))

PEAKHILL CAPITAL INC.

SUITE 401, 10 KING STREET EAST

TORONTO

M5C 1C3

ONTARIO

CANADA

Incorporation No

002728932

7. ADDITIONAL OR MODIFIED TERMS:

N/A

8. EXECUTION(S): This instrument creates, assigns, modifies, enlarges, discharges or governs the priority of the interest(s) described in Item 3 and the Transferor(s) and every other signatory agree to be bound by this instrument, and acknowledge(s) receipt of a true copy of the filed standard charge terms, if any.

Officer Signature(s)

Karen Ngan

Barrister & Solicitor

Clark Wilson LLP

900 - 885 West Georgia Street

Vancouver, BC V6C 3H1

T. 604.687.5700

Execution Date

Y	M	D
20	11	24

Transferor(s) Signature(s)

SOUTHVIEW GARDENS BT LTD.,
by its authorized signatory(ies):

Print Name: Zhen Yu Zhong

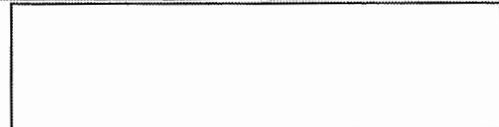
Print Name:

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.

**LAND TITLE ACT
FORM C (Section 233) CHARGE
GENERAL INSTRUMENT - PART 1 Province of British Columbia**

Your electronic signature is a representation that you are a designate authorized to certify this document under section 168.4 of the *Land Title Act*, RSBC 1996 c.250, that you certify this document under section 168.41(4) of the act, and that an execution copy, or a true copy of that execution copy, is in your possession.



1. APPLICATION: (Name, address, phone number of applicant, applicant's solicitor or agent)

Brent C. Clark, Barrister and Solicitor
Fasken Martineau DuMoulin LLP
Suite 2900, 550 Burrard Street
Vancouver

BC V6C 0A3

Phone No. 604.631.3131
Client No. 11565
File No. 324371.00001/20239

Deduct LTSA Fees? Yes

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND:
[PID] [LEGAL DESCRIPTION]

007-982-160 LOT 14 DISTRICT LOT 334 PLAN 13993

STC? YES

3. NATURE OF INTEREST

CHARGE NO.

ADDITIONAL INFORMATION

Assignment of Rents

4. TERMS: Part 2 of this instrument consists of (select one only)

(a) Filed Standard Charge Terms D.F. No.

(b) Express Charge Terms Annexed as Part 2

A selection of (a) includes any additional or modified terms referred to in Item 7 or in a schedule annexed to this instrument.

5. TRANSFEROR(S):

SOUTHVIEW GARDENS BT LTD. (INC. NO. BC1096430)

6. TRANSFEREE(S): (including postal address(es) and postal code(s))

PEAKHILL CAPITAL INC.

SUITE 401, 10 KING STREET EAST
TORONTO

M5C 1C3

ONTARIO
CANADA

Incorporation No
002728932

7. ADDITIONAL OR MODIFIED TERMS:

N/A

8. EXECUTION(S): This instrument creates, assigns, modifies, enlarges, discharges or governs the priority of the interest(s) described in Item 3 and the Transferor(s) and every other signatory agree to be bound by this instrument, and acknowledge(s) receipt of a true copy of the filed standard charge terms, if any.

Officer Signature(s)

KAREN NGAN
Barrister & Solicitor
CLARK WILSON LLP
900 - 885 WEST GEORGIA STREET
VANCOUVER, BC V6C 3H1
T. 604.687.5700

Execution Date

Y	M	D
20	11	24

Transferor(s) Signature(s)

SOUTHVIEW GARDENS BT LTD.,
by its authorized signatory(ies):

Print Name: ZHEN YU ZHANG

Print Name: _____

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.

**PART 2 – TERMS OF INSTRUMENT
GENERAL ASSIGNMENT OF RENTS AND LEASES**

THIS GENERAL ASSIGNMENT OF RENTS AND LEASES is dated November 24, 2020 and made,

PURSUANT TO THE LAND TRANSFER ACT, PART 3,

BETWEEN:

SOUTHVIEW GARDENS BT LTD., a company under the *Business Corporations Act* of British Columbia (BC1096430), having an office at Suite 1800, 1188 West Georgia Street, Vancouver, BC V6E 4A2;

(the “Assignor”)

AND:

PEAKHILL CAPITAL INC., a company under the *Business Corporations Act* of Ontario (002728932), having an office at Suite 401, 10 King Street East, Toronto, ON M5C 1C3;

(the “Assignee”)

A. Pursuant to the Mortgage the Assignor has mortgaged the Lands or the interest(s) described therein to the Assignee to secure the payment, observance and performance of the Secured Obligations.

B. The Assignor, as Landlord, has agreed to execute and deliver this Assignment as a further, continuing and collateral security for the payment, observance and performance of the Secured Obligations.

In consideration of the foregoing and other good and valuable consideration now paid by the Assignee to the Assignor (the receipt and sufficiency of which is hereby acknowledged) the Assignor represents to and agrees with the Assignee as set forth herein.

**ARTICLE 1
DEFINITIONS**

1.1 Definitions

In this Assignment the following words and phrases will have the meanings set out below unless the parties or the context otherwise require(s):

- (a) “**Act**” means the *Land Title Act*, RSBC 1996, Chapter 250, as amended or replaced from time to time.
- (b) “**Assigned Property**” means, subject to Section 7.7 hereof, all of the Assignor's present and future right, title, estate and interest, as Landlord, in and to:

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- (i) the Documents;
 - (ii) the Rents; and
 - (iii) the Rights; and
 - (iv) the Other Documents.
- (c) “**Assignee**” means the Person or Persons described in Item 6 of the Form C and his, her, its or their heirs, executors, administrators, successors and assigns, whether immediate or derivative.
- (d) “**Assignment**” or “**this Assignment**” means this Assignment being a document comprised of the Form C and these Part 2 - Terms of Instrument (including all recitals and schedules hereto, as amended, modified, restated or replaced from time to time.
- (e) “**Assignor**” means the Person or Persons described in Item 5 of the Form C and his, her, its or their heirs, executors, administrators, successors and assigns, whether immediate or derivative.
- (f) “**Documents**” at any point in time means all Leases, Guarantees and Other Documents then in effect.
- (g) “**Commitment Letter**” means the letter dated October 30, 2020, issued by the Assignee to and accepted by, *inter alia*, the Assignor in connection with the Secured Obligations and any other term sheet, commitment letter or loan agreement entered into at any time between the Assignor and the Assignee to evidence the terms of the Secured Obligations, and includes all amendments and modifications thereto and all restatements and replacements thereof from time to time;
- (h) “**Form C**” means the Form C - General Instrument - Part 1 forming part of this Assignment.
- (i) “**Guarantee**” means a covenant, guarantee, indemnity or the like now or hereafter given by a Guarantor to the Landlord to pay, keep, observe or perform any or all of the Tenants’ Obligations, whether contained in a Lease or in one or more separate instruments, or both.
- (j) “**Guarantor**” means a Persons who is a covenantor, guarantor, indemnifier or the like under a Guarantee.
- (k) “**Guarantor’s Obligations**” means the debts, obligations and liabilities of a Guarantor to the Landlord under its Guarantee.
- (l) “**Landlord**” means the landlord, sub-landlord, lessor, sub-lessor, licensor, sub-licensor or owner of the Lands under a Lease.

- (m) “**Landlord’s Obligations**” means the debts, obligations and liabilities of the Landlord to a Tenant under the Lease between the two of them.
- (n) “**Lands**” means the lands and premises described in Item 2 of the Form C.
- (o) “**Leases**” mean every existing and future:
 - (i) lease (and agreement to lease);
 - (ii) sublease (and agreement to sublease);
 - (iii) tenancy or subtenancy agreement as to use or occupation;
 - (iv) license; and
 - (v) sublicense,of the Lands or any portion thereof (including all extensions, modifications and renewals thereof) in respect of which the Assignor is the Landlord thereunder, whether as an original party thereto, by assignment, by assumption or otherwise, and includes all amendments thereto and modifications, restatements or replacements thereof, from time to time.
- (p) “**LTO**” means the Land Title and Survey Authority under the Act in which the Mortgage and this Assignment are registered as charges against the Lands.
- (q) “**Mortgage**” means the mortgage of the Lands made in favour of the Assignee registered in the Land Title Office under a number one lower than the registration number of this Assignment, as amended, extended, replaced or restated from time to time.
- (r) “**Notice of Exercise of Assignment**” has the meaning given to it in Section 2.3 hereof.
- (s) “**Notice of Revocation**” has the meaning given to it in Section 2.3 hereof.
- (t) “**Other Document**” means a document, instrument or the like other than a Lease or a Guarantee which is now or at any time hereafter in the possession of the Assignor or its agents and
 - (i) evidences or relates to any one or more of the Leases or the Guarantees, or
 - (ii) secures the payment, observance, performance or exercise of any of the Landlord’s Obligations, a Tenant’s Obligations or a Guarantor’s Obligations.
- (u) “**Persons**” or “**Person**” means any individual, sole proprietorship, corporation, partnership, bank, joint venture, trust, unincorporated association, association, institution, entity, party or government (whether national, federal, provincial.

state, municipal, city, country or otherwise and including any instrumentality, division, agency, body or department thereof).

- (v) **“Rents”** means, without duplication, all monies now or at any time hereafter payable to the Landlord under the Leases (including the rents reserved thereby) and the Guarantees.
- (w) **“Rights”** means all of the present and future benefits, advantages, privileges, powers, claims, demands, rights, remedies, securities, judgments and the like whatsoever (including any extensions or renewals thereof), which the Landlord may be entitled to under each of the Documents or at law, in equity or by statute, including the benefit and advantage of all representations, warranties, covenants and agreements now or hereafter made to the Landlord by or on behalf of a Tenant or a Guarantor in respect thereof.
- (x) **“Secured Obligations”** means the present and future debts, obligations and liabilities now or at any time hereafter secured by the Mortgage.
- (y) **“Tenant”** means a Person who is a tenant, sub-tenant, lessee, sub-lessee, licensee, sub-licensee or occupier of the Lands or any part(s) thereof under a Lease, whether as an original party thereto, by assignment, by assumption or otherwise.
- (z) **“Tenant’s Obligations”** means the debts, obligations and liabilities of a Tenant to the Landlord under its Lease.

ARTICLE 2 ASSIGNMENT

2.1 Assignment of the Assigned Property (including the Rents)

The Assignor absolutely assigns the Assigned Property (including the Rents) to the Assignee on the terms set forth herein until all of the Secured Obligations have been fully paid, performed and satisfied and a discharge of this Assignment is given to the Assignor after a written request therefor by the Assignor to the Assignee.

2.2 Present Assignment

This Assignment is given by the Assignor as a present assignment and as additional collateral security for the payment, observance and performance of the Secured Obligations.

2.3 Notice of Exercise of Assignment; Notice of Revocation

- (a) Notwithstanding the provisions of Sections 2.1 and 2.2 hereof:
 - (i) the Assignor will, subject to the terms hereof, be permitted to enjoy and enforce the Assigned Property (and in particular will be entitled to collect and receive the Rents as and when they become due and payable under the Leases); and

- (ii) the Assignee will not be permitted to enjoy the Assigned Property (and in particular will be not entitled to collect and receive the Rents as and when they become due and payable under the Leases),

as if this Assignment had not been made, until the Assignee gives the Assignor a written notice (a “**Notice of Exercise of Assignment**”) that:

- (A) the Assignor is in default in respect of some or all of the Secured Obligations; or
 - (B) if any of the Secured Obligations are to be paid or satisfied on demand, the Assignee has demanded or is concurrently demanding the payment and satisfaction of those Secured Obligations; and
 - (C) the Assignee is exercising its rights hereunder to the extent set forth in that notice.
- (b) The decision of the Assignee as to whether there has been a default under the Mortgage will be final and binding on the Assignor.
 - (c) The Assignee may revoke a Notice of Exercise of Assignment given by it at any time by giving the Assignor a written notice to that effect (each a “**Notice of Revocation**”).

2.4 Assignee’s right to Rents on receipt of Notice of Exercise of Assignment

- (a) On the receipt of a Notice of Exercise of Assignment and until the Assignor receives a Notice of Revocation or this Assignment is terminated as contemplated by Section 2.1 hereof, the Assignor shall hold all Rents then and thereafter received by it in trust for the Assignee and shall immediately pay those Rents over to the Assignee whenever those Rents are received by it, without demand by the Assignee therefor.
- (b) To ensure that the Rents are paid to the Assignee pursuant hereto, the Assignor:
 - (i) confirms that the Assignee may give a copy of this Assignment and a copy of a Notice of Exercise of Assignment to any Tenant or Guarantor when it gives the Assignor a Notice of Exercise of Assignment, or at any time thereafter; and
 - (ii) irrevocably authorizes and directs each Tenant and Guarantor who is given a copy of this Assignment and copy of a Notice of Exercise of Assignment to immediately pay to the Assignee, or to such other Person as the Assignee may direct in writing, all Rents then and thereafter payable by it under its Lease or its Guarantee, when due, without any further direction or authority being required by it from either or both the Assignor and the Assignee, until it receives a copy of a Notice of Revocation given by the Assignee in respect thereof or written notice from the Assignee that this Assignment has been terminated as contemplated by Section 2.1 hereof.

ARTICLE 3
ASSIGNOR'S REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties

The Assignor makes the following representations and warranties to the Assignee as continuing representations and warranties that are now and will hereafter be true and correct at all times while this Assignment remains in effect.

- (a) **Authority to Assign:** The Assignor is the Landlord under each Lease and in that capacity has the power and authority to assign the legal and beneficial title to Assigned Property to the Assignee in the manner contemplated by this Assignment.
- (b) **Documents delivered:** The Assignor has delivered or will deliver the original or a certified true copy of each existing Document to the Assignee.
- (c) **Documents Complete:** Each Document delivered by the Assignor to the Assignee represents the entire agreement between the parties thereto with respect to the subject matter thereof.
- (d) **Leases and Guarantees Valid and Subsisting and in Effect:** Each Lease and each Guarantee is valid and subsisting and in full force and effect.
- (e) **No Other Assignments:** Except as previously disclosed by the Assignor to the Assignee in writing, or in Item 11 of Part 1 of the Mortgage, and as constituted hereby, the Assignor has not assigned or encumbered any of the Assigned Property, including its Right to receive the Rents.
- (f) **Landlord's Obligations Performed; Rights maintained:** Except as previously disclosed by the Assignor to the Assignee in writing, the Assignor has paid, observed and performed all of the Landlord's Obligations and has maintained all of the Rights .
- (g) **No Defaults:** Except as previously disclosed by the Assignor to the Assignee in writing, the Assignor is not aware of any default or breach by the Assignor under any Lease, by any Tenant under its Lease, or by any Guarantor under its Guarantee.
- (h) **No Outstanding Disputes:** Except as previously disclosed by it to the Assignee in writing, there are no outstanding disputes between the Assignor and any Tenant concerning their Lease or between the Assignor and any Guarantor concerning that Guarantor's Guarantee.
- (i) **No Consents Required:** Except as set forth in a Document, there are no consents required from any Person to the assignment of the Assigned Property described therein as contemplated hereby.

- (j) **No Termination of Leases, Guarantees or Rights:** Except as previously disclosed by the Assignor to the Assignee in writing, the Assignor has not done or omitted to do anything having the effect of:
 - (i) terminating or cancelling any Lease, Guarantee or Right;
 - (ii) accepting a surrender of any Lease; or
 - (iii) waiving, releasing, reducing or abating any Right.
- (k) **No Set Offs etc.:** Except as previously disclosed by the Assignor to the Assignee in writing, none of the Assigned Property is affected by any defence, set-off or counterclaim.
- (l) **No Prepayment of Rent:** Except as previously disclosed by the Assignor to the Assignee in writing or as required under a Lease, no Rent under a Lease has been prepaid, discounted or otherwise anticipated.

ARTICLE 4 ASSIGNOR'S AGREEMENTS

4.1 Positive Agreements

- (a) **Landlord's Obligations:** The Assignor shall duly and strictly pay, observe and perform all of the Landlord's Obligations and maintain all its Rights in respect of the Assigned Property.
- (b) **Deliver True Copies:** The Assignor shall, upon receipt of a written demand by the Assignee, deliver a true and complete copy of each Document then in effect to the Assignee.
- (c) **Further Assurances:** The Assignor shall execute such further assurances as may be required by the Assignee from time to time to give effect to the true intent and meaning of this Assignment.
- (d) **Give Estoppel Certificates:** The Assignor shall upon receipt of a written request from the Assignee, forthwith deliver to the Assignee a then current estoppel certificate in respect of any Lease referred to in that request if the Tenant is obligated to provide such a certificate under its Lease. The estoppel certificate will be signed by that Tenant, addressed to the Assignor and the Assignee and in the form stipulated by that Lease, or if no form is stipulated, in the form required by the Assignee.
- (e) **Give Specific Assignment:** On or after delivery of a Notice of Exercise of Assignment, the Assignor shall upon receipt of a written request from the Assignee, forthwith execute and deliver to the Assignee a specific assignment of any Lease or Guarantee described in that request on terms and in a form required by the Assignee and concurrently give any other parties to that Lease or

Guarantee notice of that assignment and obtain from each of them an acknowledgement of that assignment in a form required by the Assignee.

- (f) **Give Notice of this Assignment:** On or after delivery of a Notice of Exercise of Assignment, the Assignor shall deliver a copy of this Assignment to each Tenant or Guarantor designated by the Assignee in writing. The copy will be delivered pursuant to a notice of assignment in a form then required by the Assignor and, if required by the Assignee, the Assignor shall use commercially reasonable efforts to obtain from each applicable Tenant or Guarantor an executed acknowledgement of or consent to this Assignment, or both, in a form then required by the Assignor.
- (g) **Join in Proceedings:** The Assignor shall at its own cost and expense join in any action or proceeding brought by the Assignee in respect of all or any part of the Assigned Property as the Assignee may from time to time require.

4.2 Negative Agreements

- (a) **No Termination, Cancellation or Surrender:** The Assignor shall not terminate or cancel any Lease or Guarantee or accept the surrender of any Lease without the prior written consent of the Assignee, except as contemplated by the Commitment Letter.
- (b) **No Amendments which Prejudice Assignee:** The Assignor shall not amend any Lease or Guarantee without the prior written consent of the Assignee, except as contemplated by the Commitment Letter.
- (c) **No Other Assignments, etc.:** The Assignor shall not assign, sublet or further encumber any of the Leases or the Rights thereunder, without the prior written consent of the Assignee, except as contemplated by the Commitment Letter.
- (d) **No Non-market Leases:** The Assignor shall not grant a new Lease of the Lands or any portion thereof to any Person other than at a rental rate and otherwise on terms and conditions that a prudent owner of similar premises in the locality where the Lands are located would then expect to obtain, except as disclosed in writing to the Assignee.
- (e) **Limited Prepayments:** The Assignor shall not allow any Rent to be prepaid, discounted, anticipated or abated, except for Rents prepaid and held as security deposits under the Leases.

ARTICLE 5 ASSIGNEE'S RIGHTS AND REMEDIES

5.1 Authority to Enforce

Upon the Assignor's receipt of a Notice of Exercise of Assignment and until it is revoked by a Notice of Revocation or this Assignment is terminated pursuant to Section 2.1 hereof, the Assignee will have the authority to realize upon the Assigned Property and to enforce

and exercise the Rights forming part thereof (including the full power and authority to demand, collect, sue for, recover, receive and give receipts for the Rents and to enforce payment thereof) in the name of the Assignor or the Assignee or both of them, as if the Assignee were the absolute owner thereof and an original party to the Leases and the Guarantees and without regard to the state of accounts between the Assignor and the Assignee.

5.2 Power of Attorney

Upon receipt of a Notice of Exercise of Assignment and until it is revoked by a Notice of Revocation or this Assignment is terminated pursuant to Section 2.1 hereof, the Assignor hereby nominates, constitutes and appoints the Assignee its true and lawful attorney, with the full power of substitution for and in the name of and at the expense of the Assignor, to act in relation to the Assigned Property and enforce the performance of the Documents and the performance and exercise of the Rights under each (including securing the enforcement and performance of the Tenant's Obligations under each Lease and the Guarantor's Obligations under each Guarantee), as fully and effectually in all respects as the Assignor could do (including the power and authority to institute and prosecute any action or proceeding in respect of the whole or any part of the Assigned Property and to execute a discharge thereof on behalf of the Assignor) as the Assignee may deem advisable in its sole and absolute discretion. This power of attorney will be irrevocable and coupled with an interest and will survive the death, disability, insolvency or other legal incapacity of the Assignor.

5.3 Assignor's continuing obligation to pay, observe and perform Landlord's Obligations

Notwithstanding any exercise by the Assignee of any of its rights and remedies hereunder or under any other security from time to time taken by the Assignee for the payment, performance or observance of the whole or any portion of the Secured Obligations:

- (a) the Assignor shall at all times keep, observe and perform and be solely responsible for the payment, observance and performance of all of the Landlord's Obligations; and
- (b) the Assignee shall at no time be responsible for payment, observance or performance of any of the Landlord's Obligations,

unless the Assignee specifically agrees to the contrary in writing.

5.4 No obligation on Assignee to preserve or enforce

The Assignee shall not be under any obligation at any time to:

- (a) see to or enforce the performance of; or
- (b) institute proceedings for the purpose of preserving,

any Lease, Guarantee, Right, Tenant's Obligation or Guarantor's Obligation and in particular to collect or recover or take any action or exercise any remedy in the collection or recovery of any Rents.

5.5 Not a Mortgagee in Possession

The Assignee will not for any reason whatsoever (including its receipt of any of the Rents) become or be deemed a mortgagee in possession.

5.6 Account for Rents Received

The Assignee shall only be liable to account for Rents that actually come into its hands by virtue of this Assignment and it may apply those Rents, in whole or in part, against the Secured Obligations as it determines from time to time in its sole and absolute discretion. The Assignee may hold those Rents, in whole or in part, in a separate account for such time as it determines and then apply those Rents as it determines, in its sole and absolute discretion, without prejudice to any claim for any deficiency.

5.7 Additional Rights

This Assignment and the rights and remedies of the Assignee hereunder are in addition to and without prejudice to any other securities and rights and remedies which the Assignee may now or at any time hereafter have or acquire from the Assignor or any other Person law, in equity or by statute in respect of the whole or any part of the Secured Obligations.

5.8 No Merger

The taking of a judgment on any agreement contained in this Assignment will not operate to create any merger or discharge of any obligation or liability of the Assignor hereunder or of any other securities now or hereafter given to the Assignor by any Person whomsoever (including the Assignor) in respect of the Secured Obligations or any part thereof.

5.9 No Prejudice

None of the Assignee's rights or remedies under any other securities now or hereafter held by the Assignee from any Person whomsoever (including the Assignor) in respect of the Secured Obligations or any part thereof, will be delayed or in any way prejudiced by this Assignment.

5.10 Remedies Concurrent

The Assignee may commence any actions or institute any proceedings under any securities now or hereafter given to it by any Person whomsoever (including the Assignor) in respect of the Secured Obligations or any part thereof, in any order it sees fit.

5.11 Dealings With Others

The Assignee may, subject to the rights of prior permitted assignees, compound, compromise, grant extensions, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Assignor and all other Persons liable and securities taken for the

Secured Obligations in whole or in part (including the Mortgage) as the Assignee may see fit, without prejudice to the rights of the Assignee under this Assignment.

5.12 Reimbursement for Expenses

The Assignee may charge on its own behalf and also pay to other Persons reasonable sums for expenses incurred and for services rendered (expressly including legal advice and on a solicitor and his own client basis) in connection with the enforcement of any Document or the enforcement or exercising of any Right and may add those sums to the indebtedness of the Assignor forming part of the Secured Obligations and those sums will bear interest at the rates from time to time in effect with respect to the Secured Obligations (and if more than one rate, at the higher or highest of those rates) until paid in full.

5.13 Waiver of Default or Breach

The Assignee may waive any default or breach by the Assignor under any security document executed and delivered to the Assignee in connection with the Secured Obligations and will not be bound to serve notice upon any other Person who is party to any Document upon the happening of any such default or breach, but any such waiver will not extend to any subsequent default or breach.

5.14 Indemnity

The Assignor shall indemnify the Assignee from and against any and all damages, costs and expenses suffered or incurred by the Assignee (including special costs) in relation to this Assignment and enforcement of any of its rights or remedies hereunder.

ARTICLE 6 MISCELLANEOUS

6.1 Notices

Any demand, notice or other communication required or permitted to be made or given pursuant hereto will be in writing and may be given in the manner contemplated by the Mortgage.

6.2 Amendment

Any amendment of this Assignment will not be binding unless in writing and signed by the Assignor and the Assignee.

6.3 Time

Time will be of the essence of this Assignment.

6.4 Effectiveness

All provisions of this Assignment will have effect, any statute to the contrary notwithstanding.

6.5 Execution in Counterparts

If the Assignor is comprised of more than one Person, this Assignment may be executed by those Persons in counterparts and those counterparts will together form one original Assignment.

ARTICLE 7 INTERPRETATION

7.1 Headings

All headings and titles in this Assignment are inserted for convenience of reference only and will not affect the construction or interpretation of this Assignment.

7.2 Hereof, Etc.

All references in this Assignment to the words “hereof”, “herein” or “hereunder” will be construed to mean and refer to this Assignment as a whole and will not be construed to refer only to a specific Article, Section, paragraph or clause of this Assignment unless the context clearly requires that construction.

