



This is the first affidavit of Daniel Pollack in this case and was made on October 9, 2024

No. S-246994  
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN

**KINGSETT MORTGAGE CORPORATION**

PETITIONER

AND

**DISTRICT NORTHWEST LIMITED PARTNERSHIP**

and

**105 UNIVERSITY VIEW HOMES LTD.**

RESPONDENTS

AFFIDAVIT

I, Daniel Pollack, of Toronto, in the Province of Ontario, Executive Director, SWEAR THAT:

1. I am an Executive Director, Loan & Portfolio Management at KingSett Capital. KingSett Mortgage Corporation ("**KingSett**") is a subsidiary of KingSett Capital, the Petitioner in this proceeding, and as such I 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.

2. This affidavit is made in support of the orders and declarations sought by KingSett in its Petition filed in this proceeding, including an order that KSV Restructuring Inc. be appointed as receiver ("**KSV**" or the "**Receiver**") of property located at LOT A SECTION 22 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN EPP111526, PID: 031-

746-667 (the “**Lands**”) and all right, title and interest of 105 University View Homes Ltd. (the “**Nominee**”) in all presently owned or held personal property of whatsoever nature and kind pertaining to the Lands, including all proceeds, pursuant to section 243(1) of the *Bankruptcy and Insolvency Act* (Canada) and section 39 of the *Law and Equity Act*, RSBC 1996, C 253.

## I. INTRODUCTION

3. KingSett provided District Northwest Limited Partnership (the “**Limited Partnership**”) and the Nominee (together with the Limited Partnership, the “**Borrowers**”) with a first mortgage loan in the amount of \$79,912,500 pursuant to the terms of a commitment letter dated February 14, 2022, as amended by a first amending agreement dated October 16, 2023, a second amending agreement dated January 30, 2024, and a third amending agreement dated March 19, 2024 (as may be further amended, restated, or supplemented from time to time, the “**Commitment Letter**”). A copy of the Commitment Letter is attached as **Exhibit “A”** to this Affidavit.

4. The Limited Partnership is a British Columbia limited partnership. The Nominee is a British Columbia corporation. A copy of the BC Registry Services Limited Partnership Summary for the Limited Partnership is attached as **Exhibit “B”** to this Affidavit. A copy of the BC Registry Services Company Summary for the Nominee is attached as **Exhibit “C”** to this Affidavit.

5. To secure the payment of its obligations to KingSett, the Borrowers granted to KingSett a security package over assets, undertakings, and property, as further described below, including a first-ranking collateral mortgage over certain lands, a second mortgage, and a general security agreement with respect to the personal property of the Borrowers.

6. The Borrowers have been in default of their obligations under the Commitment since at least May 1, 2024. As of October 1, 2024, the amount owing to KingSett is \$85,695,102.47 (with interest and fees continuing to accrue (the “**Indebtedness**”). A copy of a current loan discharge statement particularizing the total amount owing to KingSett as of October 1, 2024 is attached as **Exhibit “D”** to this Affidavit.

## II. LOAN AGREEMENT AND LOAN DOCUMENTS

7. KingSett entered into the Commitment Letter with the Borrowers which provided the Borrowers a first mortgage loan in the principal amount of \$79,912,500 (the “**Loan**”).

8. The Borrowers have executed acknowledgements accepting the terms and conditions of the Commitment Letter.

9. Pursuant to the Commitment Letter, the Loan is secured by the following, among other things:

- (a) a general security agreement dated February 24, 2022 (the “**GSA**”) granted by the Nominee in favour of KingSett, attached as **Exhibit “E”** to this Affidavit;
- (b) the mortgage and assignment of rents dated February 24, 2022 (the “**First Mortgage**”) granted by the Nominee in favour of KingSett, attached as **Exhibit “F”** to this Affidavit;
- (c) a direction, acknowledgement, and security agreement dated February 24, 2022 granted by the Borrowers in favour of KingSett, attached as **Exhibit “G”** to this Affidavit;
- (d) the mortgage dated November 2, 2023 (the “**Second Mortgage**”, together with the First Mortgage, the “**Mortgages**”) granted by the Nominee in favour of KingSett, attached as **Exhibit “H”** to this Affidavit;
- (e) a direction, acknowledgement, and security agreement dated November 2, 2023 granted by the Borrowers in favour of KingSett, attached as **Exhibit “I”** to this Affidavit; and
- (f) an amended and restated subordination and standstill agreement (the “**Subordination Agreement**”), dated November 2, 2023 between KingSett, as lender, and R.A.R. Consultants Ltd., IHI Developments Ltd., Garmeco Canada Consultants Ltd., and IHI Holdings Ltd., as subordinated lenders, attached as **Exhibit “J”** to this Affidavit;

((a) through (f) collectively, the “**Security**”).

10. KingSett has registered the GSA in the British Columbia Personal Property Registry (the “**PPR**”) against the Nominee under base registration 563418N. PPR search results for the Nominee are attached as **Exhibit “K”** to this Affidavit.

11. KingSett has registered the First Mortgage with the British Columbia Land Title Office (the “**LTO**”) against the property legally described Lands under registration numbers CA9749054 and CA9749055.

12. KingSett has registered the Second Mortgage with the LTO against the Lands under registration number CB1008626.

13. The Subordination Agreement is also registered with the LTO against the Lands under registration number CB1008989.

14. LTO search results of the Lands, including LTO documentation pertaining to the consolidation of the Lands between execution of the First Mortgage and execution of the Second Mortgage, are attached as **Exhibit “L”** to this Affidavit.

### **III. THE DEMAND AND DEFAULT**

15. On May 1, 2024, the Borrowers failed to make monthly interest installment payments to KingSett, as required pursuant to the Commitment Letter (the “**Default**”).

16. Since the date of the Default, KingSett has attempted to work with the Borrowers to resolve payment difficulties, remedy the Default, and obtain further information from the Borrowers that would allow KingSett to, among other things, assess whether its security is in jeopardy.

17. On August 30, 2024, KingSett through counsel, delivered a letter to the Borrowers (the “**Demand**”) advising of the Default, attaching notices to enforce security as required by section 244 of the *Bankruptcy and Insolvency Act*, and:

- (a) demanding payment of the outstanding amount owing under the Loan, inclusive of interest, which at that time amounted to \$84,633,896.19; and
- (b) reserving all rights and remedies, including under the Security.

18. A copy of the Demand is attached as **Exhibit “M”** to this Affidavit. To date, the Borrowers have failed to respond to the Demand or make any payment in response to the Demand.

19. I know of no facts which would constitute a defense to the claim or part of the claim of KingSett against the Borrowers for payment of the Indebtedness.

#### **IV. BORROWERS' INDEBTEDNESS**

20. To date, the Borrowers have failed to make payment in response to the Demand. The breakdown of the Borrowers' Indebtedness as of October 1, 2024 of \$85,695,102.47 is as follows:

- (a) \$79,912,500 with respect to the principal amount due and owing with respect to the Loan;
- (b) \$5,589,868.43 with respect to accrued and unpaid interest;
- (c) \$167,842.75 with respect to costs incurred and unpaid in connection with the Loan; and
- (d) \$24,891.29 in legal fees incurred in connection with the Loan, with these fees continuing to accrue.

21. The Indebtedness is incurring interest at a rate of \$31,661.89 a day and professional fees continue to be incurred.

#### **V. THE NEED FOR A COURT-APPOINTED RECEIVER**

22. Pursuant to its contractual entitlement, KingSett seeks the immediate appointment of the Receiver over certain of the assets, undertakings, and property of the Borrowers to protect KingSett's secured position, prevent against the potential impairment of the value of the Borrowers' property, and conduct a sale process for the Lands in the interest of all affected stakeholders.

23. The Borrowers have failed to repay the Indebtedness to KingSett as required under the Commitment Letter.

24. KingSett has made efforts to engage with the Borrowers and provided it with an opportunity to restructure its financial affairs in a manner that would allow them to meet their obligations to KingSett.

25. KingSett has lost confidence in the Borrowers' ability to satisfy their obligations and manage their business.

26. KingSett has therefore determined that it needs to take steps to enforce its Security through the appointment of a receiver, a contractual remedy that the Borrowers consented to pursuant to

Paragraph 13 of Schedule B of the Commitment Letter. KingSett is of the view that such action is necessary to protect and preserve the value of its Security.

27. In KingSett's view, the appointment of the Receiver is necessary to ensure the Lands are sold in an expedient manner that secures the most value. The Lands are a commercial Property that require specialized marketing and cannot be sold in the same manner as a residential property. Further, the appointment of a receiver will protect the interests of all stakeholders.

28. As an Executive Director, Loan & Portfolio Management at KingSett, a real estate private equity firm, I have experience with the valuation and sale of real property. Given my experience, I am concerned about uncertain interest rates which could negatively affect the value of the Lands. In my experience with the market, there is currently a lot of uncertainty in the economy and particularly, in the real estate market.

29. KingSett accordingly requests that, upon appointment, the Receiver have the powers necessary to pursue a transparent, orderly, and timely sale process for the Lands under the supervision of this Court.

## VI. CONCLUSION

30. KSV has consented to act as receiver in this proceeding. A copy of KSV's consent to act as receiver is attached as **Exhibit "N"** to this Affidavit.

31. KingSett has given the Borrowers ample time since their first event of default on May 1, 2024 to repay the amounts owing under the Commitment Letter and to pursue options to restructure their financial affairs. At this stage, the Borrowers have not met their obligations to KingSett or to diligently pursue a commercially reasonable refinancing of the Lands. KingSett is of the view that the appointment of the Receiver and the associated orders and declarations sought by KingSett in its petition filed in this proceeding is therefore just and convenient in the circumstances.



This is Exhibit "A" referred to in the Affidavit  
#1 of Daniel Pollack affirmed before me at the  
city of Toronto, in the Province of Ontario this  
October 9, 2024



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A Commissioner for taking affidavits and  
Notary Public in and for the province of  
Ontario

Maya Churilov (LSO# 87190A)





February 14, 2022

District Northwest Limited Partnership  
 c/o Abacus North Capital  
 1260 Hamilton St.  
 Lower Level  
 Vancouver, BC V6B 2S8

Attention: Sam Perera

**Re: First mortgage land and municipal fees financing of District Northwest**

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**A. LOAN TERMS**

The Lender is pleased to offer a 1<sup>st</sup> Mortgage, non-revolving demand loan (the "**Loan**") in connection with the above noted matter, subject to the terms and conditions as described herein and within the Schedules attached hereto (the "**Commitment Letter**").

1. **Property:** A 2.43-acre site fully zoned for a mixed-use development project consisting of two towers with 1,023 for-sale residential condominium units for a total net saleable area of +/-588,249 sf, +/-5,067 sf net leasable are of daycare space and five levels of underground parking with 754 stalls located at 13416 – 13437 105A Avenue, 10501 – 10537 134A Street and 10492 – 10536 University Drive, Surrey, BC (collectively, the "**Property**" or the "**Project**").
2. **Lender:** KingSett Mortgage Corporation (the "**Lender**").
3. **Borrower:** District Northwest Limited Partnership (the "**Borrower**").
4. **Nominee:** 105 University View Homes Ltd. (the "**Nominee**").
5. **Guarantor:** Daljit Thind and Thind Properties Ltd. (collectively, the "**Guarantor**").
6. **Loan Amount:** \$55,750,000 (the "**Loan Amount**").
7. **Interest Rate:** Prime Rate + 4.55% (floor rate of 7.00%) per annum, calculated on the daily outstanding balance, compounded and payable monthly, not in advance, both before and after maturity, default and/or judgment with respect to the Loan for each and every month of the Term (as such Term may be extended in accordance with this Commitment Letter), save and except for the last month of the Term, and 13.00% per annum for the last month of the Term and each and every month thereafter (as applicable, the "**Interest Rate**"), provided that "**Prime Rate**" shall mean, 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 charged to its customers of varying degrees of creditworthiness in Canada for Canadian Dollar demand loans in Toronto, Ontario.
8. **Amortization:** Not applicable; monthly interest payments only.

9. **Lender's Fee:** \$557,500 (1.00% of the Loan Amount) non-refundable lender's fee (the "Lender's Fee") earned by the Lender upon the Borrower's execution of this Commitment Letter and payable by the Borrower to the Lender at the time of the initial advance of the Loan. The Lender shall deduct the Lender's Fee, adjusted to reflect any credit for the remaining Good Faith Deposit, from the proceeds of the initial advance of the Loan.
10. **Term:** Any portion of the Loan Amount outstanding at any time is repayable on demand by the Lender, however, without prejudice to the right of the Lender to demand payment at any time and for any reason whatsoever, 13 months (the "**Term**") after the first calendar day of the month next following the date of the initial advance of the Loan (the "**Interest Adjustment Date**"), as may be extended in accordance with this Commitment Letter. The principal balance of the Loan outstanding on the last day of the Term (the "**Maturity Date**") together with all accrued and unpaid interest thereon and all other costs secured by the Security is repayable in full on the Maturity Date together with all accrued and unpaid interest, costs, fees and any other amount secured by the Security.
11. **Extension Option:** Provided that no Event of Default as defined in the Mortgage and referred to in this Commitment Letter as an "**Event of Default**" has occurred which is continuing and subject to the consent of the Lender, in its sole, absolute and unfettered discretion, the Lender shall permit an extension of the Term by two extensions of three months each to the Maturity Date (each an "**Extension Option**"). The exercise of each Extension Option is subject to delivery of a written request from the Borrower to the Lender at least 30 days prior to the Maturity Date and payment of the Extension Fee.
12. **Extension Fee:** \$139,375 (0.25% of the Loan Amount) extension fee earned by the Lender upon the exercise of each Extension Option (the "**Extension Fee**") and payable on or before the date which is ten days prior to the Maturity Date. Should any Extension Option not be granted by the Lender, the Lender will return the applicable Extension Fee to the Borrower, if applicable.
13. **Monthly Payments:** Monthly payments of interest only are required to be made by the Borrower to the Lender in connection with the Loan at the Interest Rate and subject to the Interest Reserve provisions of this Commitment Letter (the "**Monthly Payments**"). Monthly Payments are to be made on the first calendar day of every month commencing on the Interest Adjustment Date until the principal balance of the Loan outstanding together with all accrued and unpaid interest thereon and all other costs secured by the Security is repaid in full. Non-Sufficient Fund payments will be subject to an administration fee of \$500.
14. **Interest Reserve:** Provided an Event of Default has not occurred which is continuing, monthly interest shall be capitalized to the outstanding principal balance of the Loan until the earlier of repayment of the principal balance of the Loan outstanding together with all accrued and unpaid interest thereon and all other costs secured by the Security in full or the capitalization of a total of \$2,015,190 (the "**Interest Reserve**"). At such time as the Loan is in default or upon full utilization of the Interest Reserve, the Borrower shall be required to make Monthly Payments from its own financial resources and not from the Interest Reserve.

## 15. Sources and Uses:

Sources	\$	Uses	\$
Kingsett 1st Mortgage	\$55,750,000	Land Costs	\$52,300,000
Cash Equity	5,000,000	Municipal Fees	23,177,310
Appraisal Surplus	17,300,000	Financing Costs	2,572,690
<b>TOTAL</b>	<b>\$78,050,000</b>	<b>TOTAL</b>	<b>\$78,050,000</b>

16. **Prepayment:** This Loan is closed for prepayment from the date of the initial advance of the Loan until the date which is 12 months after the Interest Adjustment Date. The Loan will be open thereafter for prepayment, in whole but not in part, without penalty subject to a minimum of 30 days prior written notice to the Lender.
17. **Mortgage Discharge:** The Lender shall charge a one-time administrative fee of \$1,000 for ongoing administration of the Loan including, but not limited to, providing a full discharge of the Security (the "**Administration Fee**"). The Administration Fee is earned by the Lender upon the Borrower's execution of this Commitment Letter and payable by the Borrower to the Lender on the Maturity Date. The Borrower's legal counsel shall prepare all documentation reasonably required to discharge the Security for review by the Lender and its legal counsel. Discharge statements will be provided to the Borrower within three business days after receipt of a written request for same.
18. **Permitted Encumbrances:** The Lender hereby acknowledges and consents to registration of Borrower's equity as a second mortgage, in an amount not to exceed \$21,300,000, on terms and conditions acceptable to the Lender (the "**Permitted Encumbrance**"). The Permitted Encumbrance is acknowledged by the Lender provided that all terms and conditions thereof together with any related security are acceptable to the Lender in its sole but commercially reasonable discretion and the holder of the Permitted Encumbrance enters into a subordination and standstill agreement with the Lender in the Lender's prescribed form (the "**Subordination and Standstill Agreement**").
19. **No Further Encumbrances:** Additional financing (prior or subsequent) of the Property, secured or unsecured, or the registration of any other encumbrance save and except for Permitted Encumbrances is not permitted in connection with the Property without the prior written consent of the Lender, which consent may be arbitrarily withheld, delayed and/or conditioned by the Lender.
20. **Costs and Expenses:** The Borrower shall bear all costs and expenses incurred by the Lender from time to time in connection with the Loan regardless of whether or not the Loan Amount is ever advanced and, such costs may include, but shall not be limited to, legal fees, payment of property taxes as a protective disbursement, environmental site assessment reports, appraisal reports, building condition reports, insurance consulting reviews, reliance letters, title insurance, out-of-pocket expenses for property inspections and any applicable sales taxes related to all such costs and expenses. The Lender shall apply the Good Faith Deposit in payment of the costs and expenses listed under this Section.

## B. SECURITY

The Loan shall be secured by security set forth below which, prior to any advance under the Loan, shall be delivered by the Nominee, the Borrower and the Guarantor, (collectively, the "Loan Parties") to the extent party thereto, to the Lender in form, scope and substance satisfactory to the Lender and its legal counsel in its sole, absolute and unfettered discretion (collectively, the "Security" and together with this Commitment Letter and the other documentation delivered in connection with this Commitment Letter and the Security, collectively, the "Loan Documents").

1. **Mortgage**: A \$70,000,000 mortgage/charge (~125% of the Loan Amount) granted by the Nominee and the Borrower, including, without limitation, a negative pledge by the Nominee and the Borrower not to repay any shareholder loans, redeem shares, pay out dividends, or to otherwise compensate the Loan's sponsors or other non-arm's length parties until such time as the principal balance of the Loan outstanding together with all accrued and unpaid interest thereon and all other costs secured by the Security has been repaid in full.
2. **General Assignment of Rents**: A general assignment of leases and rents granted by the Nominee and the Borrower.
3. **General Security Agreement**: A general security agreement granted by the Borrower and/or the Nominee, as applicable, creating a first ranking security interest over all presently held and hereafter acquired personal property situated on, used in connection with or derived from the Property.
4. **General Assignment of Material Contracts**: A general assignment of all current and future material contracts for the Property granted by the Borrower and/or the Nominee, as applicable, provided that upon the request of the Lender the Borrower and/or the Nominee, as applicable, shall grant a specific assignment of any current or future material contract for the Property which shall be acknowledged and consented to in writing by all counterparties to such material contract.
5. **Assignment of Insurance**: An assignment of insurance granted by the Borrower and/or the Nominee, as applicable, with respect to any and all insurance proceeds arising in connection with all insurance for the Property maintained or cause to be maintained by the Borrower in accordance with the requirements set forth on Schedule A.
6. **Fraud, Misrepresentation and Environmental Indemnity**: A fraud, misrepresentation and environmental indemnity granted by the Loan Parties.
7. **Beneficial Security Agreement**: An acknowledgement, direction and security agreement, if applicable, whereby the Borrower acknowledges, consents to and directs the Nominee to provide all of the Security to which the Nominee is a party to the Lender.
8. **Guarantee**: An Unlimited personal and corporate, personal and corporate guarantee granted by the Guarantors for 100% of the Borrower's indebtedness to the Lender, including, without limitation, all accrued but unpaid fees, interest, and expenses incurred by the Lender together with a postponement of creditor and shareholder claims against the Borrower and an acknowledgement by the Guarantors that it shall not accept the repayment of any shareholder loans, redemption of shares, payment of dividends, or

any other compensation from the Borrower until such time as the principal balance of the Loan outstanding together with all accrued and unpaid interest and all other costs secured by the Security has been repaid in full (the "**Guarantee**").

9. **Guarantee Collateral Security:** a specific assignment of cash distributions granted by Thind Properties Inc. to and in favour of the Lender including an assignment of all cash distributions to be received by Thind Properties Inc. from Lumina Eclipse LP, Minoru Square Development Limited Partnership or 6511 Sussex Heights Development Ltd., and an irrevocable direction to make all payments such cash distributions to the Lender, with an acknowledgement from each Lumina Eclipse LP, Minoru Square Development Limited Partnership and 6511 Sussex Heights Development Ltd. (the "**Thind Properties Specific Assignment of Distributions**").
10. **Pledge Agreement:** A hypothecation and pledge to the Lender of any and all issued and outstanding common shares, preferred shares and limited partnership units of the Borrower (and any and all shares of a general partner of the Borrower), as applicable, by the holders thereof provided that:
  - (a) the Lender's interest in such securities shall be perfected by possession and control by the Lender (or its legal counsel on behalf of the Lender) of the original share and/or unit certificates;
  - (b) if the registered owners of such shares and units are not providing a guarantee of the Borrower's obligations to the Lender hereunder, then such registered owners shall be required to provide a limited recourse guarantee with recourse against such registered owners limited in scope to the pledge of such shares and/or unit certificates; and
  - (c) if the registered owners are different than the beneficial owners of such shares and/or unit certificates then the beneficial owners shall be required to enter into an acknowledgement, direction and security agreement authorizing the registered owner to pledge the shares and/or unit certificates to the Lender.
11. **Subordination and Standstill Agreement:** The Subordination and Standstill Agreement contemplated in Section A17.
12. **Other:** Such other Security as the Lender and/or its legal counsel may reasonably require.

### C. CONDITIONS PRECEDENT

The obligation of the Lender to make available the advance of the Loan shall be subject to the pre-funding conditions below (collectively, the "**Conditions Precedent**") which shall be satisfied or waived by the Lender in its sole, absolute, and unfettered discretion at least two business days prior to the advance of the Loan.

1. **Inspection:** The Lender shall have completed an inspection of the Property.
2. **Financial Statements:** The Lender shall have received accountant prepared notice to reader statements for the Borrower and any corporate Guarantor, if applicable, for its last two fiscal year-ends.

3. **PNW Statements:** The Lender shall have received certified and current-dated net worth statements for any personal Guarantor, if applicable, with supporting documentation of asset values.
4. **Property Agreement of Purchase and Sale:** The Lender shall have received the agreement of purchase and sale for the acquisition of the Property, any amendments thereto, and the statement of adjustments delivered on closing collectively confirming a minimum aggregate purchase price of \$35,000,000.
5. **Appraisal:** The Lender shall have received an appraisal report for the Property from an acceptable appraisal firm reporting an "as is" minimum value of \$52,300,000 which appraisal report is to be addressed to the Lender or supported by a letter of transmittal in favour of the Lender.
6. **Environmental Site Assessment:** The Lender shall have received a phase I and, if applicable, a phase II environmental site assessment for the Property from an acceptable environmental consultant which environmental site assessment is to be addressed to the Lender or supported by a letter of transmittal in favour of the Lender.
7. **Geotechnical Soil Report:** The Lender shall have received a geotechnical report confirming the feasibility of the proposed construction on the Property under existing soil conditions from an acceptable engineering firm which geotechnical report is to be addressed to the Lender or supported by a letter of transmittal in favour of the Lender.
8. **Planning Approvals:** The Lender shall have received evidence confirming final adoption and zoning approval.
9. **Cost Consultant Report:** The Lender shall have received and reviewed cost consultant letter confirming the municipal fees due and payable for final adoption and zoning approval.
10. **Delivery of Loan Documents:** The Lender shall have received the following:
  - (a) the Loan Documents duly executed by the parties thereto;
  - (b) a request for borrowing delivered in accordance with the provisions of Section D.1;
  - (c) certificates of each corporate Loan Party dated the closing date and executed by an appropriate officer of each such person, as applicable, certifying, among other things, the constating and organizational documents, an organizational chart, incumbency of signing officers and authorizing resolutions;
  - (d) a favourable corporate and enforceability opinion from the Borrower's legal counsel, including, without limitation, existence, power and capacity, authorization, execution and delivery, enforceability, creation of security interest, registration, share capital, and perfection, as applicable; and
  - (e) a favourable title opinion from the Borrower's legal counsel or a loan policy of title insurance in lieu thereof, respecting the ownership of the Property and the ranking of the liens constituted by the Security thereon.

11. **Registration of Security:** All registrations, recordings and filings of or with respect to the Security which in the opinion of the Lender's counsel are necessary to render effective and perfected, or to give notice of, the security intended to be created thereby shall have been completed.
12. **Survey/Title Insurance:** The Lender shall have received either (i) a real property report / survey for the Property prepared by an accredited land surveyor confirming no encroachments, easements or rights of way, save those which the Lender may specifically accept, and setting out the relationship of the lands and proposed improvements thereon to public thoroughfares for access purposes, or (ii) survey coverage in a loan policy of title insurance.
13. **Searches/Title Insurance:** The Lender shall have received either (i) all customary off-title searches for properties of similar nature to that of the Property including, without limitation, searches for unregistered easements, rights-of-way, property tax status, environmental notices, and executions against all Loan Parties, or (ii) satisfactory coverage in a loan policy of title insurance. If applicable, the off-title searches are to be obtained by the Borrower's legal counsel and forwarded to the Lender's legal counsel for review.
14. **Clean Title:** The Lender shall be satisfied with title to the Property including, without limitation, the absence of liens and other encumbrances.
15. **No Litigation:** There shall exist no judicial, administrative or other proceeding, investigation or litigation affecting the Property or any of the Loan Parties that has, or could reasonably be expected to have, a material adverse effect on (i) the business, operations, property or financial or other condition of any of the Loan Parties which would materially negatively affect the ability of the Loan Parties, taken as a whole, to perform and discharge their obligations under the Loan Documents, (ii) the Property, the Lender's liens on the Property and other collateral pursuant to the Security, or the priority of those liens, or (iii) the Lender's ability to enforce its rights or remedies under any of the Loan Documents.
16. **AML/KYC:** The Lender shall have received all documentation and information in respect of the Loan Parties including each corporate Loan Party's ownership structure, and its respective authorized signing officers, including addresses and verified personal identification, as the Lender may reasonably require in respect of Loan, including in respect of compliance with the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*.
17. **Insurance:** The Lender shall have received duly executed certificate(s) of insurance evidencing the insurance over the Property in accordance with the requirements set out in Schedule A showing the Lender as mortgagee and loss payee as is interest may appear and showing the Lender as an additional insured under all liability policies relating to the Property, all such insurance coverage and certificate(s) to be acceptable to the Lender's insurance consultant, as confirmed by a report to the Lender from its insurance consultant.
18. **Payout Statement:** Receipt and satisfactory review of a payout statement with respect to any loan secured by an existing mortgage/charge registered against title to the Property.

19. **Levies and Fees:** All levies, impost fees, local improvement charges, property taxes and other charges that are due and payable in connection with the Property shall have been paid to the date of the advance of the Loan.
20. **Notice to Property Tax Authority:** The Borrower shall have executed and delivered the Lender's Notice to Property Tax Authority set forth on Schedule D, which shall permit the Lender to request information from the municipality from time to time regarding the Property's realty taxes.
21. **Pre-Authorized Debit:** The Borrower shall have executed and delivered the Lender's Pre Authorized Debit Form set forth on Schedule E, which shall permit the Lender to debit the Borrower's applicable current account each month for the Monthly Payment should full utilization, suspension or cancelation of the Interest Reserve occur, including, but not limited to any applicable Lender's Fees and Extension Fees.
22. **ESG Survey:** The Borrower shall have completed and delivered the Lender's ESG Survey set forth on Schedule G.
23. **Lender's Approvals:** The Lender shall have received the approval of its investment committee and any other approvals required by the Lender.
24. **Due Diligence:** The Lender shall have completed its business, financial and legal due diligence, including without limitation property level due diligence with respect to the Property.

#### D. FUNDING

The advance of the Loan shall be subject to the Conditions Precedent and be subject to the following funding conditions, as applicable.

1. **Advance of the Loan:** The Loan shall be funded by way of a single advance net of the Interest Reserve.
2. **Outside Funding Date:** In the event that the initial advance of the Loan has not been made by March 31, 2022, at the exclusive option of the Lender, its obligations under this Commitment Letter shall cease and be at an end and the Lender shall be released from any and all of its present and/or future obligations under this Commitment Letter and the Security including, without limitation, the obligation to make any advances under the Loan. Notwithstanding the foregoing, the Lender shall remain entitled to earn and receive full payment of the Lender's Fee and to fully recover from the Borrower and any Guarantor any expenses incurred by the Lender in connection with this Commitment Letter.

#### E. SPECIAL CONDITIONS

The Loan shall be subject to the following special conditions which shall each have been received, reviewed and/or met, as the context implies, to the satisfaction of the Lender in its sole, absolute, and unfettered discretion prior to any advance of the Loan:



1. **Lender Right of First Opportunity:** In connection with construction financing, the Lender shall be given the first right of opportunity to provide the Borrower with construction financing for the planned development.

**F. COUNSEL**

1. **Lender's Legal Counsel:**

Bennett Jones LLP (Attention: John van Gent)  
3400 One First Canadian Place  
Toronto, ON  
M5X 1A4

Phone: (416) 777-6522  
Fax: (416) 863-1716  
Email: [vanGentJ@bennettjones.com](mailto:vanGentJ@bennettjones.com)


2. **Borrower's Legal Counsel:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

If you are in agreement with the foregoing terms and conditions, please indicate this by signing and returning this Commitment Letter to the Lender's office by 3:00pm Eastern Standard Time on February 16, 2022, failing which this letter shall, at the Lender's option, be deemed null and void.

Yours truly,

**KINGSETT MORTGAGE CORPORATION**

Per:   
Justin Walton (Feb 14, 2022 11:41 EST)  
Justin Walton  
Managing Director, Mortgage  
Investments

Per:   
Bryan Salazar (Feb 14, 2022 11:41 EST)  
Bryan Salazar  
Managing Director, Mortgage  
Underwriting & Funding

**ACKNOWLEDGEMENT**

I/We hereby accept the terms and conditions of this Commitment Letter and any accompanying Schedules and each person executing this Commitment Letter on behalf of any Borrower or any Guarantor represents and warrants that he/she has the power and authority to bind such entity.

Accepted and agreed as of the 14<sup>th</sup> day of February, 2022.

**BORROWER:**

Surrey Centre District NW GP Ltd., in its capacity as general partner for and on behalf of District Northwest LP

**NOMINEE:**

105 University View Homes Ltd.



Name:  
Title: **Daljit Thind, CEO**  
I/we have authority to bind the Corporation



Name:  
Title: **Daljit Thind, CEO**  
I/we have authority to bind the Corporation

**GUARANTORS:**

Daljit Thind

**WITNESS**



Name:  
**Daljit Thind, CEO**

Thind Properties Ltd.



Name:  
**Brendan Sallis**  
**VP of Finance**

Per: 

Name:  
Title: **Daljit Thind, CEO**  
I/we have authority to bind the Corporation

**SCHEDULE A**  
**LAND INSURANCE REQUIREMENTS CHECKLIST**

1. All insurance policies/certificates must be forwarded to our insurance consultant for review. The cost of such review shall be for the account of the Borrower.
2. All insurance policies shall be in form and with insurers reasonably acceptable to the Lender and contain the original signatures of the insurers (which may include being signed by certified electronic signature).
3. The Lender must be shown as an Additional Insured under all liability insurance covering the Property with respect to claims arising out of the operations of the Named Insured.
4. The Borrower or the Nominee, as applicable, must be shown as a Named Insured or Additional Named Insured under all policies of insurance in force with respect to the Property.
5. The insurers, policy numbers, policy limits, policy term, applicable reasonable deductibles and the location of the Property as an insured location must be shown on the insurance policies.
6. All policies of insurance must provide the Lender with at least 30 days' prior written notice of adverse material change or cancellation, except for the non-payment of premium, in which case the statutory conditions may apply.
7. There must be evidence of Commercial General Liability insurance, with a minimum limit of **\$5,000,000.00** per occurrence and **\$5,000,000.00** policy aggregate covering the Property. This may be in the form of primary insurance and/or Excess/Umbrella insurance and include Cross Liability, Severability of Interests, Contractual Liability, Non-Owned Automobile Liability, Tenant's Legal Liability, Limited Pollution Liability insurance to cover Sudden & Accidental Pollution (including with a Wording to be the IBC 2313 wording or equivalent) and include Waiver of Subrogation in favour of the Lender.
8. If Excess or Umbrella liability is evidenced, confirmation the Excess/Umbrella Liability ***follows form*** of the underlying Commercial General Liability.
9. The Lender will not accept evidence of insurance on a CSIO form, or an ACORD Form # 25 (or their equivalents), due to the limitation in the wording as to its efficacy, and the restrictive cancellation provisions, unless accompanied with an additional remarks schedule/comments ACORD 101 or CSIO equivalent.
10. Such other insurance as the Lender or the insurance consultant may reasonably require given the nature of the security and that which a prudent owner of similar security would purchase and maintain or cause to be purchased and maintained.

There must be full, original, certified, endorsed copies of the insurance policies provided to the Lender as soon as available from the insurers, which certified policy copies should be available within 60 to 90 days. Signed Certificates or binders of insurance addressing the above will suffice as insurance evidence for closing purposes.

In the instance that any portion of the property insurance coverage described above has expired or cancelled and evidence of adequate and satisfactory insurance coverage has not been provided to the Lender within 45 days (with the certified policy copies provided within 90 days) of the expiration or cancellation date, the Lender will have the option, without obligation, to place adequate and satisfactory insurance (at the Lender's sole, absolute and unfettered discretion) for the Property at the Borrower's expense.

Certificates or Binders of Insurance are not acceptable if they contain the words, *"This certificate is issued as a matter of information only and confers no rights upon the certificate holder"* and the words *"will endeavour to"* and *"but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives"* under the cancellation clause.

-- Insurance Broker contact information and release follows on next page --

**Insurance Broker Contract Information and Release**

Please provide the following information for our records:

Insurance Broker: \_\_\_\_\_ Brokerage Name: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_ Contact Name: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_ Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_ Phone #: \_\_\_\_\_ Fax # \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_ Email Address: \_\_\_\_\_

Please provide the following information if you would like to be copied on all correspondence addressed to your Insurance Broker from IN TECH RISK MANAGEMENT INC.

Contact Number: \_\_\_\_\_

Email Address: \_\_\_\_\_

The Loan Parties hereby authorize the above noted Insurance Broker to release insurance information required by the Lender and its insurance consultant, IN TECH RISK MANAGEMENT INC. for this Loan and hereby authorize the Lender to release information necessary to determine insurance requirements, as needed, to IN TECH RISK MANAGEMENT INC. for the purposes of conducting an insurance review.

**BORROWER:**

Surrey Centre District NW GP Ltd., in its capacity as general partner for and on behalf of District Northwest LP

**NOMINEE:**

105 University View Homes Ltd.

Name: \_\_\_\_\_

Title: \_\_\_\_\_

I/we have authority to bind the Corporation

Name: \_\_\_\_\_

Title: \_\_\_\_\_

I/we have authority to bind the Corporation

**SCHEDULE B  
OTHER CONDITIONS**

1. **Prohibition on Sale of Property:** Prior to repayment of the principal balance of the Loan outstanding together with all accrued and unpaid interest and all other costs secured by the Security in full on the Maturity Date or as otherwise contemplated in the Commitment Letter, the Borrower may not sell the Property, in whole or in part, without the Lender's prior written consent, which consent may be arbitrarily withheld, delayed and/or conditioned by the Lender. The assumption of the Loan by a purchaser of the Property, or part thereof, shall be subject to the prior written approval of the Lender, which approval may be arbitrarily withheld, delayed and/or conditioned by the Lender.
2. **Change of Ownership:** A direct or indirect change in ownership of the Borrower shall not be permitted without the Lender's prior written consent, which consent may be arbitrarily withheld, delayed and/or conditioned by the Lender.
3. **Payment of Property Taxes:** The Borrower shall pay when due to the taxing authority or authorities having jurisdiction all property taxes and provide to the Lender evidence of such payment annually or as otherwise requested from time to time by the Lender.
4. **Indemnity:** The Loan Parties shall indemnify and save harmless the Lender and its officers, agents, trustees, employees, contractors, licensees or invitees from and against any and all losses, damages, injuries, expenses, suits, actions, claims and demands of every nature whatsoever arising out of the provisions of the Loan Documents, any letters of credit or letters of guarantee issued or indemnified, sale or lease of the Property and/or the use or occupation of the Property including, without limitation, those arising from the right to enter the Property from time to time and to carry out the various tests, inspections and other activities permitted by the Loan Documents.
5. **Environmental Liability:** In addition to any liability imposed on any of the Loan Parties under any of the Loan Documents, the Loan Parties shall be jointly and severally liable for any and all of the Lender's costs, expenses, damages or liabilities, including, without limitation, all reasonable legal fees, directly or indirectly arising out of or attributable to the use, generation, storage, release, threatened release, discharge, disposal or presence on, under or about the Property of any hazardous or noxious substances. The representations, warranties, covenants and agreements of the Loan Parties set forth in this subparagraph:
  - (a) are separate and distinct obligations from the Loan Parties' other obligations;
  - (b) survive the payment and satisfaction of the Loan Parties other obligations and the discharge of all or any of the Security
  - (c) are not discharged or satisfied by foreclosure against the Property pursuant to the Security; and
  - (d) shall continue in effect after any transfer of the Property including, without limitation, transfers pursuant to foreclosure proceedings (whether judicial or non-judicial) or by any transfer in lieu of foreclosure.

6. **Assignability:** The Loan Documents may not be assigned, transferred or otherwise disposed of by any of the Loan Parties without the Lender's prior written consent, which consent may be arbitrarily withheld, delayed and/or conditioned by the Lender. The Loan, any of the Loan Documents or any interest in the Loan or the Loan Documents may be assigned or participated by the Lender (and its successors and assigns), in whole or in part, without the consent of the Borrower. Except as hereinafter provided, the Borrower consents to the disclosure by the Lender to any such prospective assignee or participant of all information and documents regarding the Loan, the Loan Documents, the Property and any of the Loan Parties within the possession or control of the Lender.
7. **Information:** For purposes of this Commitment Letter, "**Information**" means all information relating to the Loan Parties and their respective affiliates or any of their respective businesses, other than any such information that is available to the Lender on a non-confidential basis prior to such receipt. Any person required to maintain the confidentiality of Information in accordance with this Commitment Letter shall be considered to have complied with its obligation to do so if such person has exercised the same degree of care to maintain the confidentiality of such Information as such person would accord to its own confidential information. In addition, from time to time the Lender publishes advertisements or announcements of completed transactions which advertisements or announcements include, but are not limited to, press releases, paid advertisements, internally displayed tombstones, social media, investor brochures or information displayed on the internet or on the Lender's intranet. The Loan Parties consent to the publication of an advertisement or announcement of the Loan and agree to allow the Lender to photograph or utilize existing photographs or artistic renderings (for unfinished projects) of the Project for possible use in internal or external marketing programs.
8. **Confidentiality of Information:** The Lender agrees to maintain the confidentiality of the Information, except that Information may be disclosed (a) to it, its affiliates and its and its affiliates' respective partners, directors, officers, employees, agents, advisors and representatives to the extent necessary to administer or enforce any of the Loan Documents, it being understood that the persons to whom such disclosure is made will be informed of the confidential nature of such Information and will be bound and instructed to keep such Information confidential, (b) to the extent requested by any regulatory authority having jurisdiction over it (including any self-regulatory authority), (c) to the extent required by any applicable law or other legal process, (d) to any other party hereto, (e) to the extent reasonable, in connection with the exercise of any remedies under any of the Loan Documents or any action or proceeding relating to any of the Loan Documents or the enforcement of rights thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to any assignee of or participant in, or any prospective assignee of or participant in, any of its rights or obligations under the Loan or any of the Loan Documents, (g) with the consent of the Borrower, or (h) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section, or (ii) becomes available to the Lender on a non-confidential basis from a source other than any of the Loan Parties or their respective affiliates and provided such source has not, to the knowledge of the Lender, breached a duty or obligation of confidentiality owed to any of the Loan Parties or their respective affiliates, or the Lender. If the Lender is requested or required to disclose any Information pursuant to or as required by any applicable law or by an subpoena or similar legal process, the Lender shall use its reasonable commercial efforts to provide the Borrower with notice of such requests or obligation in sufficient time so that the Borrower



may seek an appropriate protective order or waive the Lender's compliance with the provisions of this Section, and the Lender shall co-operate with the Borrower in obtaining any such protective order.

9. **Use of Information:** The Lender shall be entitled to use any Information to assess the ability of the Loan Parties to obtain the Loan and to evaluate the ability of the Loan Parties to meet their respective financial obligations which includes, without limitation, disclosing and exchanging Information on an on-going basis with credit bureaus, credit reporting agencies and financial institutions or their agents, or to service providers, in order to determine and verify, on an on-going basis, the continuing eligibility of the Loan Parties for the Loan and the continuing ability of the Loan Parties to meet their respective financial obligations. This use, disclosure and exchange of Information will continue until the principal balance of the Loan outstanding together with all accrued and unpaid interest thereon and all other costs secured by the Security is repaid in full and will help protect the Loan Parties from fraud and will also protect the integrity of the credit-granting system.
10. **Right to Inspect:** The Borrower acknowledges that the Lender may inspect the Property at any time at the expense of the Borrower.
11. **Demand and Default:** Notwithstanding the Lender's right to demand repayment of the Loan at any time and for any reason, in the event of any of the Loan Parties failing to pay any amount when due or being in breach of any covenant, condition or term of any of the Loan Documents, or if any representation or warranty made by any of the Loan Parties, or any information provided by any of the Loan Parties or their respective agents is found to be untrue or incorrect in any material respect, if any Event of Default has occurred which is continuing, or if in the sole opinion of the Lender, a material adverse change occurs relating to any of the Loan Parties, the Property, or the risk associated with the Loan, then the Borrower shall, at the option of the Lender, be in default of its obligations to the Lender, the Lender may, at its option on notice to the Borrower, demand repayment of the principal balance of the Loan outstanding together with all accrued and unpaid interest and all other costs secured by the Security in full, cease or delay further funding, and/or may exercise any and/or all remedies available to it under the Security, at law and/or in equity. Furthermore, the Lender may, at its option, on notice to the Borrower, declare the principal balance of the Loan outstanding together with all accrued and unpaid interest and all other costs secured by the Security forthwith due and payable, whereupon the same shall be and become immediately due and payable in full.
12. **Remedies Cumulative:** No extension, postponement, forbearance, delay, or failure on the part of the Lender in the exercise of any power, right or remedy under any of the Loan Documents, at law or in equity shall operate as a waiver thereof, nor shall a single or partial exercise of any power, right or remedy preclude other or further exercise thereof or the exercise of any other power, right or remedy. Neither the acceptance of any payment nor the making of any concession by the Lender at any time during the existence of a default shall be construed as a waiver of any continuing default or of any of the Lender's rights or remedies. All of the powers, rights and remedies of the Lender shall be cumulative and may be exercised simultaneously or from time to time in such order or manner as the Lender may elect. No waiver of any condition or covenant of any of the Loan Parties or of the breach of any such covenant or condition shall be deemed to constitute a waiver of any other covenant or condition or of any subsequent breach of

such covenant or condition or justify or constitute a consent to or approval by the Lender of any violation, failure or default by the applicable Loan Party of the same or any other covenant or condition contained under any of the Loan Documents.

13. **Appointment of Receiver:** Upon and during the continuance of an Event of Default, in addition to any other rights which it may have, the Loan Parties each consent to the Lender's appointment of a receiver, or a receiver and manager either privately or by court appointment, to manage the Property and do all things necessary as an owner would be entitled to do.
14. **Severability:** Each of the Loan Parties agrees that if any one or more of the provisions contained in this Commitment Letter shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall, at the option of the Lender, not affect any or all other provisions of this Commitment Letter and this Commitment Letter shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.
15. **Multiple Parties:** If any of the Loan Parties is comprised of more than one person or corporation, the obligations shall be the joint and several obligations of each such person or corporation unless otherwise specifically stated herein.
16. **Time of the Essence:** Time is of the essence in this Commitment Letter.
17. **Non-Merger:** The representations, warranties, covenants and obligations herein set out in any of the Loan Documents shall not merge or be extinguished by the execution or registration of the Security but shall survive until the principal balance of the Loan outstanding together with all accrued and unpaid interest and all other amounts secured by the Security are repaid in full.
18. **Representations and Warranties:** Each of the Loan Parties will, as applicable, provide the usual representations and warranties in the Loan Documents including, without limitation (a) the accuracy of any financial statements provided to the Lender, (b) that there has been no material adverse change in the financial condition or operations, as reflected in the financial statements used to evaluate this Loan, (c) title to the Property, (d) such Loan Party's power and authority to execute and deliver the Loan Documents to which it is a party, (e) the accuracy of any documentation delivered to the Lender, (f) the accuracy of all representations and warranties made to the Lender in the Loan Documents to which it is a party, (g) that there are no pending adverse claims, no outstanding judgments, no defaults under other agreements relating to the Property, and no undefended material actions, suits or proceedings with respect to such Loan Party or the Property, (h) that such Loan Party is attending to the preservation of its assets, (i) the payment of all taxes, (j) that no consents, approvals or authorizations are necessary in connection with such Loan Party's business, (k) that there are no other encumbrances registered against title to the Property except for those approved by the Lender, (l) that all necessary services are available to the Property, and (m) that no hazardous substances used, stored, discharged or present on the Property other than in accordance with all applicable laws, and will represent and warrant such other reasonable matters as the Lender or its counsel may require.

19. **Payment of Sales Taxes:** The Borrower accepts full responsibility for remittance and payment of any and all applicable sales tax due and the periodic submission and collection of all applicable sales tax claims and credits.
20. **Lender's Sign:** The Lender shall have the right, but shall not be obligated, at the Lender's cost, to place a sign on the Property at any time after execution of this Commitment Letter by the Borrower but prior to repayment of the principal balance of the Loan outstanding together with all accrued and unpaid interest and all other costs secured by the Security in full, which sign shall state that the Lender has assisted with the financing of the Property. The Lender, at the Lender's cost, shall be permitted to take down the sign at any time prior to repayment of the principal balance of the Loan outstanding together with all accrued and unpaid interest and all other costs secured by the Security in full, after which time the Borrower shall be permitted to take down such sign at any time at the Borrower's cost.
21. **Governing Law:** The Loan and the Loan Documents shall be governed by and construed under laws of the Province of British Columbia and the federal laws of Canada as applicable therein
22. **Modification:** No term or requirement of any of the Loan Documents may be waived or varied orally or by any course of conduct of the Borrower or anyone acting on his behalf or by any officer, employee or agent of the Lender. Any alteration or amendment to any of the Loan Documents must be in writing and signed by a duly authorized officer of the Lender and accepted by a duly authorized officer of the Borrower
23. **Language:** Any word importing the singular or plural shall include the plural and singular respectively. If any party is comprised of more than one entity, the obligations of each of such entities shall be joint and several. Any word importing persons of either gender or firms or corporations shall include persons of the other gender and firms or corporations where the context so requires.
24. **Headings:** The headings and section numbers appearing in any of the Loan Documents are included only for convenience of reference and in no way define, limit, construe or describe the scope or intent of any provision of any of the Loan Documents.
25. **Counterparts:** Any of the Loan Documents 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.
26. **Electronic Execution:** The words "execution," "execute", "signed," "signature," and words of like import in or related to any Loan Documents to be signed in connection with the Loan 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.
27. **Calculations:** All interest calculated under this Commitment Letter shall be computed based on the actual number of days elapsed in a year consisting of 365 days.

28. **Paramountcy:** In the event of any inconsistency or conflict between any of the provisions of the Commitment Letter and any provision or provisions of the Security, the provisions of the Commitment Letter will prevail.

### SCHEDULE C REPORTING

The Borrower shall provide the Lender with copies of the following regarding the Loan Parties and the Property:

1. any and all insurance policy renewals and/or amendments within ten business days of the issuance thereof. The Lender may, in its unfettered discretion, require its insurance consultant to conduct an insurance review at the Borrower's expense;
2. property tax statements supported by proof of payment on a quarterly basis or as otherwise requested by the Lender from time to time;
3. within 90 days of the end of each of its fiscal years, the Borrower shall provide to the Lender:
  - (a) notice to reader financial statements for the Borrower and any Corporate Guarantor, as applicable, including a balance sheet and supporting schedules, a detailed statement of income and expenditures and supporting schedules, and a statement of change in cash flow; and
  - (b) certified and current-dated net worth statements for any personal Guarantor, if applicable, with supporting documentation of asset values; and
4. at the Lender's request from time to time, the Borrower shall provide the Lender with any other relevant updates regarding the Property.

**SCHEDULE D  
NOTICE TO PROPERTY TAX AUTHORITY**

**Re:**                    **Borrower:** \_\_\_\_\_  
                             **Property:** \_\_\_\_\_  
                             **Loan No.:** \_\_\_\_\_

To Whom It May Concern:

Approval is being given to release any information verbally or in writing as requested by our mortgage company, KingSett Mortgage Corporation, regarding all matters related to taxes for the above-noted property. This is including but not limited to taxes outstanding, status of tax account, payments received and/or outstanding or copies of tax statements.

This approval will remain in full force and effect until the mortgage is paid in full.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

**BORROWER:**

Surrey Centre District NW GP Ltd., in its capacity as  
general partner for and on behalf of District  
Northwest LP

**NOMINEE:**

105 University View Homes Ltd.

\_\_\_\_\_  
Name:  
Title:  
I/we have authority to bind the Corporation

\_\_\_\_\_  
Name:  
Title:  
I/we have authority to bind the  
Corporation

**Property Civic Address:**

**Roll Number:**

(Please complete in full)

**SCHEDULE E  
PRE-AUTHORIZED DEBIT FORM**

I/we authorize KingSett Mortgage Corporation ("**KingSett**") or its affiliates and the financial institution designated (or any other financial institution I/we may authorize at any time) to debit my/our bank account for regular recurring payments and/or one-time payments from time to time, for payment of all monies owing under a mortgage granted to and in favour of KingSett (the "**Mortgage**"). Regular recurring payments will be debited from my/our specified account monthly on the due date specified in the Mortgage. The entry in my/our bank statement will constitute my/our receipt.

I/We acknowledge that the regular recurring payments may vary from time to time in light of changes to realty taxes, interest adjustments, arrears, fees or, if the Mortgage bears a variable interest rate, because of interest rate fluctuations. I/We agree that no prior notification of the amount of each regular recurring payment will be given to me/us and I/we specifically waive any pre-notification requirements in respect of same. KingSett will obtain my/our authorization for any other one-time or sporadic debits.

If there is a change in the bank and/or account numbers from which payments are to be drawn, and if the new account is in my/our name, then only a new personalized cheque marked "**VOID**" will be required for KingSett to draw from the new account.

This authorization may be revoked by the undersigned on 30 days prior written notice. A sample cancellation form and further information on cancellation rights may be obtained from the financial institution noted above or by visiting [www.cdnpay.ca](http://www.cdnpay.ca).

I/We have certain recourse rights if any debit does not comply with this document. For example, I/we have the right to receive reimbursement for any debit that is not authorized by, or is not consistent with, this document. More information on recourse rights may be obtained from the financial institution noted above or by visiting [www.cdnpay.ca](http://www.cdnpay.ca).

<b>Borrower Name</b>	
<b>Address</b>	<b>Province</b>
<b>City</b>	<b>Postal Code</b>
<b>Phone #</b>	

<b>FI Name:</b>	<b>Institution #</b>
<b>Account #</b>	<b>Transit #</b>
<b>Address</b>	<b>Province</b>
<b>City</b>	<b>Postal Code</b>

<b>Authorized Signatures(s)</b>	
<b>Name(s)</b>	

**SCHEDULE F  
ESG SURVEY**

**KingSett Mortgage Investments - ESG SURVEY**

KingSett Capital is committed to integrating best-in-class ESG practices throughout all its investment vehicles. We kindly ask that you complete this questionnaire so that we can track the Environmental, Social and Governance performance of the mortgage investments managed by KingSett Mortgage Corporation.

Date: \_\_\_\_\_  
 Borrower: \_\_\_\_\_  
 Property: \_\_\_\_\_  
 Completed By: \_\_\_\_\_

Please identify any of the following ESG initiatives that apply to your organization and/or the property being financed.

<p><b>General</b></p> <p><b>Environmental Initiatives</b> (please select all that apply to the property being financed)</p>	<p>Does your organization have an ESG strategy or annual report? If yes, where can we find more information? _____</p> <p><input type="checkbox"/> Water &amp; energy consumption tracking</p> <p><input type="checkbox"/> Waste volume tracking</p> <p><input type="checkbox"/> On-site clean or renewable energy generation or storage (ex. solar, geothermal)</p> <p><input type="checkbox"/> Retrofits to improve the energy-efficiency of the property (ex. lighting, HVAC, windows)</p> <p><input type="checkbox"/> Stormwater management system</p> <p><input type="checkbox"/> Green roof or green wall</p> <p><input type="checkbox"/> Electric vehicle chargers on site</p> <p><input type="checkbox"/> High performance envelope (ex. triple glazing)</p> <p><input type="checkbox"/> Air tightness testing</p> <p><input type="checkbox"/> High-efficiency appliances or fixtures</p> <p><input type="checkbox"/> Green building certifications (ex. LEED, BOMA, WELL) _____</p> <p><input type="checkbox"/> Is the property's carbon footprint tracked?</p> <p><input type="checkbox"/> Are carbon offsets purchased to offset embodied or operational carbon?</p> <p><input type="checkbox"/> Other _____</p>
<p><b>Social Impact</b></p>	<p><input type="checkbox"/> Does the project create or preserve any affordable housing units? Number of units _____</p> <p><input type="checkbox"/> Is there any community space (ex. daycare, arts &amp; culture) in the property? Sq. ft. _____</p> <p><input type="checkbox"/> Tenant wellness or community focused programs</p> <p><input type="checkbox"/> Other _____</p>
<p><b>Governance</b></p>	<p><input type="checkbox"/> Does your organization have an ESG strategy or annual report?</p> <p><input type="checkbox"/> Does your organization have a code of ethics?</p> <p><input type="checkbox"/> Does your organization have ESG performance targets (ex. emissions reduction, diversity targets)?</p> <p><input type="checkbox"/> Does your organization have any responsible hiring or contracting policies in place?</p> <p><input type="checkbox"/> Other _____</p>

Please tell us about any other ESG initiatives not highlighted above:





October 16<sup>th</sup>, 2023

District Northwest Limited Partnership  
 c/o Abacus North Capital  
 1260 Hamilton St.  
 Lower Level  
 Vancouver, BC V6B 2S8

Attention: Sam Perera

**Re: First mortgage land and municipal fees financing of District Northwest**

We are pleased to advise that KingSett Mortgage Corporation has approved the following First amendment (the "**First Amendment**") to the commitment letter dated February 14, 2022 (collectively, the "**Commitment**"), which Commitment sets out the terms and conditions of the Loan granted by the Lender to the Borrower and is incorporated herein by reference.