7.3 Joint and Several Liability

If any party hereto is comprised of more than one Person, the assignments and any other charges constituted hereby and the representations, warranties, agreements, obligations and liabilities made by, imposed upon or incurred by that party herein or by law will be deemed to have been made, imposed or incurred by or upon all those Persons jointly and by each of those Persons severally.

7.4 Severability

If any term of this Assignment is held to be unenforceable or otherwise invalid, that holding will not in any way affect the enforceability or validity of the remaining terms of this Assignment.

7.5 Governing Law

This Assignment will be governed by and construed in accordance with the laws of the Province of British Columbia; provided that the foregoing will in no way limit the right of the Assignee to commence suits, actions or proceedings based on this Assignment in any other jurisdiction.

7.6 Interpretation

Wherever the singular or masculine gender is used throughout this Assignment, it will be construed as meaning the plural or the feminine or the body corporate or politic where the context or the parties hereto so require.

7.7 Capacity

If the Lands or any portion thereof or any interest therein are now or at any time hereafter held by the Assignor as a partner of a firm, as a trustee, as an agent, or in any other similar capacity, whether fiduciary or otherwise:

- (a) each and every representation, warranty, covenant, agreement, obligation and liability contained herein; and
- (b) each and every assignment and other charge created hereby.

whether made, imposed or incurred by or upon the Assignor hereunder, is, will be and be deemed to be jointly and severally made, imposed or incurred by or upon the Assignor and the partnership, the beneficiary(ies) of the trust, the principal(s) of the agent, or other entity(ies), as the case may be, and each assignment and other charge contained in this Assignment will be deemed to be an assignment or charge against the present and future right, title, estate and interest of the partnership, the beneficiary(ies), the principal(s), or such entity(ies), as the case may be, in and to, the Assigned Property, as well as being an assignment of or charge against the present and future right, title, estate or interest of the Assignor in and to the Assigned Property, it being the intention of the Assignor that this Assignment will be an assignment of both of the legal and beneficial title of the Assignor and such other Person(s) to the Assigned Property.

7.8 Assignee as Agent

If this Assignment is granted to the Assignee in its capacity as agent for one or more other Persons, the Assignor agrees that all:

- (a) grants, mortgages, assignments, charges and security interests;
- (b) representations, warranties, covenants and agreements; and
- (c) obligations and liabilities,

created, made, assumed or incurred hereunder by the Assignor in favour of the Assignee are also created, made, assumed or incurred hereunder by the Assignor in favour of those Persons.

7.9 Binding Effect

This Assignment will be binding on the Assignor and will enure to the benefit of the Assignee.

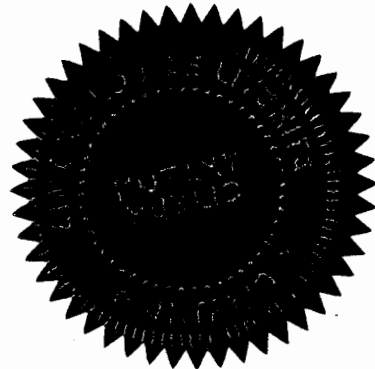
END OF DOCUMENT

TAB F

This is Exhibit "F" referred to in the
Affidavit of Remy Caruso, sworn
before me at Toronto, in the Province of
Ontario this 10th day of February, 2023.

Simone L. L. L.

A Commissioner/Notary Public for the
Province of Ontario



LAND TITLE ACT Nov-30-2020 10:20:33.001
FORM C (Section 233) CHARGE
GENERAL INSTRUMENT - PART 1 Province of British Columbia

Your electronic signature is a representation that you are a designate authorized to certify this document under section 168.4 of the *Land Title Act*, RSBC 1996 c.250, that you certify this document under section 168.41(4) of the act, and that an execution copy, or a true copy of that execution copy, is in your possession.

Brent
Christopher
Clark 8XCA6K
Digitally signed by Brent
Christopher Clark 8XCA6K
Date: 2020.11.30 09:53:50
-08'00'

1. APPLICATION: (Name, address, phone number of applicant, applicant's solicitor or agent)

Brent C. Clark, Barrister and Solicitor

Fasken Martineau DuMoulin LLP

Suite 2900, 550 Burrard Street

Vancouver

BC V6C 0A3

Phone No. 604.631.3131

Client No. 11565

File No. 324371.00001/20239

Document Fees: \$74.87

Deduct LTSA Fees? Yes

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND:

[PID]

[LEGAL DESCRIPTION]

007-982-160 LOT 14 DISTRICT LOT 334 PLAN 13993

STC? YES

3. NATURE OF INTEREST

CHARGE NO.

ADDITIONAL INFORMATION

Priority Agreement

4. TERMS: Part 2 of this instrument consists of (select one only)

(a) Filed Standard Charge Terms D.F. No.

(b) Express Charge Terms Annexed as Part 2

A selection of (a) includes any additional or modified terms referred to in Item 7 or in a schedule annexed to this instrument.

5. TRANSFEROR(S):

SEE SCHEDULE

6. TRANSFEREE(S): (including postal address(es) and postal code(s))

PEAKHILL CAPITAL INC.

SUITE 401, 10 KING STREET EAST

TORONTO

M5C 1C3

ONTARIO

CANADA

Incorporation No

002728932

7. ADDITIONAL OR MODIFIED TERMS:

N/A

8. EXECUTION(S): This instrument creates, assigns, modifies, enlarges, discharges or governs the priority of the interest(s) described in Item 3 and the Transferor(s) and every other signatory agree to be bound by this instrument, and acknowledge(s) receipt of a true copy of the filed standard charge terms, if any.

Officer Signature(s)

See Affidavit of Execution

Execution Date

Y	M	D
20	11	26

Transferor(s) Signature(s)

WOODBOURNE CANADA IV GP
ULC, by its authorized signatory
(ies):

Print Name: Jason Rootenberg

Print Name: Ron Marek

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.

**LAND TITLE ACT
FORM D**

EXECUTIONS CONTINUED

Officer Signature(s)

Execution Date

Transferor / Borrower / Party Signature(s)

See Affidavit of Execution

Y	M	D
20	11	26
20	11	26
20	11	27

WB CANADA PARTNERS IV (INT) MF
CORP., by its authorized signatory(ies):

Print Name: Terry Coghlan

See Affidavit of Execution

WB CANADA PARTNERS IV MF, LLC,
by its authorized signatory(ies):

Print Name: Terry Coghlan

See Affidavit of Execution

PEAKHILL CAPITAL INC., by its
authorized signatory(ies):

Print Name: Harley Gold

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.

**LAND TITLE ACT
FORM E**

SCHEDULE

ENTER THE REQUIRED INFORMATION IN THE SAME ORDER AS THE INFORMATION MUST APPEAR ON THE FREEHOLD TRANSFER FORM, MORTGAGE FORM, OR GENERAL INSTRUMENT FORM.

5. TRANSFEROR(S):

WOODBOURNE CANADA IV GP ULC, a company incorporated in Alberta, Canada;

WB CANADA PARTNERS IV (INT) MF CORP., a company incorporated in the Island of Grand Cayman;

WB CANADA PARTNERS IV MF, LLC, a company incorporated in Delaware, U.S.A.

PART 2 - TERMS OF INSTRUMENT**SUBORDINATION AND STANDSTILL AGREEMENT**

THIS AGREEMENT is made as at November __, 2020 between Peakhill Capital Inc. (the "**Lender**"), Woodbourne Canada Partners IV (CA), LP, WB Canada Partners IV (INT) MF Corp. and WB Canada Partners IV MF, LLC (collectively, the "**Subordinate Lender**") and Southview Gardens Limited Partnership, Southview Gardens BT Ltd., and Southview Gardens Properties Ltd. (collectively, the "**Borrower**") and Zhen Yu Zhong, Jun Chao Mo, Coromandel Properties (2016) Ltd., Baystone Properties (2016) Ltd. and Coromandel Holdings Ltd. (collectively, the "**Guarantor**").

WHEREAS the Lender has made a loan (the "**Loan**") to the Borrower in the original principal sum of \$50,000,000.00 on the security of a first mortgage (the "**Mortgage**") of the lands and premises described in Schedule "A" hereto (the "**Lands**") and other property more particularly described in the Mortgage (collectively, the "**Property**") pursuant to a commitment letter entered into between the Borrower and the Lender dated the 30th day of October, 2020 (the "**Commitment Letter**").

AND WHEREAS the Subordinate Lender has made a loan or credit facility (the "**Subordinate Loan**") available to the Borrower in the original principal sum of \$25,000,000.00 (the Subordinate Loan and all existing and future indebtedness and other obligations and liabilities owing by the Borrower to the Subordinate Lender thereunder from time to time are herein called the "**Subordinate Indebtedness**"), which is secured by security described in Schedule "B" attached hereto (such security, including all other additional or collateral security now or hereafter securing the Subordinate Indebtedness, is herein called the "**Subordinate Security**");

AND WHEREAS it is a condition of the Lender making any advance to the Borrower that the Subordinate Lender and Borrower and the Guarantor execute and deliver this Subordination and Standstill Agreement pursuant to which the Subordinate Security will at all times be postponed and subordinate to the Prior Security;

AND WHEREAS the Subordinate Lender has agreed to subordinate and postpone the Subordinate Loan and the Subordinate Security to and in favour of the Prior Indebtedness and the Prior Security. Reference herein to the Subordinate Indebtedness, Subordinate Security, Prior Indebtedness and Prior Security includes all renewals, extensions, amendments, modifications, and restatements thereof or thereto from time to time.

NOW THEREFORE for good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged) the parties agree as follows:

1. **Definitions.** In this Agreement:

- (a) "**Cost Overrun Advances**" means any loan advances made by the Lender to the Borrower as the Lender, in its sole discretion deems necessary, to complete the proposed project to be constructed on the Property and any protective disbursements necessary for the preservation of the Property (collectively, "**Cost**

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Overruns") (which Cost Overruns are not available to be funded by the remaining undrawn portion of the Loan) and which Cost Overrun Advances are necessary in the event that the Borrower or the Guarantor does not advance necessary funds from its own resources to meet such Cost Overruns;

- (b) **"Enforcement Action"** means the commencement of power of sale, foreclosure or other judicial or private sale proceedings, appointing or obtaining the appointment of a receiver, a manager or a receiver and manager or other person having similar powers in respect of any person or property, attornment of rents, taking possession or control of any property or undertaking, commencing, giving or making any demand for payment, any notice of intention to enforce security or any action or proceeding seeking payment or recovery of all or any part of any indebtedness or damages in lieu thereof, accelerating the principal payable under the Subordinate Security, or accepting a transfer of any property in lieu of foreclosure, or the registration of any lien against the Property, or the exercise of any other or rights or remedies available to a creditor under its security or otherwise at law or in equity, including without limitation, any bankruptcy proceedings, provided that the following are hereby acknowledged and agreed by the Lender as not constituting an Enforcement Action:
- (i) filing a proof of claim in respect of a person comprising the Borrower or Guarantor, if a petition in bankruptcy is filed by or against any person comprising the Borrower or Guarantor;
 - (ii) issuing or delivering notices of default to a person comprising the Borrower or Guarantor;
 - (iii) participating in any proposal or similar proceeding under the *Companies Creditor Arrangement Act* (Canada) or the *Bankruptcy and Insolvency Act* (Canada) in respect of any person comprising the Borrower or Guarantor;
 - (iv) participating in any court proceeding initiated by a third party in connection with lien claimants, judgment holders, expropriation proceedings and other third party claims in respect of any of the Property.
- (c) all existing and future indebtedness and other obligations and liabilities owing by the Borrower and the Guarantor to the Lender from time to time pursuant to the Commitment Letter, including but not limited to the principal sum, all interest thereon, all future advances and all other amounts owing to the Lender thereunder from time to time, and including all reserves payable to the Lender relating to the Loan and all Cost Overrun Advances, as defined herein are called the **"Prior Indebtedness"**; and
- (d) the Mortgage and all other additional or collateral security now or hereafter securing the Prior Indebtedness, including without limitation an assignment of all rents and leases from or relating to the Property and a general security agreement with respect to all equipment and other personal property of the Borrower and the

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Guarantor located on, arising from, comprising or used in connection with the operation of the Property, are herein collectively called the "Prior Security".

2. **Covenants, Representations and Warranties of Subordinate Lender.** The Subordinate Lender consents to the Prior Indebtedness and the Prior Security and represents and warrants to the Lender that as of the date of this Agreement (except as expressly stated otherwise):

- (e) the Subordinate Indebtedness and the Subordinate Security are in good standing and the Borrower and the Guarantor are not in default thereunder;
- (f) it holds no security of any kind against the Property other than the Subordinate Security;
- (g) it is the sole owner of the Subordinate Indebtedness and the Subordinate Security and has full power, authority and legal right to enter into this Agreement;
- (h) the total amount owing to the Subordinate Lender under the Subordinate Indebtedness is \$22,992,742.74 as of October 31, 2020;
- (i) the Subordinate Indebtedness bears interest at 10.5%, per annum, calculated monthly, not in advance, and is due and payable to the Subordinate Lender as follows: on February 1, 2022 pursuant to the terms of the Subordinate Security; and

The Subordinate Lender covenants and agrees with the Lender that the Subordinate Lender will not allow the principal amount of the Subordinate Loan to exceed \$25,000,000 without the Lender's prior written consent. The Lender acknowledges and agrees that the aggregate amount secured by the Subordinate Security from time to time may exceed \$25,000,000 on account of accrued interest, costs, capitalized fees, and protective disbursements that the Subordinate Lender is entitled to charge pursuant to the terms of the Subordinate Security as of the date of this Agreement. Upon request by the Lender from time to time, the Subordinate Lender shall provide to the Lender copies of the Subordinate Security and/or a statement of the Subordinate Indebtedness then outstanding.

3. **Subordination and Postponement.** The Subordinate Lender hereby subordinates and postpones the Subordinate Security and the Subordinate Indebtedness, which shall be a second priority lien and charge against the Property, to the Prior Security and the Prior Indebtedness and agrees with the Lender that the Prior Security shall be a first priority lien and charge against the Property limited to the principal amount of \$50,000,000 plus interest, fees, protective disbursements and costs. No discharge, release or waiver by the Lender of any of the Prior Security against or in respect of the Property or any person or any amendment, renewal, extension, replacement, modification, supplement or restatement of any Prior Indebtedness and/or the Prior Security shall require notice to or the consent of Subordinate Lender or otherwise affect the subordination and postponement of the Subordinate Security and the Subordinate Indebtedness hereby granted by the Subordinate Lender. The Subordinate Lender agrees to execute and deliver, upon request by the Lender, such further instruments and agreements as may be reasonably required by the Lender to confirm and give effect to the provisions of this Agreement and to register and record or file notice of this Agreement and/or

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this subordination and postponement of the Subordinate Security in any office of public record as the Lender may consider necessary or desirable from time to time.

4. **Amendment.** Nothing in this Agreement, nor in the Subordinate Security or in any other arrangements or agreements between the Borrower, the Guarantor, the Subordinate Lender or any other person shall restrict, limit or otherwise prevent the Lender from taking any such action or making any other amendment, renewal, extension, replacement, modification, supplement or restatement of the Prior Indebtedness or the Prior Security without the consent of the Subordinate Lender and without otherwise affecting the subordination and postponement of the Subordinate Security and Subordinate Indebtedness hereby granted. Notwithstanding the foregoing in this section 4, the Lender shall not increase the principal amount of the Prior Indebtedness or increase the interest rate applicable to the Prior Indebtedness beyond an interest rate equal to the Royal Bank of Canada prime rate plus 6.23% per annum (the "**Interest Rate Cap**") without the prior written consent of the Subordinate Lender, which consent may be given or withheld by the Subordinate Lender in its sole and arbitrary discretion, and any such increase in the principal amount of or the applicable interest rate to the Prior Indebtedness in excess of the Interest Rate Cap shall not be binding on the Subordinate Lender and shall not be subject to the terms of this Agreement.

Nothing in this Agreement, nor in the Prior Security or in any other arrangements or agreements between the Borrower, the Guarantor, the Lender or any other person shall restrict, limit or otherwise prevent the Subordinate Lender from amending, renewing, extending, replacing, modifying, supplementing or restating the Subordinate Indebtedness or the Subordinate Security without the consent of the Lender provided that any such amendment, renewal, extension, replacement, modification, supplement or restatement of the Subordinate Indebtedness or the Subordinate Security shall be subject always to the terms and conditions of this Agreement. Notwithstanding the foregoing in this section 4, the Subordinate Lender shall not amend the interest rate, amortization period or term of the Subordinate Loan nor shall the Subordinate Lender change the assets charged by the Subordinate Security without the prior written consent of the Lender, which consent may be given or withheld by the Lender in its sole and arbitrary discretion.

5. **Notices from Subordinate Lender.** The Subordinate Lender shall give to the Lender, and the Lender shall give to the Subordinate Lender, contemporaneously with the giving thereof to the Borrower and the Guarantor, copies of any notices given by it to the Borrower and the Guarantor under the Subordinate Loan or the Loan, as the case may be, including without limitation any notices of defaults, breaches or events of default or of events that with the giving of notice or the passage of time and failure to cure, would result in a default, breach or event of default under the Subordinate Loan or the Loan, as the case may be. Neither the Lender nor the Subordinate Lender shall be liable for any accidental omission to provide notice as required pursuant to this section 5.

6. **Rights of Subordinate Lender regarding Default.** In the event that the Borrower is in default under the Prior Security, the Subordinate Lender shall have the right (but without obligation) to cure any default under the Prior Security within the applicable curing period (if any) under the Prior Security relating thereto. In addition, with respect to any monetary default under the Prior Security, the Subordinate Lender shall be entitled (but not obligated) to cure any

- 8 -

such default within the period that is ten (10) business days beyond any applicable curing period under the Prior Security relating thereto (or, if there is no applicable curing period, that is ten (10) business days beyond the date on which the Subordinate Lender receives notice of such default). Further, with respect to any default under the Prior Security that has resulted in the Lender demanding repayment of the entire Prior Indebtedness, the Subordinate Lender shall be entitled (but not obligated) until such time that the Prior Indebtedness has been repaid in full or the demand for repayment has been withdrawn, to provide notice of its intention to repay all amounts then outstanding under the Prior Security (the "**Purchase Notice**"). Within the period that is twenty (20) business days beyond the date the Purchase Notice is received by the Lender, the Subordinate Lender shall repay all amounts then outstanding under the Prior Security (including any exit fees, prepayment fees, yield maintenance payments, or similar prepayment charges and any additional liquidated damages amounts). In the event that the Subordinate Lender repays the full indebtedness of the Borrower to the Lender, the Subordinate Lender shall be entitled to an assignment of all of the Prior Security held by the Lender, the cost of which shall be at the Subordinate Lender's expense and the Lender covenants and agrees to effect such assignment on written request therefor by the Subordinate Lender.

7. **Payments.** The Subordinate Lender agrees that, until the Prior Indebtedness is paid in full, (i) all rents, revenue, income, cash flow and other proceeds arising from or relating to the Property shall not be applied to any payment on account of the Subordinate Indebtedness and (ii) it shall not accept any payment on account of the Subordinate Indebtedness whether of principal, interest, fees, costs, expenses or any other amounts, and if any such payments are received, such monies shall be received and held by the Subordinate Lender in trust for the Lender and the Subordinate Lender shall immediately pay all such monies to the Lender. Notwithstanding the foregoing, the Subordinate Lender shall be entitled to receive payments of interest only in accordance with the terms of the Subordinate Loan Documents (a "**Permitted Payment**") provided no default or event of default has occurred under the Priority Security or shall result from any such Permitted Payment. The Lender and the Subordinate Lender shall provide reasonable cooperation to each other to ensure the provisions of this section are complied with.

8. **Facilitation of Development.** The Subordinate Lender covenants and agrees that it will, at no expense to the Lender and regardless of default under or maturity of the Subordinate Security:

- (a) execute such priority agreements to grant statutory rights of way or covenants over the Lands to or in favour of any relevant governmental authority or utility company for walkways, utilities or for any other purposes as such governmental authorities or utility company may require, as part of the development process contemplated in respect of the Lands, provided that the Borrower and the Lender have both first executed such agreements; and
- (b) execute any and all plans and documents required to facilitate development of the Lands and to re-zone the Lands, if necessary, and to co-operate in all respects (but without requirement to expend funds) to facilitate such registration and re-zoning including, without limitation, the execution of agreements with any relevant governmental authorities or utilities which may be required for such registration or rezoning.

- 9 -

9. **Insurance Proceeds.** All insurance and expropriation proceeds received by the Subordinate Lender with respect to the Property shall be received and held by the Subordinate Lender in trust for the Lender and forthwith paid and delivered by the Subordinate Lender to the Lender, notwithstanding any provision to the contrary in the Subordinate Security or under applicable laws. All rights and entitlement of the Subordinate Lender to such proceeds are hereby postponed and subordinated to the rights of the Lender.

10. **Standstill.** The Subordinate Lender shall not take any Enforcement Action under or in respect of the Subordinate Security or the Subordinate Indebtedness with respect to all or any part of the Property or against the Borrower or Guarantor, until the first to occur of the following:

- (j) the Subordinate Lender has obtained the prior written consent of the Lender, which consent may be given or withheld by the Lender in its sole and arbitrary discretion; or
- (k) the Prior Indebtedness is paid in full; or
- (l) the Lender commences an Enforcement Action; or
- (m) the Lender does not commence an Enforcement Action within 90 days after receipt of written notice from the Subordinate Lender of the occurrence of an event of default under the Subordinate Security.

The Subordinate Lender shall not challenge, contest or bring into question the validity, priority or perfection of the Prior Security or any Enforcement Action taken by the Lender under or in respect of the Prior Security or Prior Indebtedness against the Borrower and the Guarantor or against all or any part of the Property. The Subordinate Lender acknowledges, agrees, covenants and confirms to and with the Lender that a default under the Subordinate Loan shall be considered and will constitute, a default under the Loan. If the Lender seeks to appoint a receiver or a receiver manager, whether pursuant to the powers contained in the Prior Security or pursuant to a court order, the Subordinate Lender will not take any steps to oppose such appointment and will consent thereto. Notwithstanding anything contained herein, (i) the Subordinate Lender will not appoint or seek the appointment of a separate receiver or receiver-manager if the Lender has appointed or had appointed a properly licensed receiver or receiver-manager, (ii) if a receiver or receiver-manager (which receiver or receiver-manager must be properly licensed) is appointed by, or as a result of an application by, the Subordinate Lender prior to the Lender appointing or having appointed a properly licensed receiver or receiver-manager then the Subordinate Lender will terminate or seek to terminate, as applicable, the appointment upon such appointed by, or as a result of an application by, the Lender of a properly licensed receiver or receiver-manager notwithstanding the order in which defaults may have occurred, and (iii) any receiver or receiver-manager to be appointed by, or as a result of an application by, the Subordinate Lender must be acceptable to the Lender in its sole discretion.

11. **Assignment by Subordinate Lender.** The Subordinate Lender agrees that it shall not sell, transfer, assign or otherwise dispose of any interest in the Subordinate Loan or the Subordinate Security to any person or persons (an "Assignee") except with the prior written consent of the

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Lender, which consent shall not be unreasonably withheld. If the Lender consents to any such sale, transfer, assignment or other disposition, such consent shall be conditional upon the Subordinate Lender causing each Assignee to enter into, concurrently with any such sale, transfer, assignment or other disposition, a subordination and standstill agreement with the Lender on the same terms and conditions as this Agreement. The Lender may sell, transfer, assign or otherwise dispose of any interest in the Loan or the Prior Security to an Assignee without restriction and without prior notice to or the consent of the Subordinate Lender provided that, in the event of any such sale, transfer, assignment or other disposition, the Lender causes each Assignee to enter into, concurrently with any such sale, transfer, assignment or other disposition, a subordination and standstill agreement with the Lender on the same terms and conditions as this Agreement.

12. Subordination Effective notwithstanding Registration Dates, etc. The Prior Security shall have and be entitled to priority over the Subordinate Security in all respects and any mortgage, pledge, charge, assignment and any other security interest created by or pursuant to or granted for the obligations secured by the Subordinate Security to the full extent of the Prior Indebtedness from time to time, and the Subordinate Security shall in all respects rank subordinate and junior to the Prior Security. This priority shall be effective in all events and in all circumstances. Without limiting the generality of the foregoing, this priority shall be effective notwithstanding:

(n) the respective dates of execution, delivery, attachment, registration, filing, perfection or enforcement of the Prior Security and the Subordinate Security;

(o) the respective dates of any advances secured by the Prior Security or the Subordinate Security;

(p) the respective dates of default under the Prior Security or the Subordinate Security;

(q) any priority to which the Subordinate Security may otherwise be entitled by reason of the giving or failure to give any notice of the acquisition of any charge, lien or security interest, by reason of the failure to register or to register any renewal or by reason of any defect in any item constituting the Prior Security;

(r) the provisions of the instruments creating the Prior Security and the Subordinate Security; and

(s) any modification, extension, renewal, replacement, supplement or restatement of the Prior Security or the Prior Indebtedness.

13. Governing Law. This Agreement shall be exclusively governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein and the parties shall attorn to the exclusive jurisdiction of the Courts of the Province of British Columbia.

14. Successors. The acknowledgements and agreements contained in this Agreement shall extend to, be binding upon and enure to the benefit of the parties hereto and their respective successors, assigns, heirs, executors and administrators.

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15. **Counterpart.** This Agreement may be executed in several counterparts, each of which when so executed shall be deemed to be an original and which counterparts together shall constitute one and the same instrument.

16. **Electronic Execution of Agreement and Certain Other Documents.** Subject to section 13 hereof, the words "execution," "execute", "signed," "signature," and words of like import in or related to any document to be signed in connection with this Agreement and the transactions contemplated hereby shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided Parts 2 and 3 of the *Personal Information Protection and Electronic Documents Act* (Canada) and the *Electronic Commerce Act, 2000* (Ontario), or any other similar laws based on the *Uniform Electronic Commerce Act* of the Uniform Law Conference of Canada.

17. **Further Assurances by the Borrower and Guarantor.** The Borrower and the Guarantor hereby acknowledge this Agreement and the subordination of the priority of the Subordinate Security to the Prior Security to the same effect as if all monies secured or intended to be secured by the Prior Security were events prior to the creation and registration of the Subordinate Security and the advance of any monies secured by the Subordinate Security as have been or will be advanced, and the Borrower and the Guarantor expressly agree to perform their obligations to the Lender and the Subordinate Lender and hold and deal with the Property in accordance with the priorities set out in this Agreement and to execute any instruments giving effect to such subordination and postponement as may be required by the Lender from time to time for such purpose.

18. **No Rights Conferred on Borrower or Guarantor.** Nothing in this Agreement will be construed as conferring any rights upon the Borrower, Guarantor or any other third party. The terms and conditions hereof are and will be for the sole and exclusive benefit of the Lender and the Subordinate Lender.

19. **Paramountcy.** This Agreement constitutes the entire Agreement between the parties and supersedes all prior proposals and agreements, whether oral or written. In the event of any conflict, omission, inconsistency, ambiguity or difference between the provisions of this Agreement and the provisions of any of the Subordinate Security, the provisions of this Agreement shall govern and be paramount to the extent necessary to resolve such conflict or inconsistency so long as this Agreement is in force.

20. **Amendment of Agreement.** No supplement, modification, waiver or termination of this Agreement shall be binding unless executed in writing by the Lender and the Subordinate Lender. The parties agree that the consent of the Borrower or the Guarantor shall not be required for any such supplement, modification, waiver or termination.

21. **Notices.** Any notice, demand or other document to be given, or any delivery to be made hereunder will be effective if in writing and faxed, sent by e-mail, delivery by courier or by registered mail, addressed to the attention of:

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- (a) in the case of the Subordinate Lender:

c/o 100 Wellington Street West, Suite 1201
P.O. Box 200, Toronto, Ontario, M5K 1H6

Attention: Jason Rootenberg
Email: jrootenberg@wbourne.com
Fax No.: 416-867-9119

- (b) in the case of the Lender:

Suite 401, 10 King Street East
Toronto, Ontario, M5C 1C3

Attention: Shawn Ning
E-mail: shawning@peakhillcapital.com
Fax No: N/A

with a copy to:

FASKEN MARTINEAU DUMOULIN LLP
Barristers & Solicitors
Bentall 5, Suite 2900 – 550 Burrard Street
Vancouver, BC, Canada V6C 0A3

Attention: Brent C. Clark

Fax No: 604.631.3232

- (c) in the case of a Borrower or Guarantor:

500 – 789 West Pender Street
Vancouver, B.C., V6C 1H2

Attention: Ed Mah
Email: ed@coromandelproperties.com
Fax No.: 604-559-1667

Any such notice, demand or other document or delivery, if sent by registered mail, will be deemed to have been given on the third day following the date of such mailing, if delivered by courier, will be deemed to have been given on the date of actual delivery, and, if transmitted by fax or sent by e-mail, will be deemed to have been given on the same date of faxing or e-mailing of the same if sent by 5:00 p.m. Vancouver, B.C. local time or otherwise on the next business day. Any party hereto may from time to time by notice in writing change its address (or in the case of a corporate party, the designated recipient) for the purposes of this Agreement.

Signatures appear on following page

IN WITNESS WHEREOF each of the parties have duly executed this agreement under seal.

SOUTHVIEW GARDENS BT LTD.

Per: [Signature] c/s
Name: ZHEN YU ZHONG
Title: DIRECTOR

Per: _____
Name: _____
Title: _____

I/We have the authority to bind the Corporation

SOUTHVIEW GARDENS LIMITED PARTNERSHIP, by its General Partner, SOUTHVIEW GARDENS PROPERTIES LTD.

Per: [Signature] c/s
Name: ZHEN YU ZHONG
Title: DIRECTOR

Per: _____
Name: _____
Title: _____

I/We have the authority to bind the Partnership

SOUTHVIEW GARDENS PROPERTIES LTD.

Per: [Signature] c/s
Name: ZHEN YU ZHONG
Title: DIRECTOR

Per: _____
Name: _____
Title: _____

I/We have the authority to bind the Corporation

COROMANDEL PROPERTIES (2016) LTD.

Per: [Signature] c/s
Name: ZHEN YU ZHONG
Title: DIRECTOR

Per: _____
Name: _____
Title: _____

I/We have the authority to bind the Corporation

COROMANDEL HOLDINGS LTD.

Per: [Signature] c/s
Name: ZHEN YU ZHONG
Title: DIRECTOR

Per: _____
Name: _____
Title: _____

I/We have the authority to bind the Corporation


BAYSTONE PROPERTIES (2016) LTD.

Per: [Signature] c/s
Name: ZHEN YU ZHONG
Title: DIRECTOR

Per: _____
Name: _____
Title: _____

I/We have the authority to bind the Corporation

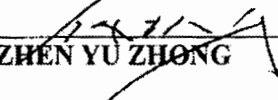
SIGNED, SEALED and
DELIVERED by Zhen Yu Zhong in
the presence of:



Signature

Print Name

Address **KAREN NGAN**
Barrister & Solicitor
CLARK WILSON LLP
900 - 885 WEST GEORGIA STREET
VANCOUVER, BC V6C 3H1
T. 604.687.5700



ZHEN YU ZHONG




SIGNED, SEALED and
DELIVERED by Jun Chao Mo in the
presence of:



Signature

Print Name

Address **KAREN NGAN**
Barrister & Solicitor
CLARK WILSON LLP
900 - 885 WEST GEORGIA STREET
VANCOUVER, BC V6C 3H1
T. 604.687.5700



JUN CHAO MO



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SCHEDULE "A"

Lands

3240, 3260 and 3280 East 58th Avenue, Vancouver, BC V5S 3T2

<u>PID:</u>	<u>Legal Description:</u>
007-982-160	Lot 14 District Lot 334 Plan 13993

SCHEDULE "B"**Security of Subordinate Lender**

1. Commitment letter dated April 17, 2019 issued by the Subordinate Lender to the Borrower, as amended by an extension letter dated October 7, 2020;
2. mortgage and assignment of rents registered as a second charge over the Property;
3. beneficial owner agreement in respect of the Property from Southview Gardens Limited Partnership;
4. general security agreement from the Borrower;
5. unlimited guarantee from Coromandel Holdings Ltd.;
6. unlimited guarantee from Jun Chao Mo and Zhen Yu Zhong;
7. hazardous substance indemnity agreement;
8. postponement and assignment of claims by Coromandel Holdings Ltd. and Baystone Properties (2016) Ltd.; and
9. assignment of insurance.

**LAND TITLE ACT
FORM C (Section 233) CHARGE
GENERAL INSTRUMENT - PART 1 Province of British Columbia**

Your electronic signature is a representation that you are a designate authorized to certify this document under section 168.4 of the *Land Title Act*, RSBC 1996 c.250, that you certify this document under section 168.41(4) of the act, and that an execution copy, or a true copy of that execution copy, is in your possession.



1. APPLICATION: (Name, address, phone number of applicant, applicant's solicitor or agent)

Brent C. Clark, Barrister and Solicitor
Fasken Martineau DuMoulin LLP
Suite 2900, 550 Burrard Street
Vancouver BC V6C 0A3

Phone No. 604.631.3131
 Client No. 11565
 File No. 324371.00001/20239

Deduct LTSA Fees? Yes

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND:
 [PID] [LEGAL DESCRIPTION]

007-982-160 LOT 14 DISTRICT LOT 334 PLAN 13993

STC? YES

3. NATURE OF INTEREST CHARGE NO. ADDITIONAL INFORMATION

Priority Agreement

4. TERMS: Part 2 of this instrument consists of (select one only)

(a) Filed Standard Charge Terms D.F. No. (b) Express Charge Terms Annexed as Part 2
 A selection of (a) includes any additional or modified terms referred to in Item 7 or in a schedule annexed to this instrument.

5. TRANSFEROR(S):

SEE SCHEDULE

6. TRANSFEREE(S): (including postal address(es) and postal code(s))

PEAKHILL CAPITAL INC.

SUITE 401, 10 KING STREET EAST
TORONTO M5C 1C3

ONTARIO
CANADA

Incorporation No
002728932

7. ADDITIONAL OR MODIFIED TERMS:

N/A

8. EXECUTION(S): This instrument creates, assigns, modifies, enlarges, discharges or governs the priority of the interest(s) described in Item 3 and the Transferor(s) and every other signatory agree to be bound by this instrument, and acknowledge(s) receipt of a true copy of the filed standard charge terms, if any.

Officer Signature(s)

See Affidavit of Execution

Execution Date

Y	M	D
20	11	26

Transferor(s) Signature(s)

**WOODBOURNE CANADA IV GP
 ULC, by its authorized signatory
 (ies):**

Print Name: **Jason Rootenberg**

Print Name: **Ron Marek**

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.

LAND TITLE ACT
FORM D

EXECUTIONS CONTINUED

Officer Signature(s)

Execution Date

Transferor / Borrower / Party Signature(s)

See Affidavit of Execution

Y	M	D
20	11	26

WB CANADA PARTNERS IV (INT) MF
CORP., by its authorized signatory(ies):


Print Name: Terry Coghlan

Print Name:

See Affidavit of Execution

20	11	26
----	----	----

WB CANADA PARTNERS IV MF, LLC,
by its authorized signatory(ies):


Print Name: Terry Coghlan

Print Name:

PEAKHILL CAPITAL INC., by its
authorized signatory(ies):

Print Name:

Print Name:

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.

LAND TITLE ACT
FORM D

EXECUTIONS CONTINUED

Officer Signature(s)

Execution Date

Transferor / Borrower / Party Signature(s)

Y	M	D
20	11	27

WB CANADA PARTNERS IV (INT) MF
CORP., by its authorized signatory(ies):

Print Name:

Print Name:

WB CANADA PARTNERS IV MF, LLC,
by its authorized signatory(ies):

Print Name:

Print Name:

Sec Affidavit of Execution

PEAKHILL CAPITAL INC., by its
authorized signatory(ies):


Print Name: Harley Gold

Print Name:

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.

**LAND TITLE ACT
FORM E**

SCHEDULE

ENTER THE REQUIRED INFORMATION IN THE SAME ORDER AS THE INFORMATION MUST APPEAR ON THE FREEHOLD TRANSFER FORM, MORTGAGE FORM, OR GENERAL INSTRUMENT FORM.

5. TRANSFEROR(S):

WOODBOURNE CANADA IV GP ULC, a company incorporated in Alberta, Canada;

WB CANADA PARTNERS IV (INT) MF CORP., a company incorporated in the Island of Grand Cayman;

WB CANADA PARTNERS IV MF, LLC, a company incorporated in Delaware, U.S.A.

Your electronic signature is a representation that you are a designate authorized to certify this application under section 168.4 of the *Land Title Act*, RSBC 1996, c.250, that you certify this application under section 168.43(3) of the act, and that the supporting document or a true copy of the supporting document, if a true copy is allowed under an e-filing direction, is in your possession.

Brent Christopher Clark 8XCA6K	Digitally signed by Brent Christopher Clark 8XCA6K Date: 2020.11.30 09:37:51 -08'00'
--------------------------------------	--

Attached is an Affidavit of Execution in accordance with s. 49 of the Land Title Act in support of the Form C Charge with respect to PID: 007-982-160 LOT 14 DISTRICT LOT 334 PLAN 13993 and signed by each of the Transferors on November 26, 2020.

Attached is an Affidavit of Execution in accordance with s. 49 of the Land Title Act in support of the Form C Charge with respect to PID: 007-982-160 LOT 14 DISTRICT LOT 334 PLAN 13993 and signed by the Lender on November 27, 2020.

NOTE:

A Declaration cannot be used to submit a request to the Registrar for the withdrawal of a document.

AFFIDAVIT OF EXECUTION

CANADA	)	In the matter of Woodbourne Canada IV GP ULC.
	)	WB Canada Partners IV MF, LLC and WB
PROVINCE OF BRITISH COLUMBIA	)	Canada Partners IV (INT) MF Corp. and the lands
	)	legally described as PID: 007-982-160, Lot 14
TO WIT:	)	District Lot 334 Plan 13993

I, Danielle Bullivant, Executive Assistant and Legal Administrator, located at Woodbourne Canada Management Inc., 100 Wellington Street West, Suite 1201, Toronto, Ontario M5K 1H6, SWEAR OR AFFIRM THAT:

1. I am 19 years of age or older and have knowledge of the authorized signatories (each, an "Authorized Signatory") signing on behalf of Woodbourne Canada IV GP ULC, WB Canada Partners IV (INT) MF Corp. and WB Canada Partners IV MF, LLC (each, a "Company") in the Form C – Priority Agreement attached as Exhibit A (the "Instrument") and of each Company.
2. Each Authorized Signatory:
 - (a) is an authorized signatory of the Company on behalf of which they have signed; and
 - (b) was authorized by the respective Company to execute the Instrument.
3. Each Company existed at the time the Instrument was executed and is legally entitled to hold, charge and dispose of land in British Columbia.
4. The Authorized Signatory signatures were not certified by an officer under Part 5 of the *Land Title Act*, R.S.B.C. 1996, c. 250 because the Instrument was executed in a fashion to maintain social distancing and prevent COVID-19 transmission.

SWORN OR AFFIRMED BEFORE ME at)
 Vancouver in the Province of British Columbia,)
 this 27th day of November, 2020. The deponent)
 was not physically present before me because it)
 is medically unsafe to meet him in person due to)
 COVID-19 but was linked with me using video)
 technology. I followed the process described in)
 Practice Bulletin 01-20 Process for Remote)
 Witnessing of Affidavits and complied with the)
 Law Society of British Columbia best practices for)
 using video-conferencing when providing legal)
 advice or services.)



DANIELLE BULLIVANT

 A Commissioner for taking Affidavits in the)
 Province of British Columbia)



EXHIBIT A

FORM 12 - 2012 (change)

LAND TITLE ACT
 FORM C (Section 233) CHARGE
 GENERAL INSTRUMENT - PART 1 Province of British Columbia

PAGE 1 OF 17 PAGES

Your electronic signature is a representation that you are a designate authorized to certify this document under section 168.4 of the *Land Title Act*, R.S.B.C. 1996 c.250, that you certify this document under section 168.4(4) of the act, and that an execution copy, or a true copy of that execution copy, is in your possession.



1 APPLICATION (Name, address, phone number of applicant, applicant's solicitor or agent)

Brent C. Clark, Barrister and Solicitor
Fasken Martineau DuMoulin LLP
 Suite 2900, 550 Burrard Street
 Vancouver BC V6C 0A3
 Phone No. 604.631.3131
 Client No. 11565
 File No. 324371.00001/20239

Subject to Section 233

2 PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND

[PID] [LEGAL DESCRIPTION]
007-982-160 LOT 14 DISTRICT LOT 334 PLAN 13993

STC? YES

3 NATURE OF INTEREST

Priority Agreement

CHARGE NO.

ADDITIONAL INFORMATION

4 TERMS: Part 2 of this instrument consists of (select one only)

(a) Filed Standard Charge Terms D.F. No. (b) Express Charge (terms Annexed as Part 2)
 A selection of (a) includes any additional or modified terms referred to in Item 7 or in a schedule annexed to this instrument.

5 TRANSFEROR(S)

SEE SCHEDULE

6 TRANSFEREE(S), (including postal address(es) and postal code(s))

PEAKHILL CAPITAL INC.
 SUITE 401, 10 KING STREET EAST
 TORONTO ONTARIO
 M5C 1C3 CANADA
 Incorporation No
 002728932

7 ADDITIONAL OR MODIFIED TERMS:

N/A

8 EXECUTION: This instrument creates, assigns, modifies, enlarges, discharges or governs the priority of the interest(s) described in Item 3 and the Transferor(s) and every other signatory agree to be bound by this instrument, and acknowledge(s) receipt of a true copy of the filed standard charge terms, if any.

Officer Signature(s)

Execution Date		
Y	M	D
20	11	

Transferor(s) Signature(s)

WOODBOURNE CANADA IV GP
 U.I.C. by its authorized signatory
 (ies):

Print Name: Jason Rontenberg

Print Name: Ron Marek

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.

**LAND TITLE ACT
FORM C (Section 23) CHARGE
GENERAL INSTRUMENT - PART 1 Province of British Columbia**

PAGE 1 OF 17 PAGES

Your electronic signature is a representation that you are a deponent authorized to certify this document under section 168(4) of the Land Title Act (RSBC 1996 c 258) that you certify this document under section 168.1(1) of the act, and that an electronic copy is a true copy of the execution copy, is in your possession.

1. APPLICANT(S) (Name, address, phone number of applicant, applicant's solicitor or agent)

**Brent C. Clark, Barrister and Solicitor
Fasken Martineau DuMoulin LLP
Suite 2900, 550 Burrard Street
Vancouver BC V6C 0A3**

Phone No. 604.631.3131
Client No. 11565
File No. 324371.00001/20239

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND
(PID) (LEGAL DESCRIPTION)

007-982-160 LOT 14 DISTRICT LOT 334 PLAN 13993

Is this a Charge?

STC MS

3. NATURE OF INTEREST

Priority Agreement

CHARGE NO.

ADDITIONAL INFORMATION

4. TERMS Part 1 of this instrument consists of text that only:

(a) is the standard Charge Terms Def. No. (b) is special Charge Terms Annexed as Part 2
A selection of (a) includes any additional or modification referred to in item 7 or in a schedule annexed to this instrument.

5. TRANSFERENCE

SEE SCHEDULE

6. TRANSPARENCY (including postal address and preferred contact)

PEAKHILL CAPITAL INC.

**SUITE 401, 10 KING STREET EAST
TORONTO M5C 1C3**

**ONTARIO
CANADA**

Incorporation No
002728932

7. ADDITIONAL OR AMENDED TERMS

N/A

8. EXECUTION: This instrument creates, asserts, modifies, clarifies, discharges or purveys the priority of the interest(s) described in item 3 and the Transference(s) and every other signatory agree to be bound by this instrument and acknowledge receipt of a true copy of the final standard charge terms of the (other signatories)

Execution Date		
Y	M	D
20	11	11

(Signature of Signatory)

**WOODBOURNE CANADA IV GP
ULC, by its authorized signatory
(es):**

Print Name: **Jason Roptenberg**

Print Name: **Ron Varos**

DISCHARGE INFORMATION:

You or your representative must file a presentation that you are a solicitor, notary public or other person authorized by the Registrar (RSBC 1996 c 258) to take affidavits for use in British Columbia, and certify the same after set out in Part 3 of the Land Title Act as they pertain to the execution of this instrument.

FORM D 1/25

LAND TITLE ACT
FORM D
EXECUTIONS CONTINUED

PAGE 2 of 17 PAGES

Officer Signature(s)

Execution Date

Transferor / Borrower / Party Signature(s)

Y	M	D
20	11	

WB CANADA PARTNERS IV (INT) MF
CORP., by its authorized signatory(ies):


Print Name: Terry Coghlan

Print Name:

WB CANADA PARTNERS IV MF, LLC,
by its authorized signatory(ies):


Print Name: Terry Coghlan

Print Name:

PEAKHILL CAPITAL INC., by its
authorized signatory(ies):

Print Name:

Print Name:

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.



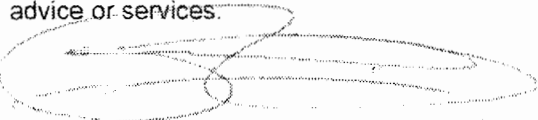
AFFIDAVIT OF EXECUTION

CANADA	)	In the matter of Woodbourne Canada IV GP ULC,
	)	WB Canada Partners IV MF, LLC and WB
PROVINCE OF BRITISH COLUMBIA	)	Canada Partners IV (INT) MF Corp. and the lands
	)	legally described as PID: 007-982-160, Lot 14
TO WIT:	)	District Lot 334 Plan 13993

I, Danielle Bullivant, Executive Assistant and Legal Administrator, located at Woodbourne Canada Management Inc., 100 Wellington Street West, Suite 1201, Toronto, Ontario M5K 1H6, SWEAR OR AFFIRM THAT:

1. I am 19 years of age or older and have knowledge of the authorized signatories (each, an **"Authorized Signatory"**) signing on behalf of Woodbourne Canada IV GP ULC, WB Canada Partners IV (INT) MF Corp. and WB Canada Partners IV MF, LLC (each, a **"Company"**) in the Form C – Priority Agreement attached as Exhibit A (the **"Instrument"**) and of each Company.
2. Each Authorized Signatory:
 - (a) is an authorized signatory of the Company on behalf of which they have signed; and
 - (b) was authorized by the respective Company to execute the Instrument.
3. Each Company existed at the time the Instrument was executed and is legally entitled to hold, charge and dispose of land in British Columbia.
4. The Authorized Signatory signatures were not certified by an officer under Part 5 of the *Land Title Act*, R.S.B.C. 1996, c. 250 because the Instrument was executed in a fashion to maintain social distancing and prevent COVID-19 transmission.

SWORN OR AFFIRMED BEFORE ME at)
 Vancouver in the Province of British Columbia,)
 this 27th day of November, 2020. The deponent)
 was not physically present before me because it)
 is medically unsafe to meet him in person due to)
 COVID-19 but was linked with me using video)
 technology. I followed the process described in)
 Practice Bulletin 01-20 Process for Remote)
 Witnessing of Affidavits and complied with the)
 Law Society of British Columbia best practices for)
 using video-conferencing when providing legal)
 advice or services.)



A Commissioner for taking Affidavits in the)
 Province of British Columbia)
MARK V. LEWIS
Barrister & Solicitor
BENNETT JONES LLP
 2500 PARK PLACE - 606 BARRARD STREET
 VANCOUVER, B.C. V6C 2X8
 TEL: 604.891.5180 FAX: 604.891.5100

DANIELLE BULLIVANT

3

EXHIBIT A

LAND TITLE ACT
FORM 1 (Section 230(1) BARGE)
GENERAL INSTRUMENT - PART 1 - Province of British Columbia

PAGE 1 OF 17 PAGES

Your electronic signature is a representation that you are a duly qualified individual to execute this instrument under section 230(1) of the Land Title Act (RSBC 1996 c 249) that you comply with standards under section 198(1)(9) of the act, and that an association or other group of individuals does not control your position.



1. APPLICANT'S Name, address, phone number of applicant, applicant's job title or agent:

Brent C. Clark, Barrister and Solicitor
Fasken Martineau DuMoulin LLP
Suite 2900, 550 Burrard Street
Vancouver BC V6C 0A3
 Phone No. 604.631.3131
 Client No. 11565
 File No. 324371 0000120230

(Subject to Section 230)

2. PART 1 BENEFICIAL AND LEGAL BENEFICIARIES (IN DEEDS)
 (BENEFICIARY LEGAL DESCRIPTION)

007-982-160 LOT 14 DISTRICT LOT 334 PLAN 13993

NOTE: YES

3. NATURE OF INSTRUMENT CHANGE NO. ADDITIONAL INFORMATION

Priority Agreement

4. TERMS: Pay 2 or other amount conditions or other terms only:
 (a) Other Standard Charge Terms (D) No (b) Express Charge Terms Approved as Part 2
 A description of any amounts and conditions or modified terms related to either Term 2 or schedule agreed to this instrument.

5. TRANSMISSION
SEE SCHEDULE

6. TRANSMITTING (and other) entity: Name and postal address:
PEAKHILL CAPITAL INC.
SUITE 401, 10 KING STREET EAST Incorporation No
TORONTO ONTARIO 002728932
M5C 1C3 CANADA

7. ADDITIONAL OR MODIFIED TERMS
N/A

8. EXECUTION: Name, position, capacity, authority, residence, date of birth, signature or given name, photo of the person(s) executed it, Part 1 and the date and time and other signature agreement bound to this instrument, an electronic signature of a member of the field standard clearing house, if any.
 (with a signature)

Execution Date		
Y	M	D
21	11	

(Transmitter's Signature)
WOODBOURNE CANADA IV GP
LLC, by its authorized signatory
 (ies):

Print Name: **Jason Rootenberg**

Print Name: **Ron Marek**

9. FIELD STANDARD SIGNATURE

Your signature, even if it is a copy, when filed, shall serve as a signature, unless public or other person authorized by the Land Title Act (RSBC 1996 c 249) has provided a signature for you in British Columbia and certifies that it complies with Part 1 of the Land Title Act for this purpose or the execution of this instrument.



LAND TITLE ACT
FORM 1 (Section 23(1) FARGG)
GENERAL INSTRUMENT - PART 1 Province of British Columbia

REGISTRY OF LANDS

This document certifies as a representation that you are a legal adult, and that you are executing this document under section 198(1) of the *Land Title Act*, R.S.B.C. 1996, c. 246, that you verify this document under section 102(1)(4) of the *Act*, and that an electronic copy of this document is available on the public registry of the *Registry of Land Titles*.