All capitalized terms contained in this First Amendment shall have the respective meanings ascribed thereto in the Commitment unless expressly defined in this First Amendment.

**AMENDED LOAN TERMS**

**A. LOAN TERMS**

1. Section A. 6 is deleted in its entirety and replaced with the following:

**Loan Amount:** \$79,912,500 (the "Loan Amount"). Loan Amount represents an increase of \$24,162,500 from the original Loan Amount of \$55,750,000.

2. Section A. 7 is deleted in its entirety and replaced with the following:

**Interest Rate:** Prime Rate + 7.04% (floor rate of 9.49%) per annum, calculated on the daily outstanding balance, compounded and payable monthly, not in advance, both before and after maturity, default and/or judgment with respect to the Loan for each and every month of the Term (as such Term may be extended in accordance with this Commitment Letter), save and except for the last month of the Term, and 15.49% per annum for the last month of the Term and each and every month thereafter (as applicable, the "Interest Rate"), provided that "Prime Rate" shall mean, 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 charged to its customers of varying degrees of creditworthiness in Canada for Canadian Dollar demand loans in Toronto, Ontario.

3. Section A. 9 is amended by adding the following immediately after the last paragraph:

Incremental Lender's Fee of \$1,208,125 (5.00% of the Loan Amount increase) is earned by the Lender upon Borrower's execution of the First Amendment and payable by the Borrower to the Lender at the time of the incremental Loan Amount advance.

4. Section A. 11 is deleted in its entirety and replaced with the following:

**Extension Option:** Provided that no Event of Default as defined in the Mortgage and referred to in this Commitment Letter as an "Event of Default" has occurred which is continuing and subject



to the consent of the Lender, in its sole, absolute and unfettered discretion, the Lender shall permit an extension of the Term by two (2) extensions of seven (7) months from the existing Maturity Date of September 1, 2023 (each an "Extension Option"). The exercise of each Extension Option is subject to delivery of a written request from the Borrower to the Lender at least 30 days prior to the Maturity Date and payment of the Extension Fee.

5. Section A. 12 is deleted in its entirety and replaced with the following:

**Extension Fee:** \$325,208 (0.41% of the Loan Amount) extension fee earned by the Lender upon the exercise of each Extension Option (the "Extension Fee") and payable on or before the date which is ten days prior to the Maturity Date. Should any Extension Option not be granted by the Lender, the Lender will return the applicable Extension Fee to the Borrower, if applicable.

6. Section A. 14 is deleted in its entirety and replaced with the following:

**Interest Reserve:** \$7,615,190 (the "Interest Reserve") will be credited to an Interest Reserve account held by the Lender which the Lender will debit for Monthly Payments. If an Event of Default has occurred and is continuing or the credit balance in the Interest Reserve account has been fully applied to pay Monthly Interest Payments, the Borrower shall thereafter be required to make Monthly Payments from its own financing resources. For greater clarity, this current Interest Reserve supersedes and replaces the previous Interest Reserve of \$2,015,190 which has been fully capitalized. Upon the advance of the Loan increase, \$5,600,000 will remain available under the Interest Reserve.

7. Section A. 15 is deleted in its entirety and replaced with the following:

**Sources and Uses:**

Sources	\$	Uses	\$
KingSett 1st Mortgage	\$79,912,500	Land Costs	\$52,300,000
Cash Equity	5,000,000	Municipal Fees	23,177,310
Appraisal Surplus	17,300,000	Financing Costs	7,615,190
		Working Capital	19,120,000
<b>TOTAL</b>	<b>\$102,212,500</b>	<b>TOTAL</b>	<b>\$102,212,500</b>

8. Section D. 1 is deleted in its entirety and replaced with the following:

1. **Advance of the Loan:** The initial Loan advance of \$55,750,000 inclusive of a \$2,015,190 interest reserve occurred February 25<sup>th</sup>, 2022. The incremental loan increase of \$24,162,500 will fund in two tranches, as outlined below:
- Tranche 1:** \$11,500,000 to be advanced with \$2,800,000 to be deducted and credited to the Interest Reserve account held by the Lender as stipulated in Section A.14. The funds are to be used to address outstanding payables on the Brentwood Tower C project as well as paying interest on the Highline Second Mortgage. All disbursements of the funds are at the sole and unfettered discretion of the Lender.
  - Tranche 2:** \$12,662,500 to be advanced with \$2,800,000 to be deducted and credited to the Interest Reserve account held by the Lender as stipulated in Section A.14. All disbursements of the funds are at the sole and unfettered discretion of the Lender. Tranche 2 is to fund by no later than January 15<sup>th</sup>, 2024. If Tranche 2 does not fund by January 15<sup>th</sup>, 2024, Tranche 2 will be cancelled.



## B. SECURITY

**Mortgage:** A \$99,890,625 mortgage/charge (~125% of the Loan Amount) granted by the Nominee and the Borrower, including, without limitation, a negative pledge by the Nominee and the Borrower not to repay any shareholder loans, redeem shares, pay out dividends, or to otherwise compensate the Loan's sponsors or other non-arm's length parties until such time as the principal balance of the Loan outstanding together with all accrued and unpaid interest thereon and all other costs secured by the Security has been repaid in full.

## C. CONDITIONS PRECEDENT

This **First Amendment** shall be subject to the following additional conditions precedent which shall each have been received, reviewed and/or met to the satisfaction of the Lender in its sole, absolute and unfettered discretion (collectively, the "**First Amendment Conditions Precedent**").

1. Subject to Investment Committee Approval; and
2. Security to be amended and/or extended as deemed necessary by the Lender and its legal counsel to reflect the revised terms specified in this First Amendment.
3. Insurance to be amended and/or extended as deemed necessary by the Lender and its insurance consultant to reflect the revised terms specified in this First Amendment.

In the event that the abovementioned First Amendment Conditions Precedent have not been satisfied by October 25<sup>th</sup>, 2023 at the exclusive option of the Lender, the Lender's obligations under this First Amendment shall cease and the Loan will become due and payable in accordance with the terms of the original Commitment. Notwithstanding the same, the Lender shall remain entitled to earn and receive full payment of the First Amendment Fee and to fully recover from the Borrower and Guarantor any expenses incurred by the Lender.

## GENERAL MATTERS

1. **Entire Agreement** – No alteration, modification, amendment, change or addition to this **First Amendment** (nor further alteration, modification, amendment, change or addition to the Commitment) shall be effective unless the same is in writing and signed by all of the parties hereto.
2. **Not a Novation** – It is the intent of the Borrower and Lender that this **First Amendment** shall not constitute a novation or in any way adversely affect the Commitment or the Security for the Loan, including, without limitation, the mortgage/charge in favour of the Lender.
3. **Captions** – The captions and headings herein shall be solely for convenience of reference and in no way define, limit or describe the scope or intent of any provisions or sections of this **First Amendment**.
4. **Successors and Assigns** – The **First Amendment** shall be binding upon and enure to the benefit of the parties hereto and their respective heirs, successors and assigns but may not be assigned by the Borrower under any circumstances and the parties hereto agree that any such attempted assignment by the Borrower shall be null and void and of no force and effect.
5. **Limited Modification** – The Commitment, as amended by this **First Amendment**, and the Security shall remain in full force and effect and all parties liable or obligated with respect thereto shall remain so liable or obligated with respect to the Commitment, as amended by this **First Amendment**, and the Security. The Property shall remain in all respects subject to the liens,



charges and encumbrances as set out in the Commitment, as amended by this **First Amendment**, and the Security and nothing herein and nothing done pursuant hereto shall affect or be construed to affect the liens, charges and encumbrances of, or warranties of title in, any of the loan documents including, without limitation, the Commitment and the Security (the "**Loan Documents**"), nor the priority thereof over other liens, charges, encumbrances or conveyances. This **First Amendment** shall not release or affect the liability of any party or parties who may have been, now or hereafter be liable under or on account of any of the Loan Documents.

If any obligation of any party or parties who may have been, now or hereafter be liable under or on account of any of the Loan Documents is determined to be void or unenforceable on account of this **First Amendment** and/or the modification of the Loan Documents as contemplated by this **First Amendment**, the Borrower, as an additional and independent obligation, hereby agrees to indemnify and hold harmless the Lender against and from all loss, cost, damage or expense (including attorney's fees, whether or not litigation has been commenced, and any and all costs for trial, bankruptcy and appellate proceedings) suffered or incurred by the Lender as the result of any such obligation being void or unenforceable.

6. Commitment References – This **First Amendment** shall form a part of the Commitment and shall be read as such and reference in the Commitment to the Commitment or similar expressions shall be deemed, as of the date hereof, to include this **First Amendment**.
7. Time is of the Essence - Time is of the essence in this **First Amendment**.
8. Conflict - In the event of any inconsistency between the terms and conditions of any one or more of the Loan Documents and this **First Amendment**, the terms and conditions and provisions of this **First Amendment** shall prevail. Whenever possible, this **First Amendment** shall be read to harmonize, rather than conflict, with any term or provision contained in the Loan Documents which is not specifically modified by this **First Amendment**.
9. Appointment of a Receiver - In the event of a default of the Borrower on the Property, beyond the applicable cure period, in addition to any other rights which it may have, the Borrower consents to the Lender's appointment of a receiver manager or receiver, either privately or court appointed, to manage the Property and do all things necessary as an owner would be entitled to do, including sell the Property, subject to the terms of the Mortgage and all applicable governmental legislation.
10. Facsimile Transmission - The parties hereto acknowledge that this **First Amendment** may be transmitted by facsimile transmission and that, if signed by each party hereto, such facsimile transmission will constitute a legally binding agreement between the parties.
11. Privacy Act Consent - The parties hereto acknowledge that this **First Amendment** shall be subject to the Privacy Act Consent, unamended, as set out in the Commitment.



**PRIVACY ACT CONSENT**


The parties hereto acknowledge that this First Amendment shall be subject to the Privacy Act Consent, unamended, as set out in the Commitment.

Please execute and return one copy of this First Amendment to the attention of the undersigned no later than October 18<sup>th</sup>, along with a cheque for the First Extension Fee in the amount of \$325,208 failing which, at the Lender's exclusive option, this First Amendment shall be null and void and of no force nor effect and the Lender shall be entitled to all of its rights and remedies under the Commitment and the Security.

Yours truly,

**KINGSETT MORTGAGE CORPORATION**

Per:   
Justin Walton (Oct 16, 2023 14:12 EDT)  
Justin Walton  
Managing Director, Mortgage Investments

Per:   
Bryan Salazar (Oct 16, 2023 14:40 EDT)  
Bryan Salazar  
Managing Director, Mortgage Underwriting & Funding

*\*\*Borrower and Guarantor acknowledgement on following page\*\**



**ACKNOWLEDGEMENT**

The terms and conditions of this Commitment are hereby acknowledged and agreed to by the Borrower and Guarantors at Burnby this 18 day of October, 2023.

**BORROWER:**

Surrey Centre District NW GP Ltd., in its capacity as general partner for and on behalf of District Northwest LP

**NOMINEE:**

105 University View Homes Ltd.



Name:  
Title:  
I/we have authority to bind the Corporation



Name:  
Title:  
I/we have authority to bind the Corporation

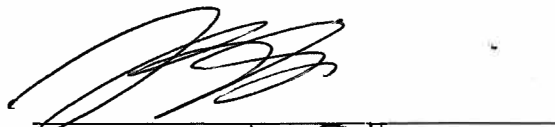
**GUARANTORS:**

Daljit Thind

**WITNESS**



Name:

  
Name: Brendan Sillis

Thind Properties Ltd.

Per: 

Name:  
Title:  
I/we have authority to bind the Corporation



January 30<sup>th</sup>, 2024

District Northwest Limited Partnership  
 c/o Abacus North Capital  
 1260 Hamilton St.  
 Lower Level  
 Vancouver, BC V6B 2S8

Attention: Sam Perera

**Re: First mortgage land and municipal fees financing of District Northwest**

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We are pleased to advise that KingSett Mortgage Corporation has approved the following Second amendment (the "**Second Amendment**") to the commitment letter dated February 14, 2022 and the First Amendment dated October 16, 2023 (collectively, the "**Commitment**"), which Commitment sets out the terms and conditions of the Loan granted by the Lender to the Borrower and is incorporated herein by reference.

All capitalized terms contained in this Second Amendment shall have the respective meanings ascribed thereto in the Commitment unless expressly defined in this Second Amendment.

**AMENDED LOAN TERMS**

**A. FUNDING**

Section D. 1 is deleted in its entirety and replaced with the following:

1. **Advance of the Loan:** The initial Loan advance of \$55,750,000 inclusive of a \$2,015,190 interest reserve occurred February 25<sup>th</sup>, 2022. The incremental loan increase of \$24,162,500 will fund in four tranches, as outlined below:
  - a. **Tranche 1:** \$11,500,000 to be advanced with \$2,800,000 to be deducted and credited to the Interest Reserve account held by the Lender as stipulated in Section A.14. The funds are to be used to address outstanding payables on the Brentwood Tower C project as well as paying interest on the Highline Second Mortgage. All disbursements of the funds are at the sole and unfettered discretion of the Lender.
  - b. **Tranche 2:** \$4,500,000 to be advanced for purposes approved by the Lender. All disbursements of the funds are at the sole and unfettered discretion of the Lender.
  - c. **Tranche 3:** \$3,000,000 to be advanced for purposes approved by the Lender. All disbursements of the funds are at the sole and unfettered discretion of the Lender.
  - d. **Tranche 4:** \$5,162,500 to be advanced for purposes approved by the Lender with \$2,800,000 to be deducted and credited to the Interest Reserve account held by the Lender as stipulated in Section A.14. All disbursements of the funds are at the sole and unfettered discretion of the Lender. Tranche 4 is to fund by no later than April 1<sup>st</sup>, 2024. If Tranche 2 does not fund by April 1<sup>st</sup>, 2024, Tranche 2 will be cancelled.



## B. SECURITY

**Mortgage:** A \$99,890,625 mortgage/charge (~125% of the Loan Amount) granted by the Nominee and the Borrower, including, without limitation, a negative pledge by the Nominee and the Borrower not to repay any shareholder loans, redeem shares, pay out dividends, or to otherwise compensate the Loan's sponsors or other non-arm's length parties until such time as the principal balance of the Loan outstanding together with all accrued and unpaid interest thereon and all other costs secured by the Security has been repaid in full.

## C. CONDITIONS PRECEDENT

This Second Amendment shall be subject to the following additional conditions precedent which shall each have been received, reviewed and/or met to the satisfaction of the Lender in its sole, absolute and unfettered discretion (collectively, the "**Second Amendment Conditions Precedent**").

1. Subject to Investment Committee Approval; and
2. Security to be amended and/or extended as deemed necessary by the Lender and its legal counsel to reflect the revised terms specified in this Second Amendment.
3. Insurance to be amended and/or extended as deemed necessary by the Lender and its insurance consultant to reflect the revised terms specified in this Second Amendment.

In the event that the abovementioned Second Amendment Conditions Precedent have not been satisfied by February 5<sup>th</sup>, 2024 at the exclusive option of the Lender, the Lender's obligations under this Second Amendment shall cease and the Loan will become due and payable in accordance with the terms of the original Commitment. Notwithstanding the same, the Lender shall remain entitled to earn and receive full payment of the Second Amendment Fee and to fully recover from the Borrower and Guarantor any expenses incurred by the Lender.

## GENERAL MATTERS

1. Entire Agreement – No alteration, modification, amendment, change or addition to this Second Amendment (nor further alteration, modification, amendment, change or addition to the Commitment) shall be effective unless the same is in writing and signed by all of the parties hereto.
2. Not a Novation – It is the intent of the Borrower and Lender that this Second Amendment shall not constitute a novation or in any way adversely affect the Commitment or the Security for the Loan, including, without limitation, the mortgage/charge in favour of the Lender.
3. Captions – The captions and headings herein shall be solely for convenience of reference and in no way define, limit or describe the scope or intent of any provisions or sections of this Second Amendment.
4. Successors and Assigns – The Second Amendment shall be binding upon and enure to the benefit of the parties hereto and their respective heirs, successors and assigns but may not be assigned by the Borrower under any circumstances and the parties hereto agree that any such attempted assignment by the Borrower shall be null and void and of no force and effect.
5. Limited Modification – The Commitment, as amended by this Second Amendment, and the Security shall remain in full force and effect and all parties liable or obligated with respect thereto shall remain so liable or obligated with respect to the Commitment, as amended by this Second Amendment, and the Security. The Property shall remain in all respects subject to the liens, charges and encumbrances as set out in the Commitment, as amended by this Second Amendment, and the Security and nothing herein and nothing done pursuant hereto shall affect or be construed to affect the liens, charges and encumbrances of, or warranties of title in, any of





the loan documents including, without limitation, the Commitment and the Security (the "**Loan Documents**"), nor the priority thereof over other liens, charges, encumbrances or conveyances. This Second Amendment shall not release or affect the liability of any party or parties who may have been, now or hereafter be liable under or on account of any of the Loan Documents.

If any obligation of any party or parties who may have been, now or hereafter be liable under or on account of any of the Loan Documents is determined to be void or unenforceable on account of this Second Amendment and/or the modification of the Loan Documents as contemplated by this Second Amendment, the Borrower, as an additional and independent obligation, hereby agrees to indemnify and hold harmless the Lender against and from all loss, cost, damage or expense (including attorney's fees, whether or not litigation has been commenced, and any and all costs for trial, bankruptcy and appellate proceedings) suffered or incurred by the Lender as the result of any such obligation being void or unenforceable.

6. Commitment References – This Second Amendment shall form a part of the Commitment and shall be read as such and reference in the Commitment to the Commitment or similar expressions shall be deemed, as of the date hereof, to include this Second Amendment.
7. Time is of the Essence - Time is of the essence in this Second Amendment.
8. Conflict - In the event of any inconsistency between the terms and conditions of any one or more of the Loan Documents and this Second Amendment, the terms and conditions and provisions of this Second Amendment shall prevail. Whenever possible, this Second Amendment shall be read to harmonize, rather than conflict, with any term or provision contained in the Loan Documents which is not specifically modified by this Second Amendment.
9. Appointment of a Receiver - In the event of a default of the Borrower on the Property, beyond the applicable cure period, in addition to any other rights which it may have, the Borrower consents to the Lender's appointment of a receiver manager or receiver, either privately or court appointed, to manage the Property and do all things necessary as an owner would be entitled to do, including sell the Property, subject to the terms of the Mortgage and all applicable governmental legislation.
10. Facsimile Transmission - The parties hereto acknowledge that this Second Amendment may be transmitted by facsimile transmission and that, if signed by each party hereto, such facsimile transmission will constitute a legally binding agreement between the parties.
11. Privacy Act Consent - The parties hereto acknowledge that this Second Amendment shall be subject to the Privacy Act Consent, unamended, as set out in the Commitment.




**PRIVACY ACT CONSENT**


The parties hereto acknowledge that this Second Amendment shall be subject to the Privacy Act Consent, unamended, as set out in the Commitment.

Please execute and return one copy of this Second Amendment to the attention of the undersigned no later than February 2<sup>nd</sup>, 2024, failing which, at the Lender's exclusive option, this Second Amendment shall be null and void and of no force nor effect and the Lender shall be entitled to all of its rights and remedies under the Commitment and the Security.

Yours truly,

**KINGSETT MORTGAGE CORPORATION**

Per:   
Justin Walton  
Managing Director, Mortgage Investments

Per:   
Bryan Salazar  
Managing Director, Mortgage Underwriting & Funding

*\*\*Borrower and Guarantor acknowledgement on following page\*\**



**ACKNOWLEDGEMENT**

The terms and conditions of this Commitment are hereby acknowledged and agreed to by the Borrower and Guarantors at BURNABY this 1<sup>st</sup> day of February, 2023.

**BORROWER:**

Surrey Centre District NW GP Ltd., in its capacity as general partner for and on behalf of District Northwest LP

**NOMINEE:**

105 University View Homes Ltd.

Name:  
Title: **Daljit Thind, CEO**  
I/we have authority to bind the Corporation

Name:  
Title: **Daljit Thind, CEO**  
I/we have authority to bind the Corporation

**GUARANTORS:**

Daljit Thind

Name:  
**Daljit Thind, CEO**

Thind Properties Ltd.

**WITNESS**

Name: Brendan Sallis

Per:

Name:  
Title: **Daljit Thind, CEO**  
I/we have authority to bind the Corporation



March 19<sup>th</sup>, 2024

District Northwest Limited Partnership  
 c/o Abacus North Capital  
 1260 Hamilton St.  
 Lower Level  
 Vancouver, BC V6B 2S8

Attention: Sam Perera

**Re: First mortgage land and municipal fees financing of District Northwest**

We are pleased to advise that KingSett Mortgage Corporation has approved the following Third amendment (the "**Third Amendment**") to the commitment letter dated February 14, 2022 and the First Amendment dated October 16, 2023 and the Second Amendment dated January 30, 2024 (collectively, the "**Commitment**"), which Commitment sets out the terms and conditions of the Loan granted by the Lender to the Borrower and is incorporated herein by reference.

All capitalized terms contained in this Third Amendment shall have the respective meanings ascribed thereto in the Commitment unless expressly defined in this Third Amendment.

**AMENDED LOAN TERMS**

**A. FUNDING**

Section D. 1 is deleted in its entirety and replaced with the following:

1. **Advance of the Loan:** The initial Loan advance of \$55,750,000 inclusive of a \$2,015,190 interest reserve occurred February 25<sup>th</sup>, 2022. The incremental loan increase of \$24,162,500 will fund in four tranches, as outlined below:
  - a. **Tranche 1:** \$11,500,000 to be advanced with \$2,800,000 to be deducted and credited to the Interest Reserve account held by the Lender as stipulated in Section A.14. The funds are to be used to address outstanding payables on the Brentwood Tower C project as well as paying interest on the Highline Second Mortgage. All disbursements of the funds are at the sole and unfettered discretion of the Lender.
  - b. **Tranche 2:** \$8,000,000 to be advanced. All disbursements of the funds are at the sole and unfettered discretion of the Lender.
  - c. **Tranche 3:** \$4,662,500 to be advanced. All disbursements of the funds are at the sole and unfettered discretion of the Lender.

**B. CONDITIONS PRECEDENT**

This Third Amendment shall be subject to the following additional conditions precedent which shall each have been received, reviewed and/or met to the satisfaction of the Lender in its sole, absolute and unfettered discretion (collectively, the "**Third Amendment Conditions Precedent**").



1. Subject to Investment Committee Approval;
2. Lender shall have received confirmation that there are no outstanding Property taxes due and payable;
3. Lender shall have received confirmation that Property insurance remains in-place to the Lender's satisfaction; and
4. Security to be amended and/or extended as deemed necessary by the Lender and its legal counsel to reflect the revised terms specified in this Third Amendment.

In the event that the abovementioned Third Amendment Conditions Precedent have not been satisfied by March 22, 2024 at the exclusive option of the Lender, the Lender's obligations under this Third Amendment shall cease and the Loan will become due and payable in accordance with the terms of the original Commitment. Notwithstanding the same, the Lender shall remain entitled to earn and receive full payment of the Third Amendment Fee and to fully recover from the Borrower and Guarantor any expenses incurred by the Lender.

#### GENERAL MATTERS

1. Entire Agreement – No alteration, modification, amendment, change or addition to this Third Amendment (nor further alteration, modification, amendment, change or addition to the Commitment) shall be effective unless the same is in writing and signed by all of the parties hereto.
2. Not a Novation – It is the intent of the Borrower and Lender that this Third Amendment shall not constitute a novation or in any way adversely affect the Commitment or the Security for the Loan, including, without limitation, the mortgage/charge in favour of the Lender.
3. Captions – The captions and headings herein shall be solely for convenience of reference and in no way define, limit or describe the scope or intent of any provisions or sections of this Third Amendment.
4. Successors and Assigns – The Third Amendment shall be binding upon and enure to the benefit of the parties hereto and their respective heirs, successors and assigns but may not be assigned by the Borrower under any circumstances and the parties hereto agree that any such attempted assignment by the Borrower shall be null and void and of no force and effect.
5. Limited Modification – The Commitment, as amended by this Third Amendment, and the Security shall remain in full force and effect and all parties liable or obligated with respect thereto shall remain so liable or obligated with respect to the Commitment, as amended by this Third Amendment, and the Security. The Property shall remain in all respects subject to the liens, charges and encumbrances as set out in the Commitment, as amended by this Third Amendment, and the Security and nothing herein and nothing done pursuant hereto shall affect or be construed to affect the liens, charges and encumbrances of, or warranties of title in, any of the loan documents including, without limitation, the Commitment and the Security (the "**Loan Documents**"), nor the priority thereof over other liens, charges, encumbrances or conveyances. This Third Amendment shall not release or affect the liability of any party or parties who may have been, now or hereafter be liable under or on account of any of the Loan Documents.

If any obligation of any party or parties who may have been, now or hereafter be liable under or on account of any of the Loan Documents is determined to be void or unenforceable on account of this Third Amendment and/or the modification of the Loan Documents as contemplated by this Third Amendment, the Borrower, as an additional and independent obligation, hereby agrees to indemnify and hold harmless the Lender against and from all loss, cost, damage or expense (including attorney's fees, whether or not litigation has been commenced, and any and all costs for trial, bankruptcy and appellate proceedings) suffered or incurred by the Lender as the result of any such obligation being void or unenforceable.



6. Commitment References – This Third Amendment shall form a part of the Commitment and shall be read as such and reference in the Commitment to the Commitment or similar expressions shall be deemed, as of the date hereof, to include this Third Amendment.
7. Time is of the Essence - Time is of the essence in this Third Amendment.
8. Conflict - In the event of any inconsistency between the terms and conditions of any one or more of the Loan Documents and this Third Amendment, the terms and conditions and provisions of this Third Amendment shall prevail. Whenever possible, this Third Amendment shall be read to harmonize, rather than conflict, with any term or provision contained in the Loan Documents which is not specifically modified by this Third Amendment.
9. Appointment of a Receiver - In the event of a default of the Borrower on the Property, beyond the applicable cure period, in addition to any other rights which it may have, the Borrower consents to the Lender's appointment of a receiver manager or receiver, either privately or court appointed, to manage the Property and do all things necessary as an owner would be entitled to do, including sell the Property, subject to the terms of the Mortgage and all applicable governmental legislation.
10. Facsimile Transmission - The parties hereto acknowledge that this Third Amendment may be transmitted by facsimile transmission and that, if signed by each party hereto, such facsimile transmission will constitute a legally binding agreement between the parties.
11. Privacy Act Consent - The parties hereto acknowledge that this Third Amendment shall be subject to the Privacy Act Consent, unamended, as set out in the Commitment.



**PRIVACY ACT CONSENT**

The parties hereto acknowledge that this Third Amendment shall be subject to the Privacy Act Consent, unamended, as set out in the Commitment.

Please execute and return one copy of this Third Amendment to the attention of the undersigned no later than March 19, 2024, failing which, at the Lender's exclusive option, this Third Amendment shall be null and void and of no force nor effect and the Lender shall be entitled to all of its rights and remedies under the Commitment and the Security.

Yours truly,

**KINGSETT MORTGAGE CORPORATION**

Per: Justin Walton  
Justin Walton  
Managing Director, Mortgage Investments

Per: Antoni Kajetanowicz  
Antoni Kajetanowicz  
Director, Mortgage Underwriting & Funding

**\*\*Borrower and Guarantor acknowledgement on following page\*\***



**ACKNOWLEDGEMENT**

The terms and conditions of this Commitment are hereby acknowledged and agreed to by the Borrower and Guarantors at BURNABY this 19<sup>th</sup> day of MARCH, 2023.

**BORROWER:**

Surrey Centre District NW GP Ltd., in its capacity as general partner for and on behalf of District Northwest LP

**NOMINEE:**

105 University View Homes Ltd.

Name:  
Title:  
I/we have authority to bind the Corporation

Name:  
Title:  
I/we have authority to bind the Corporation

**GUARANTORS:**

Daljit Thind

Name:

**WITNESS**

Name:

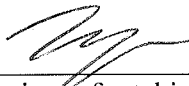
Thind Properties Ltd.

Per:

Name:  
Title:  
I/we have authority to bind the Corporation



This is Exhibit "**B**" referred to in the Affidavit #1 of Daniel Pollack affirmed before me at the city of Toronto, in the Province of Ontario this October 9, 2024



---

A Commissioner for taking affidavits and  
Notary Public in and for the province of  
Ontario

Maya Churilov (LSO# 87190A)



## Limited Partnership Summary

For

### DISTRICT NORTHWEST LIMITED PARTNERSHIP

**Date and Time of Search:** August 26, 2024 01:00 PM Pacific Daylight Time  
**Currency Date:** July 25, 2024

#### ACTIVE

**Registration Number:** LP0862055  
**Name of Limited Partnership:** DISTRICT NORTHWEST LIMITED PARTNERSHIP  
**Registration Date:** November 02, 2021  
**Termination Date:**


#### REGISTERED OFFICE INFORMATION

**Registered Office Address:**  
700 - 401 GEORGIA ST W  
VANCOUVER BC V6B 5A1

#### GENERAL PARTNER INFORMATION

**Individual or Company Name:** SURREY CENTRE DISTRICT NW GP LTD.  
**Residential or Registered Address:** 215 - 179 DAVIE ST  
VANCOUVER BC V6Z 2Y1  
**Incorporation or Registration** 1330153

This is Exhibit "C" referred to in the Affidavit  
#1 of Daniel Pollack affirmed before me at the  
city of Toronto, in the Province of Ontario this  
October 9, 2024



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A Commissioner for taking affidavits and  
Notary Public in and for the province of  
Ontario

Maya Churilov (LSO# 87190A)



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## BC Company Summary

For  
**105 UNIVERSITY VIEW HOMES LTD.**

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**Date and Time of Search:** August 26, 2024 12:56 PM Pacific Time

**Currency Date:** May 09, 2024

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### ACTIVE

**Incorporation Number:** BC1139244

**Name of Company:** 105 UNIVERSITY VIEW HOMES LTD.

**Business Number:** 787210111 BC0001

**Recognition Date and Time:** Incorporated on October 27, 2017 02:14 PM Pacific Time **In Liquidation:** No

**Last Annual Report Filed:** October 27, 2023 **Receiver:** No

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### REGISTERED OFFICE INFORMATION

**Mailing Address:**  
700 - 401 WEST GEORGIA STREET  
VANCOUVER BC V6B 5A1  
CANADA

**Delivery Address:**  
700 - 401 WEST GEORGIA STREET  
VANCOUVER BC V6B 5A1  
CANADA

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### RECORDS OFFICE INFORMATION

**Mailing Address:**  
700 - 401 WEST GEORGIA STREET  
VANCOUVER BC V6B 5A1  
CANADA

**Delivery Address:**  
700 - 401 WEST GEORGIA STREET  
VANCOUVER BC V6B 5A1  
CANADA

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### DIRECTOR INFORMATION

**Last Name, First Name, Middle Name:**  
Thind, Daljit Singh

**Mailing Address:**  
700 - 4211 KINGSWAY  
BURNABY BC V5H 1Z6  
CANADA

**Delivery Address:**  
700 - 4211 KINGSWAY  
BURNABY BC V5H 1Z6  
CANADA

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NO OFFICER INFORMATION FILED AS AT October 27, 2023.

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This is Exhibit "D" referred to in the Affidavit  
#1 of Daniel Pollack affirmed before me at the  
city of Toronto, in the Province of Ontario this  
October 9, 2024



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A Commissioner for taking affidavits and  
Notary Public in and for the province of  
Ontario

Maya Churilov (LSO# 87190A)

September 30, 2024

## MORTGAGE LOAN FULL DISCHARGE STATEMENT - LEGAL PURPOSES

District Northwest Limited Partnership  
 c/o Abacus North Capital  
 1260 Hamilton St.  
 Lower level  
 Vancouver, BC V6B 2S8

<b>Mortgage No.:</b>	In5313		<b>Borrower:</b>	District Northwest Limited Partnership	
<b>Payout Date:</b>	October 1, 2024		<b>Project/Loan Name:</b>	District Northwest 2	
<b>Maturity Date:</b>	April 1, 2024		<b>Property Address:</b>	13416-13437 105A Avenue, 10501-10537 134A Street and 10492-10536 University Drive Surrey, BC	
<b>Interest Rate Type:</b>	Variable	<b>Variable Rate Spread:</b>	7.04%	<b>Payment Type:</b>	Interest Only
<b>Floor Rate (if applicable):</b>	9.49%	<b>Prime Rate:</b>	6.45%	<b>Variable Interest Rate:</b>	13.49%

The total balance outstanding under the above noted mortgage loan is detailed below:

Notes	Date of Last Payment*:			April 1, 2024
	<b>Outstanding Principal Balance as at Date of Last Payment:</b>			<b>\$ 79,912,500.00</b>
	Outstanding Interest (April):	April 1, 2024	to April 30, 2024	\$ 935,304.66
	Outstanding Interest (May):	May 1, 2024	to May 31, 2024	\$ 966,481.48
	Outstanding Interest (June):	June 1, 2024	to June 30, 2024	\$ 921,621.01
	Outstanding Interest (July):	July 1, 2024	to July 31, 2024	\$ 945,682.34
	Outstanding Interest (August):	August 1, 2024	to August 31, 2024	\$ 932,546.03
	Outstanding Interest (September):	September 1, 2024	to September 30, 2024	\$ 888,232.91
	Late Interest Charges:			\$ 165,453.46
	Bennett Jones invoice paid by KingSett:			\$ 1,389.29
	Discharge Fee:			\$ 1,000.00
	<b>Total Amount Required for Full Discharge on Payout Date by 1:00 PM EST *:</b>			<b>\$ 85,670,211.18</b>
			Interest Per Diem:	<b>\$ 31,661.89</b>

Notes:

Fees and expenses may continue to be incurred and may be subject to change. Any such fees and expenses are the sole responsibility of the borrower.

\*The total amount including any applicable per diem must be received in order to obtain a full discharge of the mortgage

This statement has been prepared on the assumption that all payments up to and including the Payout Date have been made and honoured and on the assumption that no further advances or repayments through to the Payout Date have been or will be made.

If the above noted loan has a variable rate, any rate changes occurring prior to the Payout Date will require a new statement to be issued.

Funds received after **1:00 PM EST** shall be deemed to be made and received on the next business day and additional per diem to the next business day will be deemed earned.

**Certified funds** are to be delivered by EFT, direct deposit or bank draft to the following account including the reference particulars noted below:

<b>Beneficiary:</b>	KingSett Mortgage Corporation	Scotia Plaza, 40 King Street West, Suite 3700, PO Box 110, Toronto, ON M5H 3Y2			
<b>Bank:</b>	Royal Bank of Canada	200 Bay Street, Main Floor, Toronto, ON M5J 2J5			
<b>Transit No:</b>	00002	<b>Account No:</b>	115-548-0	<b>Bank No:</b>	00003
<b>Reference:</b>	ID: In5313	District Northwest 2		<b>SWIFT:</b>	ROYCCAT2

This statement is only valid up to: **November 1 2024**

Repayments received after this date will require a new statement.

**E & O.E.**

Authorization:




Tanya Lee - Executive Director, Mortgage Operations



Daniel Pollack (Sep 30, 2024 16:01 EDT)

Daniel Pollack - Executive Director, Loans and Portfolio Management

This is Exhibit "E" referred to in the Affidavit #1 of Daniel Pollack affirmed before me at the city of Toronto, in the Province of Ontario this October 9, 2024



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A Commissioner for taking affidavits and  
Notary Public in and for the province of  
Ontario

Maya Churilov (LSO# 87190A)

## GENERAL SECURITY AGREEMENT

**THIS AGREEMENT** (the "**General Security Agreement**") is dated as of the 24 day of February, 2022.

**BETWEEN:**

**105 UNIVERSITY VIEW HOMES LTD.**

(the "**Grantor**")

OF THE FIRST PART

- and -

**KINGSETT MORTGAGE CORPORATION**

(the "**Grantee**")

OF THE SECOND PART

**WHEREAS** the Grantor, as mortgagor, has granted a first ranking mortgage (the "**Mortgage**") to and in favour of the Grantee, as mortgagee, of the lands and premises charged therein (the "**Property**"), notice of which was registered on the date hereof in the Land Registry Office for New Westminster to secure the payment of principal, interest and other monies and the performance of all obligations arising thereunder, as amended, modified, supplemented or replaced from time to time;

**AND WHEREAS** as a condition for receiving the Loan Indebtedness, the Grantor agreed to create and to grant to the Grantee, its successors and assigns, as further continuing and collateral security for the payment of the Loan Indebtedness and observance and performance of the Loan Obligations, the collateral security constituted by this General Security Agreement;

**NOW THEREFORE IN CONSIDERATION** of the recitals, the Grantee extending the Loan Indebtedness and for such other good and valuable consideration received by the Grantor, the receipt and adequacy of which is acknowledged by the Grantor, the Grantor agrees with the Grantee as follows:

### **ARTICLE 1** **DEFINITIONS, INTERPRETATION**

#### **1.1 Definitions**

Capitalized terms that are not defined herein have the meanings set out in the Mortgage. Unless otherwise defined herein or in the Mortgage, capitalized terms used herein that are defined in the *Personal Property Security Act*, as amended or replaced from time to time (the "**PPSA**"), of the province where the Collateral is situate (the "**Province**") or in the *Securities Transfer Act* of the Province as amended or replaced from time to time (the



"STA") shall have the meanings set out in the PPSA or the STA, respectively, unless the context otherwise requires. Otherwise, in this General Security Agreement:

- (a) "**Account Borrower**" has the meaning ascribed to it in Section 3.1(h);
- (b) "**Account Debtor**" means any Person who is or becomes obligated to the Grantor under, with respect to, or on account of an account;
- (c) "**Collateral**" has the meaning ascribed to it in Section 2.1, and any reference to Collateral shall, unless the context otherwise requires, be deemed a reference to "Collateral or any part thereof";
- (d) "**Contract**" means any contracts, agreements, indentures, licenses, permits, commitments, entitlements, engagements or other arrangements, including any investment with or interest in any Person, which does not constitute Chattel Paper, Investment Property or Instruments, whether written or unwritten, to which the Grantor is now or subsequently becomes a party or has a benefit, right, or in which the Grantor now has or subsequently acquires an interest;
- (e) "**Control Agreement**" means:
  - (i) with respect to any Uncertificated Security included in the Collateral, an agreement between the issuer of such Uncertificated Securities and another Person whereby such issuer agrees to comply with instructions that are originated by such Person in respect of such Uncertificated Security, without the further consent of the Grantor; and
  - (ii) with respect to any Securities Accounts or Security Entitlements included in the Collateral, an agreement between the Securities Intermediary in respect of such Securities Accounts or Security Entitlements to comply with any Entitlement Orders with respect to such Securities Accounts or Security Entitlements that are originated by the Grantee without the further consent of the Grantor;
- (f) "**Debts**" has the meaning ascribed to it in Section 2.1(c);
- (g) "**Encumbrances**" has the meaning ascribed to it in Section 3.1(f);
- (h) "**Future Purchase Agreements**" has the meaning ascribed to it in Section 2.1(q);
- (i) "**Indebtedness**", in respect of any Person, is used in its most comprehensive sense and includes any and all advances, debts, duties, endorsements, guarantees, liabilities, obligations, responsibilities and undertakings of such Person at any time assumed, incurred or made, however arising, whether or not now due, absolute or contingent, liquidated or unliquidated, direct or indirect, and whether such Person is liable individually or jointly with others, irrespective of the regularity or validity thereof or of any security therefor;

- (j) **"Loan Indebtedness"** means any Indebtedness from time to time of the Grantor or any of the other Covenantors to the Grantee arising under any of the Loan Documents;
- (k) **"Loan Obligations"** means the obligations from time to time of the Grantor or any of the other Covenantors arising under the Loan Documents;
- (l) **"Receiver"** has the meaning ascribed to it in Section 5.3(a);
- (m) **"Secured Obligations"** has the meaning ascribed to it in Section 2.5; and
- (n) **"Security Interest"** has the meaning ascribed to it in Section 2.1.

## 1.2 Interpretation

For the purposes of this General Security Agreement, all references to the singular include the plural where the context so admits, the masculine to include the feminine and neuter gender and, where necessary, a body corporate, and vice versa. If more than one Grantor executes this General Security Agreement, this General Security Agreement shall apply and be binding upon each of them jointly and severally and all obligations hereunder shall be joint and several.

## 1.3 Headings

In this General Security Agreement, the headings have been inserted for reference only and shall not define, limit, alter or enlarge the meaning of any provision of this General Security Agreement.

# ARTICLE 2 SECURITY INTERESTS

## 2.1 Grant of Security

As general and continuing collateral security for the payment of the Loan Indebtedness and performance of the Loan Obligations, the Grantor hereby grants to the Grantee by way of mortgage, charge, assignment and transfer, a security interest in and to all right, title and interest of the Grantor in all presently owned or held and hereafter acquired or held, by way of amalgamation or otherwise, personal property of whatsoever nature and kind pertaining to the Property, and in all Proceeds thereof and therefrom, renewals thereof, Accessions thereto and substitutions therefor (all of which are herein collectively called the **"Collateral"**) (the **"Security Interest"**), including, without limiting the generality of the foregoing:

- (a) all Inventory of whatever kind (whether or not supplied or sold by the Grantee to the Grantor) including, without limiting the generality of the foregoing, all goods held for sale or lease or that have been leased or that are to be furnished or have been furnished under contracts for service, or that are raw materials, works in process, or materials used or consumed in the business of the Grantor;

- (b) Equipment (other than Inventory) of whatsoever nature and kind, including, without limitation, all machinery, tools, apparatus, plant, furniture, fixtures and vehicles of whatsoever nature and kind;
- (c) book accounts and book debts and generally all Accounts (excluding Investment Property), debts, dues, claims, choses in action and demands of every nature and kind howsoever arising or secured including but not limited to Instruments, Chattel Paper, and letters of guarantee, which are now due, owing or accruing or growing due to or owned by or which may hereafter become due, owing or accruing or growing due to or owned by the Grantor (all of which are herein collectively called the "**Debts**");
- (d) all warehouse receipts, bills of lading and other documents of title, whether negotiable or not;
- (e) all Investment Property, including but not limited to shares, stock, warrants, bonds, debentures, debenture stock and other Securities (whether evidenced by a Security Certificate or being an Uncertificated Security), Security Entitlements, Securities Accounts, Futures Contracts and Futures Accounts and Financial Assets;
- (f) all coins or bills or other medium of exchange adopted for use as part of the currency of Canada or of any foreign government;
- (g) all deeds, documents, writings, papers, books of account and other books relating to or being records of Accounts, Debts, Chattel Paper or Documents of Title or by which such are or may hereafter be secured, evidenced, acknowledged or made payable;
- (h) all contractual rights, insurance claims, insurance proceeds and all goodwill, patents, trademarks, copyrights, and other intellectual property;
- (i) all construction, supply, consulting, architect, engineer, construction manager, marketing agent or other like contracts of any nature for construction or supply of materials in connection with the construction or maintenance of the Mortgaged Premises, whether those contracts exist as of the date hereof or at any time in the future;
- (j) all licenses, permits, in the possession, control or name of the Grantor now or at any time in the future with respect to all chattels which are required to be inspected, approved or licensed;
- (k) all of the necessary licenses and permits (including building/development permits) required for the construction of all of the Mortgaged Premises and for the conduct and operation of the Grantor's intended use thereof issued by any government, statutory or other authority having jurisdiction over same, and all monies paid thereunder;

- (l) all plans, conceptual specifications and drawings, architects' and engineers' drawings, technical specifications, building permit drawings, building permits (including all interest in monies paid thereunder), surveyors' drawings, quantity specifications, and all similar items related to the construction of all of the Mortgaged Premises;
- (m) all outstanding guarantees, warranties and indemnities obtained for the benefit of the Grantor;
- (n) all surviving rights under any agreement(s) of purchase and sale (including all amendments, waivers and other agreements related thereto) or any delivery or agreement entered into pursuant thereto and all interests and benefits to be derived therein and thereunder, including all rights to commence actions or enforce rights thereunder, and without limiting the generality of the foregoing, all amounts (whether cash, instruments or other consideration) which, pursuant to the terms of the foregoing agreements, are withheld at any time by or on behalf of the Grantor from the payment of the purchase price;
- (o) all monies and cash, including any held in a cash collateral account, and all cash held as collateral security for outstanding letters of credit or letters of guarantee, including deposits from purchasers on the sale of units, parking and storage lockers which may be held in a solicitor's deposit trust account (other than trust monies lawfully belonging to others);
- (p) all other personal property now or hereafter owned by the Grantor, including all personal property otherwise described in any schedule now or hereafter annexed hereto;
- (q) all right, title and interest of the Grantor in and to any purchase agreement for the sale of real or personal property and all agreements delivered to the Grantor pursuant thereto or in connection therewith (collectively, "**Future Purchase Agreements**"), and all interests and benefits to be derived therein and thereunder, including all rights to commence actions or enforce rights thereunder, and without limiting the generality of the foregoing, all amounts (whether cash, instruments or other consideration) which, pursuant to the terms of the foregoing agreements, are received by the Grantor on account of the purchase price under the Future Purchase Agreement; and
- (r) all of the Grantor's right, title and interest, both present and future, in and to all of its presently owned or held and after acquired or held property which:
  - (i) is or hereafter becomes a fixture, or
  - (ii) constitutes a license, quota, permit or other similar right or benefit or crops;

and all proceeds and products of the property described above including, without limiting the generality of the foregoing, all personal property in any form or fixtures derived directly or

indirectly from any dealing with such property or the proceeds therefrom and any payment that indemnifies or compensates for the loss of or damage to such property or the proceeds therefrom.

## **2.2 Exceptions**

The Security Interest granted hereby shall not extend or apply to and the Collateral shall not extend to or include:

- (a) Consumer Goods; and
- (b) the last day of the term created by any real property lease or sublease, or agreement to lease real property or sublease now held or hereafter acquired by the Grantor, but the Grantor shall stand possessed of the reversion thereby remaining upon trust to assign and dispose thereof to any third party as the Grantee shall direct.

## **2.3 Value and Attachment**

The Grantor acknowledges that value has been given and that the Grantor has rights in the Collateral. The Grantee and the Grantor have not agreed to postpone the time for attachment of the Security Interest created by this General Security Agreement and the Grantor and the Grantee intend that the Security Interest shall attach to presently owned or held Collateral upon execution of this General Security Agreement and shall attach to each item of hereafter acquired Collateral upon acquisition of any right, title and interest of the Grantor in that Collateral.

## **2.4 Consent; Limitation on grant of Security Interest**

Nothing in this General Security Agreement shall constitute an assignment or attempted assignment of any Contract which by its provisions or by applicable law is not assignable, which would result in the termination of or a breach under such Contract, or which requires the consent of a third party to its assignment unless such consent has been obtained. With respect to any Contract which the Grantee reasonably determines to be material, the Grantor shall promptly, upon written request by the Grantee, attempt to obtain the consent of any necessary third party to its assignment under this General Security Agreement and to its further assignment by the Grantee to any third party as a result of the exercise by the Grantee of remedies after demand. Upon such consent being obtained or waived, this General Security Agreement shall apply to the applicable Contract without regard to this section and without the necessity of any further assurance to effect such assignment. Unless and until the consent to assignment is obtained as provided above, the Grantor shall, to the extent it may do so at law or pursuant to the provisions of the Contract or interest in question hold all benefit to be derived from such Contract in trust for the Grantee (including the Grantor's beneficial interest in any Contract which may be held in trust for the Grantee by a third party), as additional security for the payment of the Loan Indebtedness and performance of the Loan Obligations.

## 2.5 Secured Obligations

The Collateral secures the payment of the Loan Indebtedness and performance of all Loan Obligations including without limitation, all present and future obligations of the Grantor arising under the Mortgage, this General Security Agreement and the Loan Documents, whether primary, secondary, direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, whether the Loan Indebtedness is reduced and thereafter increased or entirely extinguished and thereafter incurred again, whether incurred by the Grantor alone or with another or others and whether as a principal or surety, when and as due, whether at maturity, by acceleration, upon on or more dates set for prepayment or otherwise together with all fees, costs, lawyers' fees and disbursements, reimbursement obligations, contract causes of action, expenses and indemnities related thereto (all such obligations, covenants, duties, debts, liabilities, sums and expenses being herein collectively called the "**Secured Obligations**").

## 2.6 Perfection

The Grantor shall from time to time as may be required by the Grantee with respect to the Collateral take all actions as may be requested by the Grantee to perfect the Security Interest at the expense of the Grantor.

### **ARTICLE 3 REPRESENTATIONS, WARRANTIES AND COVENANTS**

#### 3.1 Representations and Warranties

The Grantor represents and warrants that, and, so long as this General Security Agreement remains in effect, the Grantor shall be deemed to continuously represent and warrant that:

- (a) the Grantor:
  - (i) is a corporation incorporated, formed and existing under the laws of its jurisdiction of incorporation;
  - (ii) has the legal right and all necessary corporate or other power and authority to own its assets, possess an interest in the Collateral, and carry on its business in all material respects; and
  - (iii) is duly qualified, licensed or registered to carry on business under the laws applicable to it in all jurisdictions where it conducts business, except where failure to be so qualified, licensed or registered has not and is not reasonably likely to have a Material Adverse Effect;
- (b) the Grantor has all requisite corporate power and authority to enter into and perform its obligations under this General Security Agreement, and to do all acts and things and execute and deliver all other documents and instruments as are required hereunder to be done, observed or performed by it in accordance with the terms hereof;

- (c) the execution and delivery by the Grantor, and the performance by it of its obligations under, and compliance with the terms, conditions and provisions of, this General Security Agreement will not conflict with or result in a breach of any of the terms, conditions or provisions of:
- (i) its articles, by-laws, shareholders' agreements or other organizational documents, as the case may be;
  - (ii) any applicable laws;
  - (iii) any material contracts, material authorizations or material contractual restrictions binding on or affecting it or its assets, including without limitation, the Collateral; or
  - (iv) any material judgment, injunction, determination or award which is binding on it in each such case, except to the extent that such breach has not and is not reasonably likely to have a Material Adverse Effect;
- (d) the execution and delivery by the Grantor of this General Security Agreement, and the performance by it of its obligations hereunder have been duly authorized by all necessary corporate or other action including, without limitation, the obtaining of all necessary partner, shareholder or other material and relevant consents. No authorization, consent, approval, registration, qualification, designation, declaration or filing with any Governmental Authority, or other Person, is or was necessary in connection with the execution, delivery and performance of the Grantor's obligations under this General Security Agreement except where failure to obtain same would not have or be reasonably likely to have a Material Adverse Effect;
- (e) this General Security Agreement has been duly executed and delivered by the Grantor, and constitutes a legal, valid and binding obligation, enforceable against it in accordance with its terms (except as such enforceability may be limited by the availability of equitable remedies and the effect of bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally), is (or will be immediately upon the execution thereof by the Grantor) in full force and effect, and the Grantor has performed and complied in all material respects with all the terms, provisions, agreements and conditions set forth herein and required to be performed or complied with by the Grantor;
- (f) the Collateral is genuine and is owned by the Grantor or the Grantor has rights in the Collateral, free of all security interests, mortgages, liens, claims, charges and other encumbrances (herein collectively called "**Encumbrances**"), save for the security constituted by this General Security Agreement and the security constituted by or granted in connection with any Permitted Encumbrances;
- (g) the Grantor has good and lawful authority to create the security interests in the Collateral constituted by this General Security Agreement;

- (h) each Debt included in Collateral is enforceable in accordance with its terms against the party obligated to pay the same (the "**Account Borrower**"), and the amount represented by the Grantor to the Grantee from time to time as owing by each Account Borrower or by all Account Borrowers will be the correct amount actually and unconditionally owing by such Account Borrower or Account Borrowers, except for normal cash discounts where applicable, and no Account Borrower will have any defense, set off, claim or counterclaim against the Grantor which can be asserted against the Grantee, whether in any proceeding to enforce the Collateral or otherwise; and
- (i) the Grantor is not in breach or default of any agreement to which it is a party;
- (j) the Grantor has not consented to the entering into of a Control Agreement by: (A) any issuer of any Uncertificated Securities included in or relating to the Collateral; or (B) any Securities Intermediary for any Securities Accounts or Security Entitlements included in or relating to the Collateral, other than, in either case, the Grantee;
- (k) The Grantor's full legal name is 105 University View Homes Ltd. and it has no French form of name or trade name; and
- (l) the registered office, the principal place of business of the Grantor, and the location of all books and records evidencing the Debts is 700-4211 Kingsway, Burnaby, British Columbia V5H 1Z6 (the "**Grantor's Head Office**").