1. APPLICANT'S Name, address, phone number, and applicant's profession, occupation or trade
Brent C. Clark, Barrister and Solicitor
Faskan Martineau DuMoulin LLP
Suite 2900, 550 Burrard Street
Vancouver BC V6C 0A3

Phone No. 604 631 3131
Client No. 11586
File No. 024371 00001020239

Excluded by s. 23(1)

2. PARTY IDENTIFIED AND LEGAL DESCRIPTION OF LAND
(PARTY IDENTIFICATION) (LEGAL DESCRIPTION)
007-982-160 LOT 14 DISTRICT LOT 334 PLAN 13893

SEE SCHEDULE

3. NATURE OF INSTRUMENT CHARGE NO. ADDITIONAL TO ORINATION
Priority Agreement

4. TERMS: Part 1 of these terms transfer the interest in subject land to:
 the Standard Charge Terms (S.C.T.) the Special Charge Terms (S.C.T.)
A copy of the standard or special terms is available on the public registry of the *Registry of Land Titles*.

5. TRAVEL DUES:
SEE SCHEDULE

6. TRANSFEREE Name, including postal address and postal code:
PEAKHILL CAPITAL INC.
SUITE 401, 10 KING STREET EAST
TORONTO ONTARIO M5C 1C3 CANADA
Incorporation No. 002728932

7. APPLICANT'S FORM OF BIRTH CERTIFICATE
N/A

8. EXECUTION: This instrument is signed, sealed, and any discharge or release, by the party or parties identified in Part 1 of this instrument and executed in accordance with the requirements of the *Land Title Act*, R.S.B.C. 1996, c. 246, and a copy of a true copy of the instrument is available on the public registry of the *Registry of Land Titles*.

Execution Date		
A	M	D
2	1	2023

19 (S-01) Signature(s)
WOODHOURNE CANADA IV GP
ULC, by its authorized signatory
(see)

Print Name: Jason Kootenberg

Print Name: Ron Marek

9. OTHER NOTES:
This instrument is a representation that the parties are legal adults, and that they are executing this instrument under section 198(1) of the *Land Title Act*, R.S.B.C. 1996, c. 246, that they verify this instrument under section 102(1)(4) of the *Act*, and that an electronic copy of this instrument is available on the public registry of the *Registry of Land Titles*.



FORM D-100

LAND TITLE ACT
FORM D

EXECUTIONS CONTINUED

PAGE 2 of 17 PAGES

Officer Signature(s)

Execution Date

Transferor / Borrower / Party Signatory(s)

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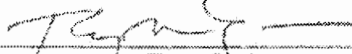
WB CANADA PARTNERS IV (INT) MF
CORP., by its authorized signatory(ies):



Print Name: Terry Coghlan

Print Name: _____

WB CANADA PARTNERS IV MF, LLC,
by its authorized signatory(ies).



Print Name: Terry Coghlan

Print Name: _____

PEAKHILL CAPITAL INC., by its
authorized signatory(ies).

Print Name: _____

Print Name: _____

OFFICER CERTIFICATION

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the *Land Title 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.



CANADA

PROVINCE OF

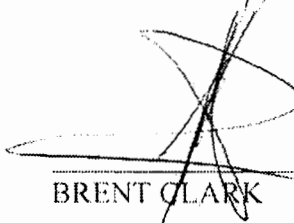
BRITISH COLUMBIA

AFFIDAVIT OF EXECUTION

I, BRENT CLARK, of Suite 2900, 550 Burrard Street, in the City of Vancouver, Province of British Columbia, do solemnly declare that:

- 1. I am 19 years of age or older and have knowledge of the authorized signatory (the "**Authorized Signatory**") signing on behalf of Peakhill Capital Inc. (the "**Company**") in the Form C - Charge attached as Exhibit A (the "**Instrument**") and of the Company.
- 2. The Authorized Signatory:
 - a. is an authorized signatory of the Company; and
 - b. was authorized by the Company to execute the Instrument.
- 3. The Company existed at the time the Instrument was executed and is legally entitled to hold, charge and dispose of land in British Columbia.
- 4. The Authorized Signatory's signature was not certified by an officer under Part 5 of the *Land Title Act*, R.S.B.C. 1996, c. 250 because the Instrument was executed in a fashion to maintain social distancing and prevent COVID-19 transmission.

SWORN BEFORE ME at the City of Vancouver, British Columbia, on this 27th day of November, 2020.



BRENT CLARK

A Commissioner for taking Affidavits in and for the Province of British Columbia.

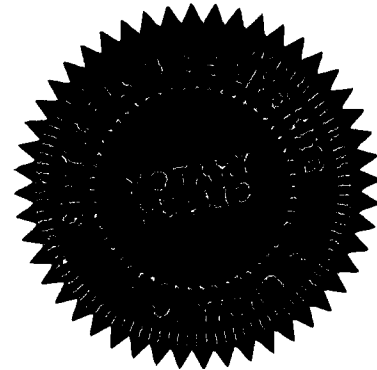
SERGEANT
ALLEN
604.631.3266

TAB G

This is Exhibit "G" referred to in the
Affidavit of Remy Caruso, sworn
before me at Toronto, in the Province of
Ontario this 10th day of February, 2023.

Simone Lushta

A Commissioner/Notary Public for the
Province of Ontario



TITLE SEARCH PRINT

File Reference: 1240582-8281

Declared Value \$72185396

****CURRENT INFORMATION ONLY - NO CANCELLED INFORMATION SHOWN****

Land Title District	VANCOUVER
Land Title Office	VANCOUVER
Title Number	CA5873224
From Title Number	CA5710314
Application Received	2017-03-15
Application Entered	2017-03-22
Registered Owner in Fee Simple	
Registered Owner/Mailing Address:	SOUTHVIEW GARDENS BT LTD., INC.NO. BC1096430 SUITE 500 - 789 WEST PENDER STREET VANCOUVER, BC V6C 1H2
Taxation Authority	Vancouver, City of
Description of Land	
Parcel Identifier:	007-982-160
Legal Description:	LOT 14 DISTRICT LOT 334 PLAN 13993
Legal Notations	NONE
Charges, Liens and Interests	
Nature:	RIGHT OF WAY
Registration Number:	548725M
Registration Date and Time:	1972-02-16 15:28
Registered Owner:	CITY OF VANCOUVER
Remarks:	PART IN EXPLANATORY PLAN 11136
Nature:	EASEMENT AND INDEMNITY AGREEMENT
Registration Number:	551204M
Registration Date and Time:	1972-03-23 15:30
Registered Owner:	CITY OF VANCOUVER

TITLE SEARCH PRINT

File Reference: 1240582-8281

Declared Value \$72185396

Nature: RIGHT OF WAY
 Registration Number: 560698M
 Registration Date and Time: 1972-07-15 14:08
 Registered Owner: BRITISH COLUMBIA HYDRO AND POWER AUTHORITY
 Remarks: TRANSFERRED TO STATUTORY RIGHT OF WAY
 GB111848 03/10/1988.

Nature: STATUTORY RIGHT OF WAY
 Registration Number: GB111848
 Registration Date and Time: 1988-10-03 11:11
 Registered Owner: B.C. GAS INC.
 INCORPORATION NO. 74280
 AS TO AN UNDIVIDED 1/2 INTEREST
 Registered Owner: BRITISH COLUMBIA HYDRO AND POWER AUTHORITY
 AS TO AN UNDIVIDED 1/2 INTEREST
 Remarks: TRANSFER OF RIGHT OF WAY A560698M;
 RECEIVED 15/07/1972 @ 14:08

Nature: MORTGAGE
 Registration Number: CA7524425
 Registration Date and Time: 2019-05-28 14:00
 Registered Owner: WOODBOURNE CANADA IV GP ULC
 WB CANADA PARTNERS IV (INT) MF CORP.
 WB CANADA PARTNERS IV MF, LLC

Nature: ASSIGNMENT OF RENTS
 Registration Number: CA7524426
 Registration Date and Time: 2019-05-28 14:00
 Registered Owner: WOODBOURNE CANADA IV GP ULC
 WB CANADA PARTNERS IV (INT) MF CORP.
 WB CANADA PARTNERS IV MF, LLC

Nature: MORTGAGE
 Registration Number: CA8598034
 Registration Date and Time: 2020-11-26 11:28
 Registered Owner: PEAKHILL CAPITAL INC.

Nature: ASSIGNMENT OF RENTS
 Registration Number: CA8598035
 Registration Date and Time: 2020-11-26 11:28
 Registered Owner: PEAKHILL CAPITAL INC.

TITLE SEARCH PRINT

File Reference: 1240582-8281

Declared Value \$72185396

Nature: PRIORITY AGREEMENT
 Registration Number: CA8606271
 Registration Date and Time: 2020-11-30 10:20
 Remarks: GRANTING CA8598034 PRIORITY OVER CA7524425 AND CA7524426

Nature: MORTGAGE
 Registration Number: CA9812473
 Registration Date and Time: 2022-03-28 15:35
 Registered Owner: CENYARD PACIFIC DEVELOPMENTS INC. INCORPORATION NO. BC1233714

Nature: ASSIGNMENT OF RENTS
 Registration Number: CA9812474
 Registration Date and Time: 2022-03-28 15:35
 Registered Owner: CENYARD PACIFIC DEVELOPMENTS INC. INCORPORATION NO. BC1233714

Nature: PRIORITY AGREEMENT
 Registration Number: CA9813856
 Registration Date and Time: 2022-03-29 10:46
 Remarks: GRANTING CA9812473 PRIORITY OVER CA7524425 AND CA7524426

Nature: PRIORITY AGREEMENT
 Registration Number: CA9813857
 Registration Date and Time: 2022-03-29 10:46
 Remarks: GRANTING CA9812474 PRIORITY OVER CA7524425 AND CA7524426

Duplicate Infeasible Title NONE OUTSTANDING

Transfers NONE

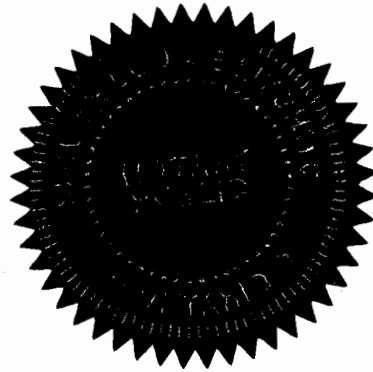
Pending Applications NONE

TAB H

This is Exhibit "H" referred to in the
Affidavit of Remy Caruso, sworn
before me at Toronto, in the Province of
Ontario this 10th day of February, 2023.

Simone Lingling

A Commissioner/Notary Public for the
Province of Ontario



PROJECT SPECIFIC SECURITY AGREEMENT

THIS PROJECT SPECIFIC SECURITY AGREEMENT is dated November 24, 2020 and made,

BETWEEN:

SOUTHVIEW GARDENS PROPERTIES LTD., a company under the *Business Corporations Act* of British Columbia (BC1096426), acting as General Partner for and on behalf of **SOUTHVIEW GARDENS LIMITED PARTNERSHIP**, a limited partnership under the *Partnership Act* of British Columbia (LP0703456), having an office at Suite 1800, 1188 West Georgia Street, Vancouver, BC V6E 4A2;

and

SOUTHVIEW GARDENS BT LTD., a company under the *Business Corporations Act* of British Columbia (BC1096430), having an office at Suite 1800, 1188 West Georgia Street, Vancouver, BC V6E 4A2;

(collectively, the “**Debtor**”)

AND:

PEAKHILL CAPITAL INC., a company under the *Business Corporations Act* of Ontario (002728932), having an office at Suite 401, 10 King Street East, Toronto, ON M5C 1C3;

(the “**Secured Party**”)

**ARTICLE 1
DEFINITIONS**

1.1 Definitions

In this Agreement the following words and phrases will have the meanings set out below unless the parties or the context otherwise require(s).

- (a) “**Act**” means the *Personal Property Security Act* of British Columbia and the regulations thereunder, as amended, restated or replaced by successor legislation of comparable effect.
- (b) “**Agreement**” or “**this Agreement**” means this Agreement including all recitals and schedules hereto, as modified, amended, restated or replaced from time to time.
- (c) “**Collateral**” means all of the Debtor's present and after-acquired goods, securities, instruments, chattel paper, documents of title, money and intangibles, and other assets and undertaking of every nature and kind and interests therein relating to, used in, on or in connection with, or derived from the Lands or any

23/11/2020 4:04 PM

- 2 -

part thereof, (including all present and after-acquired goods, securities, instruments, chattel paper, documents of title, money and intangibles, and other assets and undertaking of every nature and kind and interests therein now or hereafter held by the Debtor in trust for any Person(s) or by any Person(s) in trust for the Debtor) whether tangible or intangible, legal or equitable and wherever the same may be situate including without limiting the generality of the foregoing:

- (i) all plant, machinery, apparatus, facilities, equipment, fixtures and other goods installed in or affixed or attached to the Lands or any part thereof including all accessions therein and thereto, all attachments, additions and accretions thereto, all accessories and special tools in respect thereof, all increases thereof, all renewals, replacements and substitutions thereof and therefor, and all rights and options to renew and rights and options of first refusal in respect thereof;
 - (ii) all deeds, documents, writings, papers, disks, books of account and other records in any form (electronic or otherwise) relating thereto; and
 - (iii) all proceeds from the Lands, or any part thereof, (including proceeds) derived therefrom that are present or after-acquired personal property or other assets or undertaking of any nature or kind, tangible or intangible, legal or equitable, wherever the same may be situate, (including proceeds derived directly or indirectly from any dealing with the Lands and/or the personal property charged hereby (including proceeds), all rights to insurance payments and other payments as indemnity or compensation for loss thereof or damage thereto, and all payments made in total or partial discharge or redemption of securities, instruments, chattel paper or intangibles (including accounts) comprised therein).
- (d) **“Debtor”** means the party so described above and its successors and assigns, whether immediate or derivative.
- (e) **“Encumbrances”** means all security interests, assignments, mortgages, hypothecs, pledges, liens, claims, charges, (whether fixed or floating), or encumbrances whatsoever.
- (f) **“Events of Default”** means the events of default described in Article 7 of this Agreement and **“Event of Default”** means any one of them.
- (g) **“Intellectual Property”** in respect of a Person means present and after acquired intellectual or industrial property of that Person, including, without limitation, all patents, patent applications, inventions, copyright (whether registered or not), copyright applications, trademarks, (whether registered or not), trademark applications, trade names, moral and personality rights, industrial designs (whether registered or not), industrial design applications, trade secrets, know-how, confidential and other proprietary information, and contractual rights and any and all covenants not to compete in favour of that Person, and all income, royalties, damages, payments and claims now and hereafter due and or payable to that Person with respect thereto.

- (h) **"Lands"** means the lands and premises civically and legally known as follows:

3240, 3260 and 3280 East 58th Avenue, Vancouver, BC V5S 3T2

PID	LEGAL DESCRIPTION
007-982-160	Lot 14 District Lot 334 Plan 13993

and all improvements from time to time constructed under or over those lands and premises.

- (i) **"Obligants"** means the Debtor and all (other) Persons who are from time to time liable to the Secured Party for the payment, observance or performance of the whole or any portion of the Secured Obligations, whether directly or indirectly, absolutely or contingently, jointly, severally or jointly and severally and includes all Persons who from time to time otherwise become liable for, or who agree to indemnify the Secured Party for any loss, costs or damages as a result of the failure of any other Persons to pay, observe or perform any of the Secured Obligations and **"Obligant"** means any of them.
- (j) **"Other Document"** means any instrument or document other than this Agreement which evidences, secures or evidences or secures the payment, observance, observance and performance of the Secured Obligations in whole or in part.
- (k) **"Persons"** or **"Person"** means and includes any individual, sole proprietorship, corporation, partnership, bank, joint venture, trust, unincorporated association, association, institution, entity, party or government (whether national, federal, provincial, state, municipal, city, county or otherwise and including any instrumentality, division, agency, body or department thereof).
- (l) **"Permitted Encumbrances"** means as of any particular time in respect of any particular Collateral, any of the following:
- (i) liens for taxes, assessments or governmental charges or levies not at the time due and delinquent or the validity of which is being contested in good faith at the time by the Debtor and in respect of which the Debtor has set aside on its books reserves reasonably considered by it to be adequate therefor, and provided that the Secured Party is satisfied with the adequacy of such reserves;
 - (ii) the lien of any judgment rendered or claim filed against the Debtor which the Debtor is contesting in good faith at the time and in respect of which the Debtor has set aside on its books reserves reasonably considered by it to be adequate therefor, and provided that the Secured Party is satisfied with the adequacy of such reserves;
 - (iii) undetermined or inchoate liens and charges incidental to current construction or repairs or current operations which have not at the time

- 4 -

- been filed pursuant to law against the Debtor or which relate to obligations not due or delinquent;
- (iv) maritime, warehousemen's, woodsmen's, carriers' and other similar liens which relate to obligations not due or delinquent;
 - (v) the Encumbrance resulting from the deposit of cash or obligations as security when the Debtor has required to do so by governmental or other public authority or by normal business practice in connection with contracts, licences or tenders or similar matters in the ordinary course of business and for the purpose of carrying on the same or to secure Workers' Compensation, surety or appeal bonds or to secure costs of litigation when required by law;
 - (vi) public and statutory obligations which are not due or delinquent, and security given to a public utility or any municipality or governmental or other public authority when required by such utility or other authority in connection with the operations of the Debtor;
 - (vii) easements, rights-of-way or similar rights in land granted to or reserved by other Persons which do not materially impair the business of the Debtor in respect of such land;
 - (viii) reservations, limitations, provisions and conditions expressed in original grant of land from the Crown;
 - (ix) Section 219 covenants under the *Land Title Act* of British Columbia;
 - (x) any Encumbrance in favour of the Secured Party; and
 - (xi) any Encumbrance described or referred to in Schedule "A" hereto.
- (m) "**Secured Obligations**" means the obligations of the Debtor to the Secured Party (including all future advances and re-advances) whether direct or indirect, absolute or contingent, joint, several or joint and several, matured or not, extended or renewed, wherever and however incurred, of whatever nature or kind and whether or not evidenced or secured by any Other Document, or provided for herein.
 - (n) "**Secured Party**" means the party so described above and its successors and assigns, whether immediate or derivative.

1.2 Applicability of Act

Words used in this Agreement that are defined in the Act will have the respective meanings ascribed to them in the Act, unless otherwise defined herein.

ARTICLE 2 SECURITY INTEREST

2.1 Creation of Security Interest

For valuable consideration and as continuing security for the payment, observance and performance of each and all of the Secured Obligations the Debtor:

- (a) grants to the Secured Party (who takes from the Debtor) a continuing security interest in the Collateral;
- (b) grants, mortgages and charges the Collateral to the Secured Party by way of a fixed and specific charge; and
- (c) absolutely assigns the Collateral to the Secured Party.

2.2 Exceptions

There shall be excepted out of or excluded from the assignment(s), charge(s) and or security interest(s) created by this Agreement:

- (a) **Last 10 Days of Lease:** the last 10 days of the term created by any lease or agreement therefor (but the Debtor shall stand possessed of the reversion thereby remaining upon trust to assign and dispose thereof to any third party as the Secured Party shall direct);
- (b) **Consumer Goods:** any consumer goods of the Debtor; and
- (c) **Agreements Requiring Consent:** with respect to each agreement or other asset that requires the consent or approval of another party thereto for the creation of a security interest or charge therein, the security interests or charges created hereby will not become effective therein until all such consents or approvals have been obtained, or until such other assurances as may be acceptable to the Secured Party have been received, but until then the Debtor shall stand possessed of such asset in trust to dispose of as the Secured Party may direct.

There shall be excepted out of or excluded from the assignment provided for in subparagraph 2.1(c), all Intellectual Property now or hereafter included in the Collateral.

2.3 Attachment

The Debtor acknowledges that value has been given, the security interests hereby created attach upon the execution of this Agreement (or in the case of any after acquired property, upon the date of acquisition thereof by or on behalf of the Debtor) and the Debtor has (or in the case of after acquired property will have) rights in the Collateral.

2.4 Multiple Debtors

It is understood that if the Debtor is comprised of more than one Person, the charges created by the Debtor hereunder pursuant to Section 2.1 hereof shall be interpreted to be charges created by each such Person in respect of both its individually owned or acquired present and future

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property and the property now or hereafter held by it with one or more other such Persons as if that Person had granted such charges either alone or jointly with one or more other such Persons pursuant to Section 2.1 hereof.

ARTICLE 3 SECURED OBLIGATIONS

3.1 Secured Obligations

This Agreement, the Collateral and the security and other interests hereby created are in addition to and not in substitution for any other security interest now or hereafter held by the Secured Party from the Debtor or from any other Person whomsoever and will be general and continuing security for the payment, performance and observance of the Secured Obligations.

ARTICLE 4 DEBTOR'S REPRESENTATIONS AND WARRANTIES

4.1 General

The Debtor makes the representations and warranties set out in this paragraph 4.1 to and for the benefit of the Secured Party.

- (a) **Incorporation:** The Debtor, if a body corporate, is duly incorporated, properly organized and validly existing under the laws of the Province of British Columbia.
- (b) **Partnership:** The Debtor, if a partnership, has been duly formed as and validly exists as a partnership under the laws of the Province of British Columbia.
- (c) **Power and Authority:** The Debtor has full power and lawful authority:
 - (i) to own real and personal property; and
 - (ii) to borrow and guarantee the repayment of money and grant security therefor (including this Agreement and the security interest hereby created).
- (d) **Proceedings and Enforceability:** The Debtor, if a body corporate or partnership, represents and warrants that this Agreement is granted in accordance with resolutions of the directors (and of the shareholders as applicable) or the partners, as the case may be, of the Debtor or the general partner of the Debtor as the case may be and all other matters and things have been done and performed so as to authorize and make the execution and delivery of this Agreement and the performance of the Secured Obligations hereunder, a valid and legally binding obligation of the Debtor enforceable in accordance with its terms, subject only to bankruptcy, insolvency or other statutes or judicial decisions affecting the enforcement of creditors' rights generally and to general principles of equity.
- (e) **No Actions or Material Adverse Changes:** Other than as disclosed to the Secured Party, there is no action or proceeding pending or, to the knowledge of

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the Debtor, threatened against the Debtor before any court, administrative agency, tribunal, arbitrator, government or governmental agency, and there is no fact known to the Debtor and not disclosed to the Secured Party which might involve any material adverse change in the properties, business, prospects or condition of the Debtor, or which question the validity of this Agreement or any other material agreement to which the Debtor is a party (or the Debtor's ability to perform its obligations under this Agreement) and there are no outstanding judgments, writs of execution, work orders, injunctions, directives against the Debtor or its properties.

- (f) **Non-Conflict:** Neither the execution nor the performance of this Agreement requires the approval of any regulatory agency having jurisdiction over the Debtor nor is this Agreement in contravention of or in conflict with the articles, by-laws or resolutions of the directors (or shareholders) of the Debtor, or of the provisions of any agreement to which the Debtor is a party or by which any of its property may be bound or of any statute, regulation, by-law, ordinance or other law, or of any judgment, decree, award, ruling or order to which the Debtor or any of its property may be subject.
- (g) **No Default:** The Debtor is not in breach or default under any agreement to which it is a party which if not cured would have a material adverse effect upon the Debtor or the Collateral.
- (h) **No Liens:** Except for Permitted Encumbrances, the Debtor has paid and discharged all claims and demands of all employees, contractors, subcontractors, material men, mechanics, carriers, warehousemen, landlords, and other like persons, and all governmental taxes, assessments, withholdings, remittances, charges, levies, and claims levied or imposed, which, if unpaid, become or might become an Encumbrance upon any or all of the properties, assets, earnings, or operations of the Debtor.
- (i) **Ownership and Collateral Free of Encumbrances:** The Debtor is the owner of or has rights in the Collateral free and clear of all Encumbrances whatsoever save only Permitted Encumbrances. The Debtor has not, within the last 60 days, acquired rights in the Collateral from a vendor, lessor or other person where its chief executive office or principal residence is, or within the last 60 days has been, located outside of British Columbia.
- (j) **No Other Corporate Names or Styles:** The Debtor does not now carry on business under or use any name or style other than the names specified in this Agreement.
- (k) **Chief Executive Office:** The Debtor has its chief executive office at the location described in Schedule "B".
- (l) **Location of Collateral:** The Collateral will be maintained (or in the case of mobile goods based) at the locations described in Schedule "B" or at any other location in British Columbia or any other jurisdictions disclosed in Schedule "B".