### 3.2 Survival

All representations and warranties of the Grantor made in this General Security Agreement or in any of the other Loan Documents are material, shall survive and shall not merge upon the execution and delivery of this General Security Agreement and shall continue in full force and effect. The Grantee shall be deemed to have relied upon the representations and warranties notwithstanding any investigation made by or on behalf of the Grantee at any time.

### 3.3 Covenants

The Grantor covenants and agrees that at all times while this General Security Agreement remains in effect the Grantor:

- (a) will (i) maintain its corporate or other existence in good standing under the laws of its jurisdiction of incorporation or organization; (ii) continue to conduct its business substantially as now conducted; and (iii) do, or cause to be done, all things necessary to keep in full force and effect all permits and all properties, rights, franchises, licenses and qualifications to carry on its business in all jurisdictions where such business is currently being carried on;
- (b) will not, without the prior written consent of the Grantee, change its legal name, jurisdiction of formation and organization, address of its registered office, head



office, principal place of business or chief executive office, corporate structure, province or territory in which its registered office, head office, principal place of business or chief executive office is located. The Grantor will, prior to any change described in the preceding sentence, take all actions requested by the Grantee to maintain the perfection and priority of the Grantee's security interest in the Collateral;

- (c) will keep the Collateral, to the extent not delivered to the Grantee, at the Property or the Grantor's Head Office and, except for Inventory sold or leased in the ordinary course of business, the Grantor will not remove the Collateral from those locations without obtaining the Grantee's prior written consent. The Grantor will, prior to any change described in the preceding sentence, take all actions requested by the Grantee to maintain the perfection and priority of the Grantee's security interest in the Collateral;
- (d) will defend the Collateral for the benefit of the Grantee against the claims and demands of all other Persons;
- (e) will not, without the prior written consent of the Grantee:
  - (i) create or permit to exist any Encumbrance against any of the Collateral which ranks or could in any event rank in priority to or *pari passu* with the security constituted by this General Security Agreement, save for those Encumbrances relating to Prior Permitted Encumbrances, if any; and
  - (ii) grant, sell, exchange, transfer, assign, lease or otherwise dispose of any of the Collateral;

except as expressly provided in the Mortgage, in the ordinary course of business or with the prior written consent of the Grantee, and provided always that, until an Event of Default and then only so long as same continues, the foregoing restriction shall not prevent the Grantor from, in the ordinary course of the Grantor's business, selling or leasing or disposing or otherwise deal with any part of the Collateral from time to time including without limitation using monies available to the Grantor. This provision is not paramount to any restrictions on dealings with Collateral otherwise provided for in the Mortgage or any of the other Security Documents;

- (f) will fully and effectively maintain and keep maintained, valid and effective the Security Interests constituted by this General Security Agreement;
- (g) will take such steps as the Grantee requires to enable the Grantee to obtain control of any Investment Property, including but not limited to arranging for any Securities Intermediary or Futures Intermediary to enter into an agreement satisfactory to the Grantee to enable the Grantee to obtain control of such Investment Property;
- (h) will notify the Grantee promptly of:

- (i) any change in the information contained herein relating to the Grantor, the Grantor's name, or the Grantor's business;
  - (ii) the details of any claims or affecting the Grantor or the Collateral;
  - (iii) any loss or damage to the Collateral; and
  - (iv) any material failure of any Account Debtor in the payment or performance of obligations due to the Grantor;
- (i) will keep the Collateral in good order, condition and repair (in such locations as may be reasonable), subject to reasonable wear and tear, and not use the Collateral in material violation of the provisions of this General Security Agreement or any other agreement relating to the Collateral or any policy insuring the Collateral or any applicable statute, law, by-law, rule, regulation or ordinance;
  - (j) will carry on and conduct the business of the Grantor in a proper manner and shall comply with all applicable laws in the conduct of its business including those relating to quotas, licensing, privacy, employment and labour matters, pension and environmental laws, and obtain all required permits and authorizations required in the conduct of its business and maintain them and all material contracts in good standing;
  - (k) will forthwith pay:
    - (i) 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) 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 Grantor shall in good faith contest its obligations so to pay and shall furnish such security as the Grantee may require; and
    - (iii) all Encumbrances which rank or could in any event rank in priority to or *pari passu* with the security constituted by this General Security Agreement, other than the Encumbrances relating to Prior Permitted Encumbrances, if any, and those approved in writing by the Grantee;
  - (l) will prevent the Collateral, save Inventory sold or leased as permitted hereby, from being or becoming an Accession to other property not covered by this General Security Agreement;
  - (m) will insure the Collateral for such periods, in such amounts, on such terms and against loss or damage by fire and such other risks as the Grantee shall reasonably direct (but in any event in accordance with prudent business practice and in accordance with the Mortgage) with loss payable to the Grantee and the Grantor,

as insureds, as their respective interests may appear, and to pay all premiums for such insurance;

- (n) will deliver to the Grantee from time to time promptly upon request:
  - (i) any Documents of Title, Instruments, Securities and Chattel Paper comprised in or relating to the Collateral;
  - (ii) all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to the Collateral for the purpose of inspecting, auditing or copying the same;
  - (iii) all financial statements prepared by or for the Grantor regarding the Grantor's business, subject to the provisions of the Mortgage;
  - (iv) all policies and certificates of insurance relating to the Collateral;
  - (v) copies of all Contracts and consents relating to the Collateral and the Grantor's business; and
  - (vi) such information concerning the Collateral, the Grantor and Grantor's business and affairs as the Grantee may reasonably require.
- (o) will forthwith pay all costs, charges, expenses and legal fees and disbursements (on an indemnity basis) which may be incurred by the Grantee in:
  - (i) perfecting and registering this General Security Agreement and other documents, whether or not relating to this General Security Agreement;
  - (ii) taking, recovering, keeping possession of and insuring the Collateral;
  - (iii) connection with any disclosure requirements under the PPSA; and
  - (iv) all other actions and proceedings taken in connection with the preservation of the Collateral and the confirmation, perfection and enforcement of this General Security Agreement and of any other security held by the Grantee as security for the payment of the Loan Indebtedness and performance of the Loan Obligations;
- (p) will, at the Grantee's request at any time and from time to time execute and deliver such further and other documents and instruments and do all other acts and things as the Grantee reasonably requires in order to give effect to this General Security Agreement or to confirm and perfect, and maintain perfection of, the security constituted by this General Security Agreement in favour of the Grantee; and
- (q) will not enter into any corporate transaction (or series of transactions) whether by way of reconstruction, arrangement, reorganization, consolidation, amalgamation, wind-up, liquidation, dissolution, merger or otherwise, whereby any other Person

would become the owner of all or substantially all of the undertaking and assets of the Grantor and it shall not do any act or thing that would materially adversely affect its business, property, prospects or financial condition and shall not permit any corporation of which it is the majority shareholder to do any of the foregoing;

- (r) authorizes the Grantee, (if Collateral at any time includes Investment Property) to transfer the same or any part thereof into its own name or that of its nominee(s) so that the Grantee or its nominee(s) may appear on record as the sole owner thereof; provided that, until an Event of Default has occurred which is continuing, the Grantee shall deliver promptly to the Grantor all notices or other communications received by it or its nominee(s) as such registered owner and, upon demand and receipt of payment of any necessary expenses thereof, shall issue to the Grantor or its order a proxy to vote and take all action with respect to such Investment Property. After default, the Grantor waives all rights to receive any notices or communications received by the Grantee or its nominee(s) as such registered owner and agrees that no proxy issued by the Grantee to the Grantor or its order as aforesaid shall thereafter be effective;
- (s) will ensure that, to the extent that Investment Property includes an interest in or unit certificates in a partnership or a limited liability company, the terms of any interest in such partnership or limited liability company provide that such interest is a "**security**" for the purposes of the STA and in the event that the terms of any interest in a partnership or limited liability company does not so provide, the Grantor agrees to amend the terms with respect to such partnership or limited liability company to expressly provide that such interest is a "**security**" for the purposes of the STA;
- (t) will not consent to:
  - (i) the entering into by any issuer of any Uncertificated Securities included in or relating to the Collateral of a Control Agreement in respect of such Uncertificated Securities with any Person other than the Grantee or such nominee or agent as it may direct; or;
  - (ii) the entering into by any Securities Intermediary for any Securities Accounts or Security Entitlements included in or relating to the Collateral of a Control Agreement with respect to such Securities Accounts or Securities Entitlements with any Person other than the Grantee or such nominee or agent as it may direct;
- (u) will promptly, upon request from time to time by the Grantee:
  - (i) enter into and use reasonable commercial efforts to cause any Securities Intermediary for any Securities Accounts or Security Entitlements included in or relating to the Collateral to enter into a Control Agreement with the Grantee with respect to such Securities Accounts or Security Entitlements as the Grantee requires in form and substance satisfactory to the Grantee; and

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- (ii) enter into and use reasonable commercial efforts to cause any issuer of any Uncertificated Securities included in or relating to the Collateral to enter into a Control Agreement with the Grantee with respect to such Uncertificated Securities as the Grantee requires in form and substance satisfactory to the Grantee; and
- (v) permit the Grantee and its representatives, at all reasonable times, access to and the right to examine the books of accounts, financial records and reports of the Grantor wherever and however such data may be stored and to have temporary custody of, make copies of and take extracts from such books, records and reports, and to examine the Collateral and review and copy any and all information and data relating to the Collateral, or to any related transactions, wherever and however such information and data may be stored.

#### **ARTICLE 4 RIGHT TO DEAL**

##### **4.1 Rights before Default**

Until the occurrence of an Event of Default which is continuing the Grantor is entitled to deal with the Collateral in the ordinary course of business, provided that no such action shall be taken which would impair the effectiveness of the Security Interests or the value of the Collateral or which would be inconsistent with or violate the provisions of this General Security Agreement, the Mortgage or any of the other Security Documents.

##### **4.2 Rights after Default**

Upon the occurrence of an Event of Default which is continuing all of the Grantor's rights pursuant to this Article 4 shall cease and the Grantor will not request or receive any money constituting income from, proceeds of, or interest on Collateral and if the Grantor receives any such money in any event, the Grantor shall hold such money in trust for the Grantee and will pay the same promptly to the Grantee.

#### **ARTICLE 5 ACCELERATION AND REMEDIES**

##### **5.1 Acceleration**

Upon the occurrence of an Event of Default which is continuing all of the Loan Indebtedness shall, at the Grantee's option and without notice to the Grantor, become immediately due and payable and the Grantee may, in its sole, absolute and unfettered discretion, exercise its rights in respect of the Collateral (including the notification and collection of same from any of the Account Borrowers) in addition to all other rights and remedies afforded by applicable law, in equity or otherwise. The Grantee shall have the right to enforce one or more remedies successively or concurrently in accordance with applicable law and the Grantee expressly retains all rights and remedies not inconsistent

with the provisions in this General Security Agreement including all the rights it may have under the PPSA. The provisions of this clause do not and are not intended to affect in any way any rights of the Grantee with respect to any Loan Indebtedness which may now or hereafter be payable on demand.

## **5.2 Enforcement**

Upon the occurrence of and during the continuance of an Event of Default, the security hereby constituted will, at the option of the Grantee, immediately become enforceable.

## **5.3 Grantee's Rights and Remedies**

The Grantee may, upon the occurrence of any Event of Default which is continuing and to the extent permitted by applicable law, enforce and realize on the security constituted by this General Security Agreement and take any action permitted by law or in equity, as it may deem expedient, and in particular, but without limiting the generality of the foregoing, the Grantee may do any of the following:

- (a) appoint or reappoint by instrument in writing, any person or persons, whether an officer or officers or an employee or employees of the Grantee or not, to be a receiver or receivers, or may institute proceedings in any court of competent jurisdiction for the appointment of a receiver (hereinafter called a "**Receiver**", which term when used herein shall include a receiver or a manager or a receiver and manager) of the Collateral (including any interest, income or profits therefrom) and may remove any appointed Receiver and appoint a replacement. Any Receiver shall, so far as concerns responsibility for his acts, be deemed the agent of the Grantor and not of the Grantee, and the Grantee shall not in any way be responsible for any misconduct, negligence, or non-feasance on the part of any Receiver, the Receiver's servants, agents or employees. Subject to the provisions of the instrument appointing him, any Receiver shall be vested with all or any of the rights, powers and discretions of the Grantee under this Section 5.3. Except as may be otherwise directed by the Grantee all monies received from time to time by the Receiver in carrying out its appointment shall be received in trust for and paid over to the Grantee for the benefit of the Grantee;
- (b) either directly or through its agents or nominees, exercise any or all of the powers and rights given to a Receiver by virtue of Subsection 5.3(a);
- (c) immediately and without notice enter the Grantor's premises (including, without limitation, the Property) and repossess, disable or remove the Collateral, and whether in or out of possession of the Property, collect the Rents and profits which form part of the Collateral, from the Property;
- (d) take possession of the Collateral, to preserve the Collateral or its value, to retain and administer the Collateral in the Grantee's sole, absolute and unfettered discretion, which discretion the Grantor acknowledges is commercially reasonable;

- (e) carry on or concur in carrying on all or any part of the business of the Grantor, including, without limitation, the right to sell, lease or otherwise dispose of or concur in selling, leasing or otherwise disposing of the Collateral. To facilitate the foregoing powers, the Grantee may, to the exclusion of all others, including the Grantor, enter upon, use and occupy all premises (which shall include fixtures) of the Grantor owned or occupied by the Grantor wherein Collateral may be situate, maintain Collateral upon the premises, borrow money on a secured or unsecured basis and use Collateral directly in carrying on the Grantor's business or as security for loans or advances to enable the Grantee to carry on the Grantor's business or otherwise, as the Grantee shall, in its discretion, determine. The Grantee shall not be liable to the Grantor for any neglect in so doing or in respect of any related rent, costs, charges, depreciation or damages;
- (f) dispose of any Collateral by public auction, private tender or private contract with or without notice, advertising or any other formality, all of which are waived by the Grantor to the extent permitted by applicable law. The Grantee may, to the extent permitted by applicable law, at its discretion, establish the terms of such disposition, including terms and conditions as to credit, upset, reserve bid or price. All payments made pursuant to such dispositions shall be credited against the Loan Indebtedness only as they are actually received. The Grantee may, to the extent permitted by applicable law, enter into, rescind or vary any contract for the disposition of any Collateral and may dispose of any Collateral again without being answerable for any related loss. Any such disposition may take place whether or not the Grantee has taken possession of the Collateral;
- (g) file proofs of claims or other documents as may be necessary or desirable to have the Grantee's claim lodged in any bankruptcy, winding-up, liquidation, arrangement, dissolution or other proceedings (voluntary or otherwise) relating to the Grantor;
- (h) in the Grantor's name, perform, at the Grantor's expense, any and all of the Grantor's obligations or covenants relating to the Collateral and enforce performance by any other parties of their obligations in relation to the Collateral and settle any disputes with other parties upon terms that the Grantee deems appropriate, in its discretion;
- (i) notify all or any Account Borrowers of the security constituted by this General Security Agreement and direct such Account Borrowers to make all payments to the Grantee and the Grantee shall have the right, at any time, to hold all amounts acquired from any Account Borrowers as part of the Collateral. Upon the occurrence of an Event of Default which is continuing, any payments received by the Grantor from any Account Borrowers shall be held by the Grantor in trust for the Grantee in the same medium in which received, shall not be commingled with any assets of the Grantor and shall, at the request of the Grantee, be turned over to the Grantee not later than the next Business Day following the day of receipt;
- (j) make payment of or cure any default under any Permitted Encumbrance or any Liens or other claims that may exist or be threatened against the Collateral, and any

amount so paid together with costs, charges and expenses incurred together with interest at the Interest Rate shall be added to the Loan Indebtedness;

- (k) if the proceeds of realization are insufficient to pay all of the Loan Indebtedness, the Grantor shall forthwith pay or cause to be paid to the Grantee any deficiency and the Grantee may sue the Grantor to collect the amount of such deficiency;
- (l) subject to applicable law, seize, collect, realize, borrow money on the security of, release to third parties, sell (by way of public or private sale), lease or otherwise deal with the Collateral in such manner, upon such terms and conditions, at such time or times and place or places and for such consideration as may seem to the Grantee advisable and without notice to the Grantor. The Grantee may charge on its own behalf and pay to others sums for expenses incurred and for services rendered (expressly including legal, consulting, broker, management, receivership and accounting fees) in or in connection with seizing, collecting, realizing, borrowing on the security of, selling or obtaining payment of the Collateral and may add all such sums to the Loan Indebtedness;
- (m) enforce its rights under any agreement, to which the Grantee and the Grantor are parties, with any Securities Intermediary or Futures Intermediary; or
- (n) exercise all of the rights and remedies of a secured party under the PPSA and the STA.

#### **5.4 Allocation of Proceeds**

Subject to applicable law and the claims, if any, of the creditors of the Grantor under Prior Permitted Encumbrances, the Grantee shall apply the proceeds of any collection, sale or other realization of all or any part of the Collateral, including any Collateral consisting of cash, to such part or parts of the Loan Indebtedness as the Grantee may see fit, and the Grantee shall at all times and from time to time have the right to change any appropriation as the Grantee sees fit.

#### **5.5 Waivers and Extensions**

The Grantee may waive default or any breach by the Grantor of any of the provisions contained in this General Security Agreement. No waiver shall extend to a subsequent breach or default, whether or not the same as or similar to the breach or default waived and no act or omission of the Grantee shall extend to or be taken in any manner whatsoever to affect any subsequent breach or default of the Grantor or the rights of the Grantee resulting therefrom. Any such waiver must be in writing and signed by the Grantee to be effective. The Grantee may also grant extensions of time and other indulgences, take and give up securities, accept compositions, grant releases and discharges, release the Collateral to third parties and otherwise deal with the Grantor's guarantors or sureties and others and with the Collateral and other securities as the Grantee may see fit without prejudice to the liability of the Grantor to the Grantee, or the Grantee's rights, remedies and powers under this General Security Agreement. No extension of time, forbearance, indulgence or other accommodation now, heretofore or hereafter given by the Grantee to the Grantor shall



operate as a waiver, alteration or amendment of the rights of the Grantee or otherwise preclude the Grantee from enforcing such rights.

#### **5.6 Remedies Cumulative and Waivers**

The rights and remedies of the Grantee under this General Security Agreement are cumulative and are in addition to and not in substitution for any rights or remedies provided by applicable law or equity; and any single or partial exercise by the Grantee of any right or remedy for a default or breach of any term, covenant, condition or agreement contained in this General Security Agreement shall not be deemed to be a waiver of, or to alter, affect or prejudice, any other right or remedy to which the Grantee may be lawfully entitled for such default or breach. Any waiver by the Grantee of the strict observance, performance or compliance with any term, covenant, condition or other matter contained in this General Security Agreement and any indulgence granted, either expressly or by course of conduct by the Grantee shall be effective only in the specific instance and for the purpose for which it was given and shall be deemed not to be a waiver of any right or remedy of the Grantee under this General Security Agreement as a result of any other default or breach under this General Security Agreement.

#### **5.7 Grantee's Fees and Expenses; Indemnification**

Any costs, charges and expenses (including legal fees and disbursements on an indemnity basis) incurred by the Grantee acting reasonably and without duplication, in connection with or incidental to:

- (a) the exercise by the Grantee of all or any of the powers granted to it pursuant to this General Security Agreement, the Mortgage or pursuant to applicable law or equity; and
- (b) the appointment of the Receiver and the exercise by the Receiver of all or any of the powers granted to the Receiver pursuant to this General Security Agreement, including the Receiver's reasonable remuneration and all outgoings properly payable by the Receiver;

shall be payable by the Grantor to the Grantee forthwith with interest until paid at the Interest Rate and such amounts shall form part of the Loan Indebtedness and constitute a charge upon the Collateral in favour of the Grantee prior to all claims subsequent to this General Security Agreement.

### **ARTICLE 6 APPOINTMENT OF ATTORNEY**

#### **6.1 Grant**

The Grantor hereby irrevocably appoints the Grantee to be the attorney of the Grantor or the Receiver, as the case may be, with full power of substitution, and with full authority in the place of the Grantor and in the name of the Grantor or otherwise, from time to time in the Grantee's discretion, to do all acts, matters and things that may be necessary for,

incidental to, or advisable for, carrying out the powers given to the Grantee under this General Security Agreement, upon the occurrence of any Event of Default which is continuing (but the Grantee is not obligated to take such action and will have no liability to the Grantor or any third party for failure to take any action). This power of attorney is coupled with an interest and is irrevocable until the discharge of the Security Interests created by this General Security Agreement.

## **ARTICLE 7**

### **LIABILITY OF THE GRANTEE**

#### **7.1 Liability of the Grantee**

Other than for its own gross negligence or wilful misconduct, the Grantee shall not be:

- (a) 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 Grantee shall manage the Collateral upon entry or manage the business of the Grantor, as herein provided, nor shall the Grantee 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) bound to do, observe or perform or to see to the observance or performance by the Grantor of any obligations or covenants imposed upon the Grantor nor shall the Grantee, in the case of Securities, Instruments or Chattel Paper, be obliged to reserve rights against other persons, nor shall the Grantee be obliged to keep any of the Collateral identifiable; and
- (c) obliged to inquire into the right of any Person purporting to be entitled under the PPSA to information and materials from the Grantee by making a demand upon the Grantee for such information and materials and the Grantee shall be entitled to comply with such demand and shall not be liable for having complied with such demand notwithstanding that such Person may in fact not be entitled to make such demand.

#### **7.2 Indemnity by Grantor**

The Grantor will indemnify the Grantee and hold the Grantee harmless from and against any and all claims, costs, losses, demands, actions, causes of action, lawsuits, damages, penalties, judgments and liabilities of whatsoever nature and kind in connection with or arising out of any representation or warranty given by the Grantor, being untrue, the breach of any term, condition, proviso, agreement or covenant to the Grantee hereunder, or the exercise of any of the rights and or remedies of the Grantee hereunder, or any transaction contemplated in this General Security Agreement.

**ARTICLE 8**  
**SATISFACTION AND DISCHARGE**

**8.1 Partial Payment**

Any partial payment of the Loan Indebtedness or partial satisfaction of the Loan Obligations, or any ceasing by the Grantor to be indebted to the Grantee, shall be deemed not to be redemption or discharge of the security constituted by this General Security Agreement.

**8.2 Release and Discharge**

Upon registration of a discharge of the Mortgage, this General Security Agreement shall become of no force or effect. At such time as the Mortgage has been discharged, the Grantee will, upon the request of the Grantor, and at the sole cost and expense of the Grantor, execute and deliver to the Grantor such instruments as may be necessary or effective, in registrable form, to evidence the termination of the Security Interests pursuant to this General Security Agreement.

**ARTICLE 9**  
**MISCELLANEOUS**

**9.1 Demand Obligations**

The fact that this General Security Agreement provides for Events of Default and rights of acceleration shall not derogate from the nature of any Loan Indebtedness which is payable on demand.

**9.2 Filings**

The Grantor hereby authorizes the Grantee to file such financing statements and other documents and do such acts, matters and things (including completing and adding schedules hereto identifying the Collateral or any Permitted Encumbrances affecting the Collateral or identifying the locations at which the Grantor's business is carried on and the Collateral and records relating thereto are situate) as the Grantee may deem appropriate to perfect and continue the security constituted hereby, to protect and preserve the Collateral and to realize upon the security constituted hereby.

**9.3 Liability to Advance**

None of the preparation, execution, perfection and registration of this General Security Agreement or the advance of any monies shall bind the Grantee to make any advance or loan or further advance or loan, or renew any note or extend any time for payment of any indebtedness or liability of the Grantor to the Grantee or extend any term for performance or satisfaction of any obligation of the Grantor to the Grantee.

#### **9.4 Copy of Agreement and Financing Statement**

The Grantor hereby:

- (a) acknowledges receiving a copy of this General Security Agreement; and
- (b) waives all rights to receive from the Grantee a copy of any financing statement, financing change statement or verification statement filed at any time or from time to time in respect of this General Security Agreement.

#### **9.5 Statutory Waivers**

To the fullest extent permitted by law, the Grantor waives all of the rights, benefits and protections given by the provisions of any existing or future statute which imposes limitations upon the powers, rights or remedies of the Grantee or upon the methods of realization of security including, without limitation, those which impose higher or greater obligations upon the Grantee than provided in this General Security Agreement.

#### **9.6 Payments**

All payments required to be made by the Grantor to the Grantee under this General Security Agreement will be made at the address of the Grantee set out in Section 9.13 (or at any other place specified by the Grantee by written notice to the Grantor and the Covenantors) in immediately available funds in lawful Canadian currency, without any set off, counter claim or deduction.

#### **9.7 Modification**

No modification or waiver of this General Security Agreement is binding on the Grantee unless made in writing and signed by a duly authorized officer of the Grantee

#### **9.8 Entire Agreement**

On the execution and delivery by the Grantor, this General Security Agreement is deemed to be finally executed and delivered by the Grantor to the Grantee and is not subject to or affected by any condition as to the receipt by the Grantee of any of the other Security Documents or as to the execution and delivery by any of the other Covenantors to the Grantee of any other Loan Documents, nor by any promise or condition affecting the liability of the Grantor. No agreement, promise, representation or statement by the Grantee or any of its officers, employees or agents unless in this General Security Agreement forms part of this General Security Agreement, has induced the making of it or affects the liability of the Grantor or any Covenantor.

#### **9.9 Severability**

If any Section or part thereof of this General Security Agreement is invalid or unenforceable for any reason, then such Section or any part thereof will be severable from

this General Security Agreement and will not affect the validity or enforceability of any other part of this General Security Agreement.

#### **9.10 Non-Merger**

The giving of this General Security Agreement is by way of additional and collateral security for the payment of the Loan Indebtedness and the performance of the Loan Obligations and not in substitution for or in satisfaction thereof, and the Commitment Letter, the Mortgage, or any of the other Loan Documents shall not be merged hereby and in case of an Event of Default that is continuing, proceedings may be taken under this General Security Agreement, the Mortgage, or any of the other Security Documents or any one or more of them at the option of the Grantee.

#### **9.11 Paramountcy**

The provisions of any agreement between the Grantor and the Grantee in connection with the Loan Indebtedness, including but not limited to any loan application in respect thereof, the Mortgage, and all of the other Loan Documents, shall form part of this General Security Agreement except where inconsistent with the provisions hereof. In the case of any inconsistency between this General Security Agreement and the Mortgage, the provisions of the Mortgage shall prevail.

#### **9.12 Assignability**

The Grantor hereby consents to the Grantee assigning, transferring or selling all or any portion of its interest under this General Security Agreement in connection with the proportionate assignment, transfer or sale of its interest in the Loan Indebtedness and the Loan Obligations. Without limiting the foregoing, the Grantee may enter into participation, contending or syndication agreements with other Grantees in connection with this General Security Agreement, the Loan Indebtedness and the Loan Obligations. The Grantee may provide information of a financial or other nature to any prospective assignee, or transferee or other Grantees concerning the Grantor, this General Security Agreement, the Loan Indebtedness and the Loan Obligations.

#### **9.13 Notices**

Any notice, demand, approval, consent, information, agreement, offer, payment, request or other communication to be given under or in connection with this General Security Agreement shall be in writing and shall be delivered by personal delivery, prepaid courier service, postage prepaid registered mail or by electronic or digital transmission to the relevant party, transmitted by e-mail or similar means of recorded electronic communication or sent by registered mail, addressed:

(a) to the Grantor:

Name: 105 University View Homes Ltd.  
Address: 700 - 4211 Kingsway  
Vancouver, B.C., V5H 1Z6

Fax No.: 604-451-7740

(b) to the Grantee:

Name: KingSett Mortgage Corporation  
 Address: Scotia Plaza, 40 King Street West, Suite 3700  
 Toronto, Ontario, M5H 3Y2

Attention: Justin Walton, Executive Director, Mortgage Investments  
 e-mail: JWalton@kingsettcapital.com

and to:

Attention: Scott Coates, Managing Director, Mortgage Investments  
 e-mail: Scoates@kingsettcapital.com  
 Fax No.: 416-687-6701

and such notice or other communication shall be deemed to have been given and received on the day on which it was delivered personally or by courier or transmitted by electronic or digital transmission (or, if such day is not a business day or if delivery or transmission is made on a business day after 5:00 p.m. at the place of receipt, then on the next following business day) or, if mailed, on the third business day following the date of mailing; provided, however, that if at the time of mailing or within three business days thereafter there is or occurs a labour dispute or other event which might reasonably be expected to disrupt the delivery of documents by mail, any notice or other communication hereunder shall be delivered or transmitted by means of recorded electronic communication as aforesaid. Each party may change its address for notice by providing notice of same in accordance with the foregoing.

#### **9.14 Expenses, Fees and Indemnity**

The Grantor will pay to the Grantee all costs, charges and expenses, including all administrative fees, legal fees and professional fees, incurred by the Grantee in connection with the collection of any amount payable under this General Security Agreement by the Grantor to the Grantee. The Grantor shall indemnify the Grantee against all claims, loss or damages arising out of or in connection with any breach or default by the Grantor under this General Security Agreement.

#### **9.15 Applicable Law**

This General Security Agreement and the rights and obligations of the Grantor and the Grantee under it are governed by and construed according to the laws of the Province and the laws of Canada applicable therein.

**9.16 Time of the Essence**

Time is of the essence of this General Security Agreement.

**9.17 Execution by the Grantee**

This General Security Agreement need not be executed by the Grantee to be binding on and to enure to the benefit of the Grantee.

**9.18 Counterparts**

This General Security Agreement may be executed in any number of counterparts, each of which will constitute an original, but all of which together will constitute one and the same document. A signed copy of this General Security Agreement or a counterpart of it delivered by email, facsimile or other means of electronic or digital transmission or signature is deemed to have the same legal effect as delivery of an original signed copy of this General Security Agreement.

**9.19 Further Assurances**

The Grantor will promptly do all further acts and execute and deliver further documents as may be required to carry out the terms or intent of this General Security Agreement.

**9.20 Successors and Assigns**

This General Security Agreement is binding on and enures to the benefit of the Grantee and the Grantor, and their respective executors, administrators, successors and permitted assigns and to any Person to whom the Grantee may grant any participation in this General Security Agreement, the Loan Indebtedness or any of the Loan Obligations or any power, remedy or right of the Grantee under this General Security Agreement or any of the Grantee's interest herein or in the Loan Indebtedness and the Loan Obligations.

**9.21 Multiple Parties**

If the Grantor consists of more than one party, this General Security Agreement will be read with all necessary grammatical changes and each reference to the Grantor includes each and every such Person individually. All covenants and agreements herein of the Grantor are the joint and several covenants and agreements of each such Person. If the Grantee consists of more than one party, this General Security Agreement will be read with all necessary grammatical changes and each such party or any one or more of them is entitled to enforce each right and remedy of the Grantee under this General Security Agreement.

-- signatures follow on next page --

**IN WITNESS WHEREOF** the Grantor has executed this General Security Agreement as of the date and year first written above.

**105 UNIVERSITY VIEW HOMES LTD.**

Per:   
Name: Daljit Thind,   
Title: Director



This is Exhibit "F" referred to in the Affidavit  
#1 of Daniel Pollack affirmed before me at the  
city of Toronto, in the Province of Ontario this  
October 9, 2024



---

A Commissioner for taking affidavits and  
Notary Public in and for the province of  
Ontario

Maya Churilov (LSO# 87190A)

**DIRECTION, ACKNOWLEDGEMENT AND SECURITY AGREEMENT**

**THIS AGREEMENT** made as of the 24 day of February, 2022.

**B E T W E E N:**

**DISTRICT NORTHWEST LIMITED PARTNERSHIP**

(the "**Beneficial Owner**")

OF THE FIRST PART

- and -

**105 UNIVERSITY VIEW HOMES LTD.**

(the "**Registered Owner**")

OF THE SECOND PART

- and -

**KINGSETT MORTGAGE CORPORATION**

(the "**Assignee**")

OF THE THIRD PART

**WHEREAS** the Registered Owner, as mortgagor, has granted a mortgage (the "**Mortgage**") to and in favour of the Assignee, as mortgagee, of the lands and premises charged therein (the "**Property**"), notice of which was registered on the date hereof in the Land Registry Office New Westminster to secure the payment of principal, interest and other monies and the performance of all obligations arising thereunder, as amended, modified, supplemented or replaced from time to time;

**AND WHEREAS** the Registered Owner holds legal title to the Lands as registered owner and bare trustee for and on behalf of the Beneficial Owner;

**AND WHEREAS** as a condition for receiving the Loan Indebtedness, the Beneficial Owner has agreed to enter into this Agreement to direct the Registered Owner to enter into the Mortgage and the other Loan Documents and to grant and create the security interests pursuant to the Mortgage and the other Security Documents, as a further continuing and collateral security for the payment of the Loan Indebtedness and observance and performance of the Loan Obligations;

**NOW THEREFORE IN CONSIDERATION** of the recitals, the Assignee extending the Loan Indebtedness and for such other good and valuable consideration received by the Registered Owner and the Beneficial Owner, the receipt and adequacy of which is acknowledged by the Registered Owner and the Beneficial Owner, the Registered Owner and the Beneficial Owner agree with the Assignee as follows:

## **ARTICLE 1 DEFINITIONS, INTERPRETATION**

### **1.1 Definitions**

Capitalized terms that are not defined herein have the meanings set out in the Mortgage. Otherwise, in this Agreement:

- (a) **"Indebtedness"**, in respect of any Person, is used in its most comprehensive sense and includes any and all advances, debts, duties, endorsements, guarantees, liabilities, obligations, responsibilities and undertakings of such Person at any time assumed, incurred or made, however arising, whether or not now due, absolute or contingent, liquidated or unliquidated, direct or indirect, and whether such Person is liable individually or jointly with others, irrespective of the regularity or validity thereof or of any security therefor;
- (b) **"Loan Indebtedness"** means any Indebtedness from time to time of the Registered Owner, the Beneficial Owner or any of the other Covenantors to the Assignee arising under any of the Loan Documents; and
- (c) **"Loan Obligations"** means the obligations of the Registered Owner, the Beneficial Owner or any of the other Covenantors arising under the Loan Documents.

### **1.2 Interpretation**

For the purposes of this Agreement, all references to the singular include the plural where the context so admits, the masculine to include the feminine and neuter gender and, where necessary, a body corporate, and vice versa.

### **1.3 Headings**

In this Agreement, the headings have been inserted for reference only and shall not define, limit, alter or enlarge the meaning of any provision of this Agreement.

## **ARTICLE 2 AGREEMENT**

### **2.1 Representation and Warranty**

The Beneficial Owner hereby represents and warrants that the Registered Owner holds its right, title and interest in and to the Property, and all of the other property, assets and undertakings located at, relating to or arising from the Property and which are subjected to the Mortgage (the **"Charged Property"**), as nominee and bare trustee for and on behalf of the Beneficial Owner.

### **2.2 Direction**

The Beneficial Owner hereby authorizes and directs the Registered Owner to execute and deliver the Mortgage.

### **2.3 Authorization**

The Beneficial Owner hereby irrevocably and unconditionally authorizes and directs the Registered Owner to execute and deliver to the Assignee such other agreements, instruments, certificates and documents as may be reasonably necessary in connection with the Mortgage including, without limitation, any of the other Security Documents.

### **2.4 Grant of Security**

Subject in all cases to the provisions of the Mortgage, the Beneficial Owner hereby:

- (a) grants, transfers, sets over, charges and grants a security interest to and in favour of the Assignee in and to all of its right, title, estate and interest in the Charged Property, together with all proceeds of any of the foregoing, on the same terms and conditions as contained therein, which security shall be held by the Assignee as general and continuing security for the due payment of the Loan Indebtedness and performance of the Loan Obligations;
- (b) assigns, pledges and confirms that the security interests constituted by the Mortgage and the other Security Documents extend to, apply to and create a security interest in and to its beneficial interest in and to the Charged Property and the assets, property and undertaking located at, related to or arising from the Charged Property and which are charged under the Mortgage and the other Security Documents as if the Beneficial Owner was a signatory to the Mortgage and the other Security Documents in the place and stead of the Registered Owner; and
- (c) agrees to observe, perform and be bound by all covenants, obligations, representations and warranties of the Registered Owner in the Mortgage and the other Loan Documents, and agrees to observe and be bound by all remedies of the Assignee thereunder.

### **2.5 Subordination of Indebtedness**

From and after the occurrence and during the continuance of an Event of Default, all debts and liabilities, present and future, of the Registered Owner to the Beneficial Owner are hereby assigned to the Assignee, and postponed to the due payment of the Loan Indebtedness and performance of the Loan Obligations, and all money received by the Beneficial Owner in respect thereof will be held in trust for the Assignee and forthwith upon receipt will be paid over to the Assignee, the whole without in any way lessening or limiting the liability of the Beneficial Owner hereunder and this assignment and postponement is independent of the beneficial charge herein and will remain in full force and effect until, in the case of the assignment, the liability of the Beneficial Owner under this Agreement has been discharged or terminated and, in the case of the postponement, until the due payment in full of the Loan Indebtedness and performance of the Loan Obligations. The foregoing priority shall apply notwithstanding:

- (a) the priority otherwise accorded to the Mortgage and the other Security Documents or under any applicable laws;

- (b) the time or order of creating, granting or execution of any document or instrument comprising the Mortgage and the other Security Documents;
- (c) the attachment, perfection or the giving of notices or the making of demand for payment under the Mortgage and the other Security Documents;
- (d) the time or order of registration of any document or instrument comprising the Mortgage and the other Security Documents;
- (e) the date of any advance or advances made by the Assignee or the date any obligations or liabilities are incurred in each case, which are intended to be secured by the Mortgage and the other Security Documents;
- (f) the date(s) of any default under the Mortgage and the other Security Documents or the date or dates of crystallization of any floating charges;
- (g) the giving or failure to give notice of any of the foregoing to any person, firm or corporation;
- (h) any real or apparent defect in or invalidity of any document comprising the Mortgage and the other Security Documents; or
- (i) subject to the terms of the Mortgage and the other Security Documents, the occurrence of any other event or circumstances entitling the Beneficial Owner to make a claim in priority to or in conflict with the Assignee until such time as a full and final release has been granted with respect to the Mortgage and the other Security Documents.

## **2.6 Validity of Mortgage and other Security Documents**

The Beneficial Owner agrees that (other than in connection with a claim for improvident realization) it shall not hereafter directly or indirectly take, and it is hereby estopped from taking, any action and it shall not consent to the taking of any action and it shall not nor shall it cause any person to take any action, to challenge the validity, legality, perfection, priority or enforcement of the Mortgage and the other Security Documents or the security interests created thereby.

## **2.7 Reassignment/Discharge**

The Assignee may, at any time and whether or not an Event of Default has occurred, without further request or agreement by the Beneficial Owner, reassign to the Beneficial Owner, its successors and assigns, the Charged Property or any part or parts thereof, by an instrument of reassignment in writing executed by the Assignee delivered to the Beneficial Owner, its successors and assigns, at the address for notice herein provided. Such instrument upon delivery shall constitute a good and sufficient reassignment of all of the Beneficial Owner's right, title and interest in and benefit of the Charged Property to which it pertains and a good and valid release and termination of obligations (if any) of the Assignee with respect thereto. Such reassignment shall not expressly or impliedly constitute any representation or warranty by the Assignee to the Beneficial Owner as to the

Charged Property or anything related thereto. Upon registration of a discharge of the Mortgage, this Agreement shall thereupon become and be of no force or effect. At such time as the Mortgage has been discharged, the Assignee will, upon the request of the Beneficial Owner, and at the sole cost and expense of the Beneficial Owner, execute and deliver to the Beneficial Owner such instruments as may be necessary or effective, in registrable form, to evidence the termination of this Agreement and/or the reassignment to the Beneficial Owner of the Charged Property.

### **ARTICLE 3**

#### **ACKNOWLEDGEMENT OF REGISTERED OWNER**

#### **3.1 Acknowledgement**

The Registered Owner hereby acknowledges the direction contained in Section 2.2 and Section 2.3 hereof and agrees to be bound by the terms hereinbefore set forth.

### **ARTICLE 4**

#### **MISCELLANEOUS**

#### **4.1 Payments**

All payments required to be made by the Beneficial Owner to the Assignee under this Agreement will be made at the address of the Assignee set out in Section 4.9 (or at any other place specified by the Assignee by written notice to the Beneficial Owner) in immediately available funds in lawful Canadian currency, without any set off, counterclaim or deduction.

#### **4.2 Failure of Indulgence Not Waiver**

No extension of time, waiver, or other indulgence given by the Assignee to the Beneficial Owner, or anyone claiming under the Beneficial Owner, shall in any way affect or prejudice the rights of the Assignee against the Beneficial Owner or any other Covenantor. Each power and right under this Agreement is cumulative and is in addition to and not in substitution for any other rights and remedies at law, or in equity or otherwise.

#### **4.3 Modification**

No modification or waiver of this Agreement is binding on the Assignee unless made in writing and signed by a duly authorized officer of the Assignee.

#### **4.4 Entire Agreement**

On execution and delivery by the Beneficial Owner and the Registered Owner, this Agreement is deemed to be finally executed and delivered by the Beneficial Owner and the Registered Owner to the Assignee and is not subject to or affected by any condition as to the receipt by the Assignee of any of the other Security Documents or as to the execution and delivery by any of the other Covenantors to the Assignee of any other Loan Documents, nor by any promise or condition affecting the liability of the Beneficial Owner. No agreement, promise, representation or statement by the Assignee or any of its officers, employees or agents unless in this Agreement forms part of this Agreement, has induced

the making of it or affects the liability of the Registered Owner or the Beneficial Owner under it.

#### **4.5 Severability**

If any Section or part thereof of this Agreement is invalid or unenforceable for any reason, then such Section or part thereof will be severable from this Agreement and will not affect the validity or enforceability of any other part of this Agreement.

#### **4.6 Non-Merger**

The giving of this Agreement is by way of additional and collateral security for the payment of the Loan Indebtedness and the performance of the Loan Obligations and not in substitution for or in satisfaction thereof, and the Commitment Letter, the Mortgage or any of the other Loan Documents shall not be merged hereby and in case of an Event of Default that is continuing, proceedings may be taken under this Agreement, the Mortgage, or any of the other Security Documents or any one or more of them at the option of the Assignee.

#### **4.7 Paramountcy**

The provisions of any agreement between the Beneficial Owner and the Registered Owner, as applicable, and the Assignee in connection with the Loan Indebtedness, including but not limited to any loan application with respect thereof, the Mortgage and all of the other Loan Documents, shall form part of this Agreement except where inconsistent with the provisions hereof. In the case of any inconsistency between this Agreement and the Mortgage, the provisions of the Mortgage shall prevail.

#### **4.8 Assignability**

The Beneficial Owner and the Registered Owner hereby consents to the Assignee assigning, transferring or selling all or any portion of its interest under this Agreement in connection with the proportionate assignment, transfer or sale of its interest in the Loan Indebtedness and the Loan Obligations. Without limiting the foregoing, the Assignee may enter into participation, contending or syndication agreements with other lenders in connection with this Agreement, the Loan Indebtedness and the Loan Obligations. The Assignee may provide information of a financial or other nature to any prospective assignee, transferee, purchaser or other lenders concerning the Beneficial Owner and the Registered Owner, this Agreement, the Loan Indebtedness and the Loan Obligations.

#### **4.9 Notices**

Any notice, demand, approval, consent, information, agreement, offer, payment, request or other communication to be given under or in connection with this Agreement shall be in writing and shall be delivered by personal delivery, prepaid courier service, postage prepaid registered mail or by electronic or digital transmission to the relevant party addressed:

(a) to the Registered Owner and the Beneficial Owner:

Name: 105 University View Homes Ltd.

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Address: 700 – 4211 Kingsway,  
Vancouver, B.C., V5H 1Z6

Fax No.: 604-451-7740

Name: District Northwest Limited Partnership  
Address: c/o Abacus North Capital  
1260 Hamilton St.  
Lower Level  
Vancouver, BC V6B 2S8

with a copy to the Registered Owner's and the Beneficial Owner's solicitors at

Name: Logica Law LLP  
Address: Suite 215–179 Davie Street  
Vancouver, BC V6Z 2Y1

Attention: Faizal Nuranev  
Email: [faizal@logicalaw.ca](mailto:faizal@logicalaw.ca)  
Facsimile: 604-969-0698

(b) to the Assignee:

Name: Scotia Plaza  
Address: 40 King Street West, Suite 3700  
Toronto, ON M5H 3Y2

Attention: Scott Coates  
Email: [SCoates@kingsettcapital.com](mailto:SCoates@kingsettcapital.com)  
Facsimile: 416-687-6701

and such notice or other communication shall be deemed to have been given and received on the day on which it was delivered personally or by courier, or transmitted by electronic or digital transmission (or, if such day is not a business day or if delivery or transmission is made on a business day after 5:00 p.m. at the place of receipt, then on the next following business day) or, if mailed, on the third (3<sup>rd</sup>) business day following the date of mailing; provided, however, that if at the time of mailing or within three (3) business days thereafter there is or occurs a labour dispute or other event which might reasonably be expected to disrupt the delivery of documents by mail, any notice or other communication hereunder shall be delivered or transmitted by means of recorded electronic communication as aforesaid. Each party may change its address for notice by providing notice of same in accordance with the foregoing.

#### **4.10 Expenses, Fees and Indemnity**

The Beneficial Owner and the Registered Owner will pay to the Assignee all costs, charges and expenses, including all administrative fees, legal fees and professional fees, incurred by the Assignee in connection with the collection of any amount payable under this Agreement by the Beneficial Owner and the Registered Owner to the Assignee. The



Beneficial Owner and the Registered Owner shall indemnify the Assignee against all claims, loss or damages arising out of or in connection with any breach or default by the Beneficial Owner and the Registered Owner under this Agreement.

#### **4.11 Applicable Law**

This Agreement and the rights and obligations of the Beneficial Owner, the Registered Owner and the Assignee under it are governed by and construed according to the laws of the jurisdiction in which the Property are situate and the laws of Canada applicable therein.

#### **4.12 Time of the Essence**

Time is of the essence of this Agreement.

#### **4.13 Execution by the Assignee**

This Agreement need not be executed by the Assignee to be binding on and to enure to the benefit of the Assignee.

#### **4.14 Counterparts**

This Agreement may be executed or executed electronically and delivered in any number of counterparts, each of which when so executed or executed electronically and delivered shall be an original, but all of which taken together shall constitute one and the same instrument. It shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart. Transmission of executed or electronically executed copies of this Agreement whether or not in counterpart, by facsimile or other electronic transmission, shall be deemed to have the same effect as delivery of an original executed copy to the party receiving the transmission.

#### **4.15 Further Assurances**

The Beneficial Owner and the Registered Owner will promptly do all further acts and execute and deliver further documents as may be required to carry out the terms or intent of this Agreement.

#### **4.16 Successors and Assigns**

This Agreement is binding on and enures to the benefit of the Assignee, the Registered Owner and the Beneficial Owner, and their respective executors, administrators, successors and permitted assigns and to any Person to whom the Assignee may grant any participation in this Agreement, the Loan Indebtedness or any of the Loan Obligations or any power, remedy or right of the Assignee under this Agreement or any of the Assignee's interest herein or in the Loan Indebtedness and the Loan Obligations.

#### **4.17 Multiple Parties**

If the Beneficial Owner or the Registered Owner consists of more than one party, this Agreement will be read with all necessary grammatical changes and each reference to the Beneficial Owner or the Registered Owner includes each and every such Person or

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corporation individually. All covenants and agreements herein of the Beneficial Owner or the Registered Owner are the joint and several covenants and agreements of each such Person. If the Assignee consists of more than one party, this Agreement will be read with all necessary grammatical changes and each such party or any one or more of them is entitled to enforce each right and remedy of the Assignee under this Agreement.

-- signatures follow on next page --

**IN WITNESS WHEREOF** the Registered Owner and the Beneficial Owner have executed this Agreement as of the date and year first written above.

**SURREY CENTRE DISTRICT NW GP LTD.,**  
in its capacity as general partner for and  
on behalf of **DISTRICT NORTHWEST**  
**LIMITED PARTNERSHIP**

Per:   
Name: \_\_\_\_\_  
Title: Daljit Thind, ~~CEO~~  
Director

Per:   
Name: \_\_\_\_\_  
Title: Daljit Thind, ~~CEO~~  
Director  
I/We have authority to bind the Corporation

**105 UNIVERSITY VIEW HOMES LTD.**

Per:   
Name: \_\_\_\_\_  
Title: Daljit Thind, ~~CEO~~  
Director

Per: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
I/We have authority to bind the Corporation

This is Exhibit "G" referred to in the Affidavit #1 of Daniel Pollack affirmed before me at the city of Toronto, in the Province of Ontario this October 9, 2024



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A Commissioner for taking affidavits and  
Notary Public in and for the province of  
Ontario

Maya Churilov (LSO# 87190A)



1. Application

**Bennett Jones LLP**  
**2500 - 666 Burrard Street**  
**Vancouver BC V6C 2X8**  
**604-891-7500**

MO/lmb  
 059445.61

2. Description of Land

PID/Plan Number	Legal Description
<b>010-049-029</b>	<b>LOT 96 EXCEPT; PART DEDICATED ROAD ON PLAN LMP6507, SECTION 22 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 15002</b>
<b>010-049-002</b>	<b>LOT 93 EXCEPT; PART DEDICATED ROAD ON PLAN LMP6507, SECTION 22 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 15002</b>
<b>010-465-961</b>	<b>LOT "A" SECTION 22 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 18562</b>
<b>005-084-407</b>	<b>LOT 88 SECTION 22 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 15002</b>
<b>010-048-979</b>	<b>LOT 85 SECTION 22 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 15002</b>
<b>000-576-646</b>	<b>LOT 94 SECTION 22 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 15002</b>
<b>004-433-980</b>	<b>LOT 91 SECTION 22 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 15002</b>
<b>010-048-995</b>	<b>LOT 90 SECTION 22 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 15002</b>
<b>010-048-987</b>	<b>LOT 87 SECTION 22 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 15002</b>
<b>001-743-627</b>	<b>LOT 86 SECTION 22 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 15002</b>
<b>010-048-961</b>	<b>LOT 84 EXCEPT: PARCEL "L" (BYLAW PLAN 66874); SECTION 22 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 15002</b>
<b>010-048-952</b>	<b>LOT 83 EXCEPT: PARCEL "J" (BYLAW PLAN 66874); SECTION 22 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 15002</b>
<b>010-049-011</b>	<b>LOT 95 SECTION 22 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 15002</b>

3. Borrower(s) (Mortgagor(s))

**105 UNIVERSITY VIEW HOMES LTD.**  
 #700 - 4211 KINGSWAY  
 BURNABY BC V5H 1Z6

BC1139244

4. Lender(s) (Mortgagee(s))

**KINGSETT MORTGAGE CORPORATION**  
 SCOTIA PLAZA  
 40 KING STREET WEST, SUITE 3700  
 TORONTO ON M5H 3Y2

AA0081500

5. Payment Provisions

Principal Amount	Interest Rate	Interest Adjustment Date
<b>\$70,000,000.00</b>	<b>See Express Terms</b>	<b>N/A</b>



Interest Calculation Period <b>See Schedule</b>	Payment Dates <b>See Schedule</b>	First Payment Date <b>N/A</b>
Amount of each periodic payment <b>N/A</b>	Interest Act (Canada) Statement. The equivalent rate of interest calculated half yearly not in advance is <b>N/A</b> % per annum	Last Payment Date <b>N/A</b>
Assignment of Rents which the applicant wants registered? <b>No</b>	Place of payment <b>Postal Address in Item 4</b>	Balance Due Date <b>On Demand</b>

6. Mortgage contains floating charge on land?  
**No**

7. Mortgage secures a current or running account?  
**Yes**

8. Interest Mortgaged  
**Fee Simple**

9. Mortgage Terms  
 Part 2 of this mortgage consists of:  
**(c) Express Mortgage Terms (annexed to this mortgage as Part 2)**

10. Additional or Modified Terms

11. Prior Encumbrances Permitted by Lender  
**See Schedule**

**Mandev Kaur  
Mann LFLFVU**

Digitally signed by  
Mandev Kaur Mann LFLFVU  
Date: 2022-02-27  
11:57:54 -08:00

**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**

(d) Interest Calculation Period:

Calculated daily on the outstanding balance of the Principal Amount and compounded monthly

(e) Payment Dates:

Interest: Payable monthly on the first day of the month next following the first advance and on the first day of each and every month thereafter, or as otherwise specified by the Mortgagee

Principal Amount: ON DEMAND

**11. PRIOR ENCUMBRANCES PERMITTED BY LENDER:**

Statutory Right of Way BG115826 in favour of British Columbia Transit  
(as to PIDs: 010-465-961, 005-084-407, 010-048-979, 000-576-646, 004-433-980, 010-048-995, 010-048-987, 010-048-961 and 010-049-011)

Statutory Right of Way BR81992, modification of Statutory Right of Way BG115826  
(as to PIDs: 010-465-961, 005-084-407, 010-048-979, 000-576-646, 004-433-980, 010-048-995, 010-048-987, 010-048-961 and 010-049-011)

Statutory Right of Way BG149165 in favour of the Corporation of the District of Surrey  
(as to PID: 010-048-979)

Statutory Right of Way BG149166 in favour of the Corporation of the District of Surrey  
(as to PID: 005-084-407)

Statutory Right of Way BG149167 in favour of the Corporation of the District of Surrey  
(as to PID: 010-048-961)

Statutory Right of Way BG149168 in favour of the Corporation of the District of Surrey  
(as to PID: 010-465-961)

Statutory Right of Way BG149171 in favour of the Corporation of the District of Surrey  
(as to PID: 010-465-961)

Easement CA7885741, appurtenant to Lots A and B Plan EPP79101  
(as to PIDs: 010-049-029 and 010-049-011)



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## MORTGAGE TERMS – PART 2

### EXPRESS MORTGAGE TERMS

The Mortgagor is the registered owner of an estate in fee simple in possession of the Property.