- (m) **Insurance:** The Collateral is insured in accordance with the terms hereof.
- (n) **Serial Numbered Goods:** The type, make (or manufacturer), model and serial number of each motor vehicle, trailer, manufactured home, boat, outboard motor and aircraft included in the Collateral and which is not inventory is set out in Schedule "B".
- (o) **Legal and Trade Names:** Each name of the Debtor (including its name in any French or combined English-French form) is set out on the first page hereof, and the Debtor has not had, used, or carried on business under, and will not at any time have, use or carry on business under, any other name (including any French or combined English-French form) except as disclosed in Schedule "B" or upon giving 15 days' prior written notice to the Secured Party.
- (p) **Rights in Collateral:** No Person other than the Debtor has any rights in the Collateral except as noted in Schedule "B".
- (q) **Solvency:** the assets of the Debtor exceeds its liabilities and the Debtor is able to meet its obligations as the same become due.
- (r) **Intellectual Property:**
 - (i) Ownership: the Debtor is the owner of the Intellectual Property applications and registrations (if any) described in Schedule "B"; there are no outstanding claims of ownership by third parties in respect of such registrations and applications; and all are valid and in good standing.
 - (ii) Trade Marks: all trade-mark and industrial designs described in Schedule "B" have been in continuous use and that use has been proper in relation to the wares and/or services of Debtor; only the Debtor has used the trade-marks, or if there are any third party users of the Debtor's trade-marks, such third party users are properly licensed to use such trade-marks.
 - (iii) Assignments: all assignments and Other Document affecting the Debtor's Intellectual Property rights have been disclosed and provided to the Secured Party.
 - (iv) Claims: there are no outstanding or, to the best of the Debtor's knowledge, threatened claims or proceedings with respect to the Debtor's Intellectual Property.

ARTICLE 5 DEBTOR'S COVENANTS

5.1 General Covenants

The Debtor covenants and agrees with the Secured Party as set forth in this Section 5.1 unless compliance with any such covenants is waived by the Secured Party in writing, or unless non-compliance with any such covenants is otherwise consented to by the Secured Party by written agreement with the Debtor.

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- (a) **Compliance with Secured Obligations:** The Debtor shall strictly comply with all of the Secured Obligations.
- (b) **Use of Advances:** All advances, including future advances, advanced or extended by the Secured Party to or for the benefit of the Debtor shall be used in the ordinary course of the Debtor's business for the purposes agreed to by the Secured Party and for no other purpose, and the Debtor shall supply the Secured Party with such evidence as it may reasonably request from time to time as to the application of such advances.
- (c) **Keep Collateral in Good Repair:** The Debtor shall keep the Collateral in good order, condition and repair, reasonable wear and tear excepted.
- (d) **Conduct of Business:** The Debtor shall carry on and conduct its affairs in a proper and efficient manner so as to protect and preserve the Collateral and shall maintain places of business at the locations disclosed in Schedule "B".
- (e) **Payment of Other Sums Due:** The Debtor shall pay when due all amounts which are payable by it in connection with the Collateral, howsoever arising, including without limiting the generality of the foregoing, all rents, charges, taxes, rates, levies, assessments, fees and duties of every nature which may be levied, assessed or imposed against or in respect of the Collateral or the Debtor and shall provide the Secured Party with evidence of such payment upon request.
- (f) **Notice of Encumbrances and Proceedings:** The Debtor shall promptly notify the Secured Party of any Encumbrance made or asserted against any of the Collateral, and of any suit, action or proceeding affecting any of the Collateral or which could affect the Debtor. The Debtor shall, at its own expense, defend the Collateral against any and all Encumbrances (other than any Permitted Encumbrances) and against any and all such suits, actions or proceedings.
- (g) **No Accessions or Fixtures:** The Debtor shall prevent the Collateral from becoming an accession to any property other than other items of the Collateral or from becoming a Fixture unless the security interests hereby created rank prior to the interests of all other persons in the applicable property.
- (h) **Marking the Collateral:** The Debtor shall, at the request of the Secured Party, mark, or otherwise take appropriate steps to identify, the Collateral to indicate clearly that it is subject to the security interests hereby created.
- (i) **Notice of Loss of Collateral:** The Debtor shall give immediate written notice to the Secured Party of all loss or damage to or loss or possession of the Collateral otherwise than by disposition in accordance with the terms hereof.
- (j) **Inspection of Records and Collateral:** The Debtor shall at all times:
 - (i) keep accurate and complete records of the Collateral as well as proper books of account for its business all in accordance with generally accepted accounting principles, consistently applied; and

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- (ii) permit the Secured Party or its authorized agents to have access during normal business hours to all premises occupied by the Debtor or any place where the Collateral may be found to inspect the Collateral and to examine the books of accounts, financial records and reports of the Debtor and to have temporary custody of, make copies of and take extracts from such books, records and reports, on giving the Debtor not less than 48 hours prior written notice.
- (k) **Access to Computer Information:** In the event that the use of a computer system is required to access any information and data which the Secured Party is entitled to access and examine hereunder, the Debtor shall allow the Secured Party the use of its computer system for such purpose and shall provide assistance in that regard. If for any reason such information and data cannot be accessed and retrieved at the Debtor premises, the Secured Party may remove the medium in which such information or data is stored from the Debtor's premises to any other place which has a computer system that will give the Secured Party the opportunity to retrieve, record or copy such information and data. The Secured Party is hereby authorized to reproduce and retain a copy of any such information and data in any format whatsoever.
- (l) **Delivery of Documents:** The Debtor shall promptly deliver to the Secured Party upon request:
 - (i) all policies and certificates of insurance relating to the Collateral;
 - (ii) any documents of title and instruments representing or relating to the Collateral;
 - (iii) a list of the Collateral, specifying make, model, name of manufacturer and serial number, where applicable, for each item of the Collateral; and
 - (iv) such information concerning the Collateral, the Debtor and the Debtor's operations and affairs as the Secured Party may request.
- (m) **Risk and Insurance:** The Debtor shall bear the sole risk of any loss, damage, destruction or confiscation of or to the Collateral during the Debtor's possession hereunder or otherwise after default hereunder. The Debtor shall insure the Collateral with insurers acceptable to the Secured Party against loss or damage by fire, theft or other insurable perils customarily insured against by persons having an interest in such Collateral for the full insurable value thereof with the Secured Party as a named insured and with loss payable to the Secured Party as its interest may appear. All such policies of insurance will provide that the insurance coverage provided thereunder shall not be cancelled except on 30 days' prior written notice to the Secured Party. If the Debtor fails to so insure, the Secured Party may, but shall not be required to, insure the Collateral and the premiums for such insurance will be added to the Secured Obligations and be secured hereby.

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- (n) **Proceeds in Trust:** The Debtor shall hold all proceeds in trust, separate and apart from other money, instruments or property, for the benefit of the Secured Party until all amounts owing by the Debtor to the Secured Party have been paid in full.
- (o) **Reliance and Survival:** All representations and warranties of the Debtor made herein or in any certificate or other document delivered by or on behalf of the Debtor for the benefit of the Secured Party are material, will survive the execution and delivery of this Agreement and will continue in full force and effect until the Secured Obligations have been fully repaid. The Secured Party is deemed to have relied upon each such representation and warranty notwithstanding any investigation made by or on behalf of the Secured Party at any time.
- (p) **Compliance with Agreements and Laws:** The Debtor shall not use the Collateral in violation of this Agreement or any other agreement relating to the Collateral or any policy insuring the Collateral or any applicable statute, law, by-law, rule, regulation, court order or ordinance.
- (q) **Disposition of Collateral:** Except as hereinafter provided, the Debtor shall not, without the prior written consent of the Secured Party:
- (i) assign, sell, lease, exchange, or otherwise dispose of the Collateral or any interest therein; or
 - (ii) release, surrender or abandon possession of any of the Collateral; or
 - (iii) move or transfer the Collateral from its present location,
- provided that so long as no Event of Default remains outstanding, the Debtor may sell or lease inventory in the ordinary course of business and for the purpose of carrying on the same, and subject to the provisions of Section 5.1(b) hereof use monies available to the Debtor.
- For any item of the Collateral which has become worn out, damaged or otherwise unsuitable for its purpose, the Debtor may substitute for such item property of equal value free from all Encumbrances except Permitted Encumbrances. All substituted property shall become part of the Collateral as soon as the Debtor acquires any interest in it. The Debtor shall give immediate written notice to the Secured Party of the occurrence of any event referred to in this paragraph.
- (r) **Encumbrances:** The Debtor shall not create, assume or suffer to exist any Encumbrance in, of or on any of the Collateral except for Permitted Encumbrances.
- (s) **Change of Name:** The Debtor shall not change its name without giving to the Secured Party 10 days' prior written notice of the change.
- (t) **Serial Numbered Goods:** Upon the Debtor's acquisition of rights in additional serial numbered goods which are not inventory, or upon repossession by or return to the Debtor of any such goods, the Debtor shall immediately give the Secured Party written notice of full particulars thereof.

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- (u) **Liability for Deficiency:** If the aggregate sum realized as a result of any realization pursuant hereto is not sufficient to pay the whole amount of the Secured Obligations, the Debtor shall forthwith pay to the Secured Party the full amount of the deficiency plus interest thereon at the rate or rates applicable to the Secured Obligations.
- (v) **Notification:** The Debtor shall notify the Secured Party promptly of:
 - (i) Scheduled Information: any change in the information contained herein or in the Schedules hereto relating to the Debtor, the Debtor's name, the Debtor's business or the Collateral.
 - (ii) Acquisitions: the details of any significant acquisition of Collateral.
 - (iii) Litigation: the details of any claims or litigation affecting the Debtor or the Collateral.
 - (iv) Account Debtors: any default by any Account Debtor in payment or other performance of obligations of that Person comprised in the Collateral.
 - (v) Return of Collateral: the return to, or repossession by, the Debtor of Collateral.
- (w) **Payments:** The Debtor shall forthwith pay:
 - (i) Employee obligations: all obligations to its employees and all obligations to others which relate to its employees when due, including, without limitation, all taxes, duties, levies, government fees, claims and dues related to its employees.
 - (ii) Taxes: all taxes, assessments, rates, duties, levies, government fees, claims and dues lawfully levied, assessed or imposed upon it or the Collateral when due, unless the Debtor shall in good faith contests its obligations so to pay and furnishes such security as the Secured Party may require.
 - (iii) Prior Encumbrances: all Encumbrances which rank or could in any event rank in priority to or pari passu with the security constituted by this Agreement.
- (x) **Deliveries:** The Debtor shall deliver to the Secured Party from time to time promptly upon written request:
 - (i) Documents of Title, Instruments, Securities and Chattel Paper: any documents of title, instruments, securities and chattel paper comprised in or relating to the Collateral.
 - (ii) Books of Account and Records: all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists

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and other writings relating to the Collateral for the purpose of inspecting, auditing or copying the same.

- (iii) Financial Statements: all financial statements prepared by or for the Debtor regarding the Debtor's business.
 - (iv) Insurance Policies: all policies and certificates of insurance relating to the Collateral.
 - (v) Serial Number: a list of the Collateral, specifying make, model, name of manufacturer and serial number, where applicable, for each item of the Collateral.
 - (vi) Other Information: such information concerning the Collateral, the Debtor and Debtor's business and affairs as the Secured Party may reasonably require.
- (y) **Intellectual Property**: The Debtor shall:
- (i) Registration of present Intellectual Property: where commercially reasonable, apply to file applications and complete registrations on any of its present Intellectual Property which is not currently protected by an application or registration, including any and all improvements to Intellectual Property and, where commercially reasonable, apply to file registrations on unregistered trade-marks in Canada and the United States.
 - (ii) Registration of after acquired Intellectual Property: apply to file applications and complete registrations of all Intellectual Property hereafter acquired by it in all jurisdictions where commercially reasonable.
 - (iii) Maintain Records: keep up-to-date records regarding its Intellectual Property.
 - (iv) Confidentiality Agreements: enter into confidentiality agreements with employees and other third parties who may invent, create, discover, author and/or reduce to practice Intellectual Property for the Debtor and who may have access to confidential information of the Debtor.
 - (v) License/Assignment Agreements: ensure that all Intellectual Property hereafter acquired by it from third parties is properly acquired by way of a written license agreement or assignment.
 - (vi) List of unregistered trade marks etc.: provide, upon written request by the Secured Party, a list of all of its registered and unregistered trade-marks, patent applications, issued patents, copyright, industrial designs and other Intellectual Property; and
 - (vii) Mark Products: mark all of its products and advertising appropriately to maintain the validity of all of its Intellectual Property rights.

ARTICLE 6
PERFORMANCE OF OBLIGATIONS

6.1 Perform Obligations

If the Debtor fails to perform its obligations hereunder, the Secured Party may, but will not be obligated to, perform any or all of such obligations without prejudice to any other rights and remedies of the Secured Party hereunder, and any payments made and any costs, charges, expenses and legal fees and disbursements (on a solicitor and his own client basis) incurred in connection therewith will be payable by the Debtor to the Secured Party forthwith with interest until paid at the highest rate borne by any of the Secured Obligations and such amounts will be a charge upon and security interest in the Collateral in favour of the Secured Party prior to all claims subsequent to this Agreement.

ARTICLE 7
DEFAULT

7.1 Default

Notwithstanding that any one or more of the Secured Obligations may be payable on demand and without prejudice thereto, the Debtor shall be in default under this Agreement upon the occurrence of any of the following events:

- (a) if there is a default or a breach by the Debtor (or by any other Person bound hereby) of any covenant, agreement, term, condition, stipulation or provision contained herein; or
- (b) if any representation or warranty contained herein or in any certificate, declaration, application or other instrument delivered pursuant hereto, is found at any time to be incorrect in any material respect; or
- (c) if at any time there is an event of default or a breach by any Obligant under any Other Document; or
- (d) if there is an event of default or breach by any Obligant under any other loan made by the Secured Party to or guaranteed by the Obligant or any Person comprising of the Obligant; or
- (e) if an Obligant becomes bankrupt or insolvent or makes or demonstrates an intention to make an assignment for the benefit of its creditors or makes a proposal or takes advantage of any provision of the *Bankruptcy and Insolvency Act* of Canada or any other legislation for the benefit of the insolvent debtors; or
- (f) if any proceedings with respect to an Obligant are commenced under the compromise or arrangement provisions of any applicable legislation, or an Obligant enters into an arrangement or compromise with any or all of its creditors pursuant to such provisions or otherwise; or

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- (g) if a receiver or receiver-manager is appointed by a Court or any other Person in respect of an Obligant, or any part of the property, assets or undertakings charged by this agreement or any Other Document; or
- (h) if the Debtor or any other Person who becomes an owner of an interest in any of the Collateral while this Agreement is in effect, without the prior consent in writing of the Secured Party, grants or proposes to grant an Encumbrance upon or in respect of that Collateral other than pursuant to this Agreement or a Permitted Encumbrance; or
- (i) if any execution, sequestration, extent or any other process of any other kind is levied or enforced upon or against the Collateral or any part thereof by any Person other than the Secured Party and remains unsatisfied for a period of 10 days; or
- (j) if the holder (other than the Secured Party) of any Encumbrance against any of the Collateral does anything to enforce or realize on such Encumbrance; or
- (k) if in the opinion of the Secured Party a material portion of the Collateral is lost, damaged or destroyed; or
- (l) if an Obligant ceases, or threatens to cease, to carry on his, her or its business as the same is conducted by that Obligant from time to time; or
- (m) if any of the moneys secured under this Agreement as part of the Secured Obligations are used for any purpose other than as declared to and agreed upon by the Secured Party; or
- (n) if an Obligant is a corporation and:
 - (i) it authorizes the purchase or charging of a majority of its shares without the prior written consent of the Secured Party; or
 - (ii) one of its members commences an action against it which action relates to the Secured Obligations, or gives a notice of dissent in accordance with the provisions of the *Business Corporations Act* of British Columbia, or amendments thereto or a similar notice by a shareholder under other applicable legislation; or
 - (iii) it carries on any business that it is restricted from carrying on by its constating documents; or
 - (iv) an order is made, a resolution is passed or a motion is filed for its liquidation, dissolution or winding-up; or
 - (v) there is any change in its beneficial ownership of its shares from the ownership of same which exists as of the date of the execution of this Agreement by the Debtor without the prior written consent of the Secured Party; or
- (o) if an Obligant is a general partnership and:

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- (i) it carries on business that it is restricted from carrying on by its partnership agreement; or
- (ii) there is any change in the Persons comprising the partnership; or
- (p) if an Obligant is a limited partnership and:
 - (i) it authorizes the purchase or redemption of its units without the Secured Party's prior written consent; or
 - (ii) it carries on any business that it is restricted from carrying on by its limited partnership agreement; or
 - (iii) there is any change in the beneficial ownership of its units from the ownership of same that exists as of the date of the execution of this Agreement by the Debtor; or
- (q) if an Obligant who is an individual dies or is declared incompetent by a court of competent jurisdiction; or
- (r) if in the opinion of the Secured Party, any material portion of the Collateral becomes the subject of expropriation proceedings; or
- (s) if there is or has been a material adverse change in the financial condition of an Obligant or in the value of the any property charged in favour of the Secured Party pursuant to any one or more of the Other Documents; or
- (t) if the Secured Party in good faith believes and has commercially reasonable grounds to believe that:
 - (i) the prospect for payment of any of the Secured Obligations or the observance and performance of all or any part of the Debtor's obligations in connection therewith is impaired; or
 - (ii) any of the property charged in the Secured Party's favour pursuant to any one or more of the Other Documents is or is about to be placed in jeopardy.

ARTICLE 8 RIGHTS, REMEDIES AND POWERS

8.1 Before and After Default

At any time and from time to time without notice, whether before or after an Event of Default, the Secured Party will have the right and power (but will not be obligated):

- (a) **Inspection and Records:** to inspect the Collateral whenever the Secured Party considers it appropriate to do so, and to inspect, review, audit and copy any or all information relating thereto or to the Collateral or to any other transactions

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between the parties hereto wherever and however such information is stored, and for such purposes may at any time on not less than 48 hours' prior written notice to the Debtor enter into and upon any lands, buildings and premises where the Collateral or any such information is or may be;

- (b) **Set-Off:** to set off the Secured Obligations against any or all debts and liabilities, direct and indirect, absolute and contingent, in any currency, now existing or hereafter incurred by the Secured Party in any capacity in favour of the Debtor;
- (c) **Perfection of Charges:** to file such financing statements, financing change statements and Other Document and do such other acts, matters and things (including completing and adding schedules hereto identifying the Collateral or any permitted liens affecting the Collateral or identifying the locations at which the Debtor's business is carried on and where the Collateral and records relating thereto are situate) as the Secured Party may consider appropriate to perfect, preserve, continue and realize upon the security interest created hereby, all without the consent of or notice to the Debtor; and
- (d) **Extensions and Other Indulgences:** to grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges, refrain from perfecting or maintaining perfection of Encumbrances, and otherwise deal with the Debtor and other obligors of the Debtor, sureties and others and with the Collateral and Encumbrances as the Secured Party may consider appropriate, all without prejudice to the liability of the Debtor or the Secured Party's rights to hold and realize on the security interest created hereby.

8.2 After Default

Upon the occurrence of an Event of Default and at any time thereafter, the Secured Party may exercise any or all of the rights, remedies and powers of the Secured Party under the Act, or otherwise existing, whether under this Agreement or any other agreement or at law or in equity, all of which other rights, remedies and powers are hereby incorporated as if expressly set out herein. In addition to the foregoing, the Secured Party will have the right and power (but will not be obligated):

- (a) **Withhold Advances:** to withhold any or all advances, including future advances;
- (b) **Accelerate Secured Obligations:** to declare any or all of the Secured Obligations to be immediately due and payable;
- (c) **Enter and Take Possession:** to take possession of the Collateral and to collect and get in the same, and for such purposes may at any time, with or without notice or legal process and to the exclusion of all others including the Debtor and its servants, agents and employees, enter into and upon, use and occupy any lands, buildings and premises wheresoever and whatsoever, where the Collateral is or may be located and do any act and take any proceedings in the name of the Debtor or otherwise, as the Secured Party may consider appropriate, and the Debtor

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hereby waives and releases the Secured Party and any Receiver from any and all claims in connection therewith or arising therefrom;

- (d) **Receive Payments:** to receive income, rents, profits, increases, payments, damages and proceeds from and in respect of the Collateral and to demand, collect (by legal proceedings or otherwise), endorse, sue on, enforce, realize, recover, receive and get in the same, and for such purposes may give valid and binding receipts and discharges therefor and in respect thereof and may do any act and take any proceedings in the name of the Debtor or otherwise as the Secured Party may consider appropriate;
- (e) **Control of Proceeds:** to take control of any or all proceeds where the Collateral (including proceeds) is dealt with or otherwise gives rise to proceeds;
- (f) **Use and Protection of the Collateral:** to use, hold, insure, preserve, repair, process, maintain, protect and prepare the Collateral for disposition and to renew or replace such of the Collateral as may be worn out, lost or otherwise unserviceable, in the manner and to the extent that the Secured Party may consider appropriate;
- (g) **Disposition of the Collateral:** to sell, lease, rent or otherwise dispose of or concur in the sale, lease, rental or other disposition of the Collateral, whether in or out of the ordinary course of business, by private or public sale, lease or other disposition, with or without notice, advertising or any other formality, either for cash or in any manner involving deferred payment in whole or in part, at such time or times and upon such terms and conditions as the Secured Party may consider appropriate and for such prices or consideration as can reasonably be obtained at such time therefor, and to carry any such disposition into effect by conveying title and executing agreements and assurances in the name of the Debtor or otherwise as the Secured Party may consider appropriate, and to make any stipulations as to title or conveyance or commencement of title or otherwise as the Secured Party may consider appropriate, and to buy in or rescind or vary any contract for the disposition of the Collateral and to re-dispose of the same without being answerable for any loss occasioned thereby;
- (h) **Exercise and Enforcement of Debtor's Rights:** to exercise as to the Collateral any or all of the rights, remedies and powers of the Debtor, and to enforce the observance and performance by others of all other obligations and liabilities under or in respect of the Collateral;
- (i) **Payment of Liabilities:** to pay any or all debts and liabilities in connection with the Collateral;
- (j) **Arrangements:** to enter into any compromise, extension, reorganization, deposit, merger or consolidation agreement or similar arrangement in any way relating to or affecting the Collateral, and in connection therewith may deposit, exchange or surrender control of the Collateral and accept other property upon such terms as the Secured Party may consider appropriate, and either with or without payment or exchange of Money for equality of exchange or otherwise;

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- (k) **Institution and Defence of Actions:** to institute and prosecute all suits, proceedings and actions which the Secured Party may consider necessary or advisable for the proper protection or enforcement of the Collateral, and to defend all suits, proceedings and actions against the Debtor, and to appear in and conduct the prosecution and defence of any suit, proceeding or action then pending or thereafter instituted, and to appeal any suit, proceeding or action;
- (l) **Foreclosure:** to exercise its rights under the Act, as amended from time to time, to give notice of a proposal to take, and to subsequently take, the Collateral in satisfaction of the Secured Obligations;
- (m) **Real Property Realization:** to proceed as to the Collateral as if the Collateral were land;
- (n) **Other Means of Enforcement:** to otherwise enforce this Agreement and realize upon the security interest created hereby by any method permitted by law, including by bringing action to recover a judgment or by taking proceedings to obtain a certificate under the *Creditor Assistance Act* of British Columbia against the Debtor, and to do all such other acts and things as it may consider incidental or conducive to any of its rights, remedies and powers; and
- (o) **Appointment of Receiver:** to appoint by instrument in writing with or without bond, or to take proceedings in any court of competent jurisdiction for the appointment of, a receiver or receiver manager of the Debtor or the Collateral, including all or any part or parts of the undertaking and business or businesses of the Debtor, and to remove any receiver or receiver manager appointed by the Secured Party and to appoint another in his stead, (and any person so appointed, whether by the Secured Party or a court, will be referred to herein as the "Receiver").

8.3 Receiver

Any Receiver will be entitled to exercise any and all rights, remedies and powers of the Secured Party under the Act as amended from time to time or any other applicable legislation or otherwise existing, whether under this Agreement or any other agreement or at law or in equity, all of which other rights, remedies and powers are hereby incorporated as if expressly set out herein, and in addition will have the right and power (but will not be obligated):

- (a) **Carry on Business:** to carry on or concur in carrying on all or any part of the business or businesses of the Debtor;
- (b) **Employ Agents:** to employ and discharge such agents, managers, clerks, lawyers, accountants, servants, workmen and others upon such terms and with such salaries, wages or remuneration as the Receiver may consider appropriate;
- (c) **Raise Funds and Grant Security:** to borrow or otherwise raise on the security of the Collateral or otherwise any sum or sums of money required for the seizure, retaking, repossession, holding, insuring, repairing, processing, maintaining, protecting, preparing for disposition and disposing of the Collateral, or for the carrying on of all or any part of the business or businesses of the Debtor, or to

23/11/2020 4:04 PM

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complete any construction or repair of lands owned by the Debtor or any part thereof, or for any other enforcement of this Agreement, in such sum or sums as will in the opinion of the Receiver be sufficient for obtaining the amounts from time to time required, and in so doing may issue certificates which may be payable either to order or to bearer and may be payable at such time or times as the Receiver may consider appropriate and may bear interest as stated therein, and the amounts from time to time payable by virtue of such certificates will form an Encumbrance in and upon the Collateral in priority to the security interest created hereby; and

- (d) **Other Rights:** to exercise any or all rights, remedies and powers conferred or delegated by the Secured Party.

8.4 Rights of Transferees

No purchaser, lessee or other transferee pursuant to any disposition made or purporting to be made pursuant to this Agreement will be bound or concerned to see or enquire whether an Event of Default has occurred or continues, or whether any notice required hereunder has been given, or as to the necessity or expediency of the stipulations subject to which such disposition is to be made, or otherwise as to the propriety of such disposition or the regularity of its proceedings, or be affected by notice that no Event of Default has occurred or continues or that any required notice has not been given or that the disposition is otherwise unnecessary, improper or irregular, and, notwithstanding any impropriety or irregularity whatsoever or notice thereof, the disposition as regards such purchaser, lessee or other transferee will be deemed to be within the powers conferred by this Agreement and will be valid accordingly, and the remedy (if any) of the Debtor in respect of any impropriety or irregularity whatsoever in any such disposition will be in damages only.