**IN CONSIDERATION** of the Principal Amount or any portion thereof, lent to the Mortgagor by the Mortgagee, and as continuing collateral or additional security for the repayment of the Loan Indebtedness and the performance of the Loan Obligations, the Mortgagor **HEREBY COVENANTS WITH** the Mortgagee as follows:

#### DEFINITIONS

1. In these Express Mortgage Terms and in the Form B to which they are annexed:
  - (a) "**Assessments**" has the meaning ascribed thereto in Section 14(b);
  - (b) "**Builders' Liens**" has the meaning ascribed thereto in Section 13(f);
  - (c) "**Borrower**" means District Northwest Limited Partnership;
  - (d) "**Closed Prepayment Period**" has the meaning ascribed thereto in Section 8;
  - (e) "**Commitment Letter**" means the commitment letter dated as of February 14, 2022 between, *inter alios*, the Mortgagor and the Mortgagee, as amended, varied, supplemented, restated, renewed or replaced at any time and from time to time;
  - (f) "**Control**" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise;
  - (g) "**Covenantors**" means, collectively, the Mortgagor or any joint debtor or any obligor to the Mortgagee in connection with repayment of the Loan Indebtedness or the performance of the Loan Obligations;
  - (h) "**Event of Default**" has the meaning ascribed thereto in Section 31;
  - (i) "**Extension Fee**" means a \$139,375.00 (0.25% of the Maximum Loan Amount) fee;
  - (j) "**Form B**" means the form identified as "Form B" Mortgage – Part 1, to which these Express Mortgage Terms are attached;
  - (k) "**Governmental Authority**" means the government of Canada or any other nation, or of any political subdivision thereof, whether state/provincial or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government, including any supra-national bodies such as the European Union or the European Central Bank and including a

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Minister of the Crown, Superintendent of Financial Institutions or other comparable authority or agency;

- (l) **"Guarantors"** means, collectively, Daljit Thind and Thind Properties Ltd.;
- (m) **"Hazardous Substance"** means any radioactive materials, asbestos materials, urea formaldehyde, underground or aboveground tanks, pollutants, contaminants, liquid waste, industrial waste, hauled liquid waste, deleterious substances, corrosive or toxic substances, hazardous wastes, hazardous materials, hazardous substances, special waste or waste of any kind or any other substance, the storage, manufacture, disposal, treatment, generation, use, transport, remediation or release into the environment of which is now or hereafter prohibited, controlled or regulated under any applicable environmental law;
- (n) **"Indebtedness"**, in respect of any Person, is used in its most comprehensive sense and includes any and all advances, debts, duties, endorsements, guarantees, liabilities, obligations, responsibilities and undertakings of such Person at any time assumed, incurred or made, however arising, whether or not now due, absolute or contingent, liquidated or unliquidated, direct or indirect, and whether such Person is liable individually or jointly with others, irrespective of the regularity or validity thereof or of any security therefor;
- (o) **"Interest Adjustment Date"** means the first day of the calendar month following the calendar month in which the initial advance of all or any portion of the Loan Indebtedness is made, unless such initial advance takes place on the first day of a calendar month, in which case the interest adjustment date shall be the date of such initial advance;
- (p) **"Interest Rate"** means:
  - (i) from the date of the initial advance of all or any portion of the Loan Indebtedness until the end of the 12<sup>th</sup> month after the Interest Adjustment Date, the RBC Prime Rate plus 4.55% per annum (with a floor rate of 7.00%), calculated daily, compounded and payable monthly, not in advance, both before and after maturity, default and/or judgement with respect to the Loan Indebtedness; and
  - (ii) in the last month of the Term and every month thereafter, 13.00% per annum calculated daily, compounded and payable monthly, not in advance, both before and after maturity, default and/or judgement with respect to the Loan Indebtedness;
- (q) **"Lands"** means the Property and premises or the Mortgagor's interest therein described in Part 1 as the Property and premises charged by the Mortgage together with all benefits, easements, licences, privileges, rights of way and servitudes appertaining thereto or connected therewith and every other thing referred to in Section 10 of the *Land Transfer Form Act* (British Columbia) together with all buildings, erections, fixtures and improvements, including those more fully set out in Section 20 hereof, fixed or otherwise now on or hereafter put upon such Land;

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- (r) **"Lease Benefits"** means, collectively, the benefit of all covenants and obligations of lessees, tenants, licensees, or occupants as well as all other rights, privileges, advantages and benefits contained in any of the Leases, including without limitation, all rights and benefits of any guarantees thereof, the right to demand, sue for, collect, recover and receive all Rents, to enforce the Mortgagor's rights under any Lease, and generally any collateral advantage or benefit to be derived from the Leases or any of them;
- (s) **"Leases"** means, collectively, all present and future leases, subleases, licenses, agreements to lease, agreements to sublease, options to lease or sublease, rights of renewal or other agreements by which the Mortgagor or any predecessor or successor in title thereto, has granted or will grant the right to use or occupy all or part or parts of the Property, and including all agreements collateral thereto;
- (t) **"Lien"** means, collectively, any: (i) lien, charge, mortgage, pledge, security interest or conditional sale agreement; (ii) assignment, lease, consignment, trust or deemed trust that secures payment or performance of an obligation; (iii) garnishment; (iv) other encumbrance of any kind; and (v) any commitment or agreement to enter into or grant any of the foregoing;
- (u) **"Loan Documents"** means, collectively, the Commitment Letter, this Mortgage, the Security Documents and all certificates, instruments, agreements and other documents delivered, or to be delivered, to the Mortgagee under, pursuant to or in connection with this Mortgage or any of the other Loan Documents, each as amended, varied, supplemented, restated, renewed or replaced at any time and from time to time and, when used in relation to any Person, the term **"Loan Documents"** means the Loan Documents executed and delivered by such Person.
- (v) **"Loan Indebtedness"** means any Indebtedness from time to time of the Mortgagor or any of the other Covenantors to the Mortgagee arising under any of the Loan Documents;
- (w) **"Loan Obligations"** means the obligations from time to time of the Mortgagor or any of the other Covenantors arising under the Loan Documents;
- (x) **"Material Adverse Effect"** means a material adverse effect on:
  - (i) the Property or the economic viability thereof;
  - (ii) the business, operations, property or financial condition of any of the Covenantors which would materially impact the ability of the Covenantors, taken as a whole, to repay the Loan Indebtedness and to perform and discharge the Loan Obligations;
  - (iii) the validity or enforceability of this Mortgage or any of the other Loan Documents; or

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- (iv) the Mortgagee's ability to enforce its rights or remedies under this Mortgage or any of the other Loan Documents, including with respect to the Mortgagee's security position;
- (y) **"Maturity Date"** means thirteen (13) months after the Interest Adjustment Date as may be extended in accordance with the Commitment Letter;
- (z) **"Maximum Loan Amount"** means, notwithstanding the Principal Amount, the amount of \$55,750,000.00;
- (aa) **"Mortgage"** means the mortgage created by Part 1 and Part 2 together.
- (bb) **"Mortgaged Premises"** means every building, structure, improvement and fixture (including those more fully set out in Section 20 hereof), including replacements therefor, on or which may hereafter be erected or placed on the Lands, including all plate glass, plant, equipment, apparatus and machinery of every kind now or hereafter located therein, thereon or used in connection therewith, and all personal property including, contents thereof to the extent that they are the property of the Mortgagor;
- (cc) **"Mortgagee"** means KingSett Mortgage Corporation the party or parties described in Part 1 as the "Lender(s) (Mortgagee(s))";
- (dd) **"Mortgagor"** means 105 University View Homes Ltd., the party described in Part 1 as the "Borrower(s) (Mortgagor(s))";
- (ee) **"Other Obligations"** has the meaning ascribed thereto in Section 40;
- (ff) **"Permitted Encumbrances"** mean, collectively:
  - (i) any Lien in respect of any property or assets of the Mortgagor created by or arising pursuant to any applicable legislation in favour of any Person (such as but not limited to a Governmental Authority), including a Lien for the purpose of securing the Mortgagor's obligation to deduct and remit employee source deductions and goods and services tax pursuant to the *Income Tax Act* (Canada), the *Excise Tax Act* (Canada), the *Canada Pension Plan* (Canada), the *Employment Insurance Act* (Canada) and any legislation in any jurisdiction similar to or enacted in replacement of the foregoing from time to time (each individually a **"Statutory Lien"**) in respect of any amount which is not at the time due;
  - (ii) any Statutory Lien in respect of any amount which may be due but the validity of which is being contested in good faith and in respect of which reserves have been established as reasonably required by the Mortgagee;
  - (iii) in respect of the Property: (A) any registered agreement (or unregistered agreement that is required in connection with the further development of the Property) with any Governmental Authority and any public utilities or private suppliers of services, including site plan agreements, subdivision

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agreements, development agreements, engineering, grading or landscaping agreements and similar agreements, which has not and is not reasonably likely to have a Material Adverse Effect, provided the same is complied with in all material respects; (B) any registered easement for the supply of utilities or telephone services to the Property and for drainage, storm or sanitary sewers, public utility lines, telephone lines, cable television lines or other services and all licences, easements, rights-of-way, rights in the nature of easements and agreements with respect thereto not registered on title to the Property, including agreements, easements, licences, rights-of-way and interests in the nature of easements for sidewalks, public ways, sewers, drains, utilities, gas, steam and water mains or electric light and power, or telephone telegraphic conduits, poles, wires and cables, which has not and is not reasonably likely to have a Material Adverse Effect; (C) any registered easement or right-of-way for the passage, ingress and egress of Persons and vehicles over parts of the Lands, which has not and is not reasonably likely to have a Material Adverse Effect; (D) any registered or unregistered easement, rights-of-way, agreement or other unregistered interest or claims not disclosed by registered title which has not and is not reasonably likely to have a Material Adverse Effect; (E) any zoning, land use and building restriction, bylaw, regulation and ordinance of any Governmental Authority, including municipal by-laws and regulations and airport zoning regulations, which has not any is not reasonably likely to have a Material Adverse Effect; (F) any obligation with respect to any permit required in connection with the construction and use of the Property provided such permit is in good standing and has not and is not reasonably likely to have a Material Adverse Effect; and (G) any minor defect in title which has not and is not reasonably likely to have a Material Adverse Effect;

- (iv) any reservation, limitation, proviso, condition, restriction and exception (including royalties, reservation of mines, mineral rights, access to navigable waters and similar rights) expressed in the letters patent or grant from the Crown, as varied by statute, of the lands of which the Lands form a part and any statutory limitation, exception, reservation and qualification, provided same has been complied with in all material respects;
- (v) any Lien incurred or deposit made or pledged to secure any obligation under workers' compensation legislation or similar legislation, or in connection with contracts, bids, tenders or expropriation proceedings, or surety, performance or appeal bonds in connection with construction of the further development of the Property;
- (vi) security given to a public utility or any Governmental Authority to secure obligations incurred to such utility, Governmental Authority or other authority in the ordinary course of business and not at the time overdue;
- (vii) any inchoate Lien (statutory or otherwise) arising in connection with the construction or improvement of the Property or arising out of the furnishing

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of materials or supplies therefor, provided that such Lien secures moneys not at the time overdue (or if overdue, the validity of which is being contested in good faith and in respect of which and reserves have been established as reasonably required by the Mortgagee), notice of such Lien has not been given to the Mortgagee and such Lien has not been registered against title to the Property;

- (viii) purchase-money security interests incurred or assumed in connection with the purchase, leasing or acquisition of capital equipment in the ordinary course of business, provided that the aggregate amount of the Mortgagor's liability thereunder is not at any time greater than one million (\$1,000,000.00) dollars;
  - (ix) any present and future lease, offer to lease, sublease, concession, licence or other contract or agreement by which the use, enjoyment or occupancy of the Property or any portion thereof is granted which has not and is not reasonably likely to have a Material Adverse Effect;
  - (x) this Mortgage and the other Security Documents;
  - (xi) the Prior Permitted Encumbrances; and
  - (xii) any Subsequent Encumbrances with the express prior written consent of the Mortgagee in its sole, absolute and unfettered discretion;
- (gg) **"Person"** means, and includes, natural persons, corporations, limited liability companies, limited partnerships, limited liability partnerships, general partnerships, joint stock companies, joint ventures, associations, companies, trusts, banks, trust companies, land trusts, business trusts or other organizations, whether or not legal entities, and governments and agencies and political subdivisions thereof and their respective permitted successors and assigns (or in the case of a governmental person, the successor functional equivalent of such Person);
- (hh) **"Part 1"** means all of the terms, conditions and other information contained in the Form B and any schedule or attachment to Form B and which does not form a part of Part 2;
- (ii) **"Part 2"** means these Express Mortgage Terms;
- (jj) **"Principal Amount"** has the meaning ascribed thereto in Item 5(a) of the Form B;
- (kk) **"Prior Permitted Encumbrances"** means those encumbrances registered against title to the Property in priority to this Mortgage on the date of the registration of this Mortgage against title to the Lands and which the Mortgagee has agreed to accept in its sole, absolute and unfettered discretion;
- (ll) **"Project"** means A 2.43-acre site fully zoned for a mixed-use development project consisting of two towers with 1,023 for-sale residential condominium units for a total net saleable area of +/-588,249 sf, +/-5,067 sf net leasable area of daycare

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space and five levels of underground parking with 754 stalls located at 13416 – 13437 105A Avenue, 10501 – 10537 134A Street and 10492 – 10536 University Drive, Surrey, British Columbia;

- (mm) **"Property"** means, collectively, the Lands and the Mortgaged Premises;
- (nn) **"RBC 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 of varying degrees of creditworthiness in Canada for Canadian Dollar demand loans made by the Royal Bank of Canada in Toronto, Ontario.
- (oo) **"Rents"** means, collectively, all rents, issues and profits now due or to become due under or derived from the Leases and/or the Property;
- (pp) **"Security Documents"** means, collectively, the Loan Documents creating Liens on the undertaking, property and assets of the Covenantors in favour of the Mortgagee, and all other instruments, agreements and documents which have been or may hereafter from time to time be executed in connection therewith, and includes without limitation the following:
  - (i) this Mortgage;
  - (ii) a general assignment of rents and leases for the Property granted by the Mortgagor in favour of the Mortgagee;
  - (iii) a general security agreement granted by the Mortgagor in favour of the Mortgagee;
  - (iv) a general assignment of all current and future material contracts for the Project granted by the Mortgagor in favour of the Mortgagee;
  - (v) an assignment of insurance for the Property granted by the Mortgagor in favour of the Mortgagee;
  - (vi) a beneficial security agreement granted by the Borrower and the Mortgagor in favour of the Mortgagee.
  - (vii) an unlimited personal and corporate guarantee granted by the Guarantors in favour of the Mortgagee;
  - (viii) a specific assignment of cash distributions granted by Thind Properties Inc. to and in favor of the Mortgagee;
  - (ix) a pledge agreement with respect to all of the issued and outstanding shares and units, as applicable, in the capital of District Northwest Limited Partnership and Surrey Centre District NW GP Ltd. granted by Thind Properties Ltd. in favour of the Mortgagee;

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- (x) an unlimited joint and several fraud, misrepresentation and environmental indemnity granted by the Borrower, the Mortgagor, and the Guarantors in favour of the Mortgagee; and
- (xi) such other security as the Lender or its legal counsel may reasonably require;

in each case as the same may be hereafter amended, modified, supplemented or restated in accordance with the terms thereof;

- (qq) "**Statutory Lien**" has the meaning ascribed thereto in Section 1(ff)(i);
- (rr) "**Strata Corporation**" means the strata corporation created pursuant to the *Strata Property Act* governing the administration of the strata lot or lots created pursuant to the *Strata Property Act* of which the Lands form part;
- (ss) "**Strata Lots**" means a strata lot created pursuant to the *Strata Property Act* and forming part of the Lands;
- (tt) "**Strata Property Act**" means the *Strata Property Act*, S.B.C., 1998, c. 43 as amended by the *Strata Property Amendment Act*, 1999, S.B.C. 1999, c. 21 and any amendments thereto;
- (uu) "**Subsequent Encumbrances**" means, collectively, encumbrances registered against title to the Lands subsequent in priority to this Mortgage with the prior consent of the Mortgagee, which consent shall be granted in the Mortgagee's sole, absolute and unfettered discretion, which shall include a second charge/mortgage in an amount not to exceed \$21,300,000.00 granted by the Mortgagor to and in favour of IHI Developments Ltd., Garmeco Canada Consultants Ltd., and IHI Holdings Ltd.;
- (vv) "**Taxes**" means all present or future taxes, rates, liens, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto; and
- (ww) "**Title Agreements**" has the meaning ascribed thereto in Section 53;

The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". Unless the context requires otherwise: (i) any definition of or reference to any agreement, instrument or other document herein (including this Mortgage) shall be construed as referring to such agreement, instrument or other document amended, varied, supplemented, restated, renewed or replaced at any time and from time to time (subject to any restrictions on such amendments, variations, supplements, restatements, renewals or replacements set forth herein); (ii) any reference herein to any Person shall be construed to include such



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Person's successors and permitted assigns; (iii) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Mortgage in its entirety and not to any particular provision hereof; (iv) unless otherwise expressly stated, all references in this Mortgage to Sections, Exhibits and Schedules shall be construed to refer to Sections of, and Exhibits and Schedules to, this Mortgage, and references to a Section, means such Section or an enumerated sub-Section thereof, as applicable; (v) any reference to any law or regulation herein shall, unless otherwise specified, refer to such law or regulation as amended, varied, supplemented, restated, renewed or replaced at any time and from time to time; and (vii) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

### **PROMISE TO PAY AND FULFIL OBLIGATIONS**

2. The Mortgagor will pay or cause to be paid to the Mortgagee, on demand, in lawful money of Canada the full amount of the Loan Indebtedness in the manner of payment provided by this Mortgage before as well as after maturity, both before and after default, and both before and after judgment on this Mortgage, without any deduction or abatement, and shall do, observe, perform, fulfil and keep all of the Loan Obligations.

### **PAYMENTS**

3. The Loan Indebtedness shall be repaid as follows:
  - (a) interest on the Loan Indebtedness advanced and remaining unpaid from time to time at the fixed rate per annum equal at all times to the Interest Rate calculated daily not in advance, before as well as after maturity, default and judgment, on the basis of the actual number of days elapsed in a year of 365 days or 366 days, as the case may be, and compounded monthly not in advance and computed from and including the respective dates of such advances;
  - (b) subject to Section 3(d)(iii), interest, at the Interest Rate, shall become due and be paid on the Interest Adjustment Date and thereafter in monthly instalments on the first business day of the month which is one month after the Interest Adjustment Date and continuing on the first business day of each and every month which is one month after the date of each such payment, and in addition, at the option of the Mortgagee, may be deducted from advances of moneys under this Mortgage, and the balance, if any, of the aforesaid interest on advances shall become due and be paid at the same time as is hereinafter provided for payment in full of the Loan Indebtedness;
  - (c) the Loan Indebtedness shall become due and be paid in full on the earlier of:
    - (i) the Mortgagor demanding repayment of the Loan Indebtedness in full and the performance of the Loan Obligations at any time; and
    - (ii) the Maturity Date;

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- (d) it is acknowledged and agreed that:
- (i) notwithstanding the Principal Amount, the maximum amount to be advanced by the Mortgagee from time to time in respect of the Loan Indebtedness shall not exceed the Maximum Loan Amount;
  - (ii) an initial and subsequent advances of Loan Indebtedness representing advances from time to time of the Loan may be made by the Mortgagee, subject to and in accordance with the Commitment Letter and the conditions precedent and other provisions set out therein;
  - (iii) beginning on the Interest Adjustment Date, the amount of monthly interest, at the Interest Rate, shall, provided no Event of Default has occurred hereunder which is continuing, be capitalized monthly to the Loan Indebtedness advanced hereunder until the earlier of:
    - A. such capitalized interest, at the Interest Rate, reaching in the aggregate the amount of \$2,015,190.00;
    - B. the sum of such capitalized interest and all other amounts advanced hereunder reaching, in the aggregate, the Maximum Loan Amount;
    - C. repayment of all amounts outstanding hereunder; and
    - D. any Event of Default or a default by any of the Covenantors under any of the Loan Documents; and
  - (iv) in the event that amounts are no longer available in accordance with the provisions of Section **Error! Reference source not found.**(d)(iii), any additional interest payments shall not be capitalized and shall be required to be paid by the Mortgagor from sources other than subsequent advances of moneys under this Mortgage.

#### CHARGE

4. **THE MORTGAGOR HEREBY** grants, mortgages and charges to and in favour of the Mortgagee all right, title and interest of the Mortgagor in and to the Property as security for the payment of the Loan Indebtedness and performance of the Loan Obligations by the Mortgagee.

#### COMPOUND INTEREST

5. It is hereby agreed that in case default shall be made in payment of any sum to become due for interest, at the Interest Rate, at any time appointed for payment thereof as aforesaid, compound interest shall be payable and the sum in arrears for interest from time to time, before as well as after maturity, shall bear interest, at the Interest Rate, and in case the interest and compound interest are not paid within the next thirty (30) days, compound interest, at the Interest Rate, shall be payable on the aggregate amount then due of outstanding interest and compound interest, before as well as after maturity, and so on from

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time to time, and all such interest and compound interest shall be a charge upon the Property.

### INTEREST RATE

6. Notwithstanding the provisions hereof in no event shall the aggregate "interest" (as that term is defined in Section 347 of the *Criminal Code* (Canada)) exceed the effective annual rate of interest on the "credit advanced" (as defined therein) lawfully permitted under that section. The effective annual rate of interest shall be determined in accordance with generally accepted actuarial practices and principles from the date of the initial advance of the Loan Indebtedness until the Maturity Date and, in the event of a dispute, a certificate of a Fellow of the Canadian Institute of Actuaries appointed by the Mortgagee will be conclusive for the purposes of such determination. If any provision of the Mortgage would obligate the Mortgagor to make any payment of interest or other amount payable to the Mortgagee in an amount or calculated at a rate which would be prohibited by law or would result in a receipt by the Mortgagee of interest at a criminal rate, then notwithstanding that provision, that amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law or result in a receipt by the Mortgagee of interest at a criminal rate, the adjustment to be effected, to the extent necessary, as follows:
- (a) first, by reducing the amount or rate of interest required to be paid to the Mortgagee under this Mortgage; and
  - (b) thereafter, by reducing any fees, commissions, premiums and other amounts required to be paid to the Mortgagee which would constitute "interest" (as that term is defined in Section 347 of the *Criminal Code* (Canada)).

### RENEWALS AND NON-REVOLVING NATURE OF LOAN

7. That:
- (a) in the event that this Mortgage shall be renewed or extended pursuant to Section 7(b) or by written agreement executed by, *inter alios*, the Mortgagor and the Mortgagee, such renewal or extension (and the rate of interest, term, instalment and other stipulations of such renewal or extension) shall be binding upon the Mortgagor and the Mortgagee, their respective successors in title and assigns, and all Subsequent Encumbrances, and shall take full priority over all Subsequent Encumbrances, whether or not the said renewal, extension or notice thereof is registered, filed or recorded by caveat at the applicable Land Titles Office and whether or not the rate of interest payable or payment amortization period applicable during the renewal or extension term is greater than or less than the rate or amortization stipulated in this Mortgage. The Mortgagor shall, forthwith on request therefor by the Mortgagee, provide to the Mortgagee, at the Mortgagor's expense, all such postponements and other assurances as the Mortgagee may require to ensure the foregoing binding effect and priority. All renewals (if any) shall be done at the Mortgagor's expense (including without limitation payment of the Mortgagee's reasonable legal expenses on a solicitor and his own client basis). In the event the within Mortgagor is a corporation, no such renewal or extension,

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even if made by a successor in title to the Mortgagor named herein and whether or not the Mortgagor shall consent thereto, shall in any way release or abrogate or render unenforceable the covenants or obligations of the Mortgagor named herein, which shall continue notwithstanding such renewal or extension and shall apply to this Mortgage as renewed or extended.

- (b) the Mortgagor has the option, subject to the prior consent of the Mortgagee, not to be unreasonably withheld, to extend the Maturity Date by up to two extensions with each extension(s) being for a period of three (3) months on the terms and conditions set out in Section A.11 and Section A.12 of the Commitment Letter, and provided that in connection with each extension option:
  - (i) the Mortgagor pays to the Mortgagee an Extension Fee, which shall be deemed earned by the Mortgagee upon receipt of notice requesting an extension of the Maturity Date, and payable on or before the date which is ten (10) days prior to the Maturity Date, provided that if such extension is not granted by the Mortgagee, the Mortgagee will return such amount to the Mortgagor;
  - (ii) the Mortgagor or any other Covenantor delivering at least 30 days' written notice prior to the Maturity Date to the Mortgagee requesting each extension; and
  - (iii) no Event of Default has occurred which is continuing;
- (c) other than the extension right set forth in Section 7(b), there are no further rights to renew or extend this Mortgage; and
- (d) no amount that is borrowed or advanced hereunder may, if repaid or prepaid, be reborrowed at any time, it being acknowledged and agreed that this Mortgage creates a non-revolving loan.

#### **PREPAYMENT**

- 8. This Mortgage will be closed for prepayment from the initial advance of the Loan until twelve (12) months after the Interest Adjustment Date (the "Closed Prepayment Period"). From and after the Closed Prepayment Period, the Loan Indebtedness will be open for prepayment, in whole but not in part, with a minimum of thirty (30) days' prior written notice to the Mortgagee without any fee, bonus or penalty.

#### **MANDATORY REPAYMENT**

- 9. Subject to the rights of creditors of the Mortgagor in accordance with Prior Permitted Encumbrances, the Mortgagor agrees to pay to the Mortgagee one hundred (100%) of any proceeds received by any Covenantor from any source in respect of the development of the Project, if any. The Mortgagee shall apply any proceeds received from the Mortgagor in accordance with this Section 9 first against accrued and unpaid interest, at the Interest Rate, and second against the then outstanding Loan Indebtedness.

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## TAXES

10. Subject as hereinafter in this Section 10 provided, the Mortgagor will pay when and as the same fall due all Taxes; provided that in respect of municipal taxes, school taxes, local improvements charges and all taxes and levies made or assessed in lieu of real property taxes, the Mortgagor shall provide the Mortgagee with a paid receipted tax bill within two (2) weeks after the payment deadline of each such tax bill, and in the event the Mortgagor should default in payment of same and such default continues for more than three (3) business days following written notice to the Mortgagor, the Mortgagee shall have the right to implement any of the following:
- (a) the Mortgagee may deduct from time to time, from advances of moneys under this Mortgage, amounts sufficient to pay the Taxes which have become due and payable or will have become due and payable and are unpaid from time to time as advances are made;
  - (b) the Mortgagor shall in each year during the currency hereof at the request of the Mortgagee pay to the Mortgagee in equal monthly instalments, such amounts as the Mortgagee may estimate as being the annual Taxes next becoming due and payable, the said monthly instalments to be paid in addition to the payments required under Section 2, and the Mortgagor shall also pay to the Mortgagee before the due date of the current annual Taxes such additional sums as may be requisite to enable the Mortgagee to pay out of such monthly instalments and additional payments, the whole amount of the annual Taxes on or before the due date thereof, provided, however, that the exercise of the foregoing right shall be subject to the rights and obligations of the Mortgagor and the Mortgagee under all Permitted Encumbrances;
  - (c) so long as there is not an Event of Default that has occurred and is continuing, the Mortgagee shall apply such deduction and payments on the Taxes as they become due, but nothing herein contained shall obligate the Mortgagee to apply such payments on account of Taxes more often than yearly, nor to pay the same in advance of the due date for payment of the same. Provided however, that if (before any sum or sums so paid to the Mortgagee shall have been so applied) an Event of Default shall have occurred which is continuing, the Mortgagee may, at its option, apply such sum or sums in or towards payment of the Loan Indebtedness;
  - (d) in the event that there is default in the payment by the Mortgagor of moneys for Taxes as aforesaid, then the Mortgagee may pay such Taxes and, in addition, upon providing the Mortgagor with ten (10) days' prior written notice, the Mortgagee may pay any and all liens, charges and encumbrances which may be charged against the Property which are not otherwise first paid by the Mortgagor. All moneys expended by the Mortgagee for any of such purposes together with interest thereon at the Interest Rate shall be added to the Loan Indebtedness hereby secured, shall be repaid by the Mortgagor to the Mortgagee forthwith, and until repaid shall be a charge upon the Property and the Mortgagee shall have the same rights and remedies to enforce payment thereof as it would have upon the occurrence of an Event of Default;

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- (e) if the Property or any part thereof becomes subject to sale or forfeiture for non-payment of Taxes while any Loan Indebtedness remains outstanding, then, subject to all applicable laws, the Mortgagee may acquire title and rights of the purchaser at any sale, or the rights of any other Person or corporation becoming entitled on or under any such forfeiture, or the Mortgagee may pay, either in its own name or in the Mortgagor's name or on the Mortgagor's behalf, any and all sums necessary to be paid to redeem the Property so sold or forfeited, and to re-vest the Property in the Mortgagor, and the Mortgagor hereby nominates and appoints the Mortgagee agent of the Mortgagor to pay such moneys on the Mortgagor's behalf and in the Mortgagor's name, and any moneys so expended by the Mortgagee together with interest thereon at the Interest Rate shall be added to the Loan Indebtedness hereby secured, shall be repaid by the Mortgagor to the Mortgagee forthwith, and until repaid shall be a charge upon the Property and the Mortgagee shall have the same rights and remedies to enforce payment thereof as it would have upon the occurrence of an Event of Default, or, in the alternative, the Mortgagee shall have the right to bid on and purchase the Property at any tax sale of the same and shall thereupon become the absolute owner thereof; and
- (f) the Mortgagor shall transmit to the Mortgagee evidence, satisfactory to the Mortgagee acting reasonably, of the payment of all Taxes affecting the Property to the Mortgagee at least quarterly or as otherwise reasonably requested by the Mortgagee from time to time, and the Mortgagor authorizes the Mortgagee to obtain any tax or assessment information concerning the Property directly from the municipal taxing authority having jurisdiction over the Property.

## INSURANCE

### 11. That:

- (a) the Mortgagor will, at the Mortgagor's expense, forthwith insure or cause to be insured, and during the continuance of this security keep insured in favour of the Mortgagee, the Property on an *all risks* basis, or as otherwise allowed by the Mortgagee, including coverage for course of construction, earthquake, flood and such other risks or perils as the Mortgagee may require or consider expedient and satisfactory to the Mortgagee, acting reasonably, including and pursuant to the following coverages, provisions and conditions:
  - (i) the Mortgagee must be shown as a named insured, or an additional named insured, and loss payee and mortgagee as its interest may appear;
  - (ii) the limit of insurance shall not be less than one hundred (100%) percent of new replacement cost including recurring soft costs and costs of foundations and all parts below ground level including confirmation that the "same or adjacent site" clause has been deleted from the replacement cost wording;
  - (iii) any co-insurance clause contained in the policy shall be a stated amount co-insurance clause;

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- (iv) the policy shall include an Insurance Bureau of Canada standard mortgage clause or its equivalent;
  - (v) losses shall be made payable to the Mortgagee according to its interest;
  - (vi) rental income coverage on an "all risks" basis sufficient to cover one hundred (100%) percent of the gross annual revenues, including Rents and if leases are on a net-net basis, the equivalent gross revenues, including rentals for a period of not less than twelve (12) months; or if the property is owner-occupied, business interruption coverage;
- (b) the Mortgagor will maintain liability insurance coverage, including without limitation earthquake, flood and sewer back-up insurance at least equivalent in scope to a Commercial General Liability form, such insurance to be in the minimum amount of five million (\$5,000,000.00) dollars per occurrence, to include all required extensions of liability and naming the Mortgagee as co-insured;
- (c) the Mortgagor will cause its contractors to maintain contractors liability insurance coverage, and wrap-up liability insurance coverage, in each instance to be in the minimum amount of five million (\$5,000,000.00) dollars per occurrence, to include all required extensions of liability and naming the Mortgagor as an additional named insured, but only with respect to claims arising out of the operations of the named insured;
- (d) as applicable, the Mortgagor will maintain builders "all risks" or "broad form" insurance, subject to the latest CCDC policy wording and will include:
- (i) coverage sufficient to cover one hundred (100%) percent of the projected hard costs and not less than twenty-five (25%) percent of the projected recurring soft costs;
  - (ii) a "permission to occupy" clause, "delayed rental income / soft costs" insurance to cover the anticipated loss of revenue for one (1) year, which may be incurred in the event of an insured loss, during construction;
  - (iii) coverage for the installation, testing and commissioning, of machinery and equipment; and
  - (iv) the Mortgagee as loss payee and as mortgagee as its interest appears, pursuant to a standard mortgage clause satisfactory to the Mortgagee;
- (e) the Mortgagor will maintain boiler and machinery insurance covering all central HVAC and miscellaneous electrical equipment (and production machinery where applicable) for explosion, electrical and mechanical breakdown;
- (f) promptly upon written request, the Mortgagor will deliver to the Mortgagee and directly to its insurance consultants all policy binders of insurance together with all applicable certificates of insurance or such other evidence of insurance as the

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Mortgagee may reasonably require, and, prior to their due date, proof of payment of the premiums and renewal premiums therefor;

- (g) all policies shall be with insurers and subject to terms and conditions reasonably satisfactory to the Mortgagee. Any deviation from these requirements shall be approved in writing by the Mortgagee acting reasonably. The policies must provide for thirty (30) days' written notice to the Mortgagee of material alteration, if available, and cancellation and must be signed by the insurer(s) or their authorized representative(s);
- (h) if the Mortgagor shall neglect to keep the Property insured as aforesaid, or to deliver all policy binders of insurance together with all applicable certificates of insurance or such other evidence of insurance as the Mortgagee may reasonably require and evidence proving payment of premiums or renewal premiums when reasonably requested by the Mortgagee, or to produce to the Mortgagee at least forty-five (45) days' before the termination of such insurance evidence of the renewal thereof, the Mortgagee shall, without reference to the Mortgagor, be entitled (but shall not be obliged) to insure the Property, or any part thereof, as set forth above, and the amount of any premiums paid by the Mortgagee together with interest thereon, at the Interest Rate, shall be added to the Loan Indebtedness hereby secured, shall be repaid by the Mortgagor to the Mortgagee forthwith, and until repaid shall be a charge upon the Property and the Mortgagee shall have the same rights and remedies to enforce payment thereof as it would have upon the occurrence of an Event of Default;
- (i) promptly upon the occurrence of any loss or damage, the Mortgagor at its own expense will furnish all necessary proof and do all necessary acts to enable the Mortgagee to obtain payment of the insurance moneys;
- (j) if any cheque issued by an insurer in complete or partial settlement of an insurance claim pursuant to the coverages above, other than the coverage for general public liability insurance, is given, sent or delivered to the Mortgagor or the solicitor or agent of the Mortgagor, then the Mortgagor shall cause such cheque to be delivered to the Mortgagee forthwith and if any such cheque is made payable to the Mortgagor alone or jointly to the Mortgagor and another or others, then the Mortgagor shall forthwith endorse and deliver such cheque over to the Mortgagee, and the Mortgagor does hereby constitute the Mortgagee as the Mortgagor's true and lawful attorney to receive and endorse any such cheque for an on behalf of the Mortgagor; and
- (k) all monies received by virtue of such policy or policies of insurance may at the option of the Mortgagee either be applied in or towards substantially rebuilding, reinstating or repairing the Property or towards the payment of the Loan Indebtedness, interest and other amounts secured hereby, whether or not the same are then due, in such manner as the Mortgagee shall from time to time determine, or may be paid in full or in part to the Mortgagor or its assigns, or may be applied or paid partly in one way and partly in another, as the Mortgagee may determine.



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### PAYMENT METHOD

12. The Mortgagor shall from time to time as required by the Mortgagee, provide a signed pre-authorized withdrawal form /or forms directed to the bank or financial institution at which the Mortgagor regularly keeps a chequing account, in such form and manner so as to enable the Mortgagee to receive payments from time to time of the monthly instalments payable hereunder and/or the Mortgagee's estimate of the monthly instalment for property Taxes, if applicable, from the Mortgagor's account with such bank or financial institution. Other than payments by pre-authorized debit, any payments received by the Mortgagee which are payable on a non-business day in the Province of Ontario or are received after 2 p.m. (Toronto time) on any business day in the Province of Ontario on or after receipt thereof, shall be credited to the mortgage account on the next business day thereafter.

### CONSTRUCTION

13. The Mortgagor agrees with the Mortgagee that:
- (a) the building or buildings being erected or to be erected on the Lands form part of the security for the full amount of the moneys secured by this Mortgage;
  - (b) the Mortgagor will construct the Project in accordance, in all material respects, with plans and specifications which have been or which may hereafter be approved by the Mortgagee (such approval not to be unreasonably withheld or delayed), provided the Mortgagor may make alterations to such plans and specifications from time to time to accommodate construction requirements, and purchaser or tenant requests so long as such alterations do not, in the aggregate, negatively affect the Project or the economic viability thereof in any material respect, in accordance with applicable building codes and will carry on diligently to complete the construction of the Project, and other improvements, and will complete such construction in compliance with the requirements of all Governmental Authorities, laws, by-laws or regulations and will, when so required by the Mortgagee, supply the Mortgagee with evidence or confirmation from any such Governmental Authority of such compliance;
  - (c) the Mortgagor will obtain the Mortgagee's approval before giving effect to any engineering and architectural change orders, in respect of work valued at \$250,000.00 or greater, notwithstanding the foregoing, the Mortgagor may make alterations from time to time to accommodate construction requirements, and purchaser or tenant requests so long as such alterations do not in the aggregate negatively affect the Project or the economic viability thereof in any material respect and so long as aggregate Project costs do not exceed the amount set out in the Project Budget which has been or which may hereafter be approved by the Mortgagee (such approval not to be unreasonably withheld or delayed), excluding costs related to purchaser or tenant requests that a purchaser or tenant is paying for.
  - (d) in the event that any such building and other improvements comprising all or any portion of the Project now or hereafter in the course of construction remain unfinished and without any work being done for a period of thirty (30) consecutive days, other than as a result of force majeure including without limitation strikes,

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labour actions or shortages of supplies, the Mortgagee may directly or through a receiver (which term when used herein includes a receiver and manager) enter onto the Property and do all work necessary to protect the same from deterioration and to complete the construction in such manner as the Mortgagee may deem expedient and through such contractors, sub-contractors, or agents as the Mortgagee in its sole discretion may choose, and any moneys expended by the Mortgagee or any receiver pursuant to this Section 13(d) together with interest thereon, at the Interest Rate, shall be added to the Loan Indebtedness hereby secured, shall be repaid by the Mortgagor to the Mortgagee forthwith, and until repaid shall be a charge upon the Property and the Mortgagee shall have the same rights and remedies to enforce payment thereof as it would have upon the occurrence of an Event of Default. No such entry or occupation by the Mortgagee or any receiver shall constitute or be deemed to make the Mortgagee a mortgagee in possession;

- (e) the Mortgagee shall be entitled, at the expense of the Mortgagor, to inspect all aspects of the construction and make tests of materials, and the Mortgagor, if so requested by the Mortgagee, will not cover any portion of the construction work requiring inspection by the Mortgagee until the Mortgagee has inspected the same, and the Mortgagee shall carry out any such inspections in a prompt and efficient manner, and the Mortgagor shall forthwith remedy and carry out again any work which does not conform to the standards in this Section 13, if required by the Mortgagee, acting reasonably;
- (f) the Mortgagor shall, in accordance with the provisions of *The Builders Lien Act* (British Columbia), make all holdbacks required under the provisions of such Act in respect of payments to contractors and materialmen and will not pay out any amounts held back until the period for filing liens (hereinafter collectively called "**Builders' Liens**") pursuant to the provisions of the Act in connection with such amounts has expired and it has been determined that no Builders' Liens in connection therewith have been filed and no notices of claims of Builders Liens in connection therewith served or furnished;
- (g) the Mortgagee shall not be obliged to hold back loan proceeds to provide the lien fund or other protection to the Mortgagor under the *Builders Lien Act* (British Columbia); provided that if the Mortgagee holds back loan proceeds in a manner similar to the way the *Builders Lien Act* (British Columbia) provides for an owner to make holdbacks then, notwithstanding such holdbacks by the Mortgagee, such holdbacks shall not constitute the lien fund under the *Builders Lien Act* (British Columbia) and the Mortgagee shall not be a mortgagee authorized by the owner to disburse money secured by a mortgage as referred to in the *Builders Lien Act* (British Columbia).

#### STRATA LOT

14. In the event that this Mortgage charges lands and buildings of the Mortgagor which have been or hereafter become subdivided into Strata Lots, the following provisions shall apply and the Mortgagor further covenants with the Mortgagee that:

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- (a) The Mortgagor will comply with, observe and perform all provisions of the *Strata Property Act*, its regulations and the bylaws, rules and regulations of the Strata Corporation from time to time in force;
- (b) The Mortgagor shall pay on or before the due dates thereof, each and every assessment, contribution, charge, fine or levy made by or on behalf of a Strata Corporation, in respect of each Strata Lot charged hereunder (hereinafter collectively called "Assessments"). If the Mortgagor fails to pay the Assessments, on or before their due date, such failure shall constitute default hereunder and shall entitle the Mortgagee to exercise any and all remedies available to the Mortgagee upon the occurrence of an Event of Default. Upon default under this paragraph and notwithstanding any other right or action of the Strata Corporation or the Mortgagee, the Mortgagee may pay the Assessments, and all moneys expended by the Mortgagee for any of such purposes together with interest thereon at the Interest Rate shall be added to the Loan Indebtedness hereby secured, shall be repaid by the Mortgagor to the Mortgagee forthwith, and until repaid shall be a charge upon the Property and the Mortgagee shall have the same rights and remedies to enforce payment thereof as it would have upon the occurrence of an Event of Default;
- (c) The Mortgagor hereby irrevocably authorizes the Mortgagee to apply at any time and from time to time to the Strata Corporation for certification of the amount and manner in which any Assessment is payable and the extent to which such Assessment has been paid;
- (d) The Mortgagor hereby irrevocably authorizes the Mortgagee to make requests for, have access to, and inspect all documents and records of the Strata Corporation to which the Mortgagor is entitled pursuant to the *Strata Property Act*;
- (e) The Mortgagor hereby assigns, transfers and sets over unto the Mortgagee the Mortgagor's rights which now exist or may hereafter come into existence to vote or to consent in all matters relating to the affairs of the said Strata Corporation provided that:
  - (i) the Mortgagor shall be entitled to exercise such right to vote or consent unless and until the Mortgagee gives notice in writing to the Mortgagor and the Strata Corporation that the Mortgagee intends to exercise the said right to vote or consent in accordance with the provisions of the *Strata Property Act*. Any such notice may be for an indeterminate period of time or for a limited period of time or for a specific meeting or matter. The Mortgagor shall if directed by the Mortgagee, vote in such manner as the Mortgagee directs with respect to each and every matter to be voted on and the Mortgagor covenants to execute any documents requested by the Mortgagee, including, proxies if required, in order to give effect to the foregoing assignment of voting rights;
  - (ii) the Mortgagee shall not, by virtue of the assignment by the Mortgagor of the right to vote or consent, be under any obligation to vote or consent or to protect the interests of the Mortgagor and the Mortgagee shall not be responsible to the Mortgagor in connection with any exercise of the right to

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vote or consent, or for any failure to exercise such right save and except for damages arising from the Mortgagee's gross negligence or wilful misconduct; and

- (iii) the exercise of the right to vote or consent shall not constitute the Mortgagee a mortgagee in possession;
- (f) Upon the occurrence of an Event of Default and notwithstanding any other right or action of the Strata Corporation or the Mortgagee, the Mortgagee may distrain for arrears of any Assessment, contribution, charge, fine or levy in respect of a Strata Lot and paid by it and such distraint shall not result in the Mortgagee being a mortgagee in possession;
- (g) All words used in this Mortgage which are defined in the *Strata Property Act* shall have ascribed to them the meanings set out in the *Strata Property Act*, as amended from time to time.

#### **INSPECTION**

15. The Mortgagee, at such time or times as it may deem necessary, acting reasonably, and without the concurrence of any other Person but upon reasonable prior notice except, upon and during the continuance of an Event of Default when no notice shall be required, and in all cases subject to the rights of tenants at the Property, may send its inspector or agent to report upon the value, state and condition of the Property and, upon the occurrence of an Event of Default which is continuing, make arrangements for the improving, repairing, finishing and putting in order of the Property which may be reasonably required, and for leasing, collecting the Rents of and managing generally the Property, and may expend money, for any and all the purposes aforesaid, as it may deem expedient, and all moneys reasonably expended, costs, charges and out-of-pocket expenses together with interest thereon, at the Interest Rate, shall be added to the Loan Indebtedness hereby secured, shall be repaid by the Mortgagor to the Mortgagee forthwith, and until repaid shall be a charge upon the Property and the Mortgagee shall have the same rights and remedies to enforce payment thereof as it would have upon the occurrence of an Event of Default which is continuing.

#### **RESTRICTION ON TRANSFER, ENCUMBRANCES ETC.**

16. The Mortgagor shall not convey, transfer, mortgage, alienate, or otherwise encumber all or any part of the Property or any direct or indirect interest therein (including as a result of a direct or indirect change in Control of the Mortgagor) nor allow all or any part of the Property or any direct or indirect interest therein to be encumbered without the prior written consent of the Mortgagee, in its absolute discretion, provided that, notwithstanding the forgoing, the Permitted Encumbrances shall be permitted to encumber the Property. In the event that the Mortgagor breaches this Section 16 and has not first or contemporaneously prepaid the loan secured hereby in full in compliance with Section 8 hereof, then the entire Loan Indebtedness (but with interest at the Interest Rate calculated and compounded to the Maturity Date), shall immediately be due and payable.

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**ADVANCES**

17. Neither the execution nor the registration nor the acceptance of this Mortgage, nor the advance of part of the Loan Indebtedness, shall bind the Mortgagee to make an advance of moneys under this Mortgage or any unadvanced portion thereof notwithstanding the provisions of the Commitment Letter, this Mortgage or any of the other Loan Documents, but nevertheless this Mortgage shall take effect forthwith on the execution of these presents, and if any Loan Indebtedness shall not be advanced at the date hereof, the Mortgagee may advance the same in one or more sums to or on behalf of the Mortgagor at any future date or dates, and the amount of such advances then so made together with interest at the Interest Rate shall be secured hereby.

**SUBROGATION**

18. In the event that the moneys advanced hereunder or any part thereof are applied to the payment of any charge or encumbrance, the Mortgagee shall be subrogated to all the rights and stand in the position of and be entitled to all the equities of the party so paid off whether such charge or encumbrance has or has not been discharged; and the decision of the Mortgagee as to the validity or amount of any advance or disbursement made under this Mortgage or of any claim so paid off, shall be final and binding on the Mortgagor.

**WASTE**

19. Subject to the provisions of Section 21, the Mortgagor will not commit any act of waste on the Property or do any other thing by which the value of the Property shall, in the opinion of the Mortgagee, be diminished and will at all times remain in actual possession of the said Property by itself or by its tenants. The Mortgagor will take good and reasonable care of the Property and without cost and expense to the Mortgagee manage, operate, maintain and keep or cause the same to be kept in good order, repair and condition throughout, both exterior and interior, structural or otherwise, and promptly make all required or necessary repairs and replacements thereto, including without limitation, the roof, walls, foundations and appurtenances, pipes and mains, and all other fixtures, machinery, facilities and equipment that belong to or are used in connection with the Property, all of the foregoing to the extent that a prudent owner would do. Notwithstanding the foregoing, the Mortgagor shall not be obligated to repair any damage caused by reasonable wear and tear which does not affect the use and enjoyment of the improvements beyond the extent to which they would ordinarily be repaired by a prudent owner. If, in the opinion of the Mortgagee, acting reasonably, the Property is not at any time in a proper state of repair, the Mortgagee may serve notice upon the Mortgagor to make such repairs or replacements as the Mortgagee, acting reasonably, deems proper within a period of thirty (30) days and in the event of the Mortgagor not having complied or not being in the process of diligently complying with such requisition, the Mortgagee may authorize the making of such repairs or replacements by its agents, employees or contractors and they may enter upon the Property for the purpose of doing such work with or without the Mortgagor's concurrence, but in all cases subject to the rights of tenants at the Property, and the cost thereof, together with interest thereon, at the Interest Rate, shall be added to the Loan Indebtedness hereby secured, shall be repaid by the Mortgagor to the Mortgagee forthwith, and until repaid, shall be a charge upon the Property and the Mortgagee shall have the same rights and

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remedies to enforce payment thereof as it would have upon the occurrence of an Event of Default which is continuing.

### **FIXTURES**

20. All erections, buildings, fences, improvements, machinery, plant, furnaces, boilers, electric light fixtures, plumbing and heating equipment, aerials, incinerators, radiators and covers, fixed mirrors, fitted blinds and drapes, window screens, doors, storm windows and storm doors, shutters and awnings, floor coverings, air conditioning, ventilating, water heating equipment, partitions, elevators, and all component parts of any of the foregoing, fixed or otherwise now on or in or hereafter put on or in the Property (and also in all cases where the Mortgaged Premises are units rented in whole or in part, all refrigeration equipment, gas and electric stoves, ovens, washers, dryers, garburators, garbage compactors, microwave ovens and dishwashers whether affixed or not, and provided that same are owned by the Mortgagor) are and shall in addition to other fixtures thereon be and become fixtures and form part of the realty and of the security and are included in the expression the "Mortgaged Premises", and that the Mortgagor will not commit any act of waste thereon, and that the Mortgagor will at all times during the continuance of the security granted by this Mortgage, repair, maintain, restore, amend, keep, make good, finish, add to and put in order, the Property and in the event of any loss or damage thereto or destruction thereof which has had or is reasonably likely to have a Material Adverse Effect, the Mortgagee may give notice to the Mortgagor to repair, rebuild, or reinstate the same, and upon the Mortgagor failing so to repair, rebuild, or reinstate within such time such failure shall constitute a breach of covenant hereunder and thereupon the Loan Indebtedness shall, at the sole option of the Mortgagee, become immediately due and payable and without any demand by the Mortgagee upon the Mortgagor, provided that the Mortgagee may (but shall not be obligated to) repair, rebuild or reinstate the Property and the cost thereof, together with interest thereon, at the Interest Rate, shall be added to the Loan Indebtedness hereby secured, shall be repaid by the Mortgagor to the Mortgagee forthwith, and until repaid, shall be a charge upon the Property and the Mortgagee shall have the same rights and remedies to enforce payment thereof as it would have upon the occurrence of an Event of Default which is continuing. This provision shall be in addition to any statutory covenants implied in this Mortgage.

### **ALTERATIONS**

21. The Mortgagor shall not make or permit to be made, any additions or alterations to the Property without the prior written consent of the Mortgagee acting reasonably and except as may be permitted or required under the Permitted Encumbrances (including any leases which are Permitted Encumbrances), and the Mortgagor shall not use the Property nor permit the Property to be used, without the written consent of the Mortgagee, for a purpose not approved by the Mortgagee acting reasonably. Notwithstanding the foregoing:
- (a) the Mortgagor, its agents, employees and parties authorized by it may conduct building operations, construction and development on the Property including, without limitation, grading and excavation operations, installation of services and all other acts incidental to the development of the Property without the same being deemed acts of waste or requiring the prior written consent of the Mortgagee in accordance with this Section 21; and

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- (b) the Mortgagee shall, upon reasonable notice, promptly execute:
- (i) such plans, agreements, documents, easements, rights-of-way and consents as may be required to facilitate the development of the Property;
  - (ii) such partial discharges as may be required to convey to any Governmental Authority such portion of interest in the Property as may be required for municipal or governmental purposes and for which the Mortgagor receives no financial compensation, provided that in each case the Mortgagee's security is not adversely affected thereby (as determined by the Mortgagee, acting reasonably); and
  - (iii) applications, documents and plans for rezoning, development review, site plan approval, land titles registration, subdivision plan registration, severance consents and other related development matters required by the Mortgagor,

provided that the Mortgagee's reasonable legal fees and disbursements and out-of-pocket expenses in connection with the review and execution of the forgoing together with interest thereon, at the Interest Rate, shall be added to the Loan Indebtedness hereby secured, shall be repaid by the Mortgagor to the Mortgagee forthwith, and until repaid shall be a charge upon the Property and the Mortgagee shall have the same rights and remedies to enforce payment thereof as it would have upon the occurrence of an Event of Default which is continuing. In addition to the forgoing, the Mortgagor hereby indemnifies and agrees to hold the Mortgagee harmless with respect to the payment of any such reasonable legal fees and disbursements and out-of-pocket expenses in connection with the review and execution of the forgoing.

#### PLACE OF PAYMENT

22. All moneys reflecting Loan Indebtedness shall be payable, in lawful money of Canada, to the Mortgagee at its address hereinbefore stated, or such other place as may be designated by the Mortgagee from time to time.

#### CROSS-DEFAULT

23. The occurrence of an Event of Default hereunder shall constitute default under the other Security Documents and default, beyond any applicable cure or notice periods, under any of the other Security Documents shall constitute and Event of Default hereunder. The Mortgagee may, upon and during the continuance of an Event of Default or a default under the other Security Documents, pursue its remedies separately under any of the Security Documents, including without limitation, this Mortgage, or jointly all together, or jointly one with any one or more of the Security Documents, without any of the rights and remedies of the Mortgagee not so pursued merging therewith or with any action or judgment with respect thereto.