8.5 Limitations

The following will apply notwithstanding anything herein contained to the contrary.

- (a) **Failure to Exercise:** Neither the Secured Party nor any Receiver will be liable or accountable for any failure to exercise its rights, remedies or powers.
- (b) **Receiver is Debtor's Agent:** The Receiver will be deemed the agent of the Debtor and not the agent of the Secured Party, and the Debtor shall be solely responsible for the acts and defaults of the Receiver and for its remuneration, costs, charges and expenses, and the Secured Party will not in any way be responsible for any misconduct, negligence or nonfeasance on the part of the Receiver or its servants, agents or employees.
- (c) **Receiver's Liability:** The Receiver will not be liable for any loss unless it is caused by the Receiver's own negligence or wilful default.
- (d) **Accountability for Payments Received:** Each of the Secured Party and any Receiver will only be accountable for and charged with any monies they actually receive.

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- (e) **Not Liable Under the Collateral:** This Agreement and the security interest created hereby will not impair or diminish any obligation or liability of the Debtor or any other party or parties under or in respect of the Collateral, and, except as may be provided in the Act, no obligation or liability under or in respect of the Collateral will be imposed upon or incurred by the Secured Party by virtue of this Agreement or the security interest created hereby.
- (f) **Not a Mortgagee in Possession:** None of the provisions of this Agreement nor anything done under or pursuant to the rights, remedies and powers conferred upon the Secured Party and the Receiver, whether hereunder or otherwise, will render the Secured Party a mortgagee in possession.
- (g) **No Duty to Take Steps:** Neither the Secured Party nor any Receiver will be bound to collect, dispose of, realize, enforce or sell any securities, instruments, chattel paper or intangibles (including any accounts) comprised in the Collateral or to allow any such Collateral to be sold or disposed of, nor will it be responsible for any loss occasioned by any such sale or other dealing or for any failure to sell or so act, nor will it be responsible for any failure to take necessary steps to preserve rights against others in respect of such Collateral nor bound to present, protest or give any notice in connection with any such Collateral nor to perform any act to prevent prescription thereof nor to protect any such Collateral from depreciating in value or becoming worthless, nor will it be responsible for any loss occasioned by the failure to exercise any rights in respect of such Collateral within the time limited for the exercise thereof.
- (h) **No Duty to Keep Property Separate:** Neither the Secured Party nor the Receiver will be obligated to keep the Collateral separate or identifiable.

8.6 Liability of Secured Party

- (a) **No Responsibility for Debt:** The Secured Party will not be responsible or liable for any debts contracted by it, for damages to persons or property or for salaries or non-fulfilment of contracts during any period when the Secured Party will manage the Collateral upon entry of the business of the Debtor, as herein provided, nor will the Secured Party be liable to account as mortgagee in possession or for anything except actual receipts or be liable for any loss or realization or for any default or omission for which a mortgagee in possession may be liable.
- (b) **No Requirement to Perform:** The Secured Party will not be bound to do, observe or perform or to see to the observance or performance by the Debtor of any obligations or covenants imposed upon the Debtor nor will the Secured Party, in the case of securities, instruments or chattel paper, be obliged to reserve rights against other persons, nor will the Secured Party be obliged to keep any of the Collateral identifiable.
- (c) **Waiver:** The Debtor hereby waives any applicable provision of law permitted to be waived by it which imposes higher or greater obligations upon the Secured Party other than provided in this Agreement.

8.7 Application of Proceeds

Any proceeds of any disposition of the Collateral, any net profits of carrying on all or any part of the business or businesses of the Debtor, and any proceeds of any other realization will, at the option of the Secured Party, be held in whole or in part unappropriated in a separate account (as security for any or all of the Secured Obligations including such part or parts thereof as may be contingent or not yet due) or be applied in whole or in part (subject to applicable legislation and the claims of any creditors ranking in priority to the security interest created hereby):

- (a) **Receiver's Costs:** firstly, to the payment of all costs, charges and expenses of and incidental to the appointment of any Receiver and the exercise by the Receiver of any or all of its rights, remedies and powers with respect to the Debtor, the Collateral and this Agreement, including the remuneration of the Receiver and all amounts properly payable by the Receiver together with all legal costs in respect thereof on a solicitor and his own client basis;
- (b) **Costs of Repossession and Disposition:** secondly, to the payment of all costs, charges and expenses incurred or paid in connection with seizing, repossessing, collecting, holding, repairing, processing, preparing for disposition and disposing of the Collateral and any other expenses of enforcing this Agreement incurred by the Secured Party (including legal fees on a solicitor and his own client basis and all taxes, costs and charges in respect of the Collateral);
- (c) **Secured Obligations:** thirdly, to the payment of the Secured Obligations; and
- (d) **Surplus:** fourthly, any surplus will, subject to the rights of any other creditors of the Debtor, be paid to the Debtor.

8.8 Appointment of Attorney

To enable the Secured Party and any Receiver to exercise the rights, remedies and powers conferred upon them, whether by this Agreement or otherwise, upon the occurrence and during the continuance of an Event of Default the Debtor hereby appoints each of the Secured Party and the Receiver, whoever they may be to be the lawful attorney of the Debtor to do any act or thing and to execute any assurance or instrument (in the name of the Debtor or otherwise) in the exercise of the powers conferred upon them (including carrying out any disposition of the Collateral and for such purpose to affix the Debtor common seal to any deeds, transfers, conveyances, assignments, assurances and things which the Debtor ought to execute to complete any disposition of the Collateral or alternatively to execute the same under its own seal by conveying in the name of and on behalf of Debtor and under its own seal, and any deed or other thing executed by the Secured Party or the Receiver under its own seal pursuant hereto will have the same effect as if it were under the common seal of the Debtor) or which the Debtor ought to do or execute hereunder and to exercise any or all of the rights, remedies and powers of the Debtor in carrying out or attempting to carry out any or all of the rights, remedies and powers conferred upon them. This power of attorney will be irrevocable and coupled with an interest and will survive the death, disability, insolvency or other legal incapacity of the Debtor.

8.9 Rights Cumulative

All rights, remedies and powers of the Secured Party and any Receiver set out in this Agreement are cumulative. No right, remedy or power set out herein is intended to be exclusive but each will be in addition to every other right, remedy and power contained herein or in any other existing or future agreement or now or hereafter existing by statute, at law or in equity.

8.10 Order of Realization

The Secured Party may realize upon the security interest created hereby and any other Encumbrances it may now or hereafter have in such order as it may consider appropriate, and any such realization by any means upon any such Encumbrance will not bar realization upon any other Encumbrance(s).

8.11 Waiver

The Secured Party in its absolute discretion may at any time and from time to time by written notice waive any breach by the Debtor of any of its covenants or agreements herein. No course of dealing between the Debtor and the Secured Party will operate as a waiver of any of the Secured Party's rights, remedies or powers. No failure or delay on the part of the Secured Party to exercise any right, remedy or power given herein or by any other existing or future agreement or now or hereafter existing by statute, at law or in equity will operate as a waiver thereof, nor will any single or partial exercise of any such right, remedy or power preclude any other exercise thereof or the exercise of any other such right, remedy or power, nor will any waiver by the Secured Party be deemed to be a waiver of any subsequent, similar or other event.

ARTICLE 9 MISCELLANEOUS

9.1 Costs

The Debtor shall reimburse the Secured Party on demand for all interest, commissions, costs of realization and other costs and expenses (including the full amount of all legal fees and expenses paid by the Secured Party) incurred by the Secured Party or any Receiver in connection with:

- (a) inspecting the Collateral;
- (b) negotiating, preparing, perfecting and registering this Agreement or any renewal or modification hereof, including the renewal of registration of any financing statement registered or land title office notice filed in connection with the security interests hereby created;
- (c) the enforcement of and advice with respect to this Agreement;
- (d) the realization, disposition of, retention, protection, insuring or collection of any Collateral; and
- (e) the protection or enforcement of the rights, remedies and powers of the Secured Party or any Receiver.

All amounts for which the Debtor required hereunder to reimburse the Secured Party or any Receiver will, from the date of disbursement until the date the Secured Party or the Receiver receives reimbursement, be deemed advanced to the Debtor by the Secured Party, will be deemed to be Secured Obligations and will bear interest at the highest rate per annum charged by the Secured Party on any of the other Secured Obligations.

9.2 No Merger

This Agreement will not operate so as to create any merger or discharge of any of the Secured Obligations, or any assignment, transfer, guarantee, lien, contract, promissory note, bill of exchange or security interest of any form held or which may hereafter be held by the Secured Party from the Debtor or from any other person whomsoever. The taking of a judgment with respect to any of the Secured Obligations will not operate as a merger of any of the covenants contained in this Agreement.

9.3 No Obligation to Make Advances

Nothing herein will obligate the Secured Party to make any advance or loan or further advance or extend credit to the Debtor.

9.4 Set-Off or Counterclaim

The obligation of the Debtor to make all payments comprising part of the Secured Obligations is absolute and unconditional and will not be affected by:

- (a) any circumstance, including any set-off, compensation, counterclaim, recoupment, defence or other right which the Debtor may now or hereafter have against the Secured Party or any one or more others for any reason whatsoever; or
- (b) any insolvency, bankruptcy, reorganization or similar proceedings by or against the Debtor.

9.5 Statutory Waiver

To the fullest extent permitted by law, the Debtor waives all of the rights, benefits and protection given by the provisions of any existing or future statute which imposes limitations upon the rights, remedies or powers of a Secured Party or upon the methods of realization of security, including any seize or sue or anti-deficiency statute or any similar provisions of any other statute.

9.6 Assignment

The Secured Party may, without further notice to the Debtor, at any time assign, transfer or grant a security interest in this Agreement and the security interests granted hereby. The Debtor expressly agrees that the assignee, transferee or secured party, as the case may be, will have all of the Secured Party's rights and remedies under this Agreement and the Debtor shall not assert any defence, counterclaim, right of set-off or otherwise any claim which it now has or hereafter acquires against the Secured Party in any action commenced by such assignee, transferee or secured party, as the case may be, and will pay the Secured Obligations to the assignee, transferee or secured party, as the case may be, as the Secured Obligations become due. The

Debtor shall not assign this Agreement or any of its rights or benefits hereunder without the express written consent of the Secured Party first had and obtained.

9.7 Provisions Reasonable

The Debtor acknowledges that the provisions of this Agreement and, in particular, those respecting rights, remedies and powers of the Secured Party and any Receiver against the Debtor, its business and any Collateral upon an Event of Default, are commercially reasonable and not manifestly unreasonable.

9.8 Release by Debtor

The Debtor releases and discharges the Secured Party and the Receiver from every claim of every nature, whether sounding in damages or not, which may arise or be caused to the Debtor or any person claiming through or under the Debtor by reason or as a result of anything done by the Secured Party or any successor or assign claiming through or under the Secured Party or the Receiver under the provisions of this Agreement unless such claim be the result of dishonesty or gross neglect.

9.9 Indemnity

The Debtor shall indemnify and save the Secured Party from any and all costs, expenses, liabilities and damages which may be incurred by the Secured Party in connection with the Collateral and the enforcement of its rights hereunder, save only any costs, expenses, liabilities or damages resulting from any gross neglect or wilful misconduct by the Secured Party or its servants or agents.

9.10 Information to third parties

The Secured Party will not be obliged to inquire into the right of any Person purporting to be entitled under the Act to information and materials from the Secured Party by making a demand upon the Secured Party for such information and materials and the Secured Party will be entitled to comply with such demand and will not be liable for having complied with such demand notwithstanding that such Person may in fact not be entitled to make such demand.

9.11 Further Assurances

The Debtor shall at all times, do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered all such further acts, deeds, transfers, assignments, security agreements and assurances as the Secured Party may reasonably require in order to give effect to the provisions hereof and for the better granting, transferring, assigning, charging, setting over, assuring, confirming or perfecting the security interests hereby created and the priority accorded to them by law or under this Agreement.

9.12 Notices

Any notice, demand or other document to be given, or any delivery to be made hereunder shall be effective if in writing and delivered in person and left with, or if faxed and confirmed by prepaid registered letter addressed to the attention of:

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- (a) in the case of the Secured Party, addressed as follows:

PEAKHILL CAPITAL INC.

Suite 401, 10 King Street East
Toronto, ON M5C 1C3

Attention: Harley Gold, Managing Director
Shawn Ning, Vice President Investment & Financing

Fax No: N/A

with a copy to:

FASKEN MARTINEAU DUMOULIN LLP

Barristers & Solicitors
Bentall 5, Suite 2900 – 550 Burrard Street
Vancouver, BC V6C 0A3

Attention: Brent C. Clark

Fax No: 604.631.3232

- (b) in the case of the Debtor, addressed as follows:

SOUTHVIEW GARDENS LIMITED PARTNERSHIP

SOUTHVIEW GARDENS BT LTD.

Suite 1800, 1188 West Georgia Street
Vancouver, BC V6E 4A2

Attention: Zhen Yu Zhong

Fax No: N/A

with a copy to:

CLARK WILSON LLP

Barristers and Solicitors
Suite 900, 885 West Georgia Street
Vancouver, BC V6C 3H1

Attention: Karen Ngan

Fax No: 604.687.6314

Any notice, demand or other document or delivery so given or made will be deemed to have been given or made and received at the time of delivery in person or on the business day next following the date of faxing of the same. Any party hereto may from time to time by notice in writing change his or its address (or in the case of a corporate party, the designated recipient) for the purposes of this section.

9.13 Discharge

Any partial payment or satisfaction of the Secured Obligations will be deemed not to be a redemption or discharge of this Agreement. The Debtor shall be entitled to a release and discharge of this Agreement upon full payment and satisfaction of all Secured Obligations and upon written request by the Debtor and payment to the Secured Party of all costs, charges, expenses and legal fees and disbursements (on a solicitor and his own client basis) incurred by the Secured Party in connection with the Secured Obligations and such release and discharge.

9.14 Delivery of Copy/Waiver

The Debtor acknowledges receiving a copy of this Agreement. The Debtor waives all rights to receive from the Secured Party a copy of any financing statement, financing change statement or verification statement filed at any time in respect of this Agreement.

ARTICLE 10 INTERPRETATION

10.1 Amendment

Any amendment of this Agreement shall not be binding unless in writing and signed by the Secured Party and the Debtor.

10.2 Headings

All headings and titles in this Agreement are for reference only and are not to be used in the interpretation of the terms hereof.

10.3 Hereof, Etc.

All references in this Agreement to the words "hereof", "herein" or "hereunder" will be construed to mean and refer to this Agreement as a whole and will not be construed to refer only to a specific Article, Section, paragraph or clause of this Agreement unless the context clearly requires such construction.

10.4 Joint and Several Liability

If any party hereto is comprised of more than one Person the assignments, security interests and other charges constituted hereby and the representations, warranties, covenants, agreements, obligations and liabilities made by or imposed upon that party herein or by law will be deemed to have been made or incurred by all those Persons jointly and by each of those Persons severally.

10.5 Severability

If any of the terms of this Agreement are or are held to be unenforceable or otherwise invalid, such holding will not in any way affect the enforceability or validity of the remaining terms of this Agreement.

10.6 Governing Law

This Agreement will be governed by and construed in accordance with the laws of the Province of British Columbia, and each party hereby submits to the jurisdiction of the courts of the Province of British Columbia provided that the foregoing will in no way limit the right of the Secured Party to commence suits, actions or proceedings based on this Agreement in any other jurisdiction.

10.7 Interpretation

Wherever the singular or masculine gender is used throughout this Agreement the same will be construed as meaning the plural or the feminine or the body corporate or politic where the context or the parties hereto so require.

10.8 Capacity

If the Collateral or any portion thereof or any interest therein is held by the Debtor as a partner of a firm, as a trustee, as an agent, or in any other similar capacity, whether fiduciary or otherwise:

- (a) each and every warranty, representation, covenant, agreement, term, condition, provision and stipulation; and
- (b) each and every Security Interest and other charge created hereby,

made by or imposed upon the Debtor hereunder will be and be deemed to be jointly and severally made by or imposed upon the Debtor and the partnership, the beneficiary or beneficiaries of the trust, the principal(s) of the agent, or other entity or entities, as the case may be, and each Security Interest and other charge contained in this Agreement will be deemed to create a Security Interest in the estate, right, title and interest of the partnership, the beneficiary or beneficiaries, the principal(s), or such entity or entities, as the case may be, in and to the Collateral as well as being a Security Interest in the estate, interest and title of the Debtor in and to the Collateral, it being the intention of the parties hereto that this Agreement will create a Security Interest in both the legal and beneficial title to the Collateral (or the applicable real property or interests therein).

10.9 Secured Party as Agent

If this Agreement is granted to the Secured Party in its capacity as agent for one or more other Persons, the Debtor agrees that all:

- (a) grants, mortgages, assignments, charges and security interests;
- (b) representations, warranties, covenants and agreements; and
- (c) obligations and liabilities,

created, made, assumed or incurred hereunder by the Debtor in favour of the Secured Party are also created, made, assumed or incurred hereunder by the Debtor in favour of those Persons.

10.10 Binding Effect

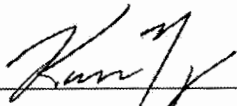
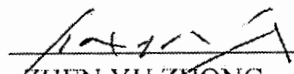
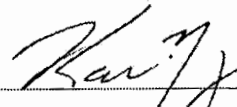
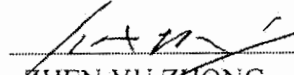
This Agreement shall be binding on the Debtor and its heirs, executors, personal representatives, successors and permitted assigns and shall enure to the benefit of the Secured Party and its successors and assigns.

10.11 Entire Agreement

The Secured Party has made no representations, warranties, covenants or acknowledgements affecting any Collateral, other than as expressly set out herein in writing and in Other Document executed by the Secured Party.

*[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK;
SIGNATURE PAGE(S) TO FOLLOW]*

EXECUTED by the Debtor as of the day, month and year set forth below.

OFFICER SIGNATURE(S)	EXECUTION DATE			SIGNATURE(S)
	Y	M	D	
 Name: Address: Occupation: KAREN NGAN <i>Barrister & Solicitor</i> CLARK WILSON LLP 900 - 885 WEST GEORGIA STREET VANCOUVER, BC V6C 3H1 T. 604.687.5700.	20	11	24	SOUTHVIEW GARDENS LIMITED PARTNERSHIP , by its General Partner, SOUTHVIEW GARDENS PROPERTIES LTD. , by its authorized signatory(ies):  ZHEN YU ZHONG
 Name: Address: Occupation: KAREN NGAN <i>Barrister & Solicitor</i> CLARK WILSON LLP 900 - 885 WEST GEORGIA STREET VANCOUVER, BC V6C 3H1 T. 604.687.5700.	20	11	24	SOUTHVIEW GARDENS BT LTD. , by its authorized signatory(ies):  ZHEN YU ZHONG

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 execution of this instrument.

SCHEDULE "A"
PERMITTED ENCUMBRANCES

Nil

SCHEDULE "B"
SERIAL NUMBERED GOODS

TYPE	SERIAL NUMBER	MODEL NUMBER	YEAR
N/A			

LOCATIONS IN BC WHERE COLLATERAL MAINTAINED

3240, 3260 and 3280 East 58th Avenue, Vancouver, BC V5S 3T2

Suite 1800, 1188 West Georgia Street, Vancouver, BC V6E 4A2

JURISDICTIONS (OTHER THAN B.C.) AND LOCATION OF COLLATERAL

JURISDICTIONS:	LOCATIONS:
Nil	

CHIEF EXECUTIVE OFFICE

Suite 1800, 1188 West Georgia Street, Vancouver, BC V6E 4A2

OTHER NAMES

Nil

OTHER PERSONS WITH RIGHTS IN COLLATERAL

Nil

**INTELLECTUAL PROPERTY APPLICATIONS
AND REGISTRATIONS / TRADE MARK AND INDUSTRIAL DESIGNS**

Nil

BETWEEN:

**SOUTHVIEW GARDENS LIMITED
PARTNERSHIP and
SOUTHVIEW GARDENS BT LTD.**

AND:

PEAKHILL CAPITAL INC.

**PROJECT SPECIFIC SECURITY
AGREEMENT**

**FASKEN MARTINEAU DUMOULIN LLP
Barristers & Solicitors**

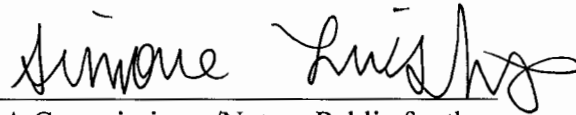
**Bentall 5, Suite 2900 – 550 Burrard Street
Vancouver, BC, Canada V6C 0A3
Telephone: 604.631.3131**

Counsel: Brent C. Clark

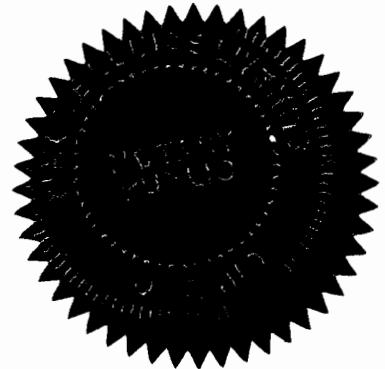
File No: 324371.00001

TAB I

This is Exhibit "I" referred to in the
Affidavit of Remy Caruso, sworn
before me at Toronto, in the Province of
Ontario this 10th day of February, 2023.



A Commissioner/Notary Public for the
Province of Ontario



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Business Debtor - "Southview Gardens Limited Partnership"

Search Date and Time: February 1, 2023 at 11:24:40 am Pacific time
Account Name: OSLER, HOSKIN & HARCOURT LLP

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3 Matches in 3 Registrations in Report

Exact Matches: 3 (*)

Total Search Report Pages: 8

	Base Registration	Base Registration Date	Debtor Name	Page
1	530256L	May 28, 2019	* SOUTHVIEW GARDENS LIMITED PARTNERSHIP	2
2	596224M	November 16, 2020	* SOUTHVIEW GARDENS LIMITED PARTNERSHIP	5
3	622739N	March 25, 2022	* SOUTHVIEW GARDENS LIMITED PARTNERSHIP	7

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 530256L

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	May 28, 2019 at 5:10:40 pm Pacific time
Current Expiry Date and Time:	May 28, 2029 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of February 1, 2023 at 11:24:40 am Pacific time)

Secured Party Information**WOODBOURNE CANADA
PARTNERS IV (CA) LP****Address**100 WELLINGTON ST W STE 1201
TORONTO ON
M5K 1H6 Canada**WB CANADA PARTNERS IV MF LLC****Address**100 WELLINGTON ST W STE 1201
TORONTO ON
M5K 1H6 Canada**WB CANADA PARTNERS IV (INT) MF
CORP****Address**100 WELLINGTON ST W STE 1201
TORONTO ON
M5K 1H6 Canada

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Debtor Information**SOUTHVIEW GARDENS LIMITED
PARTNERSHIP****Address**

745 THURLOW ST SUITE 2400
VANCOUVER BC
V6E 0C5 Canada

SOUTHVIEW GARDENS (BT) LTD**Address**

745 THURLOW ST SUITE 2400
VANCOUVER BC
V6E 0C5 Canada

**SOUTHVIEW GARDENS PROPERTIES
LTD****Address**

745 THURLOW ST SUITE 2400
VANCOUVER BC
V6E 0C5 Canada

Vehicle Collateral

None

General Collateral**Base Registration General Collateral:**

ALL PRESENT AND AFTER-ACQUIRED GOODS, SECURITIES, INVESTMENT PROPERTY, INSTRUMENTS, DOCUMENTS OF TITLE, CHATTEL PAPER, INTANGIBLES, MONEY, CROPS, LICENCES AND ACCOUNTS, LOCATED ON, SITUATE ON, ARISING FROM, RELATING TO OR USED IN CONNECTION WITH THE REAL PROPERTY LOCATED AT 3240, 3260 AND 3280 EAST 58 AVENUE, VANCOUVER, BRITISH COLUMBIA, LEGALLY DESCRIBED AS PARCEL IDENTIFIER: 007-982- 160, LOT 14 DISTRICT LOT 334 PLAN 13993 INCLUDING, WITHOUT LIMITATION, ALL TOOLS, APPARATUS FIXTURES, PLANT, MACHINERY, FURNITURE, CHATTELS, ALL AIR-CONDITIONING, HEATING, VENTILATING, ELECTRICAL, MECHANICAL, PLUMBING COMMUNICATIONS, AND DATA SYSTEMS, APPURTENANCES, EQUIPMENT AND APPARATUS, ALL ELEVATORS, ESCALATORS AND OTHER CONVEYANCING DEVICES, ALL BOILERS, FURNACES, CARPETS, BLINDS, WINDOW COVERINGS, CURTAINS, DRAPES, AWNINGS, LIGHTING FIXTURES, DOORS, WINDOWS, DEMISING WALLS AND PARTITIONS, WIRING, PIPES AND CONDUITS; AND ALL PROCEEDS INCLUDING ACCOUNTS, MONEY, CHATTEL PAPER, INTANGIBLES, GOODS, DOCUMENTS OF TITLE, INSTRUMENTS, SECURITIES, INVESTMENT PROPERTY, SUBSTITUTIONS, LICENCES, TRADE INS, INSURANCE PROCEEDS AND ANY OTHER FORM OF PROCEEDS.