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### **RELEASE OF SECURITY**

24. Subject to the provisions in Section 43, the Mortgagee may (but shall have no obligation to) at any time release any part or parts of the Property or any of the Covenantors from any of the Security Documents, or may release the Mortgagor or any other Covenantor from any covenant or other liability to pay any of the Loan Indebtedness or perform any of the Loan Obligations, either with or without any consideration therefor, without being accountable for the value of any such consideration or for any moneys except those actually received by the Mortgagee, and without thereby releasing any other part of the Property or any of the other Covenantors from any of the Security Documents, it being specifically agreed that notwithstanding any such release, the Property, securities and covenants remaining unreleased shall stand charged with the whole of the Loan Indebtedness, and no Person shall have the right to require that any of the Loan Indebtedness be apportioned.

### **WAIVER**

25. No extension of time, waiver, or other indulgence given by the Mortgagee to the Mortgagor, or anyone claiming under the Mortgagor, shall in any way affect or prejudice the rights of the Mortgagee against the Mortgagor, any guarantor, or any other Person liable for payment of the moneys hereby secured.

### **USE OF MONEY**

26. The Mortgagee shall not be charged with any moneys receivable or collectible out of the Property or otherwise, except those actually received; and all revenue of the Property received or collected by the Mortgagee from any source other than payment by the Mortgagor may, provided an Event of Default has occurred which is continuing, at the option of the Mortgagee, be used in maintaining or insuring or improving the Property, or in payment of Taxes or other charges against the Property, or applied on the mortgage account, and the Mortgagee may (at its option) retain such moneys received or collected, in suspense account; and the Mortgagee shall not, by reason of the collection of any moneys receivable or collectible out of the Property, be deemed to be a mortgagee in possession.

### **LIABILITY OF MORTGAGOR**

27. No sale or other dealings by the Mortgagor or any receiver with the Property or any part thereof, shall in any way change the liability of the Mortgagor or in any way alter the rights of the Mortgagee as against the Mortgagor or any other Person liable for payment of the moneys hereby secured.

### **ATTORNMENT**

28. For better securing the punctual payment of the said mortgage moneys, the Mortgagor hereby attorns and becomes tenant to the Mortgagee of the Property at a monthly rental equivalent to the monthly instalments secured hereby, the same to be paid on such day appointed for the payment of instalments; and if any judgment, execution or attachment shall be issued against any of the goods or lands of the Mortgagor or if the Mortgagor shall become insolvent or bankrupt or commit an act of bankruptcy within the meaning of the *Bankruptcy and Insolvency Act of Canada* as amended, or shall take the benefit of any



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statute relating to bankruptcy or insolvent debtors, then such rental shall, if not already payable, be payable immediately thereafter. The legal relation of landlord and tenant is hereby constituted between the Mortgagee and the Mortgagor, but neither this Section 28 nor anything done by virtue hereof, shall render the Mortgagee a mortgagee in possession or accountable for any moneys except those actually received. The Mortgagee may at any time after default hereunder enter upon the Property, or any part thereof, and determine the tenancy hereby created without giving the Mortgagor any notice to quit.

### **RECORDS**

29. The Mortgagor will maintain full and correct books and records showing in detail the earnings and expenses of the Property, and will permit the Mortgagee and its representatives to examine the said books and records and all supporting vouchers and data at any time and from time to time upon reasonable prior request by the Mortgagee, and at any time and from time to time will furnish the Mortgagee at its request within thirty (30) days of such request, a statement showing in detail reasonably satisfactory to the Mortgagee all such earnings and expenses since the last such statement, certified by an officer of the Mortgagor.

### **ASSIGNMENT OF LEASE RIGHTS AND BENEFITS**

30. The Mortgagor:
- (a) hereby assigns, transfers and sets over unto the Mortgagee, all of the Mortgagor's right, title and interest, both at law and in equity, in and to the Leases, the Rents and the Lease Benefits, to hold and receive the same unto the Mortgagee with full power and authority to demand, collect, sue for, recover and receive and give receipts for Rents and to enforce payment of the same and enforce performance of obligations under the Leases, including without limitation, the Lease Benefits, assigned in accordance with and subject to the terms of this Mortgage, to have and to hold unto the Mortgagee until payment in full of the Loan Indebtedness and performance of all of the Loan Obligations, provided that the Mortgagor may, subject to any other terms contained in any of the other Security Documents which restrict the Mortgagor's ability to deal with the Leases, collect the Rents and deal with the Leases from time to time as would a prudent landlord so long as an Event of Default does not exist, and upon the occurrence of an Event of Default which is continuing, the Mortgagee shall be entitled to:
    - (i) demand, collect and receive the Rents or any part thereof and to give acquittances therefor, and to take from time to time, in the name of the Mortgagor, any proceeding which may be, in the opinion of the Mortgagee or its counsel, expedient for the purpose of collecting Rents or for securing the payment thereof or for enforcing any of the Mortgagor's rights under the Leases, and the Mortgagor hereby grants to the Mortgagee irrevocable authority to join the Mortgagor in any such proceedings or actions, whether judicial or extra-judicial;

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- (ii) to compound, compromise or submit to arbitration any dispute which has arisen or may arise in respect to any amount of Rent, and any settlement arrived at shall be binding upon the Mortgagor;
  - (iii) to enter upon the Property by its officers, agents or employees for the purpose of collecting the Rents and to manage, operate and maintain its interest in the Property including without limitation, the making of repairs or replacements to maintain the Mortgaged Premises;
  - (iv) to receive, enjoy or otherwise avail itself of the Lease Benefits;
  - (v) to appoint and dismiss such agents or employees as may be necessary or desirable for exercise of the Mortgagee's rights hereunder;
  - (vi) to alter, modify, amend or change the terms of Leases; to enter into new Leases; to give consents, concessions or waivers of any rights or provisions of Leases; to accept surrenders of Leases; to give consents to assignment of or subletting under Leases;
  - (vii) to send or employ any inspector or agent to inspect and report upon the value, state and condition of the Property and to employ a solicitor to examine and report upon title to the same and the lease documentation pertaining to same;
  - (viii) to appoint a receiver or a receiver and manager in accordance with the provisions of the Mortgage which are hereby incorporated by reference into this Agreement; and
  - (ix) to generally perform all such acts as may in the reasonable opinion of the Mortgagee be necessary or desirable for the proper operation and maintenance of the Property, which acts may be performed in the name of the Mortgagor, or in the name of the Mortgagee;
- (b) whenever any and all Events of Default have been cured after the exercise by the Mortgagee of its rights under this Section 30, may resume collection of the rentals until a further Event of Default has occurred, whereupon the Mortgagee may re-exercise its rights hereunder, and thereafter at any time any Event of Default occurs;
- (c) shall not at any time during the existence of this Mortgage assign, pledge or hypothecate any of the Leases or the Rents or revenues due or to become due thereunder, or any part thereof, other than to the Mortgagee or pursuant to a Permitted Encumbrance nor shall the Mortgagor grant any general assignment of book debts which would cover such rentals, except pursuant to a Permitted Encumbrance;
- (d) shall not collect more than two (2) month's rental in advance;

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- (e) acknowledges and agrees that neither the taking of this assignment nor anything done in pursuance hereof shall make the Mortgagee liable in any way, as landlord or otherwise, for the performance of any covenants, obligations and liabilities under the Leases or any of them; and
- (f) acknowledges and agrees that the exercise of this Section 30 or of any collateral security with respect to Rents shall not entitle the Mortgagor to redeem this Mortgage.

### **EVENT OF DEFAULT**

31. Notwithstanding the Mortgagee's rights to demand repayment of the Loan Indebtedness in full and the performance of the Loan Obligations at any time in the Mortgagee's sole, absolute and unfettered discretion, any one or more of the following events shall constitute an event of default under the provisions of this Mortgage (an "**Event of Default**"), whether such Event of Default shall be voluntary or involuntary or be effected by operation of law or pursuant to or in compliance with any judgment, decree or order of any court or other rule or regulation of any Governmental Authority:
- (a) any of the Covenantors fail to pay on the date upon which the same is due and payable any monies payable hereunder or under any of the other Loan Documents with respect to principal secured hereunder;
  - (b) any of the Covenantors fail to pay on the date upon which the same is due and payable any monies payable hereunder or under any of the other Loan Documents (other than on account of principal), and such failure is not remedied within three (3) business days written notice to the Mortgagor;
  - (c) any of the Covenantors fail to perform or observe any of the terms and conditions contained in this Mortgage or any of the other Loan Documents, and such failure is not remedied within fifteen (15) days of written notice to the Mortgagor (but for greater certainty, there shall be no grace or cure period in respect of any Event of Default expressly enumerated hereunder, except as otherwise provided in respect of such Event of Default);
  - (d) any funds secured under this Mortgage are used for any purpose other than as set forth in the Commitment Letter;
  - (e) the breach or failure to perform or observe any of the terms and conditions contained in Section E.1 of the Commitment Letter, and such failure is not remedied within five (5) days of written notice to the Mortgagor (but for greater certainty, there shall be no grace or cure period in respect of any Event of Default expressly enumerated hereunder, except as otherwise provided in respect of such Event of Default);
  - (f) any representation or warranty by any of the Covenantors that is contained in this Mortgage or any of the other Loan Documents furnished to the Mortgagee in connection herewith or therewith shall prove at any time to be untrue or incorrect as of the date made in any material respect;

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- (g) a resolution is passed or an order is made for the dissolution, liquidation or winding-up of any of the Covenantors or other cancellation or suspension of its incorporation or termination of its existence or if a petition is filed for the winding-up of the any of the Covenantors;
- (h) any of the Covenantors is found to be insolvent or bankrupt by a court of competent jurisdiction or makes an authorized assignment or bulk sale of its assets or a compromise or arrangement for the benefit of its creditors, makes a proposal to its creditors under the *Bankruptcy and Insolvency Act* (Canada), seeks relief under the *Companies Creditors Arrangement Act* (Canada), or any other bankruptcy, insolvency or analogous law, files a petition or proposal to take advantage of any act of insolvency, consents to or acquiesces in the appointment of a trustee, receiver, receiver and manager, interim receiver, custodian or other Person with similar powers over all or any substantial portion of its assets, files a petition or otherwise commences any proceeding seeking any reorganization, arrangement, composition or readjustment under any applicable bankruptcy, insolvency, moratorium, reorganization or other similar law affecting creditor's rights or consents to, or acquiesces in, the filing of such a petition; or if a petition in bankruptcy is filed or presented against any of the Covenantors;
- (i) an encumbrancer takes possession of the property of any of the Covenantors which has had or is reasonably likely to have a Material Adverse Effect, or any distress or analogous process is levied upon any of the Covenantors provided that this Section 31(i) shall not apply to any judgment, court order for the payment of money, execution, sequestration, extant or other process that is being contested in good faith if reserves deemed by the Mortgagee to be adequate therefor have been set aside with the Mortgagee or insurance coverage acceptable to the Mortgagee is held, as the case may be, and if there is no Material Adverse Effect regarding the Mortgagee's security position;
- (j) any of the Covenantors permit any sum which has been admitted as due or which is not disputed to be due and which forms or is capable of forming a charge, lien, encumbrance or claim upon the Property in priority to or *pari passu* with the charge or security interest created by this Mortgage and any of the other Security Documents, to remain unpaid after proceedings have been taken to enforce the same as a charge, lien, encumbrance or claim, unless such charge, lien, encumbrance or claim upon the Property has been vacated or discharged within ten (10) business days of such proceedings having been taken;
- (k) the occurrence of a default under: (i) any other security or agreement (including any Permitted Encumbrance) made or assumed by any of the Covenantors (or by which it is bound) in favour of any Person in connection with the Property, to the extent such default has had or is reasonably likely to have a Material Adverse Effect; and (ii) any other security or agreement made or assumed by any of the Covenantors (or by which it is bound) in favour of the Mortgagee whether or not such security or agreement is in connection with the Property; and in each case if not remedied within the applicable cure or notice period provided for in such security or agreement;

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- (l) the Mortgagor does not comply within a reasonable period with any work order issued by a municipal or provincial authority;
- (m) a receiver, receiver-manager or receiver and manager of the any of the Covenantors of any material part of its properties, assets or undertakings is appointed, or if a monitor is appointed in respect of any of the Covenantors;
- (n) any writ of execution, distress, attachment or other similar process is issued or levied against any of the Covenantors or all or any part of its assets, or attachment or other similar process is issued or levied against any of the Covenantors by a court of competent jurisdiction and, in the opinion of the Mortgagee, such judgement or order would materially and adversely affect the ability of any of the Covenantors to fulfil its obligations to the Mortgagee hereunder or under any of the other Loan Documents;
- (o) any part of the Property is condemned or expropriated and, in the opinion of the Mortgagee in respect of any expropriation, such expropriation materially impairs the value of the Property, the validity, enforceability or priority of the security of this Mortgage, or the ability of the Mortgagor to pay the Loan Indebtedness or to perform any of the Loan Obligations;
- (p) any direct or indirect change (i) in the ownership of (A) the Property; or (B) any Covenantor; or (ii) any change of Control of any of the Covenantors, in each case without the consent of the Mortgagee in its sole, absolute and unfettered discretion;
- (q) if a Material Adverse Effect occurs; or
- (r) the occurrence of a cross-default pursuant to Section 23.

#### **RECEIVER**

32. Upon the occurrence of an Event of Default which is continuing, the Mortgagee may at such time and from time to time and with or without entry into possession of the Property or any part thereof, appoint a receiver (which term includes a receiver or a manager or a receiver and manager) of the Property or any part thereof and of the Rents and profits thereof and with or without security, and may from time to time remove any receiver and appoint another in his stead and that, in making any such appointment or removal, the Mortgagee shall be deemed to be acting as the agent or attorney for the Mortgagor and not of the Mortgagee. Such appointment may be made at any time either before or after the Mortgagee shall have entered into or taken possession of the Property or any part thereof. Upon the appointment of any such receiver or receivers from time to time, the following provisions shall apply, subject to compliance with applicable laws:
- (a) the statutory declaration of an officer of the Mortgagee as to the Event of Default under the provisions of this Mortgage, shall be conclusive evidence thereof;
  - (b) every such receiver shall be the irrevocable agent or attorney of the Mortgagor for the collection of all Rents falling due in respect of the Property or any part thereof,

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whether in respect of any tenancies created in priority to these presents or subsequent thereto;

- (c) every such receiver may, in the discretion of the Mortgagee and by writing under its corporate seal, be vested with all or any of the powers and discretions of the Mortgagee;
- (d) the Mortgagee may from time to time, by such writing fix the remuneration of every such receiver who shall be entitled to deduct the same out of the Rents from the Property or from the proceeds of the judicial sale of the Property;
- (e) every such receiver shall, so far as concerns responsibility for his acts or omissions, be deemed the agent or attorney of the Mortgagor and in no event the agent of the Mortgagee, and the Mortgagee shall not in any way be responsible for any acts or omissions (including negligence, misconduct or misfeasance) on the part of any such receiver;
- (f) the appointment of every such receiver by the Mortgagee shall not create any liability on the part of the Mortgagee to the receiver in any respect, and such appointment or anything which may be done by any such receiver or the removal of any such receiver or the termination of any such receivership shall not have the effect of constituting the Mortgagee a mortgagee in possession in respect of the Property or any part thereof;
- (g) every such receiver shall from time to time have the power to rent any portion of the Property which may become vacant, for such term and subject to such provisions as he may deem advisable or expedient, and in so doing every such receiver shall act as the attorney or agent of the Mortgagor and he shall have authority to execute under seal any lease of such portion of the Property in the name of and on behalf of the Mortgagor, and the Mortgagor undertakes to ratify and confirm whatever any such receiver may do in respect of the Property;
- (h) every such receiver shall have full power to complete any unfinished construction upon the Property with the intent that the Mortgaged Premises when so completed shall be a complete structure;
- (i) every such receiver shall have full power to manage, operate, amend, repair, alter or extend the Property or any part thereof in the name of the Mortgagor for the purpose of securing the payment of rental from the Property or any part thereof;
- (j) no such receiver shall be liable to the Mortgagor to account for moneys or damages other than cash received by him in respect of the Property or any part thereof, and out of such cash so received every such receiver shall, subject to the approval of the Mortgagee, in the following order, pay:
  - (i) his remuneration aforesaid;
  - (ii) all payments including, without limitation, costs as between solicitor and his own client made or incurred by him in connection with the management,

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- operation, amendment, repair, alteration or extension of the Property or any part thereof;
- (iii) interest, principal and other moneys which may from time to time, be or become charged upon the Property in priority to these presents, and all Taxes, insurance premiums and every other proper expenditure made or incurred by him in respect to the Property or any part thereof;
  - (iv) to the Mortgagee, all interest due or falling due under these presents and the balance to be applied upon principal due and payable and secured by these presents;
  - (v) into a reserve account in the name of the receiver, an appropriate sum of money as a reserve fund for unusual, emergency or lump sum payments or expenses with respect to the Property; and
  - (vi) any surplus thereafter remaining in the hands of every such receiver after payments made as aforesaid, to the Mortgagor;
- (k) save as to claims for an accounting under Section 32(j) above, the Mortgagor hereby releases and discharges every such receiver from every claim of every nature which may arise or accrue to the Mortgagor or any Person claiming through or under the Mortgagor by reason or as a result of anything done by any such receiver under the provisions of this Section 32, unless such claim by the direct and proximate result of gross negligence or wilful misconduct;
  - (l) the power of sale, foreclosure and any other remedies of the Mortgagee may be exercised either before, concurrent with, during, or after the appointment of any receiver hereunder.

### **RIGHTS OF MORTGAGEE**

33. The Mortgagor further covenants and agrees with the Mortgagee upon the occurrence of an Event of Default which is continuing:
- (a) the Mortgagee may and when and to such extent as the Mortgagee deems advisable, observe and perform or cause to be observed and performed such covenants, agreements, provisos or stipulations and the costs incurred by the Mortgagee in connection therewith, together with interest thereon, at the Interest Rate, shall be added to the Loan Indebtedness hereby secured, shall be repaid by the Mortgagor to the Mortgagee forthwith, and until repaid shall be a charge upon the Property and the Mortgagee shall have the same rights and remedies to enforce payment thereof as it would have upon the occurrence of an Event of Default which is continuing;
  - (b) the Mortgagee may at such time or times as the Mortgagee may deem necessary and without the concurrency of any Person, enter upon the Property and may make such arrangements for completing the construction, repairing or putting in order of the Mortgaged Premises, or for inspecting, taking care of, leasing, collecting the

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Rents of and managing generally the Property as the Mortgagee may deem expedient; all reasonable costs, charges and expenses, including allowances for the time and services of any employee of the Mortgagee or other Person appointed for the above purposes, together with interest thereon, at the Interest Rate, shall be added to the Loan Indebtedness hereby secured, shall be repaid by the Mortgagor to the Mortgagee forthwith, and until repaid shall be a charge upon the Property and the Mortgagee shall have the same rights and remedies to enforce payment thereof as it would have upon the occurrence of an Event of Default which is continuing;

- (c) the Mortgagee may send or employ an inspector or agent to inspect and report upon the value, state and condition of the Property, and a solicitor to examine and report upon the title to the same;
- (d) the Mortgagee or agent of the Mortgagee may enter into possession of the Property and whether in or out of possession collect the Rents and profits thereof, and make any demise or lease of the Property, or any part thereof, for such terms and periods and at such Rents as the Mortgagee shall think proper; and the power of sale hereunder may be exercised either before or after and subject to any such demise or lease;
- (e) it shall and may be lawful for and the Mortgagor does hereby grant full power, right and license to the Mortgagee to enter, seize and distrain upon the Property, or any part thereof, and by distress warrant to recover by way of rent reserved as in the case of demise of the Property or any part thereof, as much of the mortgage moneys as shall from time to time be or remain in arrears and unpaid, together with costs, charges and expenses attending such levy or distress, as in like cases of distress for rent;
- (f) the Mortgagee shall be entitled forthwith to take such proceedings to obtain repayment of the moneys and interest payable to the Mortgagee hereunder and to realize on its security under this Mortgage by foreclosing the same or by whatever other action it may by law be entitled to do, it being acknowledged that nothing herein shall limit such recourse to the Property only;
- (g) subject to applicable law, the Mortgagee shall be entitled to sell and dispose of the Property with or without entering into possession of the same and with or without notice to the Mortgagor or any party interested in the Property and all remedies competent may be resorted to; and all the rights, powers and privileges granted to or conferred upon the Mortgagee under and by virtue of any statute or by this Mortgage may be exercised; and no want of notice or publication or any other defect, impropriety or irregularity shall invalidate any sale made or purporting to be made of the Property hereunder, and the Mortgagee may sell, transfer and convey any part of the Property on such terms of credit, or part cash and part credit, secured by contract or agreement for sale or mortgage, or otherwise, as shall in the opinion of the Mortgagee be most advantageous, and for such price as can reasonably be obtained therefor; and in the event of a sale on credit, or part cash and part credit, whether by way of contract for sale or by conveyance or transfer and mortgage, the Mortgagee is not to be accountable for or charged with any



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moneys until the same shall be actually received in cash; and the sales may be made from time to time of any portion or portions of the Property to satisfy interest or parts of the principal overdue, leaving the principal or parts thereof to run with interest payable as aforesaid; and the Mortgagee may make stipulations as to the title or evidences or commencement of title or otherwise as the Mortgagee shall deem proper; and the Mortgagee may buy in or rescind or vary any contract for sale of the Property and any resale thereof; and on any sale or release, the Mortgagee shall not be answerable for loss occasioned thereby; and for any of such purposes the Mortgagee may make and execute all agreements and assurances that the Mortgagee shall deem advisable or necessary; and in case any sale held by the Mortgagee under and by virtue of the laws of the Province of British Columbia under the power of sale herein contained should prove abortive the Mortgagee may take foreclosure proceedings in respect of the Property in accordance with the provisions of the laws of the Province of British Columbia; and in the event of any deficiency on account of the moneys secured by this Mortgage remaining due to the Mortgagee after realizing all the Property, then Mortgagor will pay to the Mortgagee on demand the amount of such deficiency with interest at the Interest Rate both before and after judgment; and in the exercise of any of the foregoing powers, the Mortgagor hereby appoints the Mortgagee the attorney of the Mortgagor for the purpose of making any agreements and assurances on behalf of the Mortgagor as the Mortgagee may deem necessary which power of attorney is coupled with an interest; and the proceeds of any sale hereunder shall be applied as above provided for or in payment of moneys payable under this Mortgage and costs on a solicitor and his own client basis, the balance, if any, to be paid to the Mortgagor;

- (h) the whole of the mortgage moneys shall, at the option of the Mortgagee, become due and payable;
- (i) the Mortgagee may exercise each of the foregoing powers without notice to the Mortgagor.

#### COVENANTOR MISREPRESENTATION

34. Notwithstanding any other provision in this Mortgage, the Mortgagee may demand repayment of all Loan Indebtedness and exercise all of its rights hereunder, including without limitation pursuant to Sections titled "**Receiver**" and "**Rights of Mortgagee**" if any of the Covenantors, any agent of any of the Covenantors or any officers or director of any of the Covenantors shall have made any material misrepresentation in any of the Loan Documents.

#### ATTORNEY

35. As further assurance to the rights and remedies granted by the Mortgagor to the Mortgagee herein, the Mortgagor, as the registered owner of the Property hereby irrevocably appoints the Mortgagee on its own behalf or any receiver or manager or receiver and manager appointed by the Mortgagee attorney on behalf of the Mortgagor to sell, lease, mortgage, transfer or convey the Property in accordance with the provisions of this Mortgage and to execute all instruments, and do all acts, matters and things that may be necessary for

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carrying out the powers hereby given and for the recovery of all Rents and Lease Benefits and sums of money that may become or are now due or owing to the Mortgagor in respect of the Property, and for the enforcement of all contracts, covenants or conditions binding on any lessee or occupier of the Property or on any other Person in respect of it, and for the taking and maintaining possession of the Property, and for protecting it from waste, damage, or trespass, in all cases only following an Event of Default which is continuing. Such power of attorney is coupled with an interest.

### **JUDGMENT**

36. The taking of a judgment on any of the covenants or agreements herein contained shall not operate as a merger thereof or affect the Mortgagee's rights to interest to the Maturity Date at the Interest Rate and at the times herein provided. Further, any and all such judgments shall provide for interest thereon to be computed at the Interest Rate and in the same manner as herein provided to the Maturity Date shall have been fully paid and satisfied and, without limiting the generality of the foregoing, the Mortgagee shall be entitled to receive interest at the Interest Rate to the Maturity Date on all moneys payable to the Mortgagee under this Mortgage, after any judgment has been rendered with respect to this Mortgage.

### **EXPENSES**

37. All expenses, fees, charges or payments incurred, expended or paid by the Mortgagee, acting reasonably and without duplication, (whether with the knowledge, consent, concurrence or acquiescence of the Mortgagor or otherwise) with respect to the following matters:
- (a) all reasonable solicitors', inspectors', valuers' and surveyors' fees and expenses for drawing and registering this Mortgage and for examining the Property and the title thereto, and for making or maintaining this Mortgage a good and valid charge and mortgage (subject only to the Prior Permitted Encumbrances);
  - (b) all sums which the Mortgagee may advance for insurance premiums, Taxes, or rates;
  - (c) any unpaid amount due to the Mortgagee for the Lender's Fee, and, if applicable, the Extension Fee and the Administration Fee;
  - (d) all sums which the Mortgagee may expend in payment of prior liens, charges, encumbrances or claims charged or to be charged against the Property or on this Mortgage or against the Mortgagee in respect of this Mortgage;
  - (e) all sums which the Mortgagee may expend in maintaining, repairing, restoring or completing the construction on the Property pursuant to the terms of this Mortgage;
  - (f) the cost of inspecting, leasing, managing or improving the Property, including the price or value of any goods of any sort or description supplied for use on the Property pursuant to the terms of this Mortgage;
  - (g) all sums paid to a receiver of the Property;

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- (h) the cost of exercising or enforcing or attempting to exercise or enforce any right, power, remedy or purpose hereunder provided or implied, and including an allowance for the time, work and expenses of the Mortgagee or any agent or employee of the Mortgagee, for any purpose provided for herein; and
- (i) the Mortgagee's reasonable solicitors' costs as between solicitor and his own client incurred or paid by the Mortgagee as a result of any Event of Default, or of endeavouring to collect (with or without suit) any money payable hereunder, or of taking, recovering or keeping possession of the Property, and generally in any other proceedings, matter or thing taken or done to protect or realize this security or any other security for payment of the Loan Indebtedness and performance of the Loan Obligations;

together with interest thereon, at the Interest Rate, shall be added to the Loan Indebtedness hereby secured, shall be repaid by the Mortgagor to the Mortgagee forthwith, and until repaid shall be a charge upon the Property and the Mortgagee shall have the same rights and remedies to enforce payment thereof as it would have upon the occurrence of an Event of Default which is continuing.

#### COVENANTS AND REPRESENTATIONS

38. The Mortgagor:

- (a) further represents and warrants to the Mortgagee that:
  - (i) the Mortgagor:
    - (A) is a corporation incorporated, formed and existing under the laws of its jurisdiction of incorporation;
    - (B) has the legal right and all necessary corporate or other power and authority to own its assets, possess a freehold interest in the Property, and carry on its business in all material respects; and
    - (C) is duly qualified, licensed or registered to carry on business under the laws applicable to it in all jurisdictions where it conducts business, except where failure to be so qualified, licensed or registered has not and is not reasonably likely to have a Material Adverse Effect;
  - (ii) the Mortgagor has all requisite corporate power and authority to enter into and perform its obligations under this Mortgage and the other Loan Documents, and to do all acts and things and execute and deliver all other documents and instruments as are required hereunder and thereunder to be done, observed or performed by it in accordance with the terms hereof and thereof;
  - (iii) the execution and delivery by the Mortgagor, and the performance by it of its obligations under, and compliance with the terms, conditions and

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provisions of, this Mortgage and the other Loan Documents will not conflict with or result in a breach of any of the terms, conditions or provisions of:

- (A) its articles, by-laws, shareholders' agreements or other organizational documents; as the case may be;
  - (B) any applicable laws;
  - (C) any material contracts, material authorizations or material contractual restriction binding on or affecting it or its assets, including without limitation, the Property; or
  - (D) any material judgment, injunction, determination or award which is binding on it in each such case, except to the extent that such breach has not and is not reasonably likely to have a Material Adverse Effect;
- (iv) the execution and delivery by the Mortgagor of this Mortgage and the other Loan Documents, and the performance by it of its Loan Obligations have been duly authorized by all necessary corporate or other action including, without limitation, the obtaining of all necessary partner, shareholder or other material and relevant consents. No authorization, consent, approval, registration, qualification, designation, declaration or filing with any Governmental Authority, or other Person, is or was necessary in connection with the execution, delivery and performance of the Mortgagor's obligations under this Mortgage the other Loan Documents, except where failure to obtain same would not have or be reasonably likely to have a Material Adverse Effect;
- (v) this Mortgage and the other Loan Documents have been duly executed and delivered, as the case may be, by the Mortgagor, and constitutes a legal, valid and binding obligation, enforceable against it in accordance with its terms (except as such enforceability may be limited by the availability of equitable remedies and the effect of bankruptcy, insolvency or similar laws affecting the enforcement of credit's rights generally), is (or will be immediately upon the execution thereof by such Person) in full force and effect, and the Mortgagor has performed and complied in all material respects with all the terms, provisions, agreements and conditions set forth herein and therein and required to be performed or complied with by the Mortgagor;
- (vi) the Mortgagor is not a non-resident within the meaning of the *Income Tax Act* (Canada);
- (vii) there is not now pending or, to the knowledge of the Mortgagor, threatened in writing, against the Mortgagor, any litigation, action, suit, investigation (to the knowledge of the Mortgagor) or other proceeding by or before any Governmental Authority or before any arbitrator which has had or is reasonably likely to have a Material Adverse Effect;

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- (viii) as of the date hereof, the written information heretofore supplied by any of the Covenantors (other than information or reports prepared by third parties) to the Mortgagee is true and accurate in all material respects as at the date thereof;
- (ix) all financial statements delivered to the Mortgagee as of the date hereof pursuant to Section 52 present fairly and in all material respects the financial position of any of the Covenantors as of the date thereof and for the fiscal years or financial quarters, as the case may be, then ended;
- (x) since the later of the date hereof and the date of the most recent financial statements delivered to the Mortgagee, there has been no change regarding the financial condition or operations, of any of the Covenantors as reflected in such financial statements or Personal net worth statements, as applicable which has had or is reasonably likely to have a Material Adverse Effect;
- (xi) there is no Event of Default under this Mortgage, nor has the Mortgagor done or omitted to do anything which constitutes an Event of Default which has not been waived or cured. None of the Covenantors is in default under any agreement, guarantee, indenture or instrument to which it is a party or by which it is bound, the breach of which has had or is reasonably likely to have a Material Adverse Effect;
- (xii) as of the date hereof, there are no outstanding judgments, orders, writs, injunctions or decrees that have not been stayed or of which enforcement has not been suspended, against the Mortgagor or any of its assets, including without limitation the Property, which would reasonably be expected to result in a Material Adverse Effect regarding the financial condition or operations of the Mortgagor;
- (xiii) the Mortgagor is the legal owner of a freehold interest in the Property with good and marketable title thereto, and any other real and personal property of the Mortgagor of any nature which is part of the Property, in each case free and clear of all encumbrances, except Permitted Encumbrances, and no Person has any agreement or right to acquire an interest in the Property except as previously disclosed to the Mortgagee in writing by the Mortgagor or permitted in connection with the Permitted Encumbrances;
- (xiv) the Mortgagor has not received notice of any proposed rezoning of all or any part of the Property which has had or is reasonably likely to have a Material Adverse Effect;
- (xv) the Mortgagor has not received notice of any expropriation of all or any part of the Property;
- (xvi) the Mortgagor has the right to mortgage the Property;

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- (xvii) upon the enforcement of its remedies under this Mortgage the Mortgagee shall have quiet possession of the Property, free from all encumbrances, other than Permitted Encumbrances;
  - (xviii) the Mortgagor, and the operation of its business and assets, including without limitation, the Property, are in compliance in all material respects with all applicable laws (including any environmental laws), except where any non-compliance is not reasonably likely to have a Material Adverse Effect; and
  - (xix) the Mortgagor has filed all tax returns which are required to be filed, other than such tax returns the failure of which to file has had or is reasonably likely to have a Material Adverse Effect, and has paid all Taxes, interest and penalties, if any, which have become due pursuant to such returns or pursuant to any assessment received by it and adequate provision for payment has been made for Taxes not yet due except any such payment of which the concerned party is contesting in good faith by appropriate proceedings and for which appropriate reserves have been provided on its books and as to which no foreclosure, distraint, seizure, attachment, sale or other similar proceedings have been commenced or the non-payment of which would not reasonable be excepted to result in a Material Adverse Effect regarding the financial condition or operations of the Mortgagor;
- (b) to the extent within the control of the Mortgagor, covenants to cause the forgoing representations and warranties to be true and correct in all material respects until the Loan Indebtedness is repaid in full and the Loan Obligations are fully performed;
  - (c) acknowledges and agrees that all representations and warranties of the Mortgagor made in this Mortgage or in any of the other Loan Documents are material, shall survive and shall not merge upon the execution and delivery of this Mortgage and shall continue in full force and effect. The Mortgagee shall be deemed to have relied upon such representations and warranties notwithstanding any investigation made by or on behalf of the Mortgagee at any time;
  - (d) shall not, at any time prior to the repayment in full of the Loan Indebtedness and the performance of all of the Loan Obligations:
    - (i) repay any loans (principal or interest) to;
    - (ii) redeem or purchase any shares or units or partnership interests held by or on behalf of;
    - (iii) pay any compensation, fee or other amount to; or
    - (iv) pay any distributions or dividends or return on partnership or shareholder investment to,

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in each case, any of the Covenantors or any other shareholder, unitholder or partner of any Covenantor, or any other Person not at arms-length to any of the foregoing, save and except for those development, marketing and/or construction fees specifically approved in writing by the Mortgagee;

- (e) acknowledges and agrees that any third party property manager of the Property and each property management agreement will be subject to the prior written approval of the Mortgagee, acting reasonably; and
- (f) acknowledges and agrees that each new Lease of the Property, including each renewal or extension of an existing Lease (other than any extension or renewal of an existing Lease which is exercised pursuant to, and the terms of which are governed by, such existing Lease), must:
  - (i) be a commercially reasonable arm's length transaction made in the ordinary course of business and in accordance with prudent property management and leasing standards and practices; and
  - (ii) provide for rental rates and other terms and conditions consistent with prevailing market rates, terms and conditions.

#### **EXPROPRIATION**

39. Subject to the rights of creditors of the Mortgagor in accordance with Prior Permitted Encumbrances, the Mortgagor hereby assigns to the Mortgagee, that portion of any proceeds which may become due and payable to the Mortgagor by an expropriating authority upon an expropriation of the Property or the proceeds of any condemnation, eminent domain or like proceeding or the sale in lieu of or in reasonable anticipation thereof of the whole or any part of the Property or any portion thereof, not to exceed the balance outstanding under the Mortgage, provided that the Mortgagee shall permit the Mortgagor to use such portion of any proceeds as reasonably necessary to pay the cost to repair any damage resulting from such expropriation. The Mortgagor shall forward to the Mortgagee, copies of any documentation relating to an expropriation or a proposed expropriation of the Property or any portion thereof, forthwith upon receipt of the said documentation by it and shall execute and deliver any further or additional documentation which the Mortgagee in its sole discretion deems necessary to effect the above assignment or which is requested by the expropriating authority. Notwithstanding anything to the contrary contained herein, if the Mortgagor or the Mortgagee receives a notice of intention to expropriate in relation to the Property, or any portion thereof, that has had or is reasonably likely to have a Material Adverse Effect, at the option of the Mortgagee, the whole of the outstanding balance secured under this Mortgage at the date of the expropriation, shall immediately become due and payable in like manner and to all intents and purposes as if the time for payment of the said balance had fully come and expired. If any or all of the Property is expropriated, it is agreed that the proceeds from any such expropriation up to the amount outstanding under this Mortgage shall be paid directly to the Mortgagee in priority to the claims of any other party, except such creditors of the Mortgagor and other parties with priority to collect such proceeds pursuant to any Prior Permitted Encumbrances. Service of a copy of this Mortgage on the expropriating authority shall be sufficient authority for

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the expropriating authority to deliver proceeds to the Mortgagee, in accordance with the terms of the assignment contained herein.

#### **PERMITTED ENCUMBRANCES AND OTHER OBLIGATIONS**

40. The Mortgagor hereby covenants to perform and observe and satisfy all the terms, covenants and conditions to be performed and observed by the Mortgagor under the terms of any Prior Permitted Encumbrances and the Leases (hereinafter called the "**Other Obligations**"). It is expressly agreed and understood by the Mortgagor that in the event of default by the Mortgagor under any of the terms of any Other Obligations, beyond any applicable notice or cure periods, then at the option of the Mortgagee an Event of Default shall have occurred hereunder. The Mortgagee may at its option make any payment or cure any default under the any Prior Permitted Encumbrance and any amount or amounts so paid together with all costs, charges, expenses and outlays of the Mortgagee thereby incurred together with interest thereon at the Interest Rate shall be added to the Loan Indebtedness hereby secured, shall be repaid by the Mortgagor to the Mortgagee forthwith, and until repaid shall be a charge upon the Property and the Mortgagee shall have the same rights and remedies to enforce payment thereof as it would have upon the occurrence of an Event of Default which is continuing.

#### **SEVERABILITY**

41. In the event any Section or part thereof or any Section or part thereof is invalid and not enforceable for any reason, then such Section or part thereof or such Section or part thereof shall be severable from this Mortgage and not affect the validity or enforceability of any other part of this Mortgage.

#### **SUCCESSORS AND ASSIGNS**

42. When the context makes it possible, the word "**Mortgagee**" wherever it occurs in this Mortgage, shall include the successors and assigns of the Mortgagee, and the word "**Mortgagor**" shall include heirs, executors, administrators, successors and permitted assigns of the Mortgagor; and that words in the singular include the plural, and that words in plural include the singular, and words importing the masculine gender include the feminine; and that if there is more than one entity comprising the Mortgagor all covenants herein contained and implied are to be construed as joint and several; and that heirs, executors, administrators, successors and assigns of any party executing this Mortgage are jointly and severally bound by the covenants, provisos and agreements herein contained or implied. The Documents, including without limitation this Mortgage, together with the Loan Indebtedness and the Loan Obligations may be assigned or participated by the Mortgagee (and its successors and assigns), in whole or in part, without the consent of the Mortgagor.

#### **DISCHARGE**

43. The Mortgagee shall upon payment and performance of all indebtedness and obligations secured hereby in full deliver an executed discharge of this Mortgage; it being agreed that the Mortgagor's solicitor shall be responsible for preparing the mortgage discharge document for review by the Mortgagee and its counsel at least seven (7) days prior to



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payment, and interest as aforesaid shall continue to run and accrue until actual payment in full has been received by the Mortgagee; and all reasonable legal and other expenses and Taxes thereon, if any, for the preparation and execution of such discharge shall be borne by the Mortgagor.

#### **LAND TRANSFER FORM ACT**

44. This Mortgage is made pursuant to Part 3 of the Land Transfer Form Act (British Columbia).

#### **LAND TRANSFER FORM ACT COVENANTS**

45. The Mortgagor covenants with the Mortgagee:

- (a) That the Mortgagor will pay the mortgage money and interest and observe the above provisos; and will also pay any taxes, rates, levies, charges or assessments including, without limitation, utility charges, upon the Property or in respect thereof, no matter by whom or by what authority imposed, which the Mortgagee has paid or has been rendered liable to pay and shall also pay all other sums as the Mortgagee may be entitled to under this mortgage;
- (b) That the Mortgagor has a good title in fee simple to the Lands;
- (c) That on default the Mortgagee shall have possession of the Property free from all encumbrances, subject only to encumbrances permitted by the Mortgagee;
- (d) That the Mortgagor has done nothing to encumber the Property;
- (e) That the Mortgagor releases to the Mortgagee all his claims on the Property subject to the proviso; and
- (f) Provided that until default of payment, the Mortgagor shall have quiet possession of the Property.

Clause 15 of Schedule 6 of the *Land Transfer Form Act* (British Columbia) is expressly excluded from this Mortgage.

#### **EXPRESS MORTGAGE TERMS PREVAIL**

46. It is acknowledged and agreed that any Form B Mortgage Form registered in the Province of British Columbia is a summary of terms contained in the express mortgage terms which this Mortgage and any supplement hereto constitutes for purposes of the *Land Transfer Form Act* (British Columbia) and consequently in the event of a conflict between the express mortgage terms and the Form B Mortgage Form, the express mortgage terms shall prevail and the Form B Mortgage Form shall be interpreted in accordance with the definitions included in, and the terms of, such express mortgage terms.

#### **COMMITMENT LETTER**

47. The parties agree that the accepted terms and conditions of the Commitment Letter, shall survive the initial advance of monies by the Mortgagee to the Mortgagor as contemplated

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hereunder and continue to be in full force and effect after said initial advance. In the event there is a direct conflict between the terms and conditions of this Mortgage and the Commitment Letter, then the Commitment Letter shall prevail to the extent necessary to resolve the conflict.

#### **HAZARDOUS MATERIALS**

**48. The Mortgagor,**

- (a) has not nor, to the best knowledge of the Mortgagor, has any other Person ever caused or permitted any hazardous materials to be placed, held, located or disposed of on, under or at the Property and that its business and assets are operated in compliance with applicable laws intended to protect the environment (including, without limitation, laws respecting the disposal or emission of hazardous materials) and that no enforcement actions in respect thereof are threatened or pending.
- (b) covenants and agrees that it will at all times during the continuance of this Mortgage, operate the Property in compliance with applicable laws intended to protect the environment (including, without limitation, laws respecting the disposal or emission of hazardous materials) and shall, subject to the rights of tenants under the Leases, permit the Mortgagee to conduct inspections and appraisals of all or any of its records, business and assets at any time or from time to time upon reasonable prior notice to ensure such compliance.
- (c) in addition to the representations and warranties contained in Section 38, hereby represents, warrants and agrees that,
  - (i) to the best of the knowledge of the Mortgagor, the condition and use of the Property is, and will continue to be in compliance with all applicable environmental laws and standards; all necessary licenses and permits relating to the release of contaminants, production of dangerous materials and carrying on of hazardous activities have been obtained and are being complied with; there are no outstanding orders against the Mortgagor from any Governmental Authority responsible for protecting the environment;
  - (ii) to the best of the knowledge of the Mortgagor, the Property is not being subjected to environmental damage or contamination and to the best of the Mortgagor's knowledge, the Property incurred no such damage or contamination prior to the Mortgagor's control;
  - (iii) the Mortgagor will use commercially reasonable efforts to use the Property and conduct its business thereon so as not to cause environmental damage and that the use of the Property will not change without the Mortgagee's approval, acting reasonably;
  - (iv) to the best of the knowledge of the Mortgagor, the terms of any past credit arrangement have not been altered, cancelled or not renewed due to environmental risk considerations;

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- (v) all legally required remedial action will be taken with respect to violations of environmental laws, and spills or other contaminations;
- (vi) the Mortgagor will give notice to the Mortgagee of any contamination of which the Mortgagor has or acquires knowledge of, or any pending or threatened government enforcement action or civil suit arising out of alleged environmental damage of which the Mortgagor has or acquires knowledge of;
- (vii) in accordance with Section 15 above, the Mortgagor will permit the Mortgagee and its agents to enter onto the Property at any time to conduct an environmental inspection and to permit the Mortgagee to take such action as it deems reasonably necessary to remedy any environmental damage or breach of law which the Mortgagor fails to take, subject to the rights of tenants under the Leases;
- (viii) the Mortgagor will provide copies of its own internal/external environmental audits to the Mortgagee upon request;
- (ix) subject to the terms of the existing Leases, the Mortgagor will use commercially reasonable efforts to cause any other occupants or Persons in control of the Property to comply with the foregoing covenants;
- (x) the Mortgagor will defend and indemnify the Mortgagee, its directors, officers, employees and agents against all costs, etc., arising out of any environmental damage caused by the Mortgagor's activities or by contamination of or from the Property (unless caused by the Mortgagee or those for whom in law it is responsible); and
- (xi) if the Mortgagor fails to perform any of the foregoing covenants beyond any applicable notice or cure periods, the Mortgagee may do so and any money expended by the Mortgagee shall be paid by the Mortgagor out of any funds coming into the Mortgagee's possession in priority to the Loan.

#### **DUE ON SALE**

49. The Loan Indebtedness shall, at the election of the Mortgagee, immediately become due and payable in full without notice by nor demand from the Mortgagee if the Property or any part thereof or interest therein is, without the prior consent in writing of the Mortgagee sold, transferred, conveyed, foreclosed, exchanged, assigned, mortgaged, or otherwise disposed of, or if the Mortgagor enters into an agreement to effect any of the foregoing whether by registered or unregistered instrument and whether for valuable or nominal consideration (and if the Mortgagor is a corporation, any change in Control of the Mortgagor or any other Covenantor shall constitute a default under this Section 49), in all cases except as specifically permitted in this Mortgage or in the Commitment Letter; provided however that nothing herein shall be construed as permitting the Mortgagor to prepay this Mortgage in whole or in part except in accordance with Section 8 hereof; and provided further that the acceptance by the Mortgagee of any instalment payment or other payment under this Mortgage from any entity other than the Mortgagor shall not constitute

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a waiver by the Mortgagee of its rights under this Section 49, nor a consent by the Mortgagee of any such sale or disposal of the Property as above described.

#### **SUBSEQUENT FINANCING**

50. The Loan Indebtedness shall, at the election of the Mortgagee, become due and payable in full if the Property or any part thereof or interest therein is, without the prior consent in writing of the Mortgagee acting reasonably, mortgaged or similarly charged, except as may be specifically permitted in this Mortgage, the Commitment Letter or under a Permitted Encumbrance; provided however that nothing herein shall be construed as permitting the Mortgagor to repay this Mortgage in whole or in part except in accordance with Section 8 hereof.

#### **PROHIBITED BUSINESSES**

51. The Mortgagor agrees not to operate, nor allow any tenant to operate a business on the Property that:
- (a) is sexually exploitive or that is inconsistent with generally accepted community standards of conduct and propriety, including those that feature sexually explicit entertainment, products or services; or
  - (b) are engaged in or associated with illegal activities.

#### **FINANCIAL STATEMENTS AND REPORTS**

52. The Mortgagor shall deliver the following documentation to the Mortgagee:
- (a) any and all insurance certificate renewals and/or amendments within ten (10) business days of the issuance thereof. In the event of any change to the insurance held by the Mortgagor, the Mortgagee may, in its unfettered discretion, require its insurance consultant to conduct an insurance review at the Mortgagor's expense;
  - (b) ongoing Project information, including, if applicable, strata plan documentation, working and final architects'/engineers' drawings, construction budgets, artist's renderings, and floor plans for any proposed Units;
  - (c) quarterly or as otherwise requested from time to time by the Mortgagee evidence of the payment of all property taxes, local improvement rates and charges with respect to the Property;
  - (d) each year, or more often if requested by the Mortgagee, within ninety (90) days of the Mortgagor's fiscal year end, notice to reader financial statements of the Mortgagor and of any corporate Covenantor, including a balance sheet and supporting schedules, a detailed statement of income and expenditures and supporting schedules, and a statement of change in case flow and, in the case of any personal Covenantor, certified net worth statements in lieu of financial statements; and

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- (e) such additional financial statements, information, plans and reports as and when reasonably requested.

### **BENEFIT OF EASEMENTS**

53. As additional security for the indebtedness and other obligations secured hereunder and interest thereon and the due performance of the Mortgagor's obligations hereunder and under any collateral security the Mortgagor hereby assigns, transfers, mortgages, charges and sets over to and in favour of the Mortgagee as and by way of a specific assignment, mortgage and charge all of the right, title and interest of the Mortgagor in and with respect to any and all easements, restrictive covenants, rights of way, party wall agreements and encroachment agreements benefiting the Property (the "**Title Agreements**") and all of the benefit, power and advantage of the Mortgagor to be derived therefrom (including without limitation the benefit of any positive covenants) and otherwise to enforce the rights of the Mortgagor under the Title Agreements in the name of the Mortgagor. Nothing herein contained shall render the Mortgagee liable to any Person for the fulfilment or non-fulfilment of the obligations covered in any of the Title Agreements, including, but not limited to, the payment of any moneys thereunder or in respect thereto and the Mortgagor hereby indemnifies and agrees to save and hold harmless the Mortgagee from and against any and all claims, demands, actions, causes of action, losses, suits, damages and costs whatsoever arising directly or indirectly from or out of any of the Title Agreements. The Mortgagor covenants and agrees with the Mortgagee that the Mortgagor shall not surrender, alter, amend or modify any of the Title Agreements or any of the terms or conditions thereof except with the prior written consent of the Mortgagee or as required to complete the Project, if applicable, as determined by the Mortgagor, acting as a prudent owner.

### **INDEMNITY**

54. The Mortgagor shall indemnify and save harmless the Mortgagee and its officers, agents, trustees, employees, contractors, licensees or invitees from and against any and all losses, damages, injuries, expenses, suits, actions, claims and demands of every nature whatsoever in connection with any breach or default by the Mortgagor under this Mortgage and any of the other Loan Documents.

### **GENERAL**

55. This Mortgage shall be construed in accordance with and governed under the laws of the Province of British Columbia and the federal laws of Canada applicable therein.
56. Section 31 of the *Property Law Act* (British Columbia) and any other statutory provision abolishing, or purporting to abolish, the common law right of consolidation is hereby expressly excluded from application to this Mortgage, and the provisions of such statute are specifically waived.
57. The Mortgagor hereby irrevocably waives any and all statutory provisions which may require that proceeds of insurance be used, or permit any insurer to sue proceeds of insurance, to restore or rebuild the Property including the *Fires Prevention (Metropolis) Act, 1774* and the *Insurance Act* (British Columbia).

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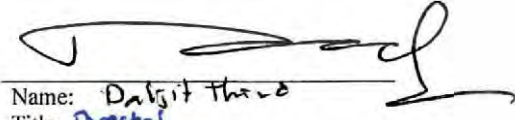
58. It is intended that this Mortgage will, at all times, remain effective as security and will retain the priority given by Section 28 of the *Property Law Act* (British Columbia) in respect of any and all advances and re-advances secured hereby.
59. The Mortgagor agrees with the Mortgagee as follows:
- (a) to comply with the terms and conditions of this Mortgage and the other Loan Documents at all times;
  - (b) to maintain the Property in a sound state of repair at all times as would other prudent owners of similar property;
  - (c) to allow the Mortgagee and its appointees to have access to the property at all reasonable times upon reasonable prior notice, subject to the rights of tenants at the Property; and
  - (d) at the Mortgagee's request, acting reasonably, to promptly deliver or cause to be delivered to the Mortgagee promptly such information about the financial condition and operation with respect to the Property, as the Mortgagee may request from time to time.
60. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Commitment Letter.
61. Notwithstanding anything in this Mortgage, in dealing with enforcing and realizing on this Mortgage, the Mortgagee shall not claim hereunder any greater amount in the aggregate than the amounts advanced by the Mortgagee that remain unpaid, together with all accrued and unpaid interest, and any other amounts unpaid hereunder.

-- signatures follow on next page --

IN WITNESS WHEREOF the Mortgagor has hereunto affixed its corporate seal attested to by the duly authorized officers in that behalf this 24 day of February, 2022.

**105 UNIVERSITY VIEW HOMES LTD.**

Per:



Name: Dajit Thoro  
Title: Director



1. Application

**Bennett Jones LLP**  
**2500 - 666 Burrard Street**  
**Vancouver BC V6C 2X8**  
**604-891-7500**

MO/lmb  
 059445.61

2. Description of Land

PID/Plan Number	Legal Description
<b>010-049-029</b>	<b>LOT 96 EXCEPT; PART DEDICATED ROAD ON PLAN LMP6507, SECTION 22 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 15002</b>
<b>010-049-002</b>	<b>LOT 93 EXCEPT; PART DEDICATED ROAD ON PLAN LMP6507, SECTION 22 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 15002</b>
<b>010-465-961</b>	<b>LOT "A" SECTION 22 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 18562</b>
<b>005-084-407</b>	<b>LOT 88 SECTION 22 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 15002</b>
<b>010-048-979</b>	<b>LOT 85 SECTION 22 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 15002</b>
<b>000-576-646</b>	<b>LOT 94 SECTION 22 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 15002</b>
<b>004-433-980</b>	<b>LOT 91 SECTION 22 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 15002</b>
<b>010-048-995</b>	<b>LOT 90 SECTION 22 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 15002</b>
<b>010-048-987</b>	<b>LOT 87 SECTION 22 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 15002</b>
<b>001-743-627</b>	<b>LOT 86 SECTION 22 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 15002</b>
<b>010-048-961</b>	<b>LOT 84 EXCEPT: PARCEL "L" (BYLAW PLAN 66874); SECTION 22 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 15002</b>
<b>010-048-952</b>	<b>LOT 83 EXCEPT: PARCEL "J" (BYLAW PLAN 66874); SECTION 22 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 15002</b>
<b>010-049-011</b>	<b>LOT 95 SECTION 22 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 15002</b>

3. Nature of Interest

Type	Number	Additional Information
<b>ASSIGNMENT OF RENTS</b>		

4. Terms

Part 2 of this instrument consists of:

**(b) Express Charge Terms Annexed as Part 2**

5. Transferor(s)

**105 UNIVERSITY VIEW HOMES LTD., NO.BC1139244**

6. Transferee(s)

<p><b>KINGSETT MORTGAGE CORPORATION</b>          SCOTIA PLAZA          40 KING STREET WEST, SUITE 3700          TORONTO ON M5H 3Y2</p>	<p>A0081500</p>
--	-----------------



**Mandev Kaur  
Mann LFLFVU**

Digitally signed by  
Mandev Kaur Mann LFLFVU  
Date: 2022-02-27  
11:58:29 -08:00

## Charge

General Instrument – Part 2

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In consideration of **\$1.00 and other valuable consideration**, the Transferor hereby assigns to the Transferee, its successors and assigns, all rents relating to the lands described in Item 2 of the Form C to which this is attached.