PERSONAL PROPERTY REGISTRY SEARCH RESULT

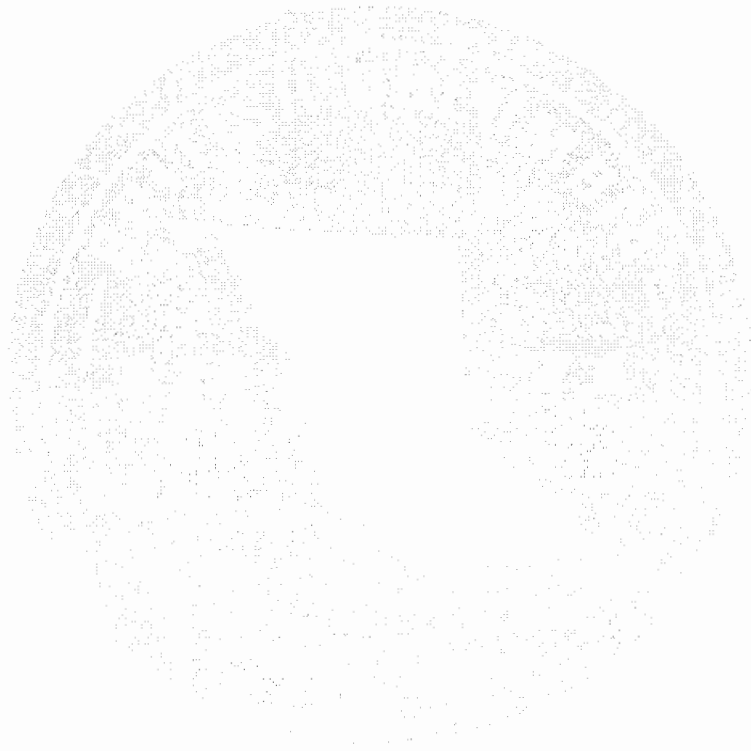
BC Registries and Online Services

Original Registering Party

BENNETT JONES LLP

Address

666 BARRARD STREET, SUITE 2500
VANCOUVER BC
V6C 2X8 Canada



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 596224M

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	November 16, 2020 at 1:48:10 pm Pacific time
Current Expiry Date and Time:	November 16, 2025 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION
(as of February 1, 2023 at 11:24:40 am Pacific time)

Secured Party Information**PEAKHILL CAPITAL INC.****Address**SUITE 401, 10 KING STREET EAST
TORONTO ON
M5C 1C3 Canada

Debtor Information**SOUTHVIEW GARDENS LIMITED
PARTNERSHIP****Address**STE 1800, 1188 WEST GEORGIA ST
VANCOUVER BC
V6E 4A2 Canada

**SOUTHVIEW GARDENS PROPERTIES
LTD****Address**STE 1800, 1188 WEST GEORGIA ST
VANCOUVER BC
V6E 4A2 Canada

SOUTHVIEW GARDENS BT LTD**Address**STE 1800, 1188 WEST GEORGIA ST
VANCOUVER BC
V6E 4A2 Canada

PERSONAL PROPERTY REGISTRY SEARCH RESULTBC Registries and Online Services

Vehicle CollateralNone

General Collateral**Base Registration General Collateral:**

ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED GOODS (INCLUDING FIXTURES, EQUIPMENT AND INVENTORY), INVESTMENT PROPERTIES, INSTRUMENTS, CHATTEL PAPER, DOCUMENTS OF TITLE, MONEY AND INTANGIBLES (INCLUDING CONTRACTS, PLANS, SPECIFICATIONS, AND ACCOUNTS) OF THE DEBTOR'S AND EACH OF THEM NOW OR HEREAFTER, SITUATE AT, ARISING OUT OF, USED IN CONNECTION WITH, OR RELATING TO THE LANDS LOCATED AT AND LEGALLY DESCRIBED AS FOLLOWS: 3240/3260/3280 EAST 58TH AVENUE, VANCOUVER, BC, V5S 3T2 PID: LEGAL DESCRIPTION 007-982-160 LOT 14 DISTRICT LOT 334 PLAN 13993, AND THE RELATED IMPROVEMENTS NOW OR HEREAFTER DEVELOPED OR CONSTRUCTED THEREON. ALL PROCEEDS THEREOF THAT ARE GOODS, INTANGIBLES, INVESTMENT PROPERTIES, DOCUMENTS OF TITLE, CHATTEL PAPER, INSTRUMENTS OR MONEY (TERMS USED HEREIN THAT ARE DEFINED IN THE PERSONAL PROPERTY, SECURITY ACT OF BRITISH COLUMBIA HAVE THOSE DEFINED MEANINGS).

Original Registering Party**FASKEN MARTINEAU DUMOULIN
LLP****Address**SUITE 2900, 550 BURRARD STREET
VANCOUVER BC
V6C 0A3 Canada

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 622739N

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	March 25, 2022 at 4:35:57 pm Pacific time
Current Expiry Date and Time:	March 25, 2024 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of February 1, 2023 at 11:24:40 am Pacific time)

Secured Party Information**CENYARD PACIFIC DEVELOPMENTS
INC.****Address**BOX 366, 5778 COWRIE STREET
SECHELT BC
V0N 3A0 Canada**Debtor Information****SOUTHVIEW GARDENS LIMITED
PARTNERSHIP****Address**1800 - 1188 WEST GEORGIA STREET
VANCOUVER BC
V6E 4A2 Canada**SOUTHVIEW GARDENS PROPERTIES
LTD.****Address**1800 - 1188 WEST GEORGIA STREET
VANCOUVER BC
V6E 4A2 Canada**Vehicle Collateral**

None

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

General Collateral

Base Registration General Collateral:

ALL GOODS, INSTRUMENTS, DOCUMENTS OF TITLE, CHATTEL PAPER, INTANGIBLES, MONEY, INVESTMENT PROPERTY, FIXTURES, CROPS AND LICENCES OF THE DEBTOR, OF WHATSOEVER NATURE OR KIND, NOW OR AT ANY TIME HEREAFTER SITUATE ON, USED IN CONNECTION WITH OR ARISING FROM THE BUSINESS OR AFFAIRS CARRIED ON, AT OR ABOUT THE REAL AND IMMOVEABLE PROPERTY MUNICIPALLY KNOWN AS 3240/3260/3280 58TH AVENUE EAST, VANCOUVER, BRITISH COLUMBIA AND LEGALLY DESCRIBED AS: PID 007-982-160 LOT 14 DISTRICT LOT 334 PLAN 13993 AND ALL PROCEEDS THEREOF THAT ARE GOODS, INTANGIBLES, DOCUMENTS OF TITLE, CHATTEL PAPER, INSTRUMENTS, MONEY, INVESTMENT PROPERTY, LICENCES OR CROPS (AS SUCH TERMS ARE DEFINED IN THE PERSONAL PROPERTY SECURITY ACT OF BRITISH COLUMBIA AND THE REGULATIONS THEREUNDER).

SOUTHVIEW GARDENS PROPERTIES LTD. IS NAMED AS A DEBTOR IN ITS CAPACITY AS GENERAL PARTNER OF SOUTHVIEW GARDENS LIMITED PARTNERSHIP.

Original Registering Party

DENTONS CANADA LLP

Address

20TH FLOOR 250 HOWE STREET
VANCOUVER BC
V6C 3R8 Canada

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Business Debtor - "Southview Gardens BT LTD."

Search Date and Time: February 1, 2023 at 11:20:24 am Pacific time
Account Name: OSLER, HOSKIN & HARCOULT LLP

TABLE OF CONTENTS

3 Matches in 3 Registrations in Report

Exact Matches: 3 (*)

Total Search Report Pages: 8

	Base Registration	Base Registration Date	Debtor Name	Page
1	530256L	May 28, 2019	* SOUTHVIEW GARDENS (BT) LTD	2
2	596224M	November 16, 2020	* SOUTHVIEW GARDENS BT LTD	5
3	622742N	March 25, 2022	* SOUTHVIEW GARDENS BT LTD.	7

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 530256L

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	May 28, 2019 at 5:10:40 pm Pacific time
Current Expiry Date and Time:	May 28, 2029 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of February 1, 2023 at 11:20:24 am Pacific time)

Secured Party Information

**WOODBOURNE CANADA
PARTNERS IV (CA) LP**

Address

100 WELLINGTON ST W STE 1201
TORONTO ON
M5K 1H6 Canada

WB CANADA PARTNERS IV MF LLC

Address

100 WELLINGTON ST W STE 1201
TORONTO ON
M5K 1H6 Canada

**WB CANADA PARTNERS IV (INT) MF
CORP**

Address

100 WELLINGTON ST W STE 1201
TORONTO ON
M5K 1H6 Canada

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Debtor Information**SOUTHVIEW GARDENS LIMITED
PARTNERSHIP****Address**

745 THURLOW ST SUITE 2400
VANCOUVER BC
V6E 0C5 Canada

SOUTHVIEW GARDENS (BT) LTD**Address**

745 THURLOW ST SUITE 2400
VANCOUVER BC
V6E 0C5 Canada

**SOUTHVIEW GARDENS PROPERTIES
LTD****Address**

745 THURLOW ST SUITE 2400
VANCOUVER BC
V6E 0C5 Canada

Vehicle Collateral

None

General Collateral**Base Registration General Collateral:**

ALL PRESENT AND AFTER-ACQUIRED GOODS, SECURITIES, INVESTMENT PROPERTY, INSTRUMENTS, DOCUMENTS OF TITLE, CHATTEL PAPER, INTANGIBLES, MONEY, CROPS, LICENCES AND ACCOUNTS, LOCATED ON, SITUATE ON, ARISING FROM, RELATING TO OR USED IN CONNECTION WITH THE REAL PROPERTY LOCATED AT 3240, 3260 AND 3280 EAST 58 AVENUE, VANCOUVER, BRITISH COLUMBIA, LEGALLY DESCRIBED AS PARCEL IDENTIFIER: 007-982- 160, LOT 14 DISTRICT LOT 334 PLAN 13993 INCLUDING, WITHOUT LIMITATION, ALL TOOLS, APPARATUS FIXTURES, PLANT, MACHINERY, FURNITURE, CHATTELS, ALL AIR-CONDITIONING, HEATING, VENTILATING, ELECTRICAL, MECHANICAL, PLUMBING COMMUNICATIONS, AND DATA SYSTEMS, APPURTENANCES, EQUIPMENT AND APPARATUS, ALL ELEVATORS, ESCALATORS AND OTHER CONVEYANCING DEVICES, ALL BOILERS, FURNACES, CARPETS, BLINDS, WINDOW COVERINGS, CURTAINS, DRAPES, AWNINGS, LIGHTING FIXTURES, DOORS, WINDOWS, DEMISING WALLS AND PARTITIONS, WIRING, PIPES AND CONDUITS; AND ALL PROCEEDS INCLUDING ACCOUNTS, MONEY, CHATTEL PAPER, INTANGIBLES, GOODS, DOCUMENTS OF TITLE, INSTRUMENTS, SECURITIES, INVESTMENT PROPERTY, SUBSTITUTIONS, LICENCES, TRADE INS, INSURANCE PROCEEDS AND ANY OTHER FORM OF PROCEEDS.

PERSONAL PROPERTY REGISTRY SEARCH RESULT

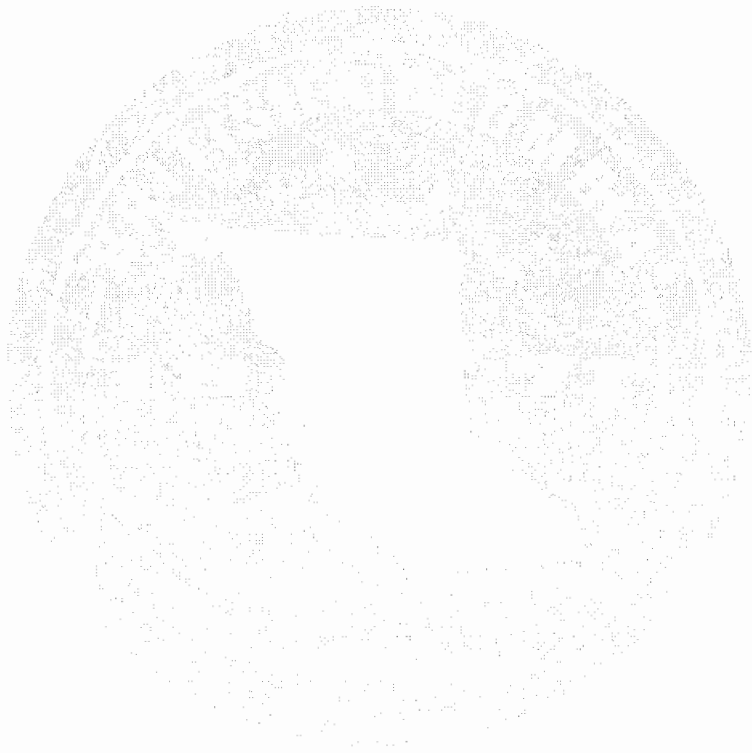
BC Registries and Online Services

Original Registering Party

BENNETT JONES LLP

Address

666 BARRARD STREET, SUITE 2500
VANCOUVER BC
V6C 2X8 Canada



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 596224M

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	November 16, 2020 at 1:48:10 pm Pacific time
Current Expiry Date and Time:	November 16, 2025 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION
(as of February 1, 2023 at 11:20:24 am Pacific time)

Secured Party Information**PEAKHILL CAPITAL INC.****Address**SUITE 401, 10 KING STREET EAST
TORONTO ON
M5C 1C3 Canada**Debtor Information****SOUTHVIEW GARDENS LIMITED
PARTNERSHIP****Address**STE 1800, 1188 WEST GEORGIA ST
VANCOUVER BC
V6E 4A2 Canada**SOUTHVIEW GARDENS PROPERTIES
LTD****Address**STE 1800, 1188 WEST GEORGIA ST
VANCOUVER BC
V6E 4A2 Canada**SOUTHVIEW GARDENS BT LTD****Address**STE 1800, 1188 WEST GEORGIA ST
VANCOUVER BC
V6E 4A2 Canada

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Vehicle Collateral

None

General Collateral

Base Registration General Collateral:

ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED GOODS (INCLUDING FIXTURES, EQUIPMENT AND INVENTORY), INVESTMENT PROPERTIES, INSTRUMENTS, CHATTEL PAPER, DOCUMENTS OF TITLE, MONEY AND INTANGIBLES (INCLUDING CONTRACTS, PLANS, SPECIFICATIONS, AND ACCOUNTS) OF THE DEBTOR'S AND EACH OF THEM NOW OR HEREAFTER ,SITUATE AT, ARISING OUT OF, USED IN CONNECTION WITH, OR RELATING TO THE LANDS LOCATED AT AND LEGALLY DESCRIBED AS FOLLOWS: 3240/3260/3280 EAST 58TH AVENUE, VANCOUVER, BC, V5S 3T2 PID: LEGAL DESCRIPTION 007-982-160 LOT 14 DISTRICT LOT 334 PLAN 13993 ,AND THE RELATED IMPROVEMENTS NOW OR HEREAFTER DEVELOPED OR CONSTRUCTED THEREON. ALL PROCEEDS THEREOF THAT ARE GOODS, INTANGIBLES, INVESTMENT PROPERTIES, DOCUMENTS OF TITLE, CHATTEL PAPER, INSTRUMENTS OR MONEY (TERMS USED HEREIN THAT ARE DEFINED IN THE PERSONAL PROPERTY ,SECURITY ACT OF BRITISH COLUMBIA HAVE THOSE DEFINED MEANINGS).

Original Registering Party

**FASKEN MARTINEAU DUMOULIN
LLP**

Address

SUITE 2900, 550 BURRARD STREET
VANCOUVER BC
V6C 0A3 Canada

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 622742N

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	March 25, 2022 at 4:37:07 pm Pacific time
Current Expiry Date and Time:	March 25, 2024 at 11:59:59 pm Pacific time <small>Expiry date includes subsequent registered renewals)</small>
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of February 1, 2023 at 11:20:24 am Pacific time)

Secured Party Information

CENYARD PACIFIC DEVELOPMENTS INC.	Address BOX 366, 5778 COWRIE STREET SECHELT BC V0N 3A0 Canada
--	---

Debtor Information

SOUTHVIEW GARDENS BT LTD.	Address 1800 - 1188 WEST GEORGIA STREET VANCOUVER BC V6E 4A2 Canada
----------------------------------	---

Vehicle Collateral

None

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

General Collateral

Base Registration General Collateral:

ALL GOODS, INSTRUMENTS, DOCUMENTS OF TITLE, CHATTEL PAPER, INTANGIBLES, MONEY, INVESTMENT PROPERTY, FIXTURES, CROPS AND LICENCES OF THE DEBTOR, OF WHATSOEVER NATURE OR KIND, NOW OR AT ANY TIME HEREAFTER SITUATE ON, USED IN CONNECTION WITH OR ARISING FROM THE BUSINESS OR AFFAIRS CARRIED ON, AT OR ABOUT THE REAL AND IMMOVEABLE PROPERTY MUNICIPALLY KNOWN AS 3240/3260/3280 58TH AVENUE EAST, VANCOUVER, BRITISH COLUMBIA AND LEGALLY DESCRIBED AS: PID 007-982-160 LOT 14 DISTRICT LOT 334 PLAN 13993 AND ALL PROCEEDS THEREOF THAT ARE GOODS, INTANGIBLES, DOCUMENTS OF TITLE, CHATTEL PAPER, INSTRUMENTS, MONEY, INVESTMENT PROPERTY, LICENCES OR CROPS (AS SUCH TERMS ARE DEFINED IN THE PERSONAL PROPERTY SECURITY ACT OF BRITISH COLUMBIA AND THE REGULATIONS THEREUNDER).

Original Registering Party

DENTONS CANADA LLP

Address

20TH FLOOR 250 HOWE STREET
VANCOUVER BC
V6C 3R8 Canada

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Business Debtor - "Southview Gardens Properties Ltd"

Search Date and Time: February 1, 2023 at 11:26:18 am Pacific time
Account Name: OSLER, HOSKIN & HARCOURT LLP

TABLE OF CONTENTS

4 Matches in 4 Registrations in Report

Exact Matches: 4 (*)

Total Search Report Pages: 10

	Base Registration	Base Registration Date	Debtor Name	Page
1	530256L	May 28, 2019	* SOUTHVIEW GARDENS PROPERTIES LTD	2
2	596224M	November 16, 2020	* SOUTHVIEW GARDENS PROPERTIES LTD	5
3	622739N	March 25, 2022	* SOUTHVIEW GARDENS PROPERTIES LTD.	7
4	622741N	March 25, 2022	* SOUTHVIEW GARDENS PROPERTIES LTD.	9

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 530256L

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	May 28, 2019 at 5:10:40 pm Pacific time
Current Expiry Date and Time:	May 28, 2029 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION
(as of February 1, 2023 at 11:26:18 am Pacific time)

Secured Party Information**WOODBOURNE CANADA
PARTNERS IV (CA) LP****Address**100 WELLINGTON ST W STE 1201
TORONTO ON
M5K 1H6 Canada**WB CANADA PARTNERS IV MF LLC****Address**100 WELLINGTON ST W STE 1201
TORONTO ON
M5K 1H6 Canada**WB CANADA PARTNERS IV (INT) MF
CORP****Address**100 WELLINGTON ST W STE 1201
TORONTO ON
M5K 1H6 Canada

PERSONAL PROPERTY REGISTRY SEARCH RESULTBC Registries and Online Services

Debtor Information**SOUTHVIEW GARDENS LIMITED
PARTNERSHIP****Address**

745 THURLOW ST SUITE 2400
VANCOUVER BC
V6E 0C5 Canada

SOUTHVIEW GARDENS (BT) LTD**Address**

745 THURLOW ST SUITE 2400
VANCOUVER BC
V6E 0C5 Canada

**SOUTHVIEW GARDENS PROPERTIES
LTD****Address**

745 THURLOW ST SUITE 2400
VANCOUVER BC
V6E 0C5 Canada

Vehicle CollateralNone

General Collateral**Base Registration General Collateral:**

ALL PRESENT AND AFTER-ACQUIRED GOODS, SECURITIES, INVESTMENT PROPERTY, INSTRUMENTS, DOCUMENTS OF TITLE, CHATTEL PAPER, INTANGIBLES, MONEY, CROPS, LICENCES AND ACCOUNTS, LOCATED ON, SITUATE ON, ARISING FROM, RELATING TO OR USED IN CONNECTION WITH THE REAL PROPERTY LOCATED AT 3240, 3260 AND 3280 EAST 58 AVENUE, VANCOUVER, BRITISH COLUMBIA, LEGALLY DESCRIBED AS PARCEL IDENTIFIER: 007-982- 160, LOT 14 DISTRICT LOT 334 PLAN 13993 INCLUDING, WITHOUT LIMITATION, ALL TOOLS, APPARATUS FIXTURES, PLANT, MACHINERY, FURNITURE, CHATTELS, ALL AIR-CONDITIONING, HEATING, VENTILATING, ELECTRICAL, MECHANICAL, PLUMBING COMMUNICATIONS, AND DATA SYSTEMS, APPURTENANCES, EQUIPMENT AND APPARATUS, ALL ELEVATORS, ESCALATORS AND OTHER CONVEYANCING DEVICES, ALL BOILERS, FURNACES, CARPETS, BLINDS, WINDOW COVERINGS, CURTAINS, DRAPES, AWNINGS, LIGHTING FIXTURES, DOORS, WINDOWS, DEMISING WALLS AND PARTITIONS, WIRING, PIPES AND CONDUITS; AND ALL PROCEEDS INCLUDING ACCOUNTS, MONEY, CHATTEL PAPER, INTANGIBLES, GOODS, DOCUMENTS OF TITLE, INSTRUMENTS, SECURITIES, INVESTMENT PROPERTY, SUBSTITUTIONS, LICENCES, TRADE INS, INSURANCE PROCEEDS AND ANY OTHER FORM OF PROCEEDS.

PERSONAL PROPERTY REGISTRY SEARCH RESULT

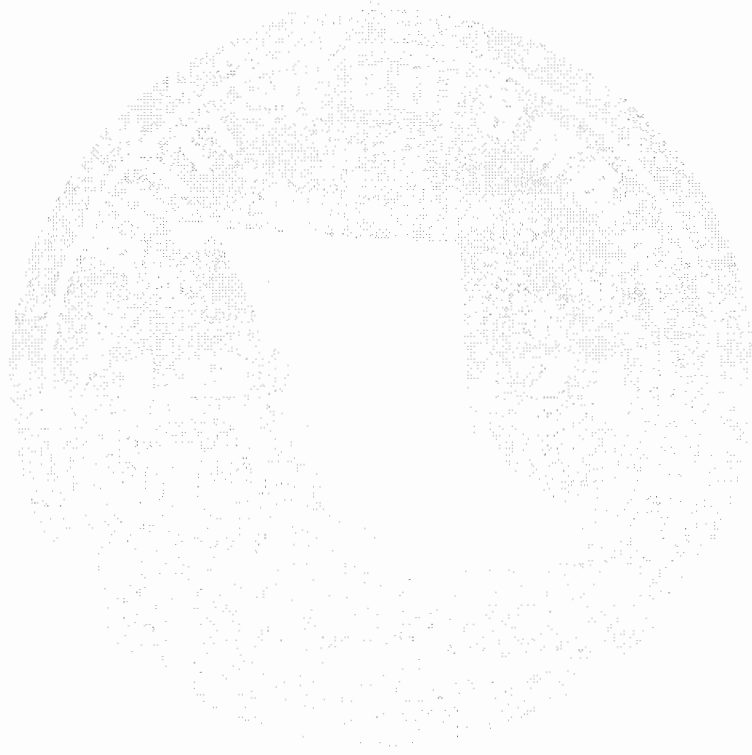
BC Registries and Online Services

Original Registering Party

BENNETT JONES LLP

Address

666 BARRARD STREET, SUITE 2500
VANCOUVER BC
V6C 2X8 Canada



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 596224M

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	November 16, 2020 at 1:48:10 pm Pacific time
Current Expiry Date and Time:	November 16, 2025 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of February 1, 2023 at 11:26:18 am Pacific time)

Secured Party Information**PEAKHILL CAPITAL INC.****Address**SUITE 401, 10 KING STREET EAST
TORONTO ON
M5C 1C3 Canada**Debtor Information****SOUTHVIEW GARDENS LIMITED
PARTNERSHIP****Address**STE 1800, 1188 WEST GEORGIA ST
VANCOUVER BC
V6E 4A2 Canada**SOUTHVIEW GARDENS PROPERTIES
LTD****Address**STE 1800, 1188 WEST GEORGIA ST
VANCOUVER BC
V6E 4A2 Canada**SOUTHVIEW GARDENS BT LTD****Address**STE 1800, 1188 WEST GEORGIA ST
VANCOUVER BC
V6E 4A2 Canada

PERSONAL PROPERTY REGISTRY SEARCH RESULTBC Registries and Online Services

Vehicle CollateralNone

General Collateral**Base Registration General Collateral:**

ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED GOODS (INCLUDING FIXTURES, EQUIPMENT AND INVENTORY), INVESTMENT PROPERTIES, INSTRUMENTS, CHATTEL PAPER, DOCUMENTS OF TITLE, MONEY AND INTANGIBLES (INCLUDING CONTRACTS, PLANS, SPECIFICATIONS, AND ACCOUNTS) OF THE DEBTOR'S AND EACH OF THEM NOW OR HEREAFTER, SITUATE AT, ARISING OUT OF, USED IN CONNECTION WITH, OR RELATING TO THE LANDS LOCATED AT AND LEGALLY DESCRIBED AS FOLLOWS: 3240/3260/3280 EAST 58TH AVENUE, VANCOUVER, BC, V5S 3T2 PID: LEGAL DESCRIPTION 007-982-160 LOT 14 DISTRICT LOT 334 PLAN 13993, AND THE RELATED IMPROVEMENTS NOW OR HEREAFTER DEVELOPED OR CONSTRUCTED THEREON. ALL PROCEEDS THEREOF THAT ARE GOODS, INTANGIBLES, INVESTMENT PROPERTIES, DOCUMENTS OF TITLE, CHATTEL PAPER, INSTRUMENTS OR MONEY (TERMS USED HEREIN THAT ARE DEFINED IN THE PERSONAL PROPERTY SECURITY ACT OF BRITISH COLUMBIA HAVE THOSE DEFINED MEANINGS).

Original Registering Party**FASKEN MARTINEAU DUMOULIN
LLP****Address**SUITE 2900, 550 BARRARD STREET
VANCOUVER BC
V6C 0A3 Canada

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 622739N

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	March 25, 2022 at 4:35:57 pm Pacific time
Current Expiry Date and Time:	March 25, 2024 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION
(as of February 1, 2023 at 11:26:18 am Pacific time)

Secured Party Information**CENYARD PACIFIC DEVELOPMENTS
INC.****Address**BOX 366, 5778 COWRIE STREET
SECHELT BC
V0N 3A0 Canada

Debtor Information**SOUTHVIEW GARDENS LIMITED
PARTNERSHIP****Address**1800 - 1188 WEST GEORGIA STREET
VANCOUVER BC
V6E 4A2 Canada

**SOUTHVIEW GARDENS PROPERTIES
LTD.****Address**1800 - 1188 WEST GEORGIA STREET
VANCOUVER BC
V6E 4A2 Canada

Vehicle Collateral

None

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

General Collateral

Base Registration General Collateral:

ALL GOODS, INSTRUMENTS, DOCUMENTS OF TITLE, CHATTEL PAPER, INTANGIBLES, MONEY, INVESTMENT PROPERTY, FIXTURES, CROPS AND LICENCES OF THE DEBTOR, OF WHATSOEVER NATURE OR KIND, NOW OR AT ANY TIME HEREAFTER SITUATE ON, USED IN CONNECTION WITH OR ARISING FROM THE BUSINESS OR AFFAIRS CARRIED ON, AT OR ABOUT THE REAL AND IMMOVEABLE PROPERTY MUNICIPALLY KNOWN AS 3240/3260/3280 58TH AVENUE EAST, VANCOUVER, BRITISH COLUMBIA AND LEGALLY DESCRIBED AS: PID 007-982-160 LOT 14 DISTRICT LOT 334 PLAN 13993 AND ALL PROCEEDS THEREOF THAT ARE GOODS, INTANGIBLES, DOCUMENTS OF TITLE, CHATTEL PAPER, INSTRUMENTS, MONEY, INVESTMENT PROPERTY, LICENCES OR CROPS (AS SUCH TERMS ARE DEFINED IN THE PERSONAL PROPERTY SECURITY ACT OF BRITISH COLUMBIA AND THE REGULATIONS THEREUNDER).

SOUTHVIEW GARDENS PROPERTIES LTD. IS NAMED AS A DEBTOR IN ITS CAPACITY AS GENERAL PARTNER OF SOUTHVIEW GARDENS LIMITED PARTNERSHIP.

Original Registering Party

DENTONS CANADA LLP

Address

20TH FLOOR 250 HOWE STREET
VANCOUVER BC
V6C 3R8 Canada

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 622741N

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	March 25, 2022 at 4:36:33 pm Pacific time
Current Expiry Date and Time:	March 25, 2024 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of February 1, 2023 at 11:26:18 am Pacific time)

Secured Party Information

CENYARD PACIFIC DEVELOPMENTS INC.	Address BOX 366, 5778 COWRIE STREET SECHELT BC V0N 3A0 Canada
--	---

Debtor Information

SOUTHVIEW GARDENS PROPERTIES LTD.	Address 1800 - 1188 WEST GEORGIA STREET VANCOUVER BC V6E 4A2 Canada
--	---

Vehicle Collateral

None

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

General Collateral

Base Registration General Collateral:

ALL GOODS, INSTRUMENTS, DOCUMENTS OF TITLE, CHATTEL PAPER, INTANGIBLES, MONEY, INVESTMENT PROPERTY, FIXTURES, CROPS AND LICENCES OF THE DEBTOR, OF WHATSOEVER NATURE OR KIND, NOW OR AT ANY TIME HEREAFTER SITUATE ON, USED IN CONNECTION WITH OR ARISING FROM THE BUSINESS OR AFFAIRS CARRIED ON, AT OR ABOUT THE REAL AND IMMOVEABLE PROPERTY MUNICIPALLY KNOWN AS 3240/3260/3280 58TH AVENUE EAST, VANCOUVER, BRITISH COLUMBIA AND LEGALLY DESCRIBED AS: PID 007-982-160 LOT 14 DISTRICT LOT 334 PLAN 13993 AND ALL PROCEEDS THEREOF THAT ARE GOODS, INTANGIBLES, DOCUMENTS OF TITLE, CHATTEL PAPER, INSTRUMENTS, MONEY, INVESTMENT PROPERTY, LICENCES OR CROPS (AS SUCH TERMS ARE DEFINED IN THE PERSONAL PROPERTY SECURITY ACT OF BRITISH COLUMBIA AND THE REGULATIONS THEREUNDER).

Original Registering Party

DENTONS CANADA LLP

Address

20TH FLOOR 250 HOWE STREET
VANCOUVER BC
V6C 3R8 Canada

TAB J

This is Exhibit "J" referred to in the
Affidavit of Remy Caruso, sworn
before me at Toronto, in the Province of
Ontario this 10th day of February, 2023.

Summe Mustafa

A Commissioner/Notary Public for the
Province of Ontario



Berner, Bridget

From: Harley Gold <harleygold@Peakhillcapital.com>
Sent: Friday, February 10, 2023 7:47 AM
To: Remy Caruso
Subject: Fwd: [EXT] Re: Peakhill Capital - \$50M loan to Southview Gardens LP, et al - Letter and executed documents [CWILSON-C.FID1299453] [FMD-CW.FID6551929] [IWOV-CANADA_WEST.FID6551929]
Attachments: CA9812473 - Cenyard Pacific Developments Inc. - Mortgage.PDF

Harley Gold, MBA
Managing Director
Peakhill Capital
416-476-8565
10 King East Suite 401
Toronto, ON M5C1C3
<https://peakhillcapital.com>

Lic #: M18000771 | FSCO Lic# 13234

Daily Bond yields

<https://www.peakhillcapital.com/dailybondyields/>

Begin forwarded message:

From: Harley Gold <Harleygold@peakhillcapital.com>
Date: October 27, 2022 at 4:19:12 PM EDT
To: Shawn Ning <shawnning@peakhillcapital.com>
Subject: Fwd: [EXT] Re: Peakhill Capital - \$50M loan to Southview Gardens LP, et al - Letter and executed documents [CWILSON-C.FID1299453] [FMD-CW.FID6551929] [IWOV-CANADA_WEST.FID6551929]

Send me an email of the stack now please
Peakhill X
This X
Woodborne X

Harley Gold, MBA
Managing Director
Peakhill Capital

416-476-8565
 10 King East Suite 401
 Toronto, ON M5C1C3
<https://peakhillcapital.com>

Lic #: M18000771 | FSCO Lic# 13234

Daily Bond yields

<https://www.peakhillcapital.com/dailybondyields/>

Begin forwarded message:

From: Grace Siu <gsiu@fasken.com>
Date: October 27, 2022 at 3:51:06 PM EDT
To: Harley Gold <Harleygold@peakhillcapital.com>
Cc: Shawn Ning <shawnning@peakhillcapital.com>, Remy Caruso <remycaruso@peakhillcapital.com>, Brent Clark <bcclark@fasken.com>, Peakhill Capital Inc__ SOUTHVIEW GARDENS LIMITED PARTNERSHIP _ 324371_00001 03 _ Email _ Courriels <{F6551929}.CANADA_WEST@fmddms6.ad.fasken.fmd>
Subject: RE: [EXT] Re: Peakhill Capital - \$50M loan to Southview Gardens LP, et al - Letter and executed documents [CWILSON-C.FID1299453] [FMD-CW.FID6551929] [IWOV-CANADA_WEST.FID6551929]

Hi Harley,

We pulled a copy of the mortgage (see attached) – mortgage amount is \$21,000,000.

Regards,
 Grace

Grace Siu
 PARALEGAL
 T. +1 604 631 4927 | F. 1 604 631 3232

From: Harley Gold <harleygold@Peakhillcapital.com>
Sent: October-27-22 12:43 PM
To: Grace Siu <gsiu@fasken.com>
Cc: Shawn Ning <shawnning@Peakhillcapital.com>; Remy Caruso <Remycaruso@Peakhillcapital.com>; Brent Clark <bcclark@fasken.com>; Peakhill Capital Inc__ SOUTHVIEW GARDENS LIMITED PARTNERSHIP _ 324371_00001 03 _ Email _ Courriels <{F6551929}.CANADA_WEST@fmddms6.ad.fasken.fmd>
Subject: Re: [EXT] Re: Peakhill Capital - \$50M loan to Southview Gardens LP, et al - Letter and executed documents [CWILSON-C.FID1299453] [FMD-CW.FID6551929] [IWOV-CANADA_WEST.FID6551929]

What are the amounts of the mortgages registered
 Specifically CENYARD PACIFIC DEVELOPMENTS INC.

Harley Gold, MBA
Managing Director
Peakhill Capital
416-476-8565
10 King East Suite 401
Toronto, ON M5C1C3
<https://peakhillcapital.com>

Lic #: M18000771 | FSCO Lic# 13234

Daily Bond yields

<https://www.peakhillcapital.com/dailybondyields/>

On Oct 27, 2022, at 12:13 PM, Grace Siu <gsiu@fasken.com> wrote:

Hi Shawn,

It is nice to hear from you – hope you're all doing well.

Please see attached updated title search. Let us know if you require anything further.

Regards,
Grace

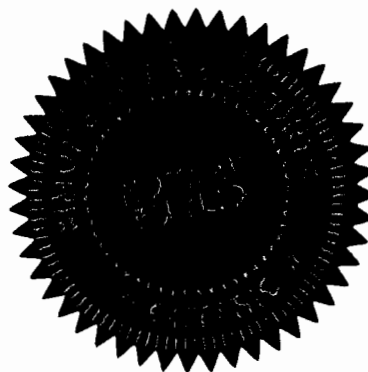
Grace Siu
PARALEGAL
T. +1 604 631 4927 | F. 1 604 631 3232

TAB K

This is Exhibit "K" referred to in the
Affidavit of Remy Caruso, sworn
before me at Toronto, in the Province of
Ontario this 10th day of February, 2023.

Simone Yushif

A Commissioner/Notary Public for the
Province of Ontario



Vancouver

January 13, 2023

Mary Buttery, K.C.
Direct Dial: 604.692.2752
mbuttery@osler.com

Toronto

Montréal

Sent by Courier and Electronic Mail

Calgary

(kngan@cwilson.com)

Ottawa

Southview Gardens BT LTD.
Suite 1800, 1188 West Georgia Street
Vancouver, BC V6E 4A2

New York

Clark Wilson LLP
Suite 900, 885 West Georgia Street
Vancouver, BC V6C 3H1

Attention: Zhen Yu Zhong and Karen Ngan

Dear Sir/Madam:

RE: Mortgage financing advanced by Peakhill Capital Limited (the “Lender”) to Southview Gardens BT LTD. (the “Borrower”), pursuant to the terms of a commitment letter dated October 30, 2020 (the “Commitment Letter”)

We are counsel for the Lender.

Pursuant to the Commitment Letter, the Lender advanced a first mortgage loan of \$50 million to the Borrower (the “**Loan**”). In accordance with the terms of the Commitment Letter, the Borrower granted a mortgage (the “**Mortgage**”) and an assignment of rents (the “**Assignment of Rents**”) in favour of the Lender, dated November 24, 2020, over the lands legally described as Lot 14, District Lot 334, Plan 13993, PID 007-982-160 (the “**Property**”).

The Mortgage and the Assignment of Rents are registered in favour of the Lender, as mortgagee, against the Property in the New Westminster Land Title Office as CA8598034 and CA8598035.

Notice is hereby given that the Borrower is in breach of its obligations under the Commitment Letter, Article 5.1 of the Mortgage, and Article 4.2(c) of the Assignment of Rents. The Lender has been advised that on March 28, 2022, an additional mortgage (CA9812473) and assignment of rents (CA9812474) were registered against the Property in favour of Cenyard Pacific Developments Inc. (the “**Event of Default**”), without the consent, or indeed, even the knowledge of, the Lender.

OSLER

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This letter confirms that the Lender has not waived the Event of Default, or any other events of default that have or are continuing to occur, and the Lender expressly reserves all of its rights, powers, privileges, and remedies under the Commitment Letter, the Mortgage, the Assignment of Rents, applicable law or otherwise with respect to the Event of Default.

The failure of the Lender to exercise any such rights, powers, privileges, and remedies is not intended, and shall not be construed, to be a waiver of the Event of Default. The Lender may elect to exercise any or all of its rights, at its sole option, at any time hereafter, without the necessity of any further notice, demand or other action on the part of the Lender.

Regards,

A handwritten signature in cursive script, appearing to read "M. Buttery".

Mary Buttery, K.C.
Partner

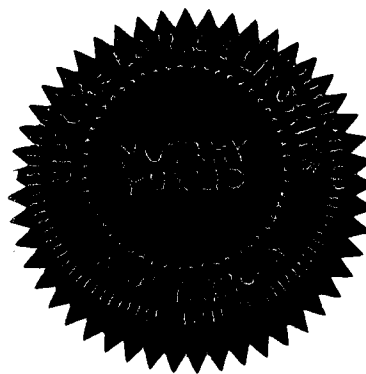
MB/cg

TAB L

This is Exhibit "L" referred to in the
Affidavit of Remy Caruso, sworn
before me at Toronto, in the Province of
Ontario this 10th day of February, 2023.

Simone Lupat

A Commissioner/Notary Public for the
Province of Ontario



Osler, Hoskin & Harcourt LLP
 Suite 1700, Guinness Tower
 1055 West Hastings Street
 Vancouver, British Columbia, Canada V6E 2E9
 778.785.3000 MAIN
 778.785.2745 FACSIMILE

OSLER

Vancouver

January 23, 2023

Mary Buttery, K.C.
 Direct Dial: 604.692.2752
 mbuttery@osler.com

Toronto

Montréal

Sent by Courier and Electronic Mail (kngan@cwilson.com)

Calgary

Southview Gardens BT LTD.
Southview Gardens Limited Partnership
Southview Gardens Properties Ltd.
 Suite 1800, 1188 West Georgia Street
 Vancouver, BC V6E 4A2

Ottawa

New York

Clark Wilson LLP
 Suite 900, 885 West Georgia Street
 Vancouver, BC V6C 3H1

Attention: Zhen Yu Zhong and Karen Ngan

Dear Sir/Madam:

RE: Mortgage financing advanced by Peakhill Capital Limited (the “Lender”) to Southview Gardens BT LTD., Southview Gardens Limited Partnership, and Southview Gardens Properties Ltd. (collectively, the “Borrower”), pursuant to the terms of a commitment letter dated October 30, 2020 (the “Commitment Letter”)

We are counsel to the Lender.

Pursuant to the Commitment Letter, the Lender advanced a first mortgage loan of \$50 million to the Borrower (the “**Loan**”). In accordance with the terms of the Commitment Letter, the Borrower granted a mortgage (the “**Mortgage**”) and an assignment of rents (the “**Assignment of Rents**”) in favour of the Lender, dated November 24, 2020, over the lands legally described as Lot 14, District Lot 334, Plan 13993, PID 007-982-160 (the “**Property**”).

The Mortgage and the Assignment of Rents are registered in favour of the Lender, as mortgagee, against the Property in the New Westminster Land Title Office as CA8598034 and CA8598035.

The Loan is secured by the following:

- a) the Mortgage;
- b) the Assignment of Rents;

OSLER

Page 2

- c) Project Specific Security Agreement, dated November 24, 2020;
- d) Assignment of Insurance, executed November 24, 2020;
- e) Deposit Agreement, dated November 24, 2020;
- f) Assignment of Specific Contract, dated November 24, 2020;
- g) General Assignment of Material Contracts, Plans, and Permits, dated November 24, 2020;
- h) Guarantee and Postponement of Claim, dated November 24, 2020; and
- i) Assignment and Postponement of Claim, dated November 24, 2020.

As at January 23, 2023, the total amount due and owing to the Lender pursuant to and in connection with the Mortgage, inclusive of interest and fees to date, is \$50,807,830.92 (the “**Outstanding Amount**”), on which amount interest, costs and disbursements continue to accrue to the date of payment.

The Borrower is in default of its obligations under the Commitment Letter, the Mortgage, and the Assignment of Rents, for reasons including but not limited to:

- a) the Borrower’s failure to make the monthly interest installment payment to the Lender as required on January 1, 2023; and
- b) the Lender has been advised that on March 28, 2022, an additional mortgage (CA9812473) and assignment of rents (CA9812474) were registered against the Property in favour of Cenyard Pacific Developments Inc., without the consent, or indeed, even the knowledge of, the Lender.

In addition, the Loan matured and became repayable in full to the Lender on January 1, 2023.

In accordance with the Commitment Letter, the Mortgage, and the Assignment of Rents, demand is hereby made upon the Borrower for payment in full of the Outstanding Amount, together with any accrued interest, legal fees, and other charges that arise. If payment of the full amount owing is not made in full by close of business on February 2, 2023, or the Lender determines that its collateral is at risk, the Lender will take such steps as it may consider necessary to protect its position.


Also enclosed for service upon you is a Notice of Intention to Enforce Security provided in accordance with the provisions of the *Bankruptcy and Insolvency Act (Canada)*. If you

OSLER

Page 3

consent to the Lender taking earlier enforcement, please return the consent executed by a duly executed officer of the Borrower.

Regards,



Mary Buttery, K.C.
Partner

MB/cg

c: **Zhen Yu Zhong**
3029 West 45th Avenue
Vancouver, BC V6N 3L9
Fax: 604.559.1667

Jun Chao Mo
Suite 701, 277 Thurlow Street
Vancouver, BC V6C 0C1
Fax: 604.559.1667

Coromandel Properties (2016) Ltd.
Baystone Properties (2016) Ltd.
Coromandel Holdings Ltd.
Suite 1800, 1188 West Georgia Street
Vancouver, BC V6E 4A2

Cenyard Pacific Developments Inc.
20th Floor, 250 Howe Street
Vancouver, BC V6C 3R8

Woodbourne Canada Partners IV (CA), LP
WB Canada Partners IV (INT) MF Corp.
WB Canada Partners IV MF, LLC
c/o 100 Wellington Street West, Suite 1201
P.O. Box 200, Toronto, Ontario M5K 1H6
(nmacrae@wbourne.com)
(droth@wbourne.com)
(jrootenberg@wbourne.com)
Attention: Nick Macrae, David Roth, and Jason Rootenberg

OSLER

Page 4

DLA Piper (Canada) LLP
Suite 2800, Park Place, 666 Burrard Street
Vancouver, BC V6C 2Z7
(colin.brousson@dlapiper.com)
Attention: Colin Brousson

NOTICE OF INTENTION TO ENFORCE SECURITY
(Subsection 244(1))

TO: Southview Gardens BT LTD.
Southview Gardens Limited Partnership
Southview Gardens Properties Ltd.
Suite 1800, 1188 West Georgia Street
Vancouver, BC V6E 4A2

Attention: Zhen Yu Zhong

TAKE NOTICE THAT:

- 1) Peakhill Capital Limited (“**Peakhill**”), a secured creditor, intends to enforce its security on the property of the above insolvent persons which encompasses all of the property and assets including, but not limited to, the land legally described as Lot 14, District Lot 334, Plan 13993, PID 007-982-160;
- 2) The security that is to be enforced includes security granted by the insolvent persons in favour of Peakhill:
 - a) Mortgage, dated November 24, 2020;
 - b) Assignment of Rents, dated November 24, 2020;
 - a) Project Specific Security Agreement, dated November 24, 2020;
 - b) Assignment of Insurance, executed November 24, 2020;
 - c) Deposit Agreement, dated November 24, 2020;
 - d) Assignment of Specific Contract, dated November 24, 2020;
 - e) General Assignment of Material Contracts, Plans, and Permits, dated November 24, 2020;
 - f) Guarantee and Postponement of Claim, dated November 24, 2020;
 - g) Assignment and Postponement of Claim, dated November 24, 2020; and
 - c) such further and other security documents, agreements, certificates, and other documents as may have been entered into by the insolvent persons from time to time pursuant to or in connection with the Mortgage.
- 3) The total amount of the indebtedness secured by the security, as at January 23, 2023, is CAD \$50,807,830.92 plus accrued and accruing costs, disbursements and interest accruing from the date of this notice; and

- 2 -

- 4) Peakhill 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 the insolvent person consents to an earlier enforcement.

DATED at Vancouver, British Columbia, this 23 day of January, 2023.

Per:

Peakhill Capital Limited



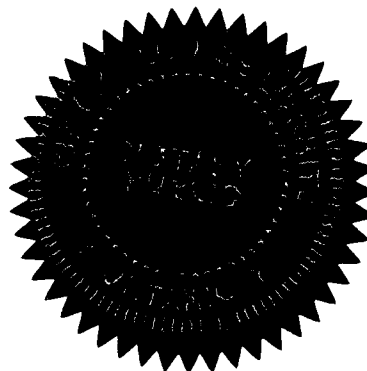
Counsel and Agent for Peakhill Capital Limited

TAB M

This is Exhibit "M" referred to in the
Affidavit of Remy Caruso, sworn
before me at Toronto, in the Province of
Ontario this 10th day of February, 2023.

Denise Grishof

A Commissioner/Notary Public for the
Province of Ontario



PAYOUT STATEMENT

February 8, 2023

Southview Gardens Limited Partnership

VIA E-MAIL ONLY

Attention: Zhen Yu Zhong & Junchao Mo

RE: Loan Number: 30002
Security Address: 3240 East 58th Avenue, Vancouver, BC, V5S 3T2

Dir Sirs/Mesdames:

Please be advised that the balance outstanding under the above captioned mortgage loan is as follows:

Statement Due Date	08-Feb-23
Anticipated Payout State	08-Feb-23
Outstanding Principal Balance	\$50,000,000.00
January 1, 2023 missed payment	\$440,295.70
February 1, 2023 missed payment	\$447,016.13
Per Diem Interest to Feb 08	\$119,780.82
Late Interest Penalty Dec 1st interest paid on Dec 21st	\$2,522.36
Late interest penalty on Jan 1st payment	\$5,238.20
Late interest penalty on Feb 1st payment	\$1,199.06
Discharge Fee	\$500.00
Net Amount Required for Discharge on February 8, 2023	\$51,016,552.26
Per Diem Interest and Late Charge	\$15,246.54

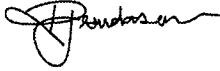
This statement has been prepared on the assumption that all payments up to December 1, 2022 is made and honoured by the bank and is subject to the correction of any errors or omissions. Any amounts charged to the mortgage account subsequent to the preparation date of this statement including payment of property taxes, dishonoured payments, and payments credited in error are the responsibility of the Borrower and shall be added to the 'Net Amount Required for Discharge' set out in this statement.

Per Diem interest will accrue after 2:00 pm EST on the statement due date. Any payment received after 2:00 pm shall be deemed to have been made and received on the next bank business day and we will be entitled to interest on the amount due. This statement is effective until February 28, 2023. If the loan is not paid out within that time, a new payout statement is required. There will be an additional fee of \$150.00 per statement.

Please WIRE the funds to Peakhill Capital Inc. Banking details are attached. Please forward the necessary Discharge Documents and a release of the PPSA (if applicable) to this office (10 King Street East, Unit 401, Toronto, ON, M5C 1C3) or via email (anithajesudasan@peakhillcapital.com).

We trust that you will find the above in order, but should you have any questions please contact the undersigned.

Sincerely,
Peakhill Capital Inc.



Anitha Jesudasan
416-363-7325 ext. 129
anithajesudasan@peakhillcapital.com



Remy Caruso
416-363-7325 ext. 102
remycaruso@peakhillcapital.com

BANKING DETAILS

Peakhill Capital Inc. (BC Trust Account), CAD Incoming Wire and EFT Instructions

For Incoming CAD Wire Payments:

Beneficiary Bank: BMO Bank of Montreal
S.W.I.F.T. BIC CODE: BOFMCAM2
CC Code: 000100040

Beneficiary Bank Address:
Vancouver Main Branch (Transit 00040), 595 Burrard Street, Vancouver, British Columbia, Canada,
V7X 1L7

Beneficiary Name: Peakhill Capital Inc.
Beneficiary Account#: 00041564814
Beneficiary Address: 2828 Bathurst Street, Suite 500, North York, Ontario, Canada, M6B 3A7