**TERMS OF INSTRUMENT – PART 2**  
**EXPRESS CHARGE TERMS**  
**GENERAL ASSIGNMENT OF RENTS**

**THIS AGREEMENT** made as of the 24 day of February, 2022.

**B E T W E E N:**

**105 UNIVERSITY VIEW HOMES LTD.**

(the "Assignor")

OF THE FIRST PART

- and -

**KINGSETT MORTGAGE CORPORATION**

(the "Assignee")

OF THE SECOND PART

**WHEREAS** the Assignor, as mortgagor, has granted a first ranking mortgage (the "**Mortgage**") to and in favour of the Assignee, as mortgagee, of the lands and premises charged therein (the "**Property**"), notice of which was registered on the date hereof in the Land Registry Office for New Westminster to secure the payment of principal, interest and other monies and the performance of all obligations arising thereunder, as amended, modified, supplemented or replaced from time to time;

**AND WHEREAS** the Assignor is the registered owner of the Property;

**AND WHEREAS** as a condition for receiving the Loan Indebtedness, the Assignor agreed to assign to the Assignee, its successors and assigns, as a further continuing and collateral security for the payment of the Loan Indebtedness and observance and performance of the Loan Obligations, all of the Assignor's right, title and interest in and to:

- (a) all present and future leases, subleases, licenses, agreements to lease, agreements to sublease, options to lease or sublease, rights of renewal or other agreements by which the Assignor or any predecessor or successor in title thereto, has granted or will grant the right to use or occupy all or part or parts of the Property, and including all agreements collateral thereto (collectively, the "**Leases**");
- (b) all rents, issues, profits and other monies now due or accruing due or to become due and payable under or derived from the Leases or receivable by the Assignor pursuant to the Leases or the Property (collectively, the "**Rents**"); and

- (c) the benefit of all covenants and obligations of lessees, tenants, licensees, or occupants as well as all other rights, privileges, advantages and benefits contained in any of the Leases, including without limitation, all rights and benefits of any present and future guarantees or indemnities thereof, with full power and authority to demand, sue for, collect, recover and receive all Rents, to enforce the Assignor's rights under any Lease, and generally any collateral advantage or benefit to be derived from the Leases or any of them together with the full benefit of all security in support of any guarantees or indemnities (collectively, the "**Lease Benefits**" and together with the Leases and the Rents, collectively, the "**Assigned Rights and Benefits**").

**NOW THEREFORE IN CONSIDERATION** of the recitals, the Assignee extending the Loan Indebtedness and for such other good and valuable consideration received by the Assignor, the receipt and adequacy of which is acknowledged by the Assignor, the Assignor agrees with the Assignee as follows:

## **ARTICLE 1**

### **DEFINITIONS, INTERPRETATION**

#### **1.1 Definitions**

Capitalized terms that are not defined herein have the meanings set out in the Mortgage. Otherwise, in this Agreement:

- (a) "**Excluded Lease**" has the meaning ascribed to it in Section 2.3;
- (b) "**Indebtedness**", in respect of any Person, is used in its most comprehensive sense and includes any and all advances, debts, duties, endorsements, guarantees, liabilities, obligations, responsibilities and undertakings of such Person at any time assumed, incurred or made, however arising, whether or not now due, absolute or contingent, liquidated or unliquidated, direct or indirect, and whether such Person is liable individually or jointly with others, irrespective of the regularity or validity thereof or of any security therefor;
- (c) "**Loan Indebtedness**" means any Indebtedness from time to time of the Assignor or any of the other Covenantors to the Assignee arising under any of the Loan Documents;
- (d) "**Loan Obligations**" means the obligations of the Assignor or any of the other Covenantors arising under the Loan Documents;
- (e) "**Other Parties**" has the meaning ascribed to it in Section 2.13(a); and
- (f) "**Receiver**" has the meaning ascribed to it in Section 2.12(a).

## 1.2 Interpretation

For the purposes of this Agreement, all references to the singular include the plural where the context so admits, the masculine to include the feminine and neuter gender and, where necessary, a body corporate, and vice versa.

## 1.3 Headings

In this Agreement, the headings have been inserted for reference only and shall not define, limit, alter or enlarge the meaning of any provision of this Agreement.

## **ARTICLE 2 AGREEMENT**

### 2.1 Assignment

As continuing collateral security for the payment of the Loan Indebtedness and the performance of the Loan Obligations, the Assignor hereby assigns, transfers and sets over unto the Assignee and grants to the Assignee a security interest in all of the Assignor's right, title, estate, interest and benefit, both at law and in equity, in and to the Assigned Rights and Benefits, to hold and receive the same unto the Assignee with full power and authority to demand, sue for, collect, recover and receive and give receipts for the Rents and to enforce the payment of the Rents and the payment and performance of all Assigned Rights and Benefits, assigned in accordance with and subject to the terms of this Agreement.

### 2.2 Last Day of Term

This Agreement shall not extend or apply to the last day of the term, or the last day of any extended or renewed term, of any of the Leases provided that if this Agreement is enforced by the Assignee, the Assignor shall stand possessed of each such last day and shall hold same in trust and if this Agreement is enforced by the Assignee, to assign at the direction of the Assignee or any Person who may acquire any such term or renewal term or who in the course of enforcement hereof may be entitled to so direct.

### 2.3 Excluded Leases

Nothing in this Agreement shall constitute an assignment or attempted assignment of any of the right, title, estate, interest and benefit of the Assignor in any Assigned Rights and Benefits which require the consent of a third party to assignment unless such consent has been obtained (an "Excluded Lease"). The Assignor shall, upon request, obtain the required consent of any third party to the assignment of any Excluded Lease under this Agreement and to its further assignment by the Assignee to any third party as a result of the exercise by the Assignee of its remedies hereunder after an Event of Default. Upon consent being obtained, this Agreement shall apply to the applicable Excluded Lease without regard to this Section and without the necessity of any further assurance to effect assignment under this Agreement. Until consent to assignment is obtained, the Assignor shall, to the extent it may do so at law or pursuant to the provisions of the Excluded Lease

and without giving rise to any default or penalty under the Excluded Lease, hold all right, title, estate, interest and benefit to be derived from the Excluded Lease in trust for the Assignee as additional security for the payment of the Loan Indebtedness and performance of the Loan Obligations as if this Agreement applied.

## **2.4 Representations and Warranties**

The Assignor represents and warrants to and in favour of the Assignee that:

- (a) each of the Leases is in existence, and is in full force and effect, and there is currently no default by any party to any Lease under any term, condition or covenant required to be performed by it under the Assigned Rights and Benefits and there exists no event or circumstance, which would with the passage of time or the giving of notice or both constitute a default or an event of default under any of the Assigned Rights and Benefits;
- (b) there is no outstanding dispute under any Lease by any of the parties to it and no lessee under any Lease is entitled to any set off or defense against the payment of Rent under the Lease; and
- (c) the Assignor has good right, full power and absolute authority to assign the Assigned Rights and Benefits in the manner aforesaid, and has not performed any act or executed any other instrument which might prevent the Assignee from operating under the terms and conditions of this Agreement or which would limit the Assignee in such operation.

## **2.5 Covenants**

The Assignor hereby covenants with the Assignee:

- (a) that it will at all times perform or cause to be performed all of the covenants and obligations on the part of lessor contained in the Leases as would a prudent landlord (except to the extent that the same have been expressly waived by the Other Parties to the Leases);
- (b) to maintain or cause to be maintained the Leases in good standing and not to do, permit to be done or omit to do, anything which may impair the enforceability of the Leases;
- (c) that in respect of all of the Leases, save for the deposits for the first and last month rentals, not to accept Rents more than one month in advance of the dates when Rents fall due;
- (d) except as provided for in Section 2.7 below, all offers to lease and all tenancy agreements, leases or subleases entered into with lessees of the Property shall be on the standard forms previously approved by the Assignee to be used in connection with the Property, amended as deemed appropriate in the circumstances by the Assignor, acting reasonably, to give effect to the arrangements made with each

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lessee or, if not on a pre-approved standard form, then in all cases in form and substance acceptable to the Assignee acting reasonably;

- (e) upon and during the continuance of an Event of Default, to facilitate in all ways the Assignee's exercise of its rights hereunder, including without limitation, upon request of the Assignee:
  - (i) to deliver to the Assignee up-to-date rent rolls and true copies of all then outstanding Leases and any other document giving rise to any of the Lease Benefits;
  - (ii) to permit access by the Assignee or its agent during regular business hours, upon reasonable notice to the Assignor, to all records pertaining to the Property, wherever held; and
  - (iii) to provide written notices to the lessees or any Other Parties, directing them to make payment of Rents to the Assignee or as it may direct; and
- (f) to obtain estoppel certificates from the lessees under the Leases (provided that the lessees are obliged to do so pursuant to their Lease) when and as reasonably required by the Assignee, or if any of such estoppel certificate is not forthcoming, to furnish a certificate of a senior officer of the Assignor in lieu thereof attesting (to the extent within the Assignor's knowledge and without Personal liability) to the information which would have been provided in such estoppel certificate.

## **2.6 Right to Deal**

Until the occurrence of an Event of Default which is continuing, and subject to Section 2.5, the Assignor is permitted to enjoy the benefits of and deal with the Assigned Rights and Benefits, and may demand, receive, collect and enjoy the Rents, but only as the same fall due and payable according to the terms of each of the Leases and any of the documents giving rise to any of the Lease Benefits, and not more than one month in advance (except for prepayment of the last month of the term if so provided in the Lease) as would a prudent landlord. Upon the occurrence of an Event of Default which is continuing, the Assignee may, in addition to any other rights and remedies it may have, deliver a written notice to any lessee or any Other Party directing it to deal with the Assignee and to pay the Rents payable under its Lease to the Assignee, and such notice shall be good and sufficient authority for so doing.

## **2.7 No Dealings with Leases**

The Assignor shall not, without the prior written consent of the Assignee:

- (a) do any act or thing or omit to do any act or thing that would materially adversely change the obligations of the Assignor under that Lease, other than as permitted by the Mortgage (except where the provisions of the Lease require the landlord to do so); or

- (b) enter into any Lease, including each renewal or extension of an existing Lease (other than any extension or renewal of an existing Lease which is exercised pursuant to, and the terms of which are governed by, such existing Lease), unless:
  - (i) it is a commercially reasonable arm's length transaction made in the ordinary course of business and in accordance with prudent property management and leasing standards and practices;
  - (ii) it provides for rental rates and other terms and conditions consistent with prevailing market rates, terms and conditions; and
  - (iii) the Assignor has notified the Assignee of the proposed Lease and provided a copy of it to the Assignee; and
- (c) upon the Assignee delivering a written notice to the Assignor notifying the Assignor that the Assignee has elected to exercise its rights under this Agreement, enter into any Lease unless the Assignee has approved, acting reasonably, the form and content thereof.

Whenever the Assignee's consent is required hereunder, the Assignee shall act in a commercially reasonable manner as would a prudent owner of similar real estate and the Assignee shall communicate its consent or non-consent within ten (10) Business Days of any written request (unless otherwise indicated herein), failing which the Assignee shall be deemed to have given its consent.

The Assignor covenants to specifically assign any future Lease to the Assignee upon the Assignee's request in a form satisfactory to the Assignee. In such event, the Assignor further covenants that it will use its commercially reasonable efforts to have the lessee of all such future Leases, covenant to attorn to the Assignee on request.

## **2.8 Assigned Rights and Benefits Not Impaired**

The within assignment to the Assignee of the Assigned Rights and Benefits shall remain in full force and effect without regard to, and the obligations of the lessees under the Leases shall not be affected or impaired by:

- (a) any amendment, modification, renewal or replacement of or addition or supplement to any of the other Loan Documents or the loan secured by the Security Documents; or
- (b) any exercise or non-exercise of any right, remedy, power or privilege in respect of this Agreement or any of the other Security Documents; or
- (c) any waiver, consent, extension, indulgence or other action, inaction or omission under or in respect of this Agreement or any of the other Security Documents; or



- (d) any insolvency, bankruptcy, liquidation, reorganization, arrangement, composition, winding-up, dissolution or similar proceeding involving or affecting the Assignor or any of the lessees under any of the Leases.

## **2.9 Power of Attorney**

So long as the Loan Indebtedness and the Loan Obligations, or any portion thereof, remains outstanding:

- (a) the Assignor hereby irrevocably appoints the Assignee, or any Receiver appointed by the Assignee as provided for in this Agreement, to be the attorney of the Assignor with full power of substitution, and with full authority in the place of the Assignor and in the name of the Assignor or otherwise, from time to time in the Assignee's discretion, to do all acts, matters and things that may be necessary for, incidental to, or advisable for, carrying out the powers given to the Assignee under this Agreement and the Mortgage upon the occurrence of any Event of Default which is continuing (but the Assignee is not obligated to take such action and will have no liability to the Assignor or any third party for failure to take any action). This power of attorney is given for valuable consideration, is coupled with an interest, and is irrevocable until registration of a complete discharge of the Mortgage; and
- (b) in the event any action is brought by the Assignee to enforce any rights under the Assigned Rights and Benefits, the Assignor agrees to cooperate fully with and assist the Assignee in the prosecution thereof.

## **2.10 Acceleration**

Upon the occurrence of an Event of Default which is continuing all of the Loan Indebtedness shall, at the Assignee's option and without notice to the Assignor, become immediately due and payable and the Assignee may, in its sole, absolute and unfettered discretion, exercise its rights in respect of the Assigned Rights and Benefits in addition to all other rights and remedies afforded by applicable law, in equity or otherwise. The Assignee shall have the right to enforce one or more remedies successively or concurrently in accordance with applicable law and the Assignee expressly retains all rights and remedies not inconsistent with the provisions in this Agreement including any rights it may have under the PPSA. The provisions of this clause do not and are not intended to affect in any way any rights of the Assignee with respect to any Loan Obligations or any Loan Indebtedness which may now or hereafter be payable on demand.

## **2.11 Enforcement**

Upon the occurrence of and during the continuance of an Event of Default, the security hereby constituted will, at the option of the Assignee, immediately become enforceable.

## 2.12 Assignee's Rights and Remedies

In addition to the Assignee's rights under the Mortgage, the Assignee may, at its option and without any obligation or liability therefor and in addition to any other remedy in respect of the Assigned Rights and Benefits to which it is entitled under any of the Loan Documents, upon the occurrence of any Event of Default which is continuing and to the extent permitted by applicable law, enforce and realize on the security constituted by this Agreement and take any action permitted by law or in equity, as it may deem expedient, and in particular, but without limiting the generality of the foregoing, the Assignee may do the following:

- (a) appoint or reappoint by instrument in writing, any person or persons, whether an officer or officers or an employee or employees of the Assignee or not, to be a receiver or receivers, or may institute proceedings in any court of competent jurisdiction for the appointment of a receiver (the "**Receiver**", which term includes a receiver or a manager or a receiver and manager) of the Assigned Rights and Benefits and may remove any appointed Receiver and appoint a replacement. Any Receiver shall, so far as concerns responsibility for its acts, be deemed the agent of the Assignor and not of the Assignee, and the Assignee shall not in any way be responsible for any misconduct, negligence, or nonfeasance on the part of any Receiver, the Receiver's servants, agents or employees. Subject to the provisions of the instrument appointing it, any Receiver shall be vested with all or any of the rights, powers and discretions of the Assignee. Except as may be otherwise directed by the Assignee all monies received from time to time by the Receiver in carrying out its appointment shall be received in trust for and paid over to the Assignee for the benefit of the Assignee;
- (b) compound, compromise or submit to arbitration any dispute which has arisen or may arise in respect to any amount of Rents or any other matter relating to the Assigned Rights and Benefits, and any settlement arrived at shall be binding upon the Assignor and any Other Parties;
- (c) at its option and without notice to the Assignor, take possession of or enter upon the Property by its officers, agents or employees for the purpose of collecting the Rents and any and all amounts which may be or become due or payable or remain unpaid at any time to the Assignor pursuant to the Assigned Rights and Benefits and give acquittances for them and to manage, operate and maintain its interest in the Property including without limitation, the making of repairs or replacements to maintain the Property;
- (d) receive, enjoy or otherwise avail itself of the Lease Benefits;
- (e) appoint and dismiss such agents or employees as may be necessary or desirable to exercise the Assignee's rights hereunder;

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- (f) alter, modify, amend or change the terms of Leases; enter into new Leases; give consents, concessions or waivers of any rights or provisions of Leases; accept surrenders of Leases; give consents to assignment of or subletting under Leases;
- (g) send or employ any inspector or agent to inspect and report upon the value, state and condition of the Property and employ a solicitor to examine and report upon title to the same and the lease documentation pertaining to same;
- (h) in the Assignor's name, perform, at the Assignor's expense, any and all of the Assignor's obligations or covenants relating to the Assigned Rights and Benefits and enforce performance by any Other Parties of their obligations in relation to the Assigned Rights and Benefits and settle any disputes with Other Parties upon terms that the Assignee deems appropriate, in its discretion;
- (i) make payment of or cure any default under any Permitted Encumbrance or any Liens or other claims that may exist or be threatened against the Assigned Rights and Benefits, and any amount so paid together with costs, charges and expenses incurred together with interest at the Interest Rate shall be added to the Loan Indebtedness;
- (j) if the proceeds of realization are insufficient to pay all of the Loan Indebtedness, the Assignor shall forthwith pay or cause to be paid to the Assignee any deficiency and the Assignee may sue the Assignor to collect the amount of such deficiency;
- (k) subject to applicable law, seize, collect, realize, borrow money on the security of, release to third parties, sell (by way of public or private sale), lease or otherwise deal with the Assigned Rights and Benefits in such manner, upon such terms and conditions, at such time or times and place or places and for such consideration as may seem to the Assignee advisable and without notice to the Assignor. The Assignee may charge on its own behalf and pay to others sums for expenses incurred and for services rendered (expressly including legal, consulting, broker, management, receivership and accounting fees) in or in connection with seizing, collecting, realizing, borrowing on the security of, selling or obtaining payment of the Assigned Rights and Benefits and may add all such sums to the Loan Indebtedness;
- (l) perform all such acts as may in the reasonable opinion of the Assignee be necessary or desirable for the proper operation and maintenance of the Property, which acts may be performed in the name of the Assignor or in the name of the Assignee and the Assignor hereby grants to the Assignee irrevocable authority to join the Assignor in any proceedings or actions relating to the Assigned Rights and Benefits whether judicial or extra-judicial; and
- (m) waive any Event of Default, and any waiver of an Event of Default shall not extend to any subsequent Event of Default, nor shall the Assignee be bound to serve any notice on any lessors or any Other Parties on the happening of any Event of Default.

### **2.13 Assignee's Dealings with Other Parties**

The Assignor and the Assignee hereby covenant and agree that:

- (a) the Assignee may at any time upon the occurrence of an Event of Default which is continuing, with respect to any and all Assigned Rights and Benefits, give to any lessee or other Person from whom the Assignor would have been entitled to receive or claim any benefit under the Assigned Rights and Benefits in question (the "**Other Parties**" or "**Other Party**") upon written notice to it by the Assignee to pay the Rents directly to the Assignee and such notice shall be good and sufficient notice for doing so. Without limiting the foregoing the Assignee may, after giving such notice, deal with the Other Party or Other Parties in respect of the Assigned Rights and Benefits without reference to or consent of the Assignor while the Event of Default is continuing;
- (b) this Agreement constitutes an irrevocable direction and authorization of the Assignor to any Other Party to pay Rents to the Assignee and otherwise honour the rights of the Assignee under this Agreement;
- (c) any Other Party may rely upon any notice given by the Assignee or on its behalf and the Assignor hereby waives as against any Other Party any claims they might otherwise have by reason of the Other Party acting on such notice;
- (d) in the event all Events of Defaults are subsequently cured, the Assignee shall upon request of the Assignor, and at the Assignor's expense, execute and deliver to the Assignor directions and authorizations to any Other Party who received notice of this Agreement in connection with the Events of Default so cured as aforesaid, authorizing and directing such Other Party to resume payment of Rents to the Assignor until such time as a further written notice is delivered by the Assignee pursuant to the terms of this Agreement;
- (e) all receipts given by the Assignee to any lessee under the Leases after delivery of a written notice pursuant to Section 2.13(a) and prior to the delivery of a notice pursuant to Section 2.13(d) on account of any Rents paid to the Assignee in accordance with the terms of this Agreement shall constitute a good and valid discharge therefor to each such lessee; and
- (f) the Assignee shall not be required or obligated in any manner to make any demand or to make any inquiry as to the nature or sufficiency of any payment received by it, or to present or file any claim or take any other action to collect or enforce the payment of any amounts which may have been assigned to the Assignee or to which the Assignee may be entitled hereunder at any time or times.

### **2.14 Assignee's Obligations and Limitation on Liabilities**

It is expressly acknowledged and agreed by the Assignor and the Assignee that:

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- (a) nothing herein contained shall oblige the Assignee to assume or perform any obligation of the Assignor to any Other Party in respect of or arising out of the Assigned Rights and Benefits or any of them. The Assignee may, however, after the occurrence of an Event of Default which is continuing, at its option assume or perform any such obligations as the Assignee considers necessary or desirable to obtain the benefit of the Assigned Rights and Benefits free of any set-off, deduction or abatement, and any money expended by the Assignee in this regard shall form part of and be deemed to form part of the Loan Indebtedness and bear interest at the maximum rate stipulated in the Mortgage;
- (b) the Assignee shall only be liable to account for such moneys as shall actually be received by the Assignee by virtue of this Agreement at the address provided herein, less reasonable collection charges and costs (including, without limitation, legal costs on a solicitor and client basis) and other reasonable expenses to which the Assignee may be put, and the Assignee shall not be responsible for any act or default of any agent employed by the Assignee for the collection of any such amounts. Such moneys when so received by the Assignee shall be applied in accordance with the provisions of the Mortgage and the Assignee shall not be responsible for diligence in the collection of any monies as contemplated herein. No credit shall be given for any Rent received by the Assignee after it obtains ownership of the Property under court order or by operation of law;
- (c) exercise by the Assignee of its rights under this Agreement or the assumption of certain obligations of the Assignor upon the occurrence of an Event Default as referred to in Section 2.14(a) shall not constitute or have the effect of making the Assignee a mortgagee in possession nor shall the entering into of this Agreement or anything done in pursuance of it make the Assignee liable in any way, as landlord or otherwise, for the performance of any covenants, obligations and liabilities under any of the Leases;
- (d) care, control and management of the Property shall remain and be deemed to be with the Assignor, in the absence of clear and unequivocal action by the Assignee depriving the Assignor of such care, control and management and the assumption thereof by the Assignee;
- (e) the Assignee's obligations as to any Rents or other amounts actually collected (including, without limitation, those arising from the Lease Benefits) shall be discharged by application of such Rents or other amounts (including, without limitation, those arising from the Lease Benefits) against the Loan Indebtedness or for any of the other purposes described in this Agreement; and
- (f) the Assignee shall not be:
  - (i) liable for and no credit shall be given in respect of any uncollected Rents or other uncollected amounts;

- (ii) liable to any lessee for the return of any security deposit made under any Lease unless the Assignee shall have actually received such security deposit; and
- (iii) by reason of this Agreement or the exercise of any right granted herein, responsible for any act committed by the Assignor or any breach or failure to perform by the Assignor with respect to any of the Assigned Rights and Benefits.

## **2.15 Continuing Security**

Notwithstanding any variation of the terms of the Mortgage or any of the other Security Documents, or any extension of time for payment or any release of any security, this Agreement shall continue as general and collateral security for the Loan Indebtedness and observance and performance of all of the Loan Obligations. This Agreement and the assignments granted hereby are in addition to and not in substitution for any other security now or hereafter held by the Assignee and this Agreement will remain in full force and effect until registration of a complete discharge of the Mortgage by the Assignee, which discharge shall be deemed to be a reassignment of this Agreement and the Assigned Rights and Benefits in favour of the Assignor. On the complete discharge of the Mortgage, the Assignee will, at the request and at the sole cost and expense of the Assignor, execute and deliver to the Assignor such instruments in registrable form as may be necessary to evidence the termination of this Agreement and the reassignment to the Assignor of the Assigned Rights and Benefits.

## **2.16 Reassignment/Discharge**

The Assignee may, at any time and whether or not an Event of Default has occurred, without further request or agreement by the Assignor, reassign to the Assignor, its successors and assigns, the Assigned Rights and Benefits or any part or parts thereof, by an instrument of reassignment in writing executed by the Assignee delivered to the Assignor, its successors and assigns, at the address for notice herein provided. Such instrument upon delivery shall constitute a good and sufficient reassignment of all of the Assignee's right, title and interest in and benefit of the Assigned Rights and Benefits to which it pertains and a good and valid release and termination of obligations (if any) of the Assignee with respect thereto. Such reassignment shall not expressly or impliedly constitute any representation or warranty by the Assignee to the Assignor as to the Assigned Rights and Benefits or anything related thereto.

## **ARTICLE 3 MISCELLANEOUS**

### **3.1 Payments**

All payments required to be made by the Assignor to the Assignee under this Agreement will be made at the address of the Assignee set out in Section 0 (or at any other place specified by the Assignee by written notice to the Assignor) in immediately available funds in lawful Canadian currency, without any set off, counter claim or deduction.

### **3.2 Failure of Indulgence Not Waiver**

No extension of time, waiver, or other indulgence given by the Assignee to the Assignor, or anyone claiming under the Assignor, shall in any way affect or prejudice the rights of the Assignee against the Assignor or any Covenantor unless explicitly set forth in writing and signed by the waiving party. No failure to exercise or delay in exercising any right, remedy, power or privilege arising from this Agreement will operate or be construed as a waiver thereof, nor will any single or partial exercise of any right, remedy, power or privilege under this Agreement preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. Each power and right under this Agreement is cumulative and is in addition to and not in substitution for any other rights and remedies at law, or in equity or otherwise.

### **3.3 Modification**

No modification or waiver of this Agreement is binding on the Assignee unless made in writing and signed by a duly authorized officer of the Assignee.

### **3.4 Entire Agreement**

On execution and delivery by the Assignor, this Agreement is deemed to be finally executed and delivered by the Assignor to the Assignee and is not subject to or affected by any condition as to the receipt by the Assignee of any of the other Security Documents or as to the execution and delivery by any of the other Covenantors to the Assignee of any other Loan Documents, nor by any promise or condition affecting the liability of the Assignor. No agreement, promise, representation or statement by the Assignee or any of its officers, employees or agents unless in this Agreement forms part of this Agreement, has induced the making of it or affects the liability of the Assignor or any Covenantor under it.

### **3.5 Severability**

If any Section or part thereof of this Agreement is invalid or unenforceable for any reason, then such Section or part thereof will be severable from this Agreement and will not affect the validity or enforceability of any other part of this Agreement.

### **3.6 Non-Merger**

The giving of this Agreement is by way of additional and collateral security for the payment of the Loan Indebtedness and the performance of the Loan Obligations and not in substitution for or in satisfaction thereof, and the Commitment Letter, the Mortgage or any of the other Loan Documents shall not be merged hereby and in case of an Event of Default that is continuing, proceedings may be taken under this Agreement, the Mortgage, or any of the other Security Documents or any one or more of them at the option of the Assignee.

### 3.7 Paramountcy

The provisions of any agreement between the Assignor and the Assignee in connection with the Loan Indebtedness, including but not limited to any loan application in respect thereof, the Mortgage and all of the other Loan Documents, shall form part of this Agreement except where inconsistent with the provisions hereof. In the case of any inconsistency between this Agreement and the Mortgage, the provisions of the Mortgage, as the case may be, shall prevail.

### 3.8 Assignability

The Assignor hereby consents to the Assignee assigning, transferring or selling all or any portion of its interest under this Agreement in connection with the proportionate assignment, transfer or sale of its interest in the Loan Indebtedness and the Loan Obligations. Without limiting the foregoing, the Assignee may enter into participation, contending or syndication agreements with other lenders in connection with this Agreement, the Loan Indebtedness and the Loan Obligations. The Assignee may provide information of a financial or other nature to any prospective assignee or transferee or other lenders concerning the Assignor, this Agreement, the Loan Indebtedness and the Loan Obligations.

### 3.9 Notices

Any notice, demand, approval, consent, information, agreement, offer, payment, request or other communication to be given under or in connection with this Agreement shall be in writing and shall be delivered by personal delivery, prepaid courier service, postage prepaid registered mail or by electronic or digital transmission to the relevant party, addressed:

(a) to the Assignor:

Name: 105 University View Homes Ltd.  
Address: 700 - 4211 Kingsway  
Vancouver, B.C., V5H 1Z6

Fax No.: 604-451-7740

(b) to the Assignee:

Name: KingSett Mortgage Corporation  
Address: Scotia Plaza, 40 King Street West, Suite 3700  
Toronto, Ontario, M5H 3Y2

Attention: Justin Walton, Executive Director, Mortgage Investments  
e-mail: JWalton@kingsettcapital.com



and to:

Attention: Scott Coates, Managing Director, Mortgage Investments  
e-mail: Scoates@kingsettcapital.com  
Fax No.: 416-687-6701

and such notice or other communication shall be deemed to have been given and received on the day on which it was delivered or transmitted (or, if such day is not a business day or if delivery or transmission is made on a business day after 5:00 p.m. at the place of receipt, then on the next following business day) or, if mailed, on the third (3<sup>rd</sup>) business day following the date of mailing; provided, however, that if at the time of mailing or within three (3) business days thereafter there is or occurs a labour dispute or other event which might reasonably be expected to disrupt the delivery of documents by mail, any notice or other communication hereunder shall be delivered or transmitted by means of recorded electronic communication as aforesaid. Each party may change its address for notice by providing notice of same in accordance with the foregoing.

### **3.10 Expenses, Fees and Indemnity**

The Assignor will pay to the Assignee all costs, charges and expenses, including all administrative fees, legal fees and professional fees, incurred by the Assignee in connection with the collection of any amount payable under this Agreement by the Assignor to the Assignee. The Assignor shall indemnify the Assignee against all claims, loss or damages arising out of or in connection with any breach or default by the Assignor under this Agreement.

### **3.11 Applicable Law**

This Agreement and the rights and obligations of the Assignor and the Assignee under it are governed by and construed according to the laws of the jurisdiction in which the Property is situate and the laws of Canada applicable therein.

### **3.12 Time of the Essence**

Time is of the essence of this Agreement.

### **3.13 Execution by the Assignee**

This Agreement need not be executed by the Assignee to be binding on and to enure to the benefit of the Assignee.

### **3.14 Counterparts**

This Agreement may be executed in any number of counterparts, each of which will constitute an original, but all of which together will constitute one and the same document. A signed copy of this Agreement or a counterpart of it delivered by email, facsimile or

other means of electronic or digital transmission or signature is deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

### **3.15 Further Assurances**

The Assignor will promptly do all further acts and execute and deliver such further documents as the Assignee considers necessary or advisable to carry out the terms or intent of this Agreement.

### **3.16 Successors and Assigns**

This Agreement is binding on and enures to the benefit of the Assignee and the Assignor, and their respective executors, administrators, successors and assigns and to any Person to whom the Assignee may grant any participation in this Agreement, the Loan Indebtedness or any of the Loan Obligations or any power, remedy or right of the Assignee under this Agreement or any of the Assignee's interest herein or in the Loan Indebtedness and the Loan Obligations.

### **3.17 Multiple Parties**

If the Assignor consists of more than one party, this Agreement will be read with all necessary grammatical changes and each reference to the Assignor includes each and every such Person individually. All covenants and agreements herein of the Assignor are the joint and several covenants and agreements of each such Person or corporation. If the Assignee consists of more than one party, this Agreement will be read with all necessary grammatical changes and each such party or any one or more of them is entitled to enforce each right and remedy of the Assignee under this Agreement.

-- signatures follow on next page --

**IN WITNESS WHEREOF** the Assignor has executed this Agreement as of the date and year first written above.

**105 UNIVERSITY VIEW HOMES LTD.**

Per:   
Name: **Daljit Thind, ~~CEO~~**  
Title: **Director**

This is Exhibit "**H**" referred to in the Affidavit #1 of Daniel Pollack affirmed before me at the city of Toronto, in the Province of Ontario this October 9, 2024



---

A Commissioner for taking affidavits and  
Notary Public in and for the province of  
Ontario

Maya Churilov (LSO# 87190A)



1. Application

Document Fees: \$78.17

**Bennett Jones LLP**  
**2500 - 666 Burrard Street**  
**Vancouver BC V6C 2X8**  
**604-891-7500**

MO/Imb  
 059445.61  
 University

2. Description of Land

PID/Plan Number	Legal Description
<b>031-746-667</b>	<b>LOT A SECTION 22 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN EPP111526</b>

3. Borrower(s) (Mortgagor(s))

<b>105 UNIVERSITY VIEW HOMES LTD.</b> 700 - 4211 KINGSWAY BURNABY BC V5H 1Z6	BC1139244
--	-----------

4. Lender(s) (Mortgagee(s))

<b>KINGSETT MORTGAGE CORPORATION</b> SCOTIA PLAZA 40 KING STREET WEST, SUITE 3700 TORONTO ON M5H 3Y2	AA0081500
---	-----------

5. Payment Provisions

Principal Amount <b>\$99,890,625.00</b>	Interest Rate <b>See Express Mortgage Terms</b>	Interest Adjustment Date <b>N/A</b>
Interest Calculation Period <b>See Schedule</b>	Payment Dates <b>See Schedule</b>	First Payment Date <b>N/A</b>
Amount of each periodic payment <b>N/A</b>	Interest Act (Canada) Statement. The equivalent rate of interest calculated half yearly not in advance is <b>N/A % per annum</b>	Last Payment Date <b>N/A</b>
Assignment of Rents which the applicant wants registered? <b>No</b>	Place of payment <b>Address in Item 4 above</b>	Balance Due Date <b>On Demand</b>

6. Mortgage contains floating charge on land?

**No**

7. Mortgage secures a current or running account?

**Yes**

8. Interest Mortgaged

**Fee Simple**

9. Mortgage Terms

Part 2 of this mortgage consists of:

**(c) Express Mortgage Terms (annexed to this mortgage as Part 2)**

10. Additional or Modified Terms

11. Prior Encumbrances Permitted by Lender

**See Schedule**

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.

Witnessing Officer Signature

Execution Date

Borrower / Party Signature(s)

\_\_\_\_\_  
**Brendan J. Sallis**  
**Commissioner for Taking Affidavits**  
**for British Columbia**  
700 - 4211 Kingsway  
Burnaby BC V5H 1Z6

YYYY-MM-DD

**2023-11-02**

**105 UNIVERSITY VIEW HOMES LTD.**  
By their Authorized Signatory

\_\_\_\_\_  
**Daljit Thind**

My Commission Expires March 31, 2024

**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.

**Electronic Signature**

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.

\_\_\_\_\_  
**Kiera Grace Stel**  
**9M23A5**

Digitally signed by  
Kiera Grace Stel 9M23A5  
Date: 2023-11-03  
11:41:43 -07:00

**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**

(d) Interest Calculation Period:

Calculated daily on the outstanding balance of the Principal Amount and compounded monthly

(e) Payment Dates:

Interest: Payable monthly on the first day of the month next following the first advance and on the first day of each and every month thereafter, or as otherwise specified by the Mortgagee

Principal Amount: ON DEMAND

**11. PRIOR ENCUMBRANCES PERMITTED BY LENDER:**

Statutory Right of Way BG115826 in favour of British Columbia Transit;  
 Statutory Right of Way BR81992, modification of Statutory Right of Way BG115826;  
 Easement CA7885741, appurtenant to Lots A and B Plan EPP78101;  
 Statutory Right of Way CB70399 in favour of the City of Surrey (the "**City**");  
 Covenant CB70401 in favour of the City;  
 Statutory Right of Way CB70403 in favour of the City;  
 Covenant CB70405 in favour of the City;  
 Statutory Right of Way CB70407 in favour of the City;  
 Covenant CB70409 in favour of the City;  
 Statutory Right of Way CB70411 in favour of the City;  
 Covenant CB70413 in favour of the City;  
 Statutory Right of Way CB70415 in favour of the City;  
 Covenant CB70417 in favour of the City;  
 Statutory Right of Way CB70419 in favour of the City;  
 Covenant CB70421 in favour of the City;  
 Statutory Right of Way CB70423 in favour of the City;  
 Covenant CB70425 in favour of the City;  
 Statutory Right of Way CB70427 in favour of the City;  
 Covenant CB70429 in favour of the City;  
 Statutory Right of Way CB70431 in favour of the City;  
 Covenant CB70433 in favour of the City;  
 Statutory Right of Way CB70435 in favour of the City;  
 Covenant CB70437 in favour of the City;  
 Statutory Right of Way CB87920 in favour of the City;  
 Covenant CB87922 in favour of the City;  
 Statutory Right of Way CB87924 in favour of the City;  
 Covenant CB878926 in favour of the City;

Statutory Right of Way CB87928 in favour of the City;  
Covenant CB87930 in favour of the City;  
Covenant CB112391 in favour of the City;  
Covenant CB112393 in favour of the City;  
Covenant CB112395 in favour of the City;  
Covenant CB112396 in favour of the City; and  
Covenant CB112399 in favour of the City.



## MORTGAGE TERMS – PART 2

### EXPRESS MORTGAGE TERMS

The Mortgagor is the registered owner of an estate in fee simple in possession of the Property.

**IN CONSIDERATION** of the Principal Amount or any portion thereof, lent to the Mortgagor by the Mortgagee, and as continuing collateral or additional security for the repayment of the Loan Indebtedness and the performance of the Loan Obligations, the Mortgagor **HEREBY COVENANTS WITH** the Mortgagee as follows:

#### **DEFINITIONS**

1. In these Express Mortgage Terms and in the Form B to which they are annexed:
  - (a) **"Assessments"** has the meaning ascribed thereto in Section 14(b);
  - (b) **"Builders' Liens"** has the meaning ascribed thereto in Section 13(f);
  - (c) **"Borrower"** means District Northwest Limited Partnership;
  - (d) **"Closed Prepayment Period"** has the meaning ascribed thereto in Section 8;
  - (e) **"Commitment Letter"** means the commitment letter dated as of February 14, 2022 between, *inter alios*, the Mortgagor and the Mortgagee, as amended, varied, supplemented, restated, renewed or replaced at any time and from time to time;
  - (f) **"Control"** means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise;
  - (g) **"Covenantors"** means, collectively, the Mortgagor or any joint debtor or any obligor to the Mortgagee in connection with repayment of the Loan Indebtedness or the performance of the Loan Obligations;
  - (h) **"Event of Default"** has the meaning ascribed thereto in Section 31;
  - (i) **"Extension Fee"** means a \$325,208.00 (0.41% of the Maximum Loan Amount) fee;
  - (j) **"Form B"** means the form identified as "Form B" Mortgage – Part 1, to which these Express Mortgage Terms are attached;
  - (k) **"Governmental Authority"** means the government of Canada or any other nation, or of any political subdivision thereof, whether state/provincial or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government, including any supra-national bodies such as the European Union or the European Central Bank and including a Minister of the Crown, Superintendent of Financial Institutions or other comparable authority or agency;
  - (l) **"Guarantors"** means, collectively, Daljit Thind and Thind Properties Ltd.;
  - (m) **"Hazardous Substance"** means any radioactive materials, asbestos materials, urea formaldehyde, underground or aboveground tanks, pollutants, contaminants, liquid waste, industrial waste, hauled liquid waste, deleterious substances, corrosive or toxic substances, hazardous wastes, hazardous materials, hazardous substances, special waste or waste of any kind or any other substance, the storage, manufacture, disposal, treatment, generation, use, transport, remediation or release into the environment of which is now or hereafter prohibited, controlled or regulated under any applicable environmental law;
  - (n) **"Indebtedness"**, in respect of any Person, is used in its most comprehensive sense and includes any and all advances, debts, duties, endorsements, guarantees, liabilities, obligations, responsibilities and undertakings of such Person at any time

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assumed, incurred or made, however arising, whether or not now due, absolute or contingent, liquidated or unliquidated, direct or indirect, and whether such Person is liable individually or jointly with others, irrespective of the regularity or validity thereof or of any security therefor;

- (o) **"Interest Adjustment Date"** means the first day of the calendar month following the calendar month in which the initial advance of all or any portion of the Loan Indebtedness is made, unless such initial advance takes place on the first day of a calendar month, in which case the interest adjustment date shall be the date of such initial advance;
- (p) **"Interest Rate"** means:
  - (i) from the date of the initial advance of all or any portion of the Loan Indebtedness until the end of the month prior to the last month of the Term, the RBC Prime Rate plus 7.04% per annum (with a floor rate of 9.49%), calculated daily, compounded and payable monthly, not in advance, both before and after maturity, default and/or judgement with respect to the Loan Indebtedness; and
  - (ii) in the last month of the Term and every month thereafter, 15.49% per annum calculated daily, compounded and payable monthly, not in advance, both before and after maturity, default and/or judgement with respect to the Loan Indebtedness;
- (q) **"Lands"** means the Property and premises or the Mortgagor's interest therein described in Part 1 as the Property and premises charged by the Mortgage together with all benefits, easements, licences, privileges, rights of way and servitudes appertaining thereto or connected therewith and every other thing referred to in Section 10 of the *Land Transfer Form Act* (British Columbia) together with all buildings, erections, fixtures and improvements, including those more fully set out in Section 20 hereof, fixed or otherwise now on or hereafter put upon such Land;
- (r) **"Lease Benefits"** means, collectively, the benefit of all covenants and obligations of lessees, tenants, licensees, or occupants as well as all other rights, privileges, advantages and benefits contained in any of the Leases, including without limitation, all rights and benefits of any guarantees thereof, the right to demand, sue for, collect, recover and receive all Rents, to enforce the Mortgagor's rights under any Lease, and generally any collateral advantage or benefit to be derived from the Leases or any of them;
- (s) **"Leases"** means, collectively, all present and future leases, subleases, licenses, agreements to lease, agreements to sublease, options to lease or sublease, rights of renewal or other agreements by which the Mortgagor or any predecessor or successor in title thereto, has granted or will grant the right to use or occupy all or part or parts of the Property, and including all agreements collateral thereto;
- (t) **"Lien"** means, collectively, any: (i) lien, charge, mortgage, pledge, security interest or conditional sale agreement; (ii) assignment, lease, consignment, trust or deemed trust that secures payment or performance of an obligation; (iii) garnishment; (iv) other encumbrance of any kind; and (v) any commitment or agreement to enter into or grant any of the foregoing;
- (u) **"Loan Documents"** means, collectively, the Commitment Letter, this Mortgage, the Security Documents and all certificates, instruments, agreements and other documents delivered, or to be delivered, to the Mortgagee under, pursuant to or in connection with this Mortgage or any of the other Loan Documents, each as amended, varied, supplemented, restated, renewed or replaced at any time and from time to time and, when used in relation to any Person, the term **"Loan Documents"** means the Loan Documents executed and delivered by such Person.
- (v) **"Loan Indebtedness"** means any Indebtedness from time to time of the Mortgagor or any of the other Covenantors to the Mortgagee arising under any of the Loan Documents;

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- (w) **"Loan Obligations"** means the obligations from time to time of the Mortgagor or any of the other Covenantors arising under the Loan Documents;
- (x) **"Material Adverse Effect"** means a material adverse effect on:
  - (i) the Property or the economic viability thereof;
  - (ii) the business, operations, property or financial condition of any of the Covenantors which would materially impact the ability of the Covenantors, taken as a whole, to repay the Loan Indebtedness and to perform and discharge the Loan Obligations;
  - (iii) the validity or enforceability of this Mortgage or any of the other Loan Documents; or
  - (iv) the Mortgagee's ability to enforce its rights or remedies under this Mortgage or any of the other Loan Documents, including with respect to the Mortgagee's security position;
- (y) **"Maturity Date"** means thirteen (13) months after the Interest Adjustment Date as may be extended in accordance with the Commitment Letter;
- (z) **"Maximum Loan Amount"** means, notwithstanding the Principal Amount, the amount of \$79,912,500.00;
- (aa) **"Mortgage"** means the mortgage created by Part 1 and Part 2 together.
- (bb) **"Mortgaged Premises"** means every building, structure, improvement and fixture (including those more fully set out in Section 20 hereof), including replacements therefor, on or which may hereafter be erected or placed on the Lands, including all plate glass, plant, equipment, apparatus and machinery of every kind now or hereafter located therein, thereon or used in connection therewith, and all personal property including, contents thereof to the extent that they are the property of the Mortgagor;
- (cc) **"Mortgagee"** means KingSett Mortgage Corporation the party or parties described in Part 1 as the "Lender(s) (Mortgagee(s))";
- (dd) **"Mortgagor"** means 105 University View Homes Ltd., the party described in Part 1 as the "Borrower(s) (Mortgagor(s))";
- (ee) **"Other Obligations"** has the meaning ascribed thereto in Section 40;
- (ff) **"Permitted Encumbrances"** mean, collectively:
  - (i) any Lien in respect of any property or assets of the Mortgagor created by or arising pursuant to any applicable legislation in favour of any Person (such as but not limited to a Governmental Authority), including a Lien for the purpose of securing the Mortgagor's obligation to deduct and remit employee source deductions and goods and services tax pursuant to the *Income Tax Act* (Canada), the *Excise Tax Act* (Canada), the *Canada Pension Plan* (Canada), the *Employment Insurance Act* (Canada) and any legislation in any jurisdiction similar to or enacted in replacement of the foregoing from time to time (each individually a "**Statutory Lien**") in respect of any amount which is not at the time due;
  - (ii) any Statutory Lien in respect of any amount which may be due but the validity of which is being contested in good faith and in respect of which reserves have been established as reasonably required by the Mortgagee;
  - (iii) in respect of the Property: (A) any registered agreement (or unregistered agreement that is required in connection with the further development of the Property) with any Governmental Authority and any public utilities or private suppliers of services, including site plan agreements, subdivision agreements, development agreements, engineering, grading or landscaping agreements and similar agreements, which has not and is not reasonably

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likely to have a Material Adverse Effect, provided the same is complied with in all material respects; (B) any registered easement for the supply of utilities or telephone services to the Property and for drainage, storm or sanitary sewers, public utility lines, telephone lines, cable television lines or other services and all licences, easements, rights-of-way, rights in the nature of easements and agreements with respect thereto not registered on title to the Property, including agreements, easements, licences, rights-of-way and interests in the nature of easements for sidewalks, public ways, sewers, drains, utilities, gas, steam and water mains or electric light and power, or telephone telegraphic conduits, poles, wires and cables, which has not and is not reasonably likely to have a Material Adverse Effect; (C) any registered easement or right-of-way for the passage, ingress and egress of Persons and vehicles over parts of the Lands, which has not and is not reasonably likely to have a Material Adverse Effect; (D) any registered or unregistered easement, rights-of-way, agreement or other unregistered interest or claims not disclosed by registered title which has not and is not reasonably likely to have a Material Adverse Effect; (E) any zoning, land use and building restriction, bylaw, regulation and ordinance of any Governmental Authority, including municipal by-laws and regulations and airport zoning regulations, which has not any is not reasonably likely to have a Material Adverse Effect; (F) any obligation with respect to any permit required in connection with the construction and use of the Property provided such permit is in good standing and has not and is not reasonably likely to have a Material Adverse Effect; and (G) any minor defect in title which has not and is not reasonably likely to have a Material Adverse Effect;

- (iv) any reservation, limitation, proviso, condition, restriction and exception (including royalties, reservation of mines, mineral rights, access to navigable waters and similar rights) expressed in the letters patent or grant from the Crown, as varied by statute, of the lands of which the Lands form a part and any statutory limitation, exception, reservation and qualification, provided same has been complied with in all material respects;
- (v) any Lien incurred or deposit made or pledged to secure any obligation under workers' compensation legislation or similar legislation, or in connection with contracts, bids, tenders or expropriation proceedings, or surety, performance or appeal bonds in connection with construction of the further development of the Property;
- (vi) security given to a public utility or any Governmental Authority to secure obligations incurred to such utility, Governmental Authority or other authority in the ordinary course of business and not at the time overdue;
- (vii) any inchoate Lien (statutory or otherwise) arising in connection with the construction or improvement of the Property or arising out of the furnishing of materials or supplies therefor, provided that such Lien secures moneys not at the time overdue (or if overdue, the validity of which is being contested in good faith and in respect of which and reserves have been established as reasonably required by the Mortgagee), notice of such Lien has not been given to the Mortgagee and such Lien has not been registered against title to the Property;
- (viii) purchase-money security interests incurred or assumed in connection with the purchase, leasing or acquisition of capital equipment in the ordinary course of business, provided that the aggregate amount of the Mortgagor's liability thereunder is not at any time greater than one million (\$1,000,000.00) dollars;
- (ix) any present and future lease, offer to lease, sublease, concession, licence or other contract or agreement by which the use, enjoyment or occupancy of the Property or any portion thereof is granted which has not and is not reasonably likely to have a Material Adverse Effect;
- (x) this Mortgage and the other Security Documents;

- (xi) the Prior Permitted Encumbrances; and
- (xii) any Subsequent Encumbrances with the express prior written consent of the Mortgagee in its sole, absolute and unfettered discretion;
- (gg) "**Person**" means, and includes, natural persons, corporations, limited liability companies, limited partnerships, limited liability partnerships, general partnerships, joint stock companies, joint ventures, associations, companies, trusts, banks, trust companies, land trusts, business trusts or other organizations, whether or not legal entities, and governments and agencies and political subdivisions thereof and their respective permitted successors and assigns (or in the case of a governmental person, the successor functional equivalent of such Person);
- (hh) "**Part 1**" means all of the terms, conditions and other information contained in the Form B and any schedule or attachment to Form B and which does not form a part of Part 2;
- (ii) "**Part 2**" means these Express Mortgage Terms;
- (jj) "**Principal Amount**" has the meaning ascribed thereto in Item 5(a) of the Form B;
- (kk) "**Prior Permitted Encumbrances**" means those encumbrances registered against title to the Property in priority to this Mortgage on the date of the registration of this Mortgage against title to the Lands and which the Mortgagee has agreed to accept in its sole, absolute and unfettered discretion;
- (ll) "**Project**" means A 2.43-acre site fully zoned for a mixed-use development project consisting of two towers with 1,023 for-sale residential condominium units for a total net saleable area of +/-588,249 sf, +/-5,067 sf net leasable area of daycare space and five levels of underground parking with 754 stalls located at 13416 – 13437 105A Avenue, 10501 – 10537 134A Street and 10492 – 10536 University Drive, Surrey, British Columbia;
- (mm) "**Property**" means, collectively, the Lands and the Mortgaged Premises;
- (nn) "**RBC 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 of varying degrees of creditworthiness in Canada for Canadian Dollar demand loans made by the Royal Bank of Canada in Toronto, Ontario.
- (oo) "**Rents**" means, collectively, all rents, issues and profits now due or to become due under or derived from the Leases and/or the Property;
- (pp) "**Security Documents**" means, collectively, the Loan Documents creating Liens on the undertaking, property and assets of the Covenantors in favour of the Mortgagee, and all other instruments, agreements and documents which have been or may hereafter from time to time be executed in connection therewith, in each case as the same may be hereafter amended, modified, supplemented or restated in accordance with the terms thereof;
- (qq) "**Statutory Lien**" has the meaning ascribed thereto in Section 1(ff)(i);
- (rr) "**Strata Corporation**" means the strata corporation created pursuant to the *Strata Property Act* governing the administration of the strata lot or lots created pursuant to the *Strata Property Act* of which the Lands form part;
- (ss) "**Strata Lots**" means a strata lot created pursuant to the *Strata Property Act* and forming part of the Lands;
- (tt) "**Strata Property Act**" means the *Strata Property Act*, S.B.C., 1998, c. 43 as amended by the *Strata Property Amendment Act*, 1999, S.B.C. 1999, c. 21 and any amendments thereto;
- (uu) "**Subsequent Encumbrances**" means, collectively, encumbrances registered against title to the Lands subsequent in priority to this Mortgage with the prior

consent of the Mortgagee, which consent shall be granted in the Mortgagee's sole, absolute and unfettered discretion, which shall include a second charge/mortgage in an amount not to exceed \$21,300,000.00 granted by the Mortgagor to and in favour of IHI Developments Ltd., Garmeco Canada Consultants Ltd., and IHI Holdings Ltd.;

(vv) "**Taxes**" means all present or future taxes, rates, liens, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto; and

(ww) "**Title Agreements**" has the meaning ascribed thereto in Section 53;

The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". Unless the context requires otherwise: (i) any definition of or reference to any agreement, instrument or other document herein (including this Mortgage) shall be construed as referring to such agreement, instrument or other document amended, varied, supplemented, restated, renewed or replaced at any time and from time to time (subject to any restrictions on such amendments, variations, supplements, restatements, renewals or replacements set forth herein); (ii) any reference herein to any Person shall be construed to include such Person's successors and permitted assigns; (iii) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Mortgage in its entirety and not to any particular provision hereof; (iv) unless otherwise expressly stated, all references in this Mortgage to Sections, Exhibits and Schedules shall be construed to refer to Sections of, and Exhibits and Schedules to, this Mortgage, and references to a Section, means such Section or an enumerated sub-Section thereof, as applicable; (v) any reference to any law or regulation herein shall, unless otherwise specified, refer to such law or regulation as amended, varied, supplemented, restated, renewed or replaced at any time and from time to time; and (vii) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

#### **PROMISE TO PAY AND FULFIL OBLIGATIONS**

2. The Mortgagor will pay or cause to be paid to the Mortgagee, on demand, in lawful money of Canada the full amount of the Loan Indebtedness in the manner of payment provided by this Mortgage before as well as after maturity, both before and after default, and both before and after judgment on this Mortgage, without any deduction or abatement, and shall do, observe, perform, fulfil and keep all of the Loan Obligations.

#### **PAYMENTS**

3. The Loan Indebtedness shall be repaid as follows:
  - (a) interest on the Loan Indebtedness advanced and remaining unpaid from time to time at the fixed rate per annum equal at all times to the Interest Rate calculated daily not in advance, before as well as after maturity, default and judgment, on the basis of the actual number of days elapsed in a year of 365 days or 366 days, as the case may be, and compounded monthly not in advance and computed from and including the respective dates of such advances;
  - (b) subject to Section 3(d)(iii), interest, at the Interest Rate, shall become due and be paid on the Interest Adjustment Date and thereafter in monthly instalments on the first business day of the month which is one month after the Interest Adjustment Date and continuing on the first business day of each and every month which is one month after the date of each such payment, and in addition, at the option of the Mortgagee, may be deducted from advances of moneys under this Mortgage, and the balance, if any, of the aforesaid interest on advances shall become due and be paid at the same time as is hereinafter provided for payment in full of the Loan Indebtedness;

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- (c) the Loan Indebtedness shall become due and be paid in full on the earlier of:
  - (i) the Mortgagor demanding repayment of the Loan Indebtedness in full and the performance of the Loan Obligations at any time; and
  - (ii) the Maturity Date;
- (d) it is acknowledged and agreed that:
  - (i) notwithstanding the Principal Amount, the maximum amount to be advanced by the Mortgagee from time to time in respect of the Loan Indebtedness shall not exceed the Maximum Loan Amount;
  - (ii) an initial and subsequent advances of Loan Indebtedness representing advances from time to time of the Loan may be made by the Mortgagee, subject to and in accordance with the Commitment Letter and the conditions precedent and other provisions set out therein;
  - (iii) beginning on the Interest Adjustment Date, the amount of monthly interest, at the Interest Rate, shall, provided no Event of Default has occurred hereunder which is continuing, be capitalized monthly to the Loan Indebtedness advanced hereunder until the earlier of:
    - A. such capitalized interest, at the Interest Rate, reaching in the aggregate the amount of \$7,615,190.00;
    - B. the sum of such capitalized interest and all other amounts advanced hereunder reaching, in the aggregate, the Maximum Loan Amount;
    - C. repayment of all amounts outstanding hereunder; and
    - D. any Event of Default or a default by any of the Covenantors under any of the Loan Documents; and
  - (iv) in the event that amounts are no longer available in accordance with the provisions of Section **Error! Reference source not found.**(d)(iii), any additional interest payments shall not be capitalized and shall be required to be paid by the Mortgagor from sources other than subsequent advances of moneys under this Mortgage.

#### CHARGE

4. **THE MORTGAGOR HEREBY** grants, mortgages and charges to and in favour of the Mortgagee all right, title and interest of the Mortgagor in and to the Property as security for the payment of the Loan Indebtedness and performance of the Loan Obligations by the Mortgagee.

#### COMPOUND INTEREST

5. It is hereby agreed that in case default shall be made in payment of any sum to become due for interest, at the Interest Rate, at any time appointed for payment thereof as aforesaid, compound interest shall be payable and the sum in arrears for interest from time to time, before as well as after maturity, shall bear interest, at the Interest Rate, and in case the interest and compound interest are not paid within the next thirty (30) days, compound interest, at the Interest Rate, shall be payable on the aggregate amount then due of outstanding interest and compound interest, before as well as after maturity, and so on from time to time, and all such interest and compound interest shall be a charge upon the Property.

#### INTEREST RATE

6. Notwithstanding the provisions hereof in no event shall the aggregate "interest" (as that term is defined in Section 347 of the *Criminal Code* (Canada)) exceed the effective annual rate of interest on the "credit advanced" (as defined therein) lawfully permitted under that section. The effective annual rate of interest shall be determined in accordance with generally accepted actuarial practices and principles from the date of the initial advance of

the Loan Indebtedness until the Maturity Date and, in the event of a dispute, a certificate of a Fellow of the Canadian Institute of Actuaries appointed by the Mortgagee will be conclusive for the purposes of such determination. If any provision of the Mortgage would obligate the Mortgagor to make any payment of interest or other amount payable to the Mortgagee in an amount or calculated at a rate which would be prohibited by law or would result in a receipt by the Mortgagee of interest at a criminal rate, then notwithstanding that provision, that amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law or result in a receipt by the Mortgagee of interest at a criminal rate, the adjustment to be effected, to the extent necessary, as follows:

- (a) first, by reducing the amount or rate of interest required to be paid to the Mortgagee under this Mortgage; and
- (b) thereafter, by reducing any fees, commissions, premiums and other amounts required to be paid to the Mortgagee which would constitute "interest" (as that term is defined in Section 347 of the *Criminal Code* (Canada).

#### **RENEWALS AND NON-REVOLVING NATURE OF LOAN**

7. That:

- (a) in the event that this Mortgage shall be renewed or extended pursuant to Section 7(b) or by written agreement executed by, *inter alios*, the Mortgagor and the Mortgagee, such renewal or extension (and the rate of interest, term, instalment and other stipulations of such renewal or extension) shall be binding upon the Mortgagor and the Mortgagee, their respective successors in title and assigns, and all Subsequent Encumbrances, and shall take full priority over all Subsequent Encumbrances, whether or not the said renewal, extension or notice thereof is registered, filed or recorded by caveat at the applicable Land Titles Office and whether or not the rate of interest payable or payment amortization period applicable during the renewal or extension term is greater than or less than the rate or amortization stipulated in this Mortgage. The Mortgagor shall, forthwith on request therefor by the Mortgagee, provide to the Mortgagee, at the Mortgagor's expense, all such postponements and other assurances as the Mortgagee may require to ensure the foregoing binding effect and priority. All renewals (if any) shall be done at the Mortgagor's expense (including without limitation payment of the Mortgagee's reasonable legal expenses on a solicitor and his own client basis). In the event the within Mortgagor is a corporation, no such renewal or extension, even if made by a successor in title to the Mortgagor named herein and whether or not the Mortgagor shall consent thereto, shall in any way release or abrogate or render unenforceable the covenants or obligations of the Mortgagor named herein, which shall continue notwithstanding such renewal or extension and shall apply to this Mortgage as renewed or extended.
- (b) the Mortgagor has the option, subject to the prior consent of the Mortgagee, not to be unreasonably withheld, to extend the Maturity Date by up to two extensions with each extension(s) being for a period of seven (7) months on the terms and conditions set out in Section A.11 and Section A.12 of the Commitment Letter, and provided that in connection with each extension option:
  - (i) the Mortgagor pays to the Mortgagee an Extension Fee, which shall be deemed earned by the Mortgagee upon receipt of notice requesting an extension of the Maturity Date, and payable on or before the date which is ten (10) days prior to the Maturity Date, provided that if such extension is not granted by the Mortgagee, the Mortgagee will return such amount to the Mortgagor;
  - (ii) the Mortgagor or any other Covenantor delivering at least 30 days' written notice prior to the Maturity Date to the Mortgagee requesting each extension; and
  - (iii) no Event of Default has occurred which is continuing;



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- (c) other than the extension right set forth in Section 7(b), there are no further rights to renew or extend this Mortgage; and
- (d) no amount that is borrowed or advanced hereunder may, if repaid or prepaid, be reborrowed at any time, it being acknowledged and agreed that this Mortgage creates a non-revolving loan.

#### PREPAYMENT

- 8. This Mortgage will be closed for prepayment from the initial advance of the Loan until twelve (12) months after the Interest Adjustment Date (the "Closed Prepayment Period"). From and after the Closed Prepayment Period, the Loan Indebtedness will be open for prepayment, in whole but not in part, with a minimum of thirty (30) days' prior written notice to the Mortgagee without any fee, bonus or penalty.

#### MANDATORY REPAYMENT

- 9. Subject to the rights of creditors of the Mortgagor in accordance with Prior Permitted Encumbrances, the Mortgagor agrees to pay to the Mortgagee one hundred (100%) of any proceeds received by any Covenantor from any source in respect of the development of the Project, if any. The Mortgagee shall apply any proceeds received from the Mortgagor in accordance with this Section 9 first against accrued and unpaid interest, at the Interest Rate, and second against the then outstanding Loan Indebtedness.

#### TAXES

- 10. Subject as hereinafter in this Section 10 provided, the Mortgagor will pay when and as the same fall due all Taxes; provided that in respect of municipal taxes, school taxes, local improvements charges and all taxes and levies made or assessed in lieu of real property taxes, the Mortgagor shall provide the Mortgagee with a paid receipted tax bill within two (2) weeks after the payment deadline of each such tax bill, and in the event the Mortgagor should default in payment of same and such default continues for more than three (3) business days following written notice to the Mortgagor, the Mortgagee shall have the right to implement any of the following:
  - (a) the Mortgagee may deduct from time to time, from advances of moneys under this Mortgage, amounts sufficient to pay the Taxes which have become due and payable or will have become due and payable and are unpaid from time to time as advances are made;
  - (b) the Mortgagor shall in each year during the currency hereof at the request of the Mortgagee pay to the Mortgagee in equal monthly instalments, such amounts as the Mortgagee may estimate as being the annual Taxes next becoming due and payable, the said monthly instalments to be paid in addition to the payments required under Section 2, and the Mortgagor shall also pay to the Mortgagee before the due date of the current annual Taxes such additional sums as may be requisite to enable the Mortgagee to pay out of such monthly instalments and additional payments, the whole amount of the annual Taxes on or before the due date thereof, provided, however, that the exercise of the foregoing right shall be subject to the rights and obligations of the Mortgagor and the Mortgagee under all Permitted Encumbrances;
  - (c) so long as there is not an Event of Default that has occurred and is continuing, the Mortgagee shall apply such deduction and payments on the Taxes as they become due, but nothing herein contained shall obligate the Mortgagee to apply such payments on account of Taxes more often than yearly, nor to pay the same in advance of the due date for payment of the same. Provided however, that if (before any sum or sums so paid to the Mortgagee shall have been so applied) an Event of Default shall have occurred which is continuing, the Mortgagee may, at its option, apply such sum or sums in or towards payment of the Loan Indebtedness;
  - (d) in the event that there is default in the payment by the Mortgagor of moneys for Taxes as aforesaid, then the Mortgagee may pay such Taxes and, in addition, upon providing the Mortgagor with ten (10) days' prior written notice, the Mortgagee may pay any and all liens, charges and encumbrances which may be charged against the Property which are not otherwise first paid by the Mortgagor. All moneys

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expended by the Mortgagee for any of such purposes together with interest thereon at the Interest Rate shall be added to the Loan Indebtedness hereby secured, shall be repaid by the Mortgagor to the Mortgagee forthwith, and until repaid shall be a charge upon the Property and the Mortgagee shall have the same rights and remedies to enforce payment thereof as it would have upon the occurrence of an Event of Default;

- (e) if the Property or any part thereof becomes subject to sale or forfeiture for non-payment of Taxes while any Loan Indebtedness remains outstanding, then, subject to all applicable laws, the Mortgagee may acquire title and rights of the purchaser at any sale, or the rights of any other Person or corporation becoming entitled on or under any such forfeiture, or the Mortgagee may pay, either in its own name or in the Mortgagor's name or on the Mortgagor's behalf, any and all sums necessary to be paid to redeem the Property so sold or forfeited, and to re-vest the Property in the Mortgagor, and the Mortgagor hereby nominates and appoints the Mortgagee agent of the Mortgagor to pay such moneys on the Mortgagor's behalf and in the Mortgagor's name, and any moneys so expended by the Mortgagee together with interest thereon at the Interest Rate shall be added to the Loan Indebtedness hereby secured, shall be repaid by the Mortgagor to the Mortgagee forthwith, and until repaid shall be a charge upon the Property and the Mortgagee shall have the same rights and remedies to enforce payment thereof as it would have upon the occurrence of an Event of Default, or, in the alternative, the Mortgagee shall have the right to bid on and purchase the Property at any tax sale of the same and shall thereupon become the absolute owner thereof; and
- (f) the Mortgagor shall transmit to the Mortgagee evidence, satisfactory to the Mortgagee acting reasonably, of the payment of all Taxes affecting the Property to the Mortgagee at least quarterly or as otherwise reasonably requested by the Mortgagee from time to time, and the Mortgagor authorizes the Mortgagee to obtain any tax or assessment information concerning the Property directly from the municipal taxing authority having jurisdiction over the Property.

#### INSURANCE

##### 11. That:

- (a) the Mortgagor will, at the Mortgagor's expense, forthwith insure or cause to be insured, and during the continuance of this security keep insured in favour of the Mortgagee, the Property on an all risks basis, or as otherwise allowed by the Mortgagee, including coverage for course of construction, earthquake, flood and such other risks or perils as the Mortgagee may require or consider expedient and satisfactory to the Mortgagee, acting reasonably, including and pursuant to the following coverages, provisions and conditions:
  - (i) the Mortgagee must be shown as a named insured, or an additional named insured, and loss payee and mortgagee as its interest may appear;
  - (ii) the limit of insurance shall not be less than one hundred (100%) percent of new replacement cost including recurring soft costs and costs of foundations and all parts below ground level including confirmation that the "same or adjacent site" clause has been deleted from the replacement cost wording;
  - (iii) any co-insurance clause contained in the policy shall be a stated amount co-insurance clause;
  - (iv) the policy shall include an Insurance Bureau of Canada standard mortgage clause or its equivalent;
  - (v) losses shall be made payable to the Mortgagee according to its interest;
  - (vi) rental income coverage on an "all risks" basis sufficient to cover one hundred (100%) percent of the gross annual revenues, including Rents and if leases are on a net-net basis, the equivalent gross revenues, including rentals for a period of not less than twelve (12) months; or if the property is owner-occupied, business interruption coverage;

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- (b) the Mortgagor will maintain liability insurance coverage, including without limitation earthquake, flood and sewer back-up insurance at least equivalent in scope to a Commercial General Liability form, such insurance to be in the minimum amount of five million (\$5,000,000.00) dollars per occurrence, to include all required extensions of liability and naming the Mortgagee as co-insured;
- (c) the Mortgagor will cause its contractors to maintain contractors liability insurance coverage, and wrap-up liability insurance coverage, in each instance to be in the minimum amount of five million (\$5,000,000.00) dollars per occurrence, to include all required extensions of liability and naming the Mortgagor as an additional named insured, but only with respect to claims arising out of the operations of the named insured;
- (d) as applicable, the Mortgagor will maintain builders "all risks" or "broad form" insurance, subject to the latest CCDC policy wording and will include:
  - (i) coverage sufficient to cover one hundred (100%) percent of the projected hard costs and not less than twenty-five (25%) percent of the projected recurring soft costs;
  - (ii) a "permission to occupy" clause, "delayed rental income / soft costs" insurance to cover the anticipated loss of revenue for one (1) year, which may be incurred in the event of an insured loss, during construction;
  - (iii) coverage for the installation, testing and commissioning, of machinery and equipment; and
  - (iv) the Mortgagee as loss payee and as mortgagee as its interest appears, pursuant to a standard mortgage clause satisfactory to the Mortgagee;
- (e) the Mortgagor will maintain boiler and machinery insurance covering all central HVAC and miscellaneous electrical equipment (and production machinery where applicable) for explosion, electrical and mechanical breakdown;
- (f) promptly upon written request, the Mortgagor will deliver to the Mortgagee and directly to its insurance consultants all policy binders of insurance together with all applicable certificates of insurance or such other evidence of insurance as the Mortgagee may reasonably require, and, prior to their due date, proof of payment of the premiums and renewal premiums therefor;
- (g) all policies shall be with insurers and subject to terms and conditions reasonably satisfactory to the Mortgagee. Any deviation from these requirements shall be approved in writing by the Mortgagee acting reasonably. The policies must provide for thirty (30) days' written notice to the Mortgagee of material alteration, if available, and cancellation and must be signed by the insurer(s) or their authorized representative(s);
- (h) if the Mortgagor shall neglect to keep the Property insured as aforesaid, or to deliver all policy binders of insurance together with all applicable certificates of insurance or such other evidence of insurance as the Mortgagee may reasonably require and evidence proving payment of premiums or renewal premiums when reasonably requested by the Mortgagee, or to produce to the Mortgagee at least forty-five (45) days' before the termination of such insurance evidence of the renewal thereof, the Mortgagee shall, without reference to the Mortgagor, be entitled (but shall not be obliged) to insure the Property, or any part thereof, as set forth above, and the amount of any premiums paid by the Mortgagee together with interest thereon, at the Interest Rate, shall be added to the Loan Indebtedness hereby secured, shall be repaid by the Mortgagor to the Mortgagee forthwith, and until repaid shall be a charge upon the Property and the Mortgagee shall have the same rights and remedies to enforce payment thereof as it would have upon the occurrence of an Event of Default;
- (i) promptly upon the occurrence of any loss or damage, the Mortgagor at its own expense will furnish all necessary proof and do all necessary acts to enable the Mortgagee to obtain payment of the insurance moneys;

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- (j) if any cheque issued by an insurer in complete or partial settlement of an insurance claim pursuant to the coverages above, other than the coverage for general public liability insurance, is given, sent or delivered to the Mortgagor or the solicitor or agent of the Mortgagor, then the Mortgagor shall cause such cheque to be delivered to the Mortgagee forthwith and if any such cheque is made payable to the Mortgagor alone or jointly to the Mortgagor and another or others, then the Mortgagor shall forthwith endorse and deliver such cheque over to the Mortgagee, and the Mortgagor does hereby constitute the Mortgagee as the Mortgagor's true and lawful attorney to receive and endorse any such cheque for an on behalf of the Mortgagor; and
- (k) all monies received by virtue of such policy or policies of insurance may at the option of the Mortgagee either be applied in or towards substantially rebuilding, reinstating or repairing the Property or towards the payment of the Loan Indebtedness, interest and other amounts secured hereby, whether or not the same are then due, in such manner as the Mortgagee shall from time to time determine, or may be paid in full or in part to the Mortgagor or its assigns, or may be applied or paid partly in one way and partly in another, as the Mortgagee may determine.

#### **PAYMENT METHOD**

- 12. The Mortgagor shall from time to time as required by the Mortgagee, provide a signed pre-authorized withdrawal form /or forms directed to the bank or financial institution at which the Mortgagor regularly keeps a chequing account, in such form and manner so as to enable the Mortgagee to receive payments from time to time of the monthly instalments payable hereunder and/or the Mortgagee's estimate of the monthly instalment for property Taxes, if applicable, from the Mortgagor's account with such bank or financial institution. Other than payments by pre-authorized debit, any payments received by the Mortgagee which are payable on a non-business day in the Province of Ontario or are received after 2 p.m. (Toronto time) on any business day in the Province of Ontario on or after receipt thereof, shall be credited to the mortgage account on the next business day thereafter.

#### **CONSTRUCTION**

- 13. The Mortgagor agrees with the Mortgagee that:
  - (a) the building or buildings being erected or to be erected on the Lands form part of the security for the full amount of the moneys secured by this Mortgage;
  - (b) the Mortgagor will construct the Project in accordance, in all material respects, with plans and specifications which have been or which may hereafter be approved by the Mortgagee (such approval not to be unreasonably withheld or delayed), provided the Mortgagor may make alterations to such plans and specifications from time to time to accommodate construction requirements, and purchaser or tenant requests so long as such alterations do not, in the aggregate, negatively affect the Project or the economic viability thereof in any material respect, in accordance with applicable building codes and will carry on diligently to complete the construction of the Project, and other improvements, and will complete such construction in compliance with the requirements of all Governmental Authorities, laws, by-laws or regulations and will, when so required by the Mortgagee, supply the Mortgagee with evidence or confirmation from any such Governmental Authority of such compliance;
  - (c) the Mortgagor will obtain the Mortgagee's approval before giving effect to any engineering and architectural change orders, in respect of work valued at \$250,000.00 or greater, notwithstanding the foregoing, the Mortgagor may make alterations from time to time to accommodate construction requirements, and purchaser or tenant requests so long as such alterations do not in the aggregate negatively affect the Project or the economic viability thereof in any material respect and so long as aggregate Project costs do not exceed the amount set out in the Project Budget which has been or which may hereafter be approved by the Mortgagee (such approval not to be unreasonably withheld or delayed), excluding costs related to purchaser or tenant requests that a purchaser or tenant is paying for.

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- (d) in the event that any such building and other improvements comprising all or any portion of the Project now or hereafter in the course of construction remain unfinished and without any work being done for a period of thirty (30) consecutive days, other than as a result of force majeure including without limitation strikes, labour actions or shortages of supplies, the Mortgagee may directly or through a receiver (which term when used herein includes a receiver and manager) enter onto the Property and do all work necessary to protect the same from deterioration and to complete the construction in such manner as the Mortgagee may deem expedient and through such contractors, sub-contractors, or agents as the Mortgagee in its sole discretion may choose, and any moneys expended by the Mortgagee or any receiver pursuant to this Section 13(d) together with interest thereon, at the Interest Rate, shall be added to the Loan Indebtedness hereby secured, shall be repaid by the Mortgagor to the Mortgagee forthwith, and until repaid shall be a charge upon the Property and the Mortgagee shall have the same rights and remedies to enforce payment thereof as it would have upon the occurrence of an Event of Default. No such entry or occupation by the Mortgagee or any receiver shall constitute or be deemed to make the Mortgagee a mortgagee in possession;
- (e) the Mortgagee shall be entitled, at the expense of the Mortgagor, to inspect all aspects of the construction and make tests of materials, and the Mortgagor, if so requested by the Mortgagee, will not cover any portion of the construction work requiring inspection by the Mortgagee until the Mortgagee has inspected the same, and the Mortgagee shall carry out any such inspections in a prompt and efficient manner, and the Mortgagor shall forthwith remedy and carry out again any work which does not conform to the standards in this Section 13, if required by the Mortgagee, acting reasonably;
- (f) the Mortgagor shall, in accordance with the provisions of *The Builders Lien Act* (British Columbia), make all holdbacks required under the provisions of such Act in respect of payments to contractors and materialmen and will not pay out any amounts held back until the period for filing liens (hereinafter collectively called "**Builders' Liens**") pursuant to the provisions of the Act in connection with such amounts has expired and it has been determined that no Builders' Liens in connection therewith have been filed and no notices of claims of Builders Liens in connection therewith served or furnished;
- (g) the Mortgagee shall not be obliged to hold back loan proceeds to provide the lien fund or other protection to the Mortgagor under the *Builders Lien Act* (British Columbia); provided that if the Mortgagee holds back loan proceeds in a manner similar to the way the *Builders Lien Act* (British Columbia) provides for an owner to make holdbacks then, notwithstanding such holdbacks by the Mortgagee, such holdbacks shall not constitute the lien fund under the *Builders Lien Act* (British Columbia) and the Mortgagee shall not be a mortgagee authorized by the owner to disburse money secured by a mortgage as referred to in the *Builders Lien Act* (British Columbia).

#### STRATA LOT

- 14. In the event that this Mortgage charges lands and buildings of the Mortgagor which have been or hereafter become subdivided into Strata Lots, the following provisions shall apply and the Mortgagor further covenants with the Mortgagee that:
  - (a) The Mortgagor will comply with, observe and perform all provisions of the *Strata Property Act*, its regulations and the bylaws, rules and regulations of the Strata Corporation from time to time in force;
  - (b) The Mortgagor shall pay on or before the due dates thereof, each and every assessment, contribution, charge, fine or levy made by or on behalf of a Strata Corporation, in respect of each Strata Lot charged hereunder (hereinafter collectively called "**Assessments**"). If the Mortgagor fails to pay the Assessments, on or before their due date, such failure shall constitute default hereunder and shall entitle the Mortgagee to exercise any and all remedies available to the Mortgagee upon the occurrence of an Event of Default. Upon default under this paragraph and notwithstanding any other right or action of the Strata Corporation or the Mortgagee, the Mortgagee may pay the Assessments, and all moneys expended by

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the Mortgagee for any of such purposes together with interest thereon at the Interest Rate shall be added to the Loan Indebtedness hereby secured, shall be repaid by the Mortgagor to the Mortgagee forthwith, and until repaid shall be a charge upon the Property and the Mortgagee shall have the same rights and remedies to enforce payment thereof as it would have upon the occurrence of an Event of Default;

- (c) The Mortgagor hereby irrevocably authorizes the Mortgagee to apply at any time and from time to time to the Strata Corporation for certification of the amount and manner in which any Assessment is payable and the extent to which such Assessment has been paid;
- (d) The Mortgagor hereby irrevocably authorizes the Mortgagor to make requests for, have access to, and inspect all documents and records of the Strata Corporation to which the Mortgagor is entitled pursuant to the *Strata Property Act*;
- (e) The Mortgagor hereby assigns, transfers and sets over unto the Mortgagee the Mortgagor's rights which now exist or may hereafter come into existence to vote or to consent in all matters relating to the affairs of the said Strata Corporation provided that:
  - (i) the Mortgagor shall be entitled to exercise such right to vote or consent unless and until the Mortgagee gives notice in writing to the Mortgagor and the Strata Corporation that the Mortgagee intends to exercise the said right to vote or consent in accordance with the provisions of the *Strata Property Act*. Any such notice may be for an indeterminate period of time or for a limited period of time or for a specific meeting or matter. The Mortgagor shall if directed by the Mortgagee, vote in such manner as the Mortgagee directs with respect to each and every matter to be voted on and the Mortgagor covenants to execute any documents requested by the Mortgagee, including, proxies if required, in order to give effect to the foregoing assignment of voting rights;
  - (ii) the Mortgagee shall not, by virtue of the assignment by the Mortgagor of the right to vote or consent, be under any obligation to vote or consent or to protect the interests of the Mortgagor and the Mortgagee shall not be responsible to the Mortgagor in connection with any exercise of the right to vote or consent, or for any failure to exercise such right save and except for damages arising from the Mortgagee's gross negligence or wilful misconduct; and
  - (iii) the exercise of the right to vote or consent shall not constitute the Mortgagee a mortgagee in possession;
- (f) Upon the occurrence of an Event of Default and notwithstanding any other right or action of the Strata Corporation or the Mortgagee, the Mortgagee may distrain for arrears of any Assessment, contribution, charge, fine or levy in respect of a Strata Lot and paid by it and such distraint shall not result in the Mortgagee being a mortgagee in possession;
- (g) All words used in this Mortgage which are defined in the *Strata Property Act* shall have ascribed to them the meanings set out in the *Strata Property Act*, as amended from time to time.

#### INSPECTION

15. The Mortgagee, at such time or times as it may deem necessary, acting reasonably, and without the concurrence of any other Person but upon reasonable prior notice except, upon and during the continuance of an Event of Default when no notice shall be required, and in all cases subject to the rights of tenants at the Property, may send its inspector or agent to report upon the value, state and condition of the Property and, upon the occurrence of an Event of Default which is continuing, make arrangements for the improving, repairing, finishing and putting in order of the Property which may be reasonably required, and for leasing, collecting the Rents of and managing generally the Property, and may expend money, for any and all the purposes aforesaid, as it may deem expedient, and all moneys reasonably expended, costs, charges and out-of-pocket expenses together with interest

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thereon, at the Interest Rate, shall be added to the Loan Indebtedness hereby secured, shall be repaid by the Mortgagor to the Mortgagee forthwith, and until repaid shall be a charge upon the Property and the Mortgagee shall have the same rights and remedies to enforce payment thereof as it would have upon the occurrence of an Event of Default which is continuing.

#### **RESTRICTION ON TRANSFER, ENCUMBRANCES ETC.**

16. The Mortgagor shall not convey, transfer, mortgage, alienate, or otherwise encumber all or any part of the Property or any direct or indirect interest therein (including as a result of a direct or indirect change in Control of the Mortgagor) nor allow all or any part of the Property or any direct or indirect interest therein to be encumbered without the prior written consent of the Mortgagee, in its absolute discretion, provided that, notwithstanding the forgoing, the Permitted Encumbrances shall be permitted to encumber the Property. In the event that the Mortgagor breaches this Section 16 and has not first or contemporaneously prepaid the loan secured hereby in full in compliance with Section 8 hereof, then the entire Loan Indebtedness (but with interest at the Interest Rate calculated and compounded to the Maturity Date), shall immediately be due and payable.

#### **ADVANCES**

17. Neither the execution nor the registration nor the acceptance of this Mortgage, nor the advance of part of the Loan Indebtedness, shall bind the Mortgagee to make an advance of moneys under this Mortgage or any unadvanced portion thereof notwithstanding the provisions of the Commitment Letter, this Mortgage or any of the other Loan Documents, but nevertheless this Mortgage shall take effect forthwith on the execution of these presents, and if any Loan Indebtedness shall not be advanced at the date hereof, the Mortgagee may advance the same in one or more sums to or on behalf of the Mortgagor at any future date or dates, and the amount of such advances then so made together with interest at the Interest Rate shall be secured hereby.

#### **SUBROGATION**

18. In the event that the moneys advanced hereunder or any part thereof are applied to the payment of any charge or encumbrance, the Mortgagee shall be subrogated to all the rights and stand in the position of and be entitled to all the equities of the party so paid off whether such charge or encumbrance has or has not been discharged; and the decision of the Mortgagee as to the validity or amount of any advance or disbursement made under this Mortgage or of any claim so paid off, shall be final and binding on the Mortgagor.

#### **WASTE**

19. Subject to the provisions of Section 21, the Mortgagor will not commit any act of waste on the Property or do any other thing by which the value of the Property shall, in the opinion of the Mortgagee, be diminished and will at all times remain in actual possession of the said Property by itself or by its tenants. The Mortgagor will take good and reasonable care of the Property and without cost and expense to the Mortgagee manage, operate, maintain and keep or cause the same to be kept in good order, repair and condition throughout, both exterior and interior, structural or otherwise, and promptly make all required or necessary repairs and replacements thereto, including without limitation, the roof, walls, foundations and appurtenances, pipes and mains, and all other fixtures, machinery, facilities and equipment that belong to or are used in connection with the Property, all of the foregoing to the extent that a prudent owner would do. Notwithstanding the foregoing, the Mortgagor shall not be obligated to repair any damage caused by reasonable wear and tear which does not affect the use and enjoyment of the improvements beyond the extent to which they would ordinarily be repaired by a prudent owner. If, in the opinion of the Mortgagee, acting reasonably, the Property is not at any time in a proper state of repair, the Mortgagee may serve notice upon the Mortgagor to make such repairs or replacements as the Mortgagee, acting reasonably, deems proper within a period of thirty (30) days and in the event of the Mortgagor not having complied or not being in the process of diligently complying with such requisition, the Mortgagee may authorize the making of such repairs or replacements by its agents, employees or contractors and they may enter upon the Property for the purpose of doing such work with or without the Mortgagor's concurrence, but in all cases subject to the rights of tenants at the Property, and the cost thereof, together with interest thereon, at the Interest Rate, shall be added to the Loan Indebtedness hereby

secured, shall be repaid by the Mortgagor to the Mortgagee forthwith, and until repaid, shall be a charge upon the Property and the Mortgagee shall have the same rights and remedies to enforce payment thereof as it would have upon the occurrence of an Event of Default which is continuing.

#### **FIXTURES**

20. All erections, buildings, fences, improvements, machinery, plant, furnaces, boilers, electric light fixtures, plumbing and heating equipment, aerials, incinerators, radiators and covers, fixed mirrors, fitted blinds and drapes, window screens, doors, storm windows and storm doors, shutters and awnings, floor coverings, air conditioning, ventilating, water heating equipment, partitions, elevators, and all component parts of any of the foregoing, fixed or otherwise now on or in or hereafter put on or in the Property (and also in all cases where the Mortgaged Premises are units rented in whole or in part, all refrigeration equipment, gas and electric stoves, ovens, washers, dryers, garburators, garbage compactors, microwave ovens and dishwashers whether affixed or not, and provided that same are owned by the Mortgagor) are and shall in addition to other fixtures thereon be and become fixtures and form part of the realty and of the security and are included in the expression the "Mortgaged Premises", and that the Mortgagor will not commit any act of waste thereon, and that the Mortgagor will at all times during the continuance of the security granted by this Mortgage, repair, maintain, restore, amend, keep, make good, finish, add to and put in order, the Property and in the event of any loss or damage thereto or destruction thereof which has had or is reasonably likely to have a Material Adverse Effect, the Mortgagee may give notice to the Mortgagor to repair, rebuild, or reinstate the same, and upon the Mortgagor failing so to repair, rebuild, or reinstate within such time such failure shall constitute a breach of covenant hereunder and thereupon the Loan Indebtedness shall, at the sole option of the Mortgagee, become immediately due and payable and without any demand by the Mortgagee upon the Mortgagor, provided that the Mortgagee may (but shall not be obligated to) repair, rebuild or reinstate the Property and the cost thereof, together with interest thereon, at the Interest Rate, shall be added to the Loan Indebtedness hereby secured, shall be repaid by the Mortgagor to the Mortgagee forthwith, and until repaid, shall be a charge upon the Property and the Mortgagee shall have the same rights and remedies to enforce payment thereof as it would have upon the occurrence of an Event of Default which is continuing. This provision shall be in addition to any statutory covenants implied in this Mortgage.

#### **ALTERATIONS**

21. The Mortgagor shall not make or permit to be made, any additions or alterations to the Property without the prior written consent of the Mortgagee acting reasonably and except as may be permitted or required under the Permitted Encumbrances (including any leases which are Permitted Encumbrances), and the Mortgagor shall not use the Property nor permit the Property to be used, without the written consent of the Mortgagee, for a purpose not approved by the Mortgagee acting reasonably. Notwithstanding the foregoing:
- (a) the Mortgagor, its agents, employees and parties authorized by it may conduct building operations, construction and development on the Property including, without limitation, grading and excavation operations, installation of services and all other acts incidental to the development of the Property without the same being deemed acts of waste or requiring the prior written consent of the Mortgagee in accordance with this Section 21; and
  - (b) the Mortgagee shall, upon reasonable notice, promptly execute:
    - (i) such plans, agreements, documents, easements, rights-of-way and consents as may be required to facilitate the development of the Property;
    - (ii) such partial discharges as may be required to convey to any Governmental Authority such portion of interest in the Property as may be required for municipal or governmental purposes and for which the Mortgagor receives no financial compensation, provided that in each case the Mortgagee's security is not adversely affected thereby (as determined by the Mortgagee, acting reasonably); and



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- (iii) applications, documents and plans for rezoning, development review, site plan approval, land titles registration, subdivision plan registration, severance consents and other related development matters required by the Mortgagor,

provided that the Mortgagee's reasonable legal fees and disbursements and out-of-pocket expenses in connection with the review and execution of the forgoing together with interest thereon, at the Interest Rate, shall be added to the Loan Indebtedness hereby secured, shall be repaid by the Mortgagor to the Mortgagee forthwith, and until repaid shall be a charge upon the Property and the Mortgagee shall have the same rights and remedies to enforce payment thereof as it would have upon the occurrence of an Event of Default which is continuing. In addition to the forgoing, the Mortgagor hereby indemnifies and agrees to hold the Mortgagee harmless with respect to the payment of any such reasonable legal fees and disbursements and out-of-pocket expenses in connection with the review and execution of the forgoing.

#### PLACE OF PAYMENT

22. All moneys reflecting Loan Indebtedness shall be payable, in lawful money of Canada, to the Mortgagee at its address hereinbefore stated, or such other place as may be designated by the Mortgagee from time to time.

#### CROSS-DEFAULT

23. The occurrence of an Event of Default hereunder shall constitute default under the other Security Documents and default, beyond any applicable cure or notice periods, under any of the other Security Documents shall constitute an Event of Default hereunder. The Mortgagee may, upon and during the continuance of an Event of Default or a default under the other Security Documents, pursue its remedies separately under any of the Security Documents, including without limitation, this Mortgage, or jointly all together, or jointly one with any one or more of the Security Documents, without any of the rights and remedies of the Mortgagee not so pursued merging therewith or with any action or judgment with respect thereto.

#### RELEASE OF SECURITY

24. Subject to the provisions in Section 43, the Mortgagee may (but shall have no obligation to) at any time release any part or parts of the Property or any of the Covenantors from any of the Security Documents, or may release the Mortgagor or any other Covenantor from any covenant or other liability to pay any of the Loan Indebtedness or perform any of the Loan Obligations, either with or without any consideration therefor, without being accountable for the value of any such consideration or for any moneys except those actually received by the Mortgagee, and without thereby releasing any other part of the Property or any of the other Covenantors from any of the Security Documents, it being specifically agreed that notwithstanding any such release, the Property, securities and covenants remaining unreleased shall stand charged with the whole of the Loan Indebtedness, and no Person shall have the right to require that any of the Loan Indebtedness be apportioned.

#### WAIVER

25. No extension of time, waiver, or other indulgence given by the Mortgagee to the Mortgagor, or anyone claiming under the Mortgagor, shall in any way affect or prejudice the rights of the Mortgagee against the Mortgagor, any guarantor, or any other Person liable for payment of the moneys hereby secured.

#### USE OF MONEY

26. The Mortgagee shall not be charged with any moneys receivable or collectible out of the Property or otherwise, except those actually received; and all revenue of the Property received or collected by the Mortgagee from any source other than payment by the Mortgagor may, provided an Event of Default has occurred which is continuing, at the option of the Mortgagee, be used in maintaining or insuring or improving the Property, or in payment of Taxes or other charges against the Property, or applied on the mortgage account, and the Mortgagee may (at its option) retain such moneys received or collected,

in suspense account; and the Mortgagee shall not, by reason of the collection of any moneys receivable or collectible out of the Property, be deemed to be a mortgagee in possession.

#### **LIABILITY OF MORTGAGOR**

27. No sale or other dealings by the Mortgagor or any receiver with the Property or any part thereof, shall in any way change the liability of the Mortgagor or in any way alter the rights of the Mortgagee as against the Mortgagor or any other Person liable for payment of the moneys hereby secured.

#### **ATTORNMENT**

28. For better securing the punctual payment of the said mortgage moneys, the Mortgagor hereby attorns and becomes tenant to the Mortgagee of the Property at a monthly rental equivalent to the monthly instalments secured hereby, the same to be paid on such day appointed for the payment of instalments; and if any judgment, execution or attachment shall be issued against any of the goods or lands of the Mortgagor or if the Mortgagor shall become insolvent or bankrupt or commit an act of bankruptcy within the meaning of the *Bankruptcy and Insolvency Act of Canada* as amended, or shall take the benefit of any statute relating to bankruptcy or insolvent debtors, then such rental shall, if not already payable, be payable immediately thereafter. The legal relation of landlord and tenant is hereby constituted between the Mortgagee and the Mortgagor, but neither this Section 28 nor anything done by virtue hereof, shall render the Mortgagee a mortgagee in possession or accountable for any moneys except those actually received. The Mortgagee may at any time after default hereunder enter upon the Property, or any part thereof, and determine the tenancy hereby created without giving the Mortgagor any notice to quit.

#### **RECORDS**

29. The Mortgagor will maintain full and correct books and records showing in detail the earnings and expenses of the Property, and will permit the Mortgagee and its representatives to examine the said books and records and all supporting vouchers and data at any time and from time to time upon reasonable prior request by the Mortgagee, and at any time and from time to time will furnish the Mortgagee at its request within thirty (30) days of such request, a statement showing in detail reasonably satisfactory to the Mortgagee all such earnings and expenses since the last such statement, certified by an officer of the Mortgagor.

#### **ASSIGNMENT OF LEASE RIGHTS AND BENEFITS**

30. The Mortgagor:
- (a) hereby assigns, transfers and sets over unto the Mortgagee, all of the Mortgagor's right, title and interest, both at law and in equity, in and to the Leases, the Rents and the Lease Benefits, to hold and receive the same unto the Mortgagee with full power and authority to demand, collect, sue for, recover and receive and give receipts for Rents and to enforce payment of the same and enforce performance of obligations under the Leases, including without limitation, the Lease Benefits, assigned in accordance with and subject to the terms of this Mortgage, to have and to hold unto the Mortgagee until payment in full of the Loan Indebtedness and performance of all of the Loan Obligations, provided that the Mortgagor may, subject to any other terms contained in any of the other Security Documents which restrict the Mortgagor's ability to deal with the Leases, collect the Rents and deal with the Leases from time to time as would a prudent landlord so long as an Event of Default does not exist, and upon the occurrence of an Event of Default which is continuing, the Mortgagee shall be entitled to:
    - (i) demand, collect and receive the Rents or any part thereof and to give acquittances therefor, and to take from time to time, in the name of the Mortgagor, any proceeding which may be, in the opinion of the Mortgagee or its counsel, expedient for the purpose of collecting Rents or for securing the payment thereof or for enforcing any of the Mortgagor's rights under the Leases, and the Mortgagor hereby grants to the Mortgagee irrevocable authority to join the Mortgagor in any such proceedings or actions, whether judicial or extra-judicial;

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- (ii) to compound, compromise or submit to arbitration any dispute which has arisen or may arise in respect to any amount of Rent, and any settlement arrived at shall be binding upon the Mortgagor;
  - (iii) to enter upon the Property by its officers, agents or employees for the purpose of collecting the Rents and to manage, operate and maintain its interest in the Property including without limitation, the making of repairs or replacements to maintain the Mortgaged Premises;
  - (iv) to receive, enjoy or otherwise avail itself of the Lease Benefits;
  - (v) to appoint and dismiss such agents or employees as may be necessary or desirable for exercise of the Mortgagee's rights hereunder;
  - (vi) to alter, modify, amend or change the terms of Leases; to enter into new Leases; to give consents, concessions or waivers of any rights or provisions of Leases; to accept surrenders of Leases; to give consents to assignment of or subletting under Leases;
  - (vii) to send or employ any inspector or agent to inspect and report upon the value, state and condition of the Property and to employ a solicitor to examine and report upon title to the same and the lease documentation pertaining to same;
  - (viii) to appoint a receiver or a receiver and manager in accordance with the provisions of the Mortgage which are hereby incorporated by reference into this Agreement; and
  - (ix) to generally perform all such acts as may in the reasonable opinion of the Mortgagee be necessary or desirable for the proper operation and maintenance of the Property, which acts may be performed in the name of the Mortgagor, or in the name of the Mortgagee;
- (b) whenever any and all Events of Default have been cured after the exercise by the Mortgagee of its rights under this Section 30, may resume collection of the rentals until a further Event of Default has occurred, whereupon the Mortgagee may re-exercise its rights hereunder, and thereafter at any time any Event of Default occurs;
  - (c) shall not at any time during the existence of this Mortgage assign, pledge or hypothecate any of the Leases or the Rents or revenues due or to become due thereunder, or any part thereof, other than to the Mortgagee or pursuant to a Permitted Encumbrance nor shall the Mortgagor grant any general assignment of book debts which would cover such rentals, except pursuant to a Permitted Encumbrance;
  - (d) shall not collect more than two (2) month's rental in advance;
  - (e) acknowledges and agrees that neither the taking of this assignment nor anything done in pursuance hereof shall make the Mortgagee liable in any way, as landlord or otherwise, for the performance of any covenants, obligations and liabilities under the Leases or any of them; and
  - (f) acknowledges and agrees that the exercise of this Section 30 or of any collateral security with respect to Rents shall not entitle the Mortgagor to redeem this Mortgage.

#### EVENT OF DEFAULT

31. Notwithstanding the Mortgagee's rights to demand repayment of the Loan Indebtedness in full and the performance of the Loan Obligations at any time in the Mortgagee's sole, absolute and unfettered discretion, any one or more of the following events shall constitute an event of default under the provisions of this Mortgage (an "Event of Default"), whether such Event of Default shall be voluntary or involuntary or be effected by operation of law

or pursuant to or in compliance with any judgment, decree or order of any court or other rule or regulation of any Governmental Authority:

- (a) any of the Covenantors fail to pay on the date upon which the same is due and payable any monies payable hereunder or under any of the other Loan Documents with respect to principal secured hereunder;
- (b) any of the Covenantors fail to pay on the date upon which the same is due and payable any monies payable hereunder or under any of the other Loan Documents (other than on account of principal), and such failure is not remedied within three (3) business days written notice to the Mortgagor;
- (c) any of the Covenantors fail to perform or observe any of the terms and conditions contained in this Mortgage or any of the other Loan Documents, and such failure is not remedied within fifteen (15) days of written notice to the Mortgagor (but for greater certainty, there shall be no grace or cure period in respect of any Event of Default expressly enumerated hereunder, except as otherwise provided in respect of such Event of Default);
- (d) any funds secured under this Mortgage are used for any purpose other than as set forth in the Commitment Letter;
- (e) the breach or failure to perform or observe any of the terms and conditions contained in Section E.1 of the Commitment Letter, and such failure is not remedied within five (5) days of written notice to the Mortgagor (but for greater certainty, there shall be no grace or cure period in respect of any Event of Default expressly enumerated hereunder, except as otherwise provided in respect of such Event of Default);
- (f) any representation or warranty by any of the Covenantors that is contained in this Mortgage or any of the other Loan Documents furnished to the Mortgagee in connection herewith or therewith shall prove at any time to be untrue or incorrect as of the date made in any material respect;
- (g) a resolution is passed or an order is made for the dissolution, liquidation or winding-up of any of the Covenantors or other cancellation or suspension of its incorporation or termination of its existence or if a petition is filed for the winding-up of the any of the Covenantors;
- (h) any of the Covenantors is found to be insolvent or bankrupt by a court of competent jurisdiction or makes an authorized assignment or bulk sale of its assets or a compromise or arrangement for the benefit of its creditors, makes a proposal to its creditors under the *Bankruptcy and Insolvency Act* (Canada), seeks relief under the *Companies Creditors Arrangement Act* (Canada), or any other bankruptcy, insolvency or analogous law, files a petition or proposal to take advantage of any act of insolvency, consents to or acquiesces in the appointment of a trustee, receiver, receiver and manager, interim receiver, custodian or other Person with similar powers over all or any substantial portion of its assets, files a petition or otherwise commences any proceeding seeking any reorganization, arrangement, composition or readjustment under any applicable bankruptcy, insolvency, moratorium, reorganization or other similar law affecting creditor's rights or consents to, or acquiesces in, the filing of such a petition; or if a petition in bankruptcy is filed or presented against any of the Covenantors;
- (i) an encumbrancer takes possession of the property of any of the Covenantors which has had or is reasonably likely to have a Material Adverse Effect, or any distress or analogous process is levied upon any of the Covenantors provided that this Section 31(i) shall not apply to any judgment, court order for the payment of money, execution, sequestration, extant or other process that is being contested in good faith if reserves deemed by the Mortgagee to be adequate therefor have been set aside with the Mortgagee or insurance coverage acceptable to the Mortgagee is held, as the case may be, and if there is no Material Adverse Effect regarding the Mortgagee's security position;

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- (j) any of the Covenantors permit any sum which has been admitted as due or which is not disputed to be due and which forms or is capable of forming a charge, lien, encumbrance or claim upon the Property in priority to or *pari passu* with the charge or security interest created by this Mortgage and any of the other Security Documents, to remain unpaid after proceedings have been taken to enforce the same as a charge, lien, encumbrance or claim, unless such charge, lien, encumbrance or claim upon the Property has been vacated or discharged within ten (10) business days of such proceedings having been taken;
- (k) the occurrence of a default under: (i) any other security or agreement (including any Permitted Encumbrance) made or assumed by any of the Covenantors (or by which it is bound) in favour of any Person in connection with the Property, to the extent such default has had or is reasonably likely to have a Material Adverse Effect; and (ii) any other security or agreement made or assumed by any of the Covenantors (or by which it is bound) in favour of the Mortgagee whether or not such security or agreement is in connection with the Property; and in each case if not remedied within the applicable cure or notice period provided for in such security or agreement;
- (l) the Mortgagor does not comply within a reasonable period with any work order issued by a municipal or provincial authority;
- (m) a receiver, receiver-manager or receiver and manager of the any of the Covenantors of any material part of its properties, assets or undertakings is appointed, or if a monitor is appointed in respect of any of the Covenantors;
- (n) any writ of execution, distress, attachment or other similar process is issued or levied against any of the Covenantors or all or any part of its assets, or attachment or other similar process is issued or levied against any of the Covenantors by a court of competent jurisdiction and, in the opinion of the Mortgagee, such judgement or order would materially and adversely affect the ability of any of the Covenantors to fulfil its obligations to the Mortgagee hereunder or under any of the other Loan Documents;
- (o) any part of the Property is condemned or expropriated and, in the opinion of the Mortgagee in respect of any expropriation, such expropriation materially impairs the value of the Property, the validity, enforceability or priority of the security of this Mortgage, or the ability of the Mortgagor to pay the Loan Indebtedness or to perform any of the Loan Obligations;
- (p) any direct or indirect change (i) in the ownership of (A) the Property; or (B) any Covenantor; or (ii) any change of Control of any of the Covenantors, in each case without the consent of the Mortgagee in its sole, absolute and unfettered discretion;
- (q) if a Material Adverse Effect occurs; or
- (r) the occurrence of a cross-default pursuant to Section 23.

#### **RECEIVER**

32. Upon the occurrence of an Event of Default which is continuing, the Mortgagee may at such time and from time to time and with or without entry into possession of the Property or any part thereof, appoint a receiver (which term includes a receiver or a manager or a receiver and manager) of the Property or any part thereof and of the Rents and profits thereof and with or without security, and may from time to time remove any receiver and appoint another in his stead and that, in making any such appointment or removal, the Mortgagee shall be deemed to be acting as the agent or attorney for the Mortgagor and not of the Mortgagee. Such appointment may be made at any time either before or after the Mortgagee shall have entered into or taken possession of the Property or any part thereof. Upon the appointment of any such receiver or receivers from time to time, the following provisions shall apply, subject to compliance with applicable laws:
- (a) the statutory declaration of an officer of the Mortgagee as to the Event of Default under the provisions of this Mortgage, shall be conclusive evidence thereof;

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- (b) every such receiver shall be the irrevocable agent or attorney of the Mortgagor for the collection of all Rents falling due in respect of the Property or any part thereof, whether in respect of any tenancies created in priority to these presents or subsequent thereto;
- (c) every such receiver may, in the discretion of the Mortgagee and by writing under its corporate seal, be vested with all or any of the powers and discretions of the Mortgagee;
- (d) the Mortgagee may from time to time, by such writing fix the remuneration of every such receiver who shall be entitled to deduct the same out of the Rents from the Property or from the proceeds of the judicial sale of the Property;
- (e) every such receiver shall, so far as concerns responsibility for his acts or omissions, be deemed the agent or attorney of the Mortgagor and in no event the agent of the Mortgagee, and the Mortgagee shall not in any way be responsible for any acts or omissions (including negligence, misconduct or misfeasance) on the part of any such receiver;
- (f) the appointment of every such receiver by the Mortgagee shall not create any liability on the part of the Mortgagee to the receiver in any respect, and such appointment or anything which may be done by any such receiver or the removal of any such receiver or the termination of any such receivership shall not have the effect of constituting the Mortgagee a mortgagee in possession in respect of the Property or any part thereof;
- (g) every such receiver shall from time to time have the power to rent any portion of the Property which may become vacant, for such term and subject to such provisions as he may deem advisable or expedient, and in so doing every such receiver shall act as the attorney or agent of the Mortgagor and he shall have authority to execute under seal any lease of such portion of the Property in the name of and on behalf of the Mortgagor, and the Mortgagor undertakes to ratify and confirm whatever any such receiver may do in respect of the Property;
- (h) every such receiver shall have full power to complete any unfinished construction upon the Property with the intent that the Mortgaged Premises when so completed shall be a complete structure;
- (i) every such receiver shall have full power to manage, operate, amend, repair, alter or extend the Property or any part thereof in the name of the Mortgagor for the purpose of securing the payment of rental from the Property or any part thereof;
- (j) no such receiver shall be liable to the Mortgagor to account for moneys or damages other than cash received by him in respect of the Property or any part thereof, and out of such cash so received every such receiver shall, subject to the approval of the Mortgagee, in the following order, pay:
  - (i) his remuneration aforesaid;
  - (ii) all payments including, without limitation, costs as between solicitor and his own client made or incurred by him in connection with the management, operation, amendment, repair, alteration or extension of the Property or any part thereof;
  - (iii) interest, principal and other moneys which may from time to time, be or become charged upon the Property in priority to these presents, and all Taxes, insurance premiums and every other proper expenditure made or incurred by him in respect to the Property or any part thereof;
  - (iv) to the Mortgagee, all interest due or falling due under these presents and the balance to be applied upon principal due and payable and secured by these presents;

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- (v) into a reserve account in the name of the receiver, an appropriate sum of money as a reserve fund for unusual, emergency or lump sum payments or expenses with respect to the Property; and
  - (vi) any surplus thereafter remaining in the hands of every such receiver after payments made as aforesaid, to the Mortgagor;
- (k) save as to claims for an accounting under Section 32(j) above, the Mortgagor hereby releases and discharges every such receiver from every claim of every nature which may arise or accrue to the Mortgagor or any Person claiming through or under the Mortgagor by reason or as a result of anything done by any such receiver under the provisions of this Section 32, unless such claim by the direct and proximate result of gross negligence or wilful misconduct;
- (l) the power of sale, foreclosure and any other remedies of the Mortgagee may be exercised either before, concurrent with, during, or after the appointment of any receiver hereunder.

### **RIGHTS OF MORTGAGEE**

33. The Mortgagor further covenants and agrees with the Mortgagee upon the occurrence of an Event of Default which is continuing:
- (a) the Mortgagee may and when and to such extent as the Mortgagee deems advisable, observe and perform or cause to be observed and performed such covenants, agreements, provisos or stipulations and the costs incurred by the Mortgagee in connection therewith, together with interest thereon, at the Interest Rate, shall be added to the Loan Indebtedness hereby secured, shall be repaid by the Mortgagor to the Mortgagee forthwith, and until repaid shall be a charge upon the Property and the Mortgagee shall have the same rights and remedies to enforce payment thereof as it would have upon the occurrence of an Event of Default which is continuing;
  - (b) the Mortgagee may at such time or times as the Mortgagee may deem necessary and without the concurrency of any Person, enter upon the Property and may make such arrangements for completing the construction, repairing or putting in order of the Mortgaged Premises, or for inspecting, taking care of, leasing, collecting the Rents of and managing generally the Property as the Mortgagee may deem expedient; all reasonable costs, charges and expenses, including allowances for the time and services of any employee of the Mortgagee or other Person appointed for the above purposes, together with interest thereon, at the Interest Rate, shall be added to the Loan Indebtedness hereby secured, shall be repaid by the Mortgagor to the Mortgagee forthwith, and until repaid shall be a charge upon the Property and the Mortgagee shall have the same rights and remedies to enforce payment thereof as it would have upon the occurrence of an Event of Default which is continuing;
  - (c) the Mortgagee may send or employ an inspector or agent to inspect and report upon the value, state and condition of the Property, and a solicitor to examine and report upon the title to the same;
  - (d) the Mortgagee or agent of the Mortgagee may enter into possession of the Property and whether in or out of possession collect the Rents and profits thereof, and make any demise or lease of the Property, or any part thereof, for such terms and periods and at such Rents as the Mortgagee shall think proper; and the power of sale hereunder may be exercised either before or after and subject to any such demise or lease;
  - (e) it shall and may be lawful for and the Mortgagor does hereby grant full power, right and license to the Mortgagee to enter, seize and distrain upon the Property, or any part thereof, and by distress warrant to recover by way of rent reserved as in the case of demise of the Property or any part thereof, as much of the mortgage moneys as shall from time to time be or remain in arrears and unpaid, together with costs, charges and expenses attending such levy or distress, as in like cases of distress for rent;

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- (f) the Mortgagee shall be entitled forthwith to take such proceedings to obtain repayment of the moneys and interest payable to the Mortgagee hereunder and to realize on its security under this Mortgage by foreclosing the same or by whatever other action it may by law be entitled to do, it being acknowledged that nothing herein shall limit such recourse to the Property only;
- (g) subject to applicable law, the Mortgagee shall be entitled to sell and dispose of the Property with or without entering into possession of the same and with or without notice to the Mortgagor or any party interested in the Property and all remedies competent may be resorted to; and all the rights, powers and privileges granted to or conferred upon the Mortgagee under and by virtue of any statute or by this Mortgage may be exercised; and no want of notice or publication or any other defect, impropriety or irregularity shall invalidate any sale made or purporting to be made of the Property hereunder, and the Mortgagee may sell, transfer and convey any part of the Property on such terms of credit, or part cash and part credit, secured by contract or agreement for sale or mortgage, or otherwise, as shall in the opinion of the Mortgagee be most advantageous, and for such price as can reasonably be obtained therefor; and in the event of a sale on credit, or part cash and part credit, whether by way of contract for sale or by conveyance or transfer and mortgage, the Mortgagee is not to be accountable for or charged with any moneys until the same shall be actually received in cash; and the sales may be made from time to time of any portion or portions of the Property to satisfy interest or parts of the principal overdue, leaving the principal or parts thereof to run with interest payable as aforesaid; and the Mortgagee may make stipulations as to the title or evidences or commencement of title or otherwise as the Mortgagee shall deem proper; and the Mortgagee may buy in or rescind or vary any contract for sale of the Property and any resale thereof; and on any sale or release, the Mortgagee shall not be answerable for loss occasioned thereby; and for any of such purposes the Mortgagee may make and execute all agreements and assurances that the Mortgagee shall deem advisable or necessary; and in case any sale held by the Mortgagee under and by virtue of the laws of the Province of British Columbia under the power of sale herein contained should prove abortive the Mortgagee may take foreclosure proceedings in respect of the Property in accordance with the provisions of the laws of the Province of British Columbia; and in the event of any deficiency on account of the moneys secured by this Mortgage remaining due to the Mortgagee after realizing all the Property, then Mortgagor will pay to the Mortgagee on demand the amount of such deficiency with interest at the Interest Rate both before and after judgment; and in the exercise of any of the foregoing powers, the Mortgagor hereby appoints the Mortgagee the attorney of the Mortgagor for the purpose of making any agreements and assurances on behalf of the Mortgagor as the Mortgagee may deem necessary which power of attorney is coupled with an interest; and the proceeds of any sale hereunder shall be applied as above provided for or in payment of moneys payable under this Mortgage and costs on a solicitor and his own client basis, the balance, if any, to be paid to the Mortgagor;
- (h) the whole of the mortgage moneys shall, at the option of the Mortgagee, become due and payable;
- (i) the Mortgagee may exercise each of the foregoing powers without notice to the Mortgagor.

#### **COVENANTOR MISREPRESENTATION**

34. Notwithstanding any other provision in this Mortgage, the Mortgagee may demand repayment of all Loan Indebtedness and exercise all of its rights hereunder, including without limitation pursuant to Sections titled "**Receiver**" and "**Rights of Mortgagee**" if any of the Covenantors, any agent of any of the Covenantors or any officers or director of any of the Covenantors shall have made any material misrepresentation in any of the Loan Documents.

#### **ATTORNEY**

35. As further assurance to the rights and remedies granted by the Mortgagor to the Mortgagee herein, the Mortgagor, as the registered owner of the Property hereby irrevocably appoints



the Mortgagee on its own behalf or any receiver or manager or receiver and manager appointed by the Mortgagee attorney on behalf of the Mortgagor to sell, lease, mortgage, transfer or convey the Property in accordance with the provisions of this Mortgage and to execute all instruments, and do all acts, matters and things that may be necessary for carrying out the powers hereby given and for the recovery of all Rents and Lease Benefits and sums of money that may become or are now due or owing to the Mortgagor in respect of the Property, and for the enforcement of all contracts, covenants or conditions binding on any lessee or occupier of the Property or on any other Person in respect of it, and for the taking and maintaining possession of the Property, and for protecting it from waste, damage, or trespass, in all cases only following an Event of Default which is continuing. Such power of attorney is coupled with an interest.

#### **JUDGMENT**

36. The taking of a judgment on any of the covenants or agreements herein contained shall not operate as a merger thereof or affect the Mortgagee's rights to interest to the Maturity Date at the Interest Rate and at the times herein provided. Further, any and all such judgments shall provide for interest thereon to be computed at the Interest Rate and in the same manner as herein provided to the Maturity Date shall have been fully paid and satisfied and, without limiting the generality of the foregoing, the Mortgagee shall be entitled to receive interest at the Interest Rate to the Maturity Date on all moneys payable to the Mortgagee under this Mortgage, after any judgment has been rendered with respect to this Mortgage.

#### **EXPENSES**

37. All expenses, fees, charges or payments incurred, expended or paid by the Mortgagee, acting reasonably and without duplication, (whether with the knowledge, consent, concurrence or acquiescence of the Mortgagor or otherwise) with respect to the following matters:
- (a) all reasonable solicitors', inspectors', valuers' and surveyors' fees and expenses for drawing and registering this Mortgage and for examining the Property and the title thereto, and for making or maintaining this Mortgage a good and valid charge and mortgage (subject only to the Prior Permitted Encumbrances);
  - (b) all sums which the Mortgagee may advance for insurance premiums, Taxes, or rates;
  - (c) any unpaid amount due to the Mortgagee for the Lender's Fee, and, if applicable, the Extension Fee and the Administration Fee;
  - (d) all sums which the Mortgagee may expend in payment of prior liens, charges, encumbrances or claims charged or to be charged against the Property or on this Mortgage or against the Mortgagee in respect of this Mortgage;
  - (e) all sums which the Mortgagee may expend in maintaining, repairing, restoring or completing the construction on the Property pursuant to the terms of this Mortgage;
  - (f) the cost of inspecting, leasing, managing or improving the Property, including the price or value of any goods of any sort or description supplied for use on the Property pursuant to the terms of this Mortgage;
  - (g) all sums paid to a receiver of the Property;
  - (h) the cost of exercising or enforcing or attempting to exercise or enforce any right, power, remedy or purpose hereunder provided or implied, and including an allowance for the time, work and expenses of the Mortgagee or any agent or employee of the Mortgagee, for any purpose provided for herein; and
  - (i) the Mortgagee's reasonable solicitors' costs as between solicitor and his own client incurred or paid by the Mortgagee as a result of any Event of Default, or of endeavouring to collect (with or without suit) any money payable hereunder, or of taking, recovering or keeping possession of the Property, and generally in any other proceedings, matter or thing taken or done to protect or realize this security or any

other security for payment of the Loan Indebtedness and performance of the Loan Obligations;

together with interest thereon, at the Interest Rate, shall be added to the Loan Indebtedness hereby secured, shall be repaid by the Mortgagor to the Mortgagee forthwith, and until repaid shall be a charge upon the Property and the Mortgagee shall have the same rights and remedies to enforce payment thereof as it would have upon the occurrence of an Event of Default which is continuing.

#### COVENANTS AND REPRESENTATIONS

38. The Mortgagor:

- (a) further represents and warrants to the Mortgagee that:
  - (i) the Mortgagor:
    - (A) is a corporation incorporated, formed and existing under the laws of its jurisdiction of incorporation;
    - (B) has the legal right and all necessary corporate or other power and authority to own its assets, possess a freehold interest in the Property, and carry on its business in all material respects; and
    - (C) is duly qualified, licensed or registered to carry on business under the laws applicable to it in all jurisdictions where it conducts business, except where failure to be so qualified, licensed or registered has not and is not reasonably likely to have a Material Adverse Effect;
  - (ii) the Mortgagor has all requisite corporate power and authority to enter into and perform its obligations under this Mortgage and the other Loan Documents, and to do all acts and things and execute and deliver all other documents and instruments as are required hereunder and thereunder to be done, observed or performed by it in accordance with the terms hereof and thereof;
  - (iii) the execution and delivery by the Mortgagor, and the performance by it of its obligations under, and compliance with the terms, conditions and provisions of, this Mortgage and the other Loan Documents will not conflict with or result in a breach of any of the terms, conditions or provisions of:
    - (A) its articles, by-laws, shareholders' agreements or other organizational documents; as the case may be;
    - (B) any applicable laws;
    - (C) any material contracts, material authorizations or material contractual restriction binding on or affecting it or its assets, including without limitation, the Property; or
    - (D) any material judgment, injunction, determination or award which is binding on it in each such case, except to the extent that such breach has not and is not reasonably likely to have a Material Adverse Effect;
  - (iv) the execution and delivery by the Mortgagor of this Mortgage and the other Loan Documents, and the performance by it of its Loan Obligations have been duly authorized by all necessary corporate or other action including, without limitation, the obtaining of all necessary partner, shareholder or other material and relevant consents. No authorization, consent, approval, registration, qualification, designation, declaration or filing with any Governmental Authority, or other Person, is or was necessary in connection with the execution, delivery and performance of the Mortgagor's obligations under this Mortgage the other Loan Documents, except where failure to

obtain same would not have or be reasonably likely to have a Material Adverse Effect;

- (v) this Mortgage and the other Loan Documents have been duly executed and delivered, as the case may be, by the Mortgagor, and constitutes a legal, valid and binding obligation, enforceable against it in accordance with its terms (except as such enforceability may be limited by the availability of equitable remedies and the effect of bankruptcy, insolvency or similar laws affecting the enforcement of credit's rights generally), is (or will be immediately upon the execution thereof by such Person) in full force and effect, and the Mortgagor has performed and complied in all material respects with all the terms, provisions, agreements and conditions set forth herein and therein and required to be performed or complied with by the Mortgagor;
- (vi) the Mortgagor is not a non-resident within the meaning of the *Income Tax Act* (Canada);
- (vii) there is not now pending or, to the knowledge of the Mortgagor, threatened in writing, against the Mortgagor, any litigation, action, suit, investigation (to the knowledge of the Mortgagor) or other proceeding by or before any Governmental Authority or before any arbitrator which has had or is reasonably likely to have a Material Adverse Effect;
- (viii) as of the date hereof, the written information heretofore supplied by any of the Covenantors (other than information or reports prepared by third parties) to the Mortgagee is true and accurate in all material respects as at the date thereof;
- (ix) all financial statements delivered to the Mortgagee as of the date hereof pursuant to Section 52 present fairly and in all material respects the financial position of any of the Covenantors as of the date thereof and for the fiscal years or financial quarters, as the case may be, then ended;
- (x) since the later of the date hereof and the date of the most recent financial statements delivered to the Mortgagee, there has been no change regarding the financial condition or operations, of any of the Covenantors as reflected in such financial statements or Personal net worth statements, as applicable which has had or is reasonably likely to have a Material Adverse Effect;
- (xi) there is no Event of Default under this Mortgage, nor has the Mortgagor done or omitted to do anything which constitutes an Event of Default which has not been waived or cured. None of the Covenantors is in default under any agreement, guarantee, indenture or instrument to which it is a party or by which it is bound, the breach of which has had or is reasonably likely to have a Material Adverse Effect;
- (xii) as of the date hereof, there are no outstanding judgments, orders, writs, injunctions or decrees that have not been stayed or of which enforcement has not been suspended, against the Mortgagor or any of its assets, including without limitation the Property, which would reasonably be expected to result in a Material Adverse Effect regarding the financial condition or operations of the Mortgagor;
- (xiii) the Mortgagor is the legal owner of a freehold interest in the Property with good and marketable title thereto, and any other real and personal property of the Mortgagor of any nature which is part of the Property, in each case free and clear of all encumbrances, except Permitted Encumbrances, and no Person has any agreement or right to acquire an interest in the Property except as previously disclosed to the Mortgagee in writing by the Mortgagor or permitted in connection with the Permitted Encumbrances;
- (xiv) the Mortgagor has not received notice of any proposed rezoning of all or any part of the Property which has had or is reasonably likely to have a Material Adverse Effect;

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- (xv) the Mortgagor has not received notice of any expropriation of all or any part of the Property;
  - (xvi) the Mortgagor has the right to mortgage the Property;
  - (xvii) upon the enforcement of its remedies under this Mortgage the Mortgagee shall have quiet possession of the Property, free from all encumbrances, other than Permitted Encumbrances;
  - (xviii) the Mortgagor, and the operation of its business and assets, including without limitation, the Property, are in compliance in all material respects with all applicable laws (including any environmental laws), except where any non-compliance is not reasonably likely to have a Material Adverse Effect; and
  - (xix) the Mortgagor has filed all tax returns which are required to be filed, other than such tax returns the failure of which to file has had or is reasonably likely to have a Material Adverse Effect, and has paid all Taxes, interest and penalties, if any, which have become due pursuant to such returns or pursuant to any assessment received by it and adequate provision for payment has been made for Taxes not yet due except any such payment of which the concerned party is contesting in good faith by appropriate proceedings and for which appropriate reserves have been provided on its books and as to which no foreclosure, distraint, seizure, attachment, sale or other similar proceedings have been commenced or the non-payment of which would not reasonable be excepted to result in a Material Adverse Effect regarding the financial condition or operations of the Mortgagor;
- (b) to the extent within the control of the Mortgagor, covenants to cause the forgoing representations and warranties to be true and correct in all material respects until the Loan Indebtedness is repaid in full and the Loan Obligations are fully performed;
  - (c) acknowledges and agrees that all representations and warranties of the Mortgagor made in this Mortgage or in any of the other Loan Documents are material, shall survive and shall not merge upon the execution and delivery of this Mortgage and shall continue in full force and effect. The Mortgagee shall be deemed to have relied upon such representations and warranties notwithstanding any investigation made by or on behalf of the Mortgagee at any time;
  - (d) shall not, at any time prior to the repayment in full of the Loan Indebtedness and the performance of all of the Loan Obligations:
    - (i) repay any loans (principal or interest) to;
    - (ii) redeem or purchase any shares or units or partnership interests held by or on behalf of;
    - (iii) pay any compensation, fee or other amount to; or
    - (iv) pay any distributions or dividends or return on partnership or shareholder investment to,

in each case, any of the Covenantors or any other shareholder, unitholder or partner of any Covenantor, or any other Person not at arms-length to any of the foregoing, save and except for those development, marketing and/or construction fees specifically approved in writing by the Mortgagee;
  - (e) acknowledges and agrees that any third party property manager of the Property and each property management agreement will be subject to the prior written approval of the Mortgagee, acting reasonably; and
  - (f) acknowledges and agrees that each new Lease of the Property, including each renewal or extension of an existing Lease (other than any extension or renewal of

- 32 -

an existing Lease which is exercised pursuant to, and the terms of which are governed by, such existing Lease), must:

- (i) be a commercially reasonable arm's length transaction made in the ordinary course of business and in accordance with prudent property management and leasing standards and practices; and
- (ii) provide for rental rates and other terms and conditions consistent with prevailing market rates, terms and conditions.

#### **EXPROPRIATION**

39. Subject to the rights of creditors of the Mortgagor in accordance with Prior Permitted Encumbrances, the Mortgagor hereby assigns to the Mortgagee, that portion of any proceeds which may become due and payable to the Mortgagor by an expropriating authority upon an expropriation of the Property or the proceeds of any condemnation, eminent domain or like proceeding or the sale in lieu of or in reasonable anticipation thereof of the whole or any part of the Property or any portion thereof, not to exceed the balance outstanding under the Mortgage, provided that the Mortgagee shall permit the Mortgagor to use such portion of any proceeds as reasonably necessary to pay the cost to repair any damage resulting from such expropriation. The Mortgagor shall forward to the Mortgagee, copies of any documentation relating to an expropriation or a proposed expropriation of the Property or any portion thereof, forthwith upon receipt of the said documentation by it and shall execute and deliver any further or additional documentation which the Mortgagee in its sole discretion deems necessary to effect the above assignment or which is requested by the expropriating authority. Notwithstanding anything to the contrary contained herein, if the Mortgagor or the Mortgagee receives a notice of intention to expropriate in relation to the Property, or any portion thereof, that has had or is reasonably likely to have a Material Adverse Effect, at the option of the Mortgagee, the whole of the outstanding balance secured under this Mortgage at the date of the expropriation, shall immediately become due and payable in like manner and to all intents and purposes as if the time for payment of the said balance had fully come and expired. If any or all of the Property is expropriated, it is agreed that the proceeds from any such expropriation up to the amount outstanding under this Mortgage shall be paid directly to the Mortgagee in priority to the claims of any other party, except such creditors of the Mortgagor and other parties with priority to collect such proceeds pursuant to any Prior Permitted Encumbrances. Service of a copy of this Mortgage on the expropriating authority shall be sufficient authority for the expropriating authority to deliver proceeds to the Mortgagee, in accordance with the terms of the assignment contained herein.

#### **PERMITTED ENCUMBRANCES AND OTHER OBLIGATIONS**

40. The Mortgagor hereby covenants to perform and observe and satisfy all the terms, covenants and conditions to be performed and observed by the Mortgagor under the terms of any Prior Permitted Encumbrances and the Leases (hereinafter called the "**Other Obligations**"). It is expressly agreed and understood by the Mortgagor that in the event of default by the Mortgagor under any of the terms of any Other Obligations, beyond any applicable notice or cure periods, then at the option of the Mortgagee an Event of Default shall have occurred hereunder. The Mortgagee may at its option make any payment or cure any default under the any Prior Permitted Encumbrance and any amount or amounts so paid together with all costs, charges, expenses and outlays of the Mortgagee thereby incurred together with interest thereon at the Interest Rate shall be added to the Loan Indebtedness hereby secured, shall be repaid by the Mortgagor to the Mortgagee forthwith, and until repaid shall be a charge upon the Property and the Mortgagee shall have the same rights and remedies to enforce payment thereof as it would have upon the occurrence of an Event of Default which is continuing.

#### **SEVERABILITY**

41. In the event any Section or part thereof or any Section or part thereof is invalid and not enforceable for any reason, then such Section or part thereof or such Section or part thereof shall be severable from this Mortgage and not affect the validity or enforceability of any other part of this Mortgage.

**SUCCESSORS AND ASSIGNS**

42. When the context makes it possible, the word "**Mortgagee**" wherever it occurs in this Mortgage, shall include the successors and assigns of the Mortgagee, and the word "**Mortgagor**" shall include heirs, executors, administrators, successors and permitted assigns of the Mortgagor; and that words in the singular include the plural, and that words in plural include the singular, and words importing the masculine gender include the feminine; and that if there is more than one entity comprising the Mortgagor all covenants herein contained and implied are to be construed as joint and several; and that heirs, executors, administrators, successors and assigns of any party executing this Mortgage are jointly and severally bound by the covenants, provisos and agreements herein contained or implied. The Documents, including without limitation this Mortgage, together with the Loan Indebtedness and the Loan Obligations may be assigned or participated by the Mortgagee (and its successors and assigns), in whole or in part, without the consent of the Mortgagor.

**DISCHARGE**

43. The Mortgagee shall upon payment and performance of all indebtedness and obligations secured hereby in full deliver an executed discharge of this Mortgage; it being agreed that the Mortgagor's solicitor shall be responsible for preparing the mortgage discharge document for review by the Mortgagee and its counsel at least seven (7) days prior to payment, and interest as aforesaid shall continue to run and accrue until actual payment in full has been received by the Mortgagee; and all reasonable legal and other expenses and Taxes thereon, if any, for the preparation and execution of such discharge shall be borne by the Mortgagor.

**LAND TRANSFER FORM ACT**

44. This Mortgage is made pursuant to Part 3 of the Land Transfer Form Act (British Columbia).

**LAND TRANSFER FORM ACT COVENANTS**

45. The Mortgagor covenants with the Mortgagee:
- (a) That the Mortgagor will pay the mortgage money and interest and observe the above provisos; and will also pay any taxes, rates, levies, charges or assessments including, without limitation, utility charges, upon the Property or in respect thereof, no matter by whom or by what authority imposed, which the Mortgagee has paid or has been rendered liable to pay and shall also pay all other sums as the Mortgagee may be entitled to under this mortgage;
  - (b) That the Mortgagor has a good title in fee simple to the Lands;
  - (c) That on default the Mortgagee shall have possession of the Property free from all encumbrances, subject only to encumbrances permitted by the Mortgagee;
  - (d) That the Mortgagor has done nothing to encumber the Property;
  - (e) That the Mortgagor releases to the Mortgagee all his claims on the Property subject to the proviso; and
  - (f) Provided that until default of payment, the Mortgagor shall have quiet possession of the Property.

Clause 15 of Schedule 6 of the *Land Transfer Form Act* (British Columbia) is expressly excluded from this Mortgage.

**EXPRESS MORTGAGE TERMS PREVAIL**

46. It is acknowledged and agreed that any Form B Mortgage Form registered in the Province of British Columbia is a summary of terms contained in the express mortgage terms which this Mortgage and any supplement hereto constitutes for purposes of the *Land Transfer Form Act* (British Columbia) and consequently in the event of a conflict between the express mortgage terms and the Form B Mortgage Form, the express mortgage terms shall prevail and the Form

B Mortgage Form shall be interpreted in accordance with the definitions included in, and the terms of, such express mortgage terms.

#### **COMMITMENT LETTER**

47. The parties agree that the accepted terms and conditions of the Commitment Letter, shall survive the initial advance of monies by the Mortgagee to the Mortgagor as contemplated hereunder and continue to be in full force and effect after said initial advance. In the event there is a direct conflict between the terms and conditions of this Mortgage and the Commitment Letter, then the Commitment Letter shall prevail to the extent necessary to resolve the conflict.

#### **HAZARDOUS MATERIALS**

48. The Mortgagor,
- (a) has not nor, to the best knowledge of the Mortgagor, has any other Person ever caused or permitted any hazardous materials to be placed, held, located or disposed of on, under or at the Property and that its business and assets are operated in compliance with applicable laws intended to protect the environment (including, without limitation, laws respecting the disposal or emission of hazardous materials) and that no enforcement actions in respect thereof are threatened or pending.
  - (b) covenants and agrees that it will at all times during the continuance of this Mortgage, operate the Property in compliance with applicable laws intended to protect the environment (including, without limitation, laws respecting the disposal or emission of hazardous materials) and shall, subject to the rights of tenants under the Leases, permit the Mortgagee to conduct inspections and appraisals of all or any of its records, business and assets at any time or from time to time upon reasonable prior notice to ensure such compliance.
  - (c) in addition to the representations and warranties contained in Section 38, hereby represents, warrants and agrees that,
    - (i) to the best of the knowledge of the Mortgagor, the condition and use of the Property is, and will continue to be in compliance with all applicable environmental laws and standards; all necessary licenses and permits relating to the release of contaminants, production of dangerous materials and carrying on of hazardous activities have been obtained and are being complied with; there are no outstanding orders against the Mortgagor from any Governmental Authority responsible for protecting the environment;
    - (ii) to the best of the knowledge of the Mortgagor, the Property is not being subjected to environmental damage or contamination and to the best of the Mortgagor's knowledge, the Property incurred no such damage or contamination prior to the Mortgagor's control;
    - (iii) the Mortgagor will use commercially reasonable efforts to use the Property and conduct its business thereon so as not to cause environmental damage and that the use of the Property will not change without the Mortgagee's approval, acting reasonably;
    - (iv) to the best of the knowledge of the Mortgagor, the terms of any past credit arrangement have not been altered, cancelled or not renewed due to environmental risk considerations;
    - (v) all legally required remedial action will be taken with respect to violations of environmental laws, and spills or other contaminations;
    - (vi) the Mortgagor will give notice to the Mortgagee of any contamination of which the Mortgagor has or acquires knowledge of, or any pending or threatened government enforcement action or civil suit arising out of alleged environmental damage of which the Mortgagor has or acquires knowledge of;

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- (vii) in accordance with Section 15 above, the Mortgagor will permit the Mortgagee and its agents to enter onto the Property at any time to conduct an environmental inspection and to permit the Mortgagee to take such action as it deems reasonably necessary to remedy any environmental damage or breach of law which the Mortgagor fails to take, subject to the rights of tenants under the Leases;
- (viii) the Mortgagor will provide copies of its own internal/external environmental audits to the Mortgagee upon request;
- (ix) subject to the terms of the existing Leases, the Mortgagor will use commercially reasonable efforts to cause any other occupants or Persons in control of the Property to comply with the foregoing covenants;
- (x) the Mortgagor will defend and indemnify the Mortgagee, its directors, officers, employees and agents against all costs, etc., arising out of any environmental damage caused by the Mortgagor's activities or by contamination of or from the Property (unless caused by the Mortgagee or those for whom in law it is responsible); and
- (xi) if the Mortgagor fails to perform any of the foregoing covenants beyond any applicable notice or cure periods, the Mortgagee may do so and any money expended by the Mortgagee shall be paid by the Mortgagor out of any funds coming into the Mortgagee's possession in priority to the Loan.

#### **DUE ON SALE**

49. The Loan Indebtedness shall, at the election of the Mortgagee, immediately become due and payable in full without notice by nor demand from the Mortgagee if the Property or any part thereof or interest therein is, without the prior consent in writing of the Mortgagee sold, transferred, conveyed, foreclosed, exchanged, assigned, mortgaged, or otherwise disposed of, or if the Mortgagor enters into an agreement to effect any of the foregoing whether by registered or unregistered instrument and whether for valuable or nominal consideration (and if the Mortgagor is a corporation, any change in Control of the Mortgagor or any other Covenantor shall constitute a default under this Section 49), in all cases except as specifically permitted in this Mortgage or in the Commitment Letter; provided however that nothing herein shall be construed as permitting the Mortgagor to prepay this Mortgage in whole or in part except in accordance with Section 8 hereof; and provided further that the acceptance by the Mortgagee of any instalment payment or other payment under this Mortgage from any entity other than the Mortgagor shall not constitute a waiver by the Mortgagee of its rights under this Section 49, nor a consent by the Mortgagee of any such sale or disposal of the Property as above described.

#### **SUBSEQUENT FINANCING**

50. The Loan Indebtedness shall, at the election of the Mortgagee, become due and payable in full if the Property or any part thereof or interest therein is, without the prior consent in writing of the Mortgagee acting reasonably, mortgaged or similarly charged, except as may be specifically permitted in this Mortgage, the Commitment Letter or under a Permitted Encumbrance; provided however that nothing herein shall be construed as permitting the Mortgagor to repay this Mortgage in whole or in part except in accordance with Section 8 hereof.

#### **PROHIBITED BUSINESSES**

51. The Mortgagor agrees not to operate, nor allow any tenant to operate a business on the Property that:
- (a) is sexually exploitive or that is inconsistent with generally accepted community standards of conduct and propriety, including those that feature sexually explicit entertainment, products or services; or
  - (b) are engaged in or associated with illegal activities.



**FINANCIAL STATEMENTS AND REPORTS**

52. The Mortgagor shall deliver the following documentation to the Mortgagee:
- (a) any and all insurance certificate renewals and/or amendments within ten (10) business days of the issuance thereof. In the event of any change to the insurance held by the Mortgagor, the Mortgagee may, in its unfettered discretion, require its insurance consultant to conduct an insurance review at the Mortgagor's expense;
  - (b) ongoing Project information, including, if applicable, strata plan documentation, working and final architects'/engineers' drawings, construction budgets, artist's renderings, and floor plans for any proposed Units;
  - (c) quarterly or as otherwise requested from time to time by the Mortgagee evidence of the payment of all property taxes, local improvement rates and charges with respect to the Property;
  - (d) each year, or more often if requested by the Mortgagee, within ninety (90) days of the Mortgagor's fiscal year end, notice to reader financial statements of the Mortgagor and of any corporate Covenantor, including a balance sheet and supporting schedules, a detailed statement of income and expenditures and supporting schedules, and a statement of change in case flow and, in the case of any personal Covenantor, certified net worth statements in lieu of financial statements; and
  - (e) such additional financial statements, information, plans and reports as and when reasonably requested.

**BENEFIT OF EASEMENTS**

53. As additional security for the indebtedness and other obligations secured hereunder and interest thereon and the due performance of the Mortgagor's obligations hereunder and under any collateral security the Mortgagor hereby assigns, transfers, mortgages, charges and sets over to and in favour of the Mortgagee as and by way of a specific assignment, mortgage and charge all of the right, title and interest of the Mortgagor in and with respect to any and all easements, restrictive covenants, rights of way, party wall agreements and encroachment agreements benefiting the Property (the "**Title Agreements**") and all of the benefit, power and advantage of the Mortgagor to be derived therefrom (including without limitation the benefit of any positive covenants) and otherwise to enforce the rights of the Mortgagor under the Title Agreements in the name of the Mortgagor. Nothing herein contained shall render the Mortgagee liable to any Person for the fulfilment or non-fulfilment of the obligations covered in any of the Title Agreements, including, but not limited to, the payment of any moneys thereunder or in respect thereto and the Mortgagor hereby indemnifies and agrees to save and hold harmless the Mortgagee from and against any and all claims, demands, actions, causes of action, losses, suits, damages and costs whatsoever arising directly or indirectly from or out of any of the Title Agreements. The Mortgagor covenants and agrees with the Mortgagee that the Mortgagor shall not surrender, alter, amend or modify any of the Title Agreements or any of the terms or conditions thereof except with the prior written consent of the Mortgagee or as required to complete the Project, if applicable, as determined by the Mortgagor, acting as a prudent owner.

**INDEMNITY**

54. The Mortgagor shall indemnify and save harmless the Mortgagee and its officers, agents, trustees, employees, contractors, licensees or invitees from and against any and all losses, damages, injuries, expenses, suits, actions, claims and demands of every nature whatsoever in connection with any breach or default by the Mortgagor under this Mortgage and any of the other Loan Documents.

**PRIOR SECURITY**

55. For greater certainty, this Mortgage secures the same Loan Indebtedness and Loan Obligations secured by a charge registered on February 28, 2022 as Instrument No. CA9749054 on title to the Lands.

**GENERAL**

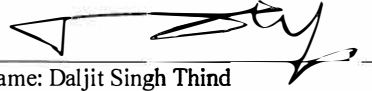
56. This Mortgage shall be construed in accordance with and governed under the laws of the Province of British Columbia and the federal laws of Canada applicable therein.
57. Section 31 of the *Property Law Act* (British Columbia) and any other statutory provision abolishing, or purporting to abolish, the common law right of consolidation is hereby expressly excluded from application to this Mortgage, and the provisions of such statute are specifically waived.
58. The Mortgagor hereby irrevocably waives any and all statutory provisions which may require that proceeds of insurance be used, or permit any insurer to sue proceeds of insurance, to restore or rebuild the Property including the *Fires Prevention (Metropolis) Act, 1774* and the *Insurance Act* (British Columbia).
59. It is intended that this Mortgage will, at all times, remain effective as security and will retain the priority given by Section 28 of the *Property Law Act* (British Columbia) in respect of any and all advances and re-advances secured hereby.
60. The Mortgagor agrees with the Mortgagee as follows:
  - (a) to comply with the terms and conditions of this Mortgage and the other Loan Documents at all times;
  - (b) to maintain the Property in a sound state of repair at all times as would other prudent owners of similar property;
  - (c) to allow the Mortgagee and its appointees to have access to the property at all reasonable times upon reasonable prior notice, subject to the rights of tenants at the Property; and
  - (d) at the Mortgagee's request, acting reasonably, to promptly deliver or cause to be delivered to the Mortgagee promptly such information about the financial condition and operation with respect to the Property, as the Mortgagee may request from time to time.
61. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Commitment Letter.
62. Notwithstanding anything in this Mortgage, in dealing with enforcing and realizing on this Mortgage, the Mortgagee shall not claim hereunder any greater amount in the aggregate than the amounts advanced by the Mortgagee that remain unpaid, together with all accrued and unpaid interest, and any other amounts unpaid hereunder.

-- signatures follow on next page --

**IN WITNESS WHEREOF** the Mortgagor has hereunto affixed its corporate seal attested to by the duly authorized officers in that behalf this 2 day of November, 2023.

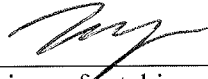
**105 UNIVERSITY VIEW HOMES LTD.**

Per:



Name: Daljit Singh Thind  
Title: Director

This is Exhibit "I" referred to in the Affidavit  
#1 of Daniel Pollack affirmed before me at the  
city of Toronto, in the Province of Ontario this  
October 9, 2024



---

A Commissioner for taking affidavits and  
Notary Public in and for the province of  
Ontario

Maya Churilov (LSO# 87190A)

**DIRECTION, ACKNOWLEDGEMENT AND SECURITY AGREEMENT**

**THIS AGREEMENT** made as of the 2 day of November, 2023.

**B E T W E E N:**

**DISTRICT NORTHWEST LIMITED PARTNERSHIP**

(the "**Beneficial Owner**")

OF THE FIRST PART

- and -

**105 UNIVERSITY VIEW HOMES LTD.**

(the "**Registered Owner**")

OF THE SECOND PART

- and -

**KINGSETT MORTGAGE CORPORATION**

(the "**Assignee**")

OF THE THIRD PART

**WHEREAS** the Registered Owner, as mortgagor, has granted a mortgage (the "**Mortgage**") to and in favour of the Assignee, as mortgagee, of the lands and premises charged therein (the "**Property**"), notice of which was registered on the date hereof in the Land Registry Office New Westminster to secure the payment of principal, interest and other monies and the performance of all obligations arising thereunder, as amended, modified, supplemented or replaced from time to time;

**AND WHEREAS** the Registered Owner holds legal title to the Lands as registered owner and bare trustee for and on behalf of the Beneficial Owner;

**AND WHEREAS** as a condition for receiving the Loan Indebtedness, the Beneficial Owner has agreed to enter into this Agreement to direct the Registered Owner to enter into the Mortgage and the other Loan Documents and to grant and create the security interests pursuant to the Mortgage and the other Security Documents, as a further continuing and collateral security for the payment of the Loan Indebtedness and observance and performance of the Loan Obligations;

**NOW THEREFORE IN CONSIDERATION** of the recitals, the Assignee extending the Loan Indebtedness and for such other good and valuable consideration received by the Registered Owner and the Beneficial Owner, the receipt and adequacy of which is acknowledged by the Registered Owner and the Beneficial Owner, the Registered Owner and the Beneficial Owner agree with the Assignee as follows:

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**ARTICLE 1**  
**DEFINITIONS, INTERPRETATION**

**1.1 Definitions**

Capitalized terms that are not defined herein have the meanings set out in the Mortgage. Otherwise, in this Agreement:

- (a) "**Indebtedness**", in respect of any Person, is used in its most comprehensive sense and includes any and all advances, debts, duties, endorsements, guarantees, liabilities, obligations, responsibilities and undertakings of such Person at any time assumed, incurred or made, however arising, whether or not now due, absolute or contingent, liquidated or unliquidated, direct or indirect, and whether such Person is liable individually or jointly with others, irrespective of the regularity or validity thereof or of any security therefor;
- (b) "**Loan Indebtedness**" means any Indebtedness from time to time of the Registered Owner, the Beneficial Owner or any of the other Covenantors to the Assignee arising under any of the Loan Documents; and
- (c) "**Loan Obligations**" means the obligations of the Registered Owner, the Beneficial Owner or any of the other Covenantors arising under the Loan Documents.

**1.2 Interpretation**

For the purposes of this Agreement, all references to the singular include the plural where the context so admits, the masculine to include the feminine and neuter gender and, where necessary, a body corporate, and vice versa.

**1.3 Headings**

In this Agreement, the headings have been inserted for reference only and shall not define, limit, alter or enlarge the meaning of any provision of this Agreement.

**ARTICLE 2**  
**AGREEMENT**

**2.1 Representation and Warranty**

The Beneficial Owner hereby represents and warrants that the Registered Owner holds its right, title and interest in and to the Property, and all of the other property, assets and undertakings located at, relating to or arising from the Property and which are subjected to the Mortgage (the "**Charged Property**"), as nominee and bare trustee for and on behalf of the Beneficial Owner.

**2.2 Direction**

The Beneficial Owner hereby authorizes and directs the Registered Owner to execute and deliver the Mortgage.

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### 2.3 Authorization

The Beneficial Owner hereby irrevocably and unconditionally authorizes and directs the Registered Owner to execute and deliver to the Assignee such other agreements, instruments, certificates and documents as may be reasonably necessary in connection with the Mortgage including, without limitation, any of the other Security Documents.

### 2.4 Grant of Security

Subject in all cases to the provisions of the Mortgage, the Beneficial Owner hereby:

- (a) grants, transfers, sets over, charges and grants a security interest to and in favour of the Assignee in and to all of its right, title, estate and interest in the Charged Property, together with all proceeds of any of the foregoing, on the same terms and conditions as contained therein, which security shall be held by the Assignee as general and continuing security for the due payment of the Loan Indebtedness and performance of the Loan Obligations;
- (b) assigns, pledges and confirms that the security interests constituted by the Mortgage and the other Security Documents extend to, apply to and create a security interest in and to its beneficial interest in and to the Charged Property and the assets, property and undertaking located at, related to or arising from the Charged Property and which are charged under the Mortgage and the other Security Documents as if the Beneficial Owner was a signatory to the Mortgage and the other Security Documents in the place and stead of the Registered Owner; and
- (c) agrees to observe, perform and be bound by all covenants, obligations, representations and warranties of the Registered Owner in the Mortgage and the other Loan Documents, and agrees to observe and be bound by all remedies of the Assignee thereunder.

### 2.5 Subordination of Indebtedness

From and after the occurrence and during the continuance of an Event of Default, all debts and liabilities, present and future, of the Registered Owner to the Beneficial Owner are hereby assigned to the Assignee, and postponed to the due payment of the Loan Indebtedness and performance of the Loan Obligations, and all money received by the Beneficial Owner in respect thereof will be held in trust for the Assignee and forthwith upon receipt will be paid over to the Assignee, the whole without in any way lessening or limiting the liability of the Beneficial Owner hereunder and this assignment and postponement is independent of the beneficial charge herein and will remain in full force and effect until, in the case of the assignment, the liability of the Beneficial Owner under this Agreement has been discharged or terminated and, in the case of the postponement, until the due payment in full of the Loan Indebtedness and performance of the Loan Obligations. The foregoing priority shall apply notwithstanding:

- (a) the priority otherwise accorded to the Mortgage and the other Security Documents or under any applicable laws;

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- (b) the time or order of creating, granting or execution of any document or instrument comprising the Mortgage and the other Security Documents;
- (c) the attachment, perfection or the giving of notices or the making of demand for payment under the Mortgage and the other Security Documents;
- (d) the time or order of registration of any document or instrument comprising the Mortgage and the other Security Documents;
- (e) the date of any advance or advances made by the Assignee or the date any obligations or liabilities are incurred in each case, which are intended to be secured by the Mortgage and the other Security Documents;
- (f) the date(s) of any default under the Mortgage and the other Security Documents or the date or dates of crystallization of any floating charges;
- (g) the giving or failure to give notice of any of the foregoing to any person, firm or corporation;
- (h) any real or apparent defect in or invalidity of any document comprising the Mortgage and the other Security Documents; or
- (i) subject to the terms of the Mortgage and the other Security Documents, the occurrence of any other event or circumstances entitling the Beneficial Owner to make a claim in priority to or in conflict with the Assignee until such time as a full and final release has been granted with respect to the Mortgage and the other Security Documents.

## **2.6 Validity of Mortgage and other Security Documents**

The Beneficial Owner agrees that (other than in connection with a claim for improvident realization) it shall not hereafter directly or indirectly take, and it is hereby estopped from taking, any action and it shall not consent to the taking of any action and it shall not nor shall it cause any person to take any action, to challenge the validity, legality, perfection, priority or enforcement of the Mortgage and the other Security Documents or the security interests created thereby.

## **2.7 Reassignment/Discharge**

The Assignee may, at any time and whether or not an Event of Default has occurred, without further request or agreement by the Beneficial Owner, reassign to the Beneficial Owner, its successors and assigns, the Charged Property or any part or parts thereof, by an instrument of reassignment in writing executed by the Assignee delivered to the Beneficial Owner, its successors and assigns, at the address for notice herein provided. Such instrument upon delivery shall constitute a good and sufficient reassignment of all of the Beneficial Owner's right, title and interest in and benefit of the Charged Property to which it pertains and a good and valid release and termination of obligations (if any) of the Assignee with respect thereto. Such reassignment shall not expressly or impliedly constitute any representation or warranty by the Assignee to the Beneficial Owner as to the



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Charged Property or anything related thereto. Upon registration of a discharge of the Mortgage, this Agreement shall thereupon become and be of no force or effect. At such time as the Mortgage has been discharged, the Assignee will, upon the request of the Beneficial Owner, and at the sole cost and expense of the Beneficial Owner, execute and deliver to the Beneficial Owner such instruments as may be necessary or effective, in registrable form, to evidence the termination of this Agreement and/or the reassignment to the Beneficial Owner of the Charged Property.

### **ARTICLE 3** **ACKNOWLEDGEMENT OF REGISTERED OWNER**

#### **3.1 Acknowledgement**

The Registered Owner hereby acknowledges the direction contained in Section 2.2 and Section 2.3 hereof and agrees to be bound by the terms hereinbefore set forth.

### **ARTICLE 4** **MISCELLANEOUS**

#### **4.1 Payments**

All payments required to be made by the Beneficial Owner to the Assignee under this Agreement will be made at the address of the Assignee set out in Section 4.9 (or at any other place specified by the Assignee by written notice to the Beneficial Owner) in immediately available funds in lawful Canadian currency, without any set off, counterclaim or deduction.

#### **4.2 Failure of Indulgence Not Waiver**

No extension of time, waiver, or other indulgence given by the Assignee to the Beneficial Owner, or anyone claiming under the Beneficial Owner, shall in any way affect or prejudice the rights of the Assignee against the Beneficial Owner or any other Covenantor. Each power and right under this Agreement is cumulative and is in addition to and not in substitution for any other rights and remedies at law, or in equity or otherwise.

#### **4.3 Modification**

No modification or waiver of this Agreement is binding on the Assignee unless made in writing and signed by a duly authorized officer of the Assignee.

#### **4.4 Entire Agreement**

On execution and delivery by the Beneficial Owner and the Registered Owner, this Agreement is deemed to be finally executed and delivered by the Beneficial Owner and the Registered Owner to the Assignee and is not subject to or affected by any condition as to the receipt by the Assignee of any of the other Security Documents or as to the execution and delivery by any of the other Covenantors to the Assignee of any other Loan Documents, nor by any promise or condition affecting the liability of the Beneficial Owner. No agreement, promise, representation or statement by the Assignee or any of its officers, employees or agents unless in this Agreement forms part of this Agreement, has induced

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the making of it or affects the liability of the Registered Owner or the Beneficial Owner under it.

#### **4.5 Severability**

If any Section or part thereof of this Agreement is invalid or unenforceable for any reason, then such Section or part thereof will be severable from this Agreement and will not affect the validity or enforceability of any other part of this Agreement.

#### **4.6 Non-Merger**

The giving of this Agreement is by way of additional and collateral security for the payment of the Loan Indebtedness and the performance of the Loan Obligations and not in substitution for or in satisfaction thereof, and the Commitment Letter, the Mortgage or any of the other Loan Documents shall not be merged hereby and in case of an Event of Default that is continuing, proceedings may be taken under this Agreement, the Mortgage, or any of the other Security Documents or any one or more of them at the option of the Assignee.

#### **4.7 Paramountcy**

The provisions of any agreement between the Beneficial Owner and the Registered Owner, as applicable, and the Assignee in connection with the Loan Indebtedness, including but not limited to any loan application with respect thereof, the Mortgage and all of the other Loan Documents, shall form part of this Agreement except where inconsistent with the provisions hereof. In the case of any inconsistency between this Agreement and the Mortgage, the provisions of the Mortgage shall prevail.

#### **4.8 Assignability**

The Beneficial Owner and the Registered Owner hereby consents to the Assignee assigning, transferring or selling all or any portion of its interest under this Agreement in connection with the proportionate assignment, transfer or sale of its interest in the Loan Indebtedness and the Loan Obligations. Without limiting the foregoing, the Assignee may enter into participation, contending or syndication agreements with other lenders in connection with this Agreement, the Loan Indebtedness and the Loan Obligations. The Assignee may provide information of a financial or other nature to any prospective assignee, transferee, purchaser or other lenders concerning the Beneficial Owner and the Registered Owner, this Agreement, the Loan Indebtedness and the Loan Obligations.

#### **4.9 Notices**

Any notice, demand, approval, consent, information, agreement, offer, payment, request or other communication to be given under or in connection with this Agreement shall be in writing and shall be delivered by personal delivery, prepaid courier service, postage prepaid registered mail or by electronic or digital transmission to the relevant party addressed:

(a) to the Registered Owner and the Beneficial Owner:

Name: 105 University View Homes Ltd.

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Address: 700 – 4211 Kingsway,  
Vancouver, B.C., V5H 1Z6

Fax No.: 604-451-7740

Name: District Northwest Limited Partnership  
Address: c/o Abacus North Capital  
1260 Hamilton St.  
Lower Level  
Vancouver, BC V6B 2S8

with a copy to the Registered Owner's and the Beneficial Owner's solicitors at

Name: Logica Law LLP  
Address: Suite 215–179 Davie Street  
Vancouver, BC V6Z 2Y1

Attention: Faizal Nuranev  
Email: [faizal@logicalaw.ca](mailto:faizal@logicalaw.ca)  
Facsimile: 604-969-0698

(b) to the Assignee:

Name: Scotia Plaza  
Address: 40 King Street West, Suite 3700  
Toronto, ON M5H 3Y2

Attention: Scott Coates  
Email: [SCoates@kingsettcapital.com](mailto:SCoates@kingsettcapital.com)  
Facsimile: 416-687-6701

and such notice or other communication shall be deemed to have been given and received on the day on which it was delivered personally or by courier, or transmitted by electronic or digital transmission (or, if such day is not a business day or if delivery or transmission is made on a business day after 5:00 p.m. at the place of receipt, then on the next following business day) or, if mailed, on the third (3<sup>rd</sup>) business day following the date of mailing; provided, however, that if at the time of mailing or within three (3) business days thereafter there is or occurs a labour dispute or other event which might reasonably be expected to disrupt the delivery of documents by mail, any notice or other communication hereunder shall be delivered or transmitted by means of recorded electronic communication as aforesaid. Each party may change its address for notice by providing notice of same in accordance with the foregoing.

#### **4.10 Expenses, Fees and Indemnity**

The Beneficial Owner and the Registered Owner will pay to the Assignee all costs, charges and expenses, including all administrative fees, legal fees and professional fees, incurred by the Assignee in connection with the collection of any amount payable under this Agreement by the Beneficial Owner and the Registered Owner to the Assignee. The

- 8 -

Beneficial Owner and the Registered Owner shall indemnify the Assignee against all claims, loss or damages arising out of or in connection with any breach or default by the Beneficial Owner and the Registered Owner under this Agreement.

#### **4.11 Applicable Law**

This Agreement and the rights and obligations of the Beneficial Owner, the Registered Owner and the Assignee under it are governed by and construed according to the laws of the jurisdiction in which the Property are situate and the laws of Canada applicable therein.

#### **4.12 Time of the Essence**

Time is of the essence of this Agreement.

#### **4.13 Execution by the Assignee**

This Agreement need not be executed by the Assignee to be binding on and to enure to the benefit of the Assignee.

#### **4.14 Counterparts**

This Agreement may be executed or executed electronically and delivered in any number of counterparts, each of which when so executed or executed electronically and delivered shall be an original, but all of which taken together shall constitute one and the same instrument. It shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart. Transmission of executed or electronically executed copies of this Agreement whether or not in counterpart, by facsimile or other electronic transmission, shall be deemed to have the same effect as delivery of an original executed copy to the party receiving the transmission.

#### **4.15 Further Assurances**

The Beneficial Owner and the Registered Owner will promptly do all further acts and execute and deliver further documents as may be required to carry out the terms or intent of this Agreement.

#### **4.16 Successors and Assigns**

This Agreement is binding on and enures to the benefit of the Assignee, the Registered Owner and the Beneficial Owner, and their respective executors, administrators, successors and permitted assigns and to any Person to whom the Assignee may grant any participation in this Agreement, the Loan Indebtedness or any of the Loan Obligations or any power, remedy or right of the Assignee under this Agreement or any of the Assignee's interest herein or in the Loan Indebtedness and the Loan Obligations.

#### **4.17 Multiple Parties**

If the Beneficial Owner or the Registered Owner consists of more than one party, this Agreement will be read with all necessary grammatical changes and each reference to the Beneficial Owner or the Registered Owner includes each and every such Person or

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corporation individually. All covenants and agreements herein of the Beneficial Owner or the Registered Owner are the joint and several covenants and agreements of each such Person. If the Assignee consists of more than one party, this Agreement will be read with all necessary grammatical changes and each such party or any one or more of them is entitled to enforce each right and remedy of the Assignee under this Agreement.

-- signatures follow on next page --

**IN WITNESS WHEREOF** the Registered Owner and the Beneficial Owner have executed this Agreement as of the date and year first written above.

**SURREY CENTRE DISTRICT NW GP LTD.,**  
in its capacity as general partner for and  
on behalf of **DISTRICT NORTHWEST**  
**LIMITED PARTNERSHIP**

Per:



Name: Daljit Singh Thind

Title: Director

I/We have authority to bind the Corporation

**105 UNIVERSITY VIEW HOMES LTD.**

Per:



Name: Daljit Singh Thind

Title: Director

I/We have authority to bind the Corporation

This is Exhibit "J" referred to in the Affidavit  
#1 of Daniel Pollack affirmed before me at the  
city of Toronto, in the Province of Ontario this  
October 9, 2024



---

A Commissioner for taking affidavits and  
Notary Public in and for the province of  
Ontario

Maya Churilov (LSO# 87190A)

## **AMENDED AND RESTATED SUBORDINATION AND STANDSTILL AGREEMENT**

THIS AGREEMENT made as of the 2<sup>nd</sup> day of November, 2023 between KingSett Mortgage Corporation (the “**Lender**”), R.A.R. Consultants Ltd., IHI Developments Ltd., Garmeco Canada Consultants Ltd., and IHI Holdings Ltd. (collectively the “**Subordinate Lender**”), District Northwest Limited Partnership (the “**Borrower**”), and Daljit Thind and Thind Properties Ltd. (collectively, the “**Guarantor**”).

Whereas the Lender has made a loan (the “**Loan**”) to the Borrower in the original principal sum of \$79,912,500.00 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, the Guarantor and the Lender dated the 14<sup>th</sup> day of February, 2022, as amended by a first amendment to commitment letter dated October 16, 2023 (collectively, the “**Commitment Letter**”). All existing 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 to a maximum of \$79,912,500.00, all interest thereon, all future advances and all other amounts owing to the Lender thereunder from time to time, any protective disbursements necessary for the preservation of the Property and including all reserves payable to the Lender relating to the Loan as defined herein called the “**Prior Indebtedness**”. 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 Guarantor located on, arising from, comprising or used in connection with the operation of the Property, are herein collectively called the “**Prior Security**”.

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 \$20,200,000.00 (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 is hereby acknowledged) the parties agree as follows:



1. **Covenants, Representations and Warranties of Subordinate Lender.** The Subordinate Lender consents to the Prior Indebtedness and the Prior Security and covenants, represents and warrants to the Lender that (i) the Subordinate Indebtedness and the Subordinate Security are in good standing and the Borrower and the Guarantor are not in default thereunder, (ii) it holds no security of any kind against the Property other than the Subordinate Security, (iii) 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, (iv) the total amount owing to the Subordinate Lender under the Subordinate Indebtedness is \$10,000,000.00 as of February 28, 2022, and (v) the Subordinate Indebtedness bears interest at 8.75% pr annum, calculated monthly, not in advance, until maturity, at which point it shall increase to 15% per annum, calculated monthly, not in advance, and the interest is due and payable to the Subordinate Lender as follows: upon maturity or default, and (vi) it will not allow the principal amount of the Subordinate Loan to exceed \$20,200,000.00 without the Lender's prior written consent. Upon request by the Lender from time to time, the Subordinate Lender shall provide to the Lender copies of the Subordinate Security or a statement of the Subordinate Indebtedness then outstanding.

2. **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 for the full amount of the Prior Indebtedness plus interest 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 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.

3. **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. The Subordinate Lender shall not amend, extend, renew, modify, replace, supplement or restate the Subordinate Indebtedness or 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.

4. **Notices from Subordinate Lender.** The Subordinate Lender shall give to the 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, 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.

5. **Payments.** In the event of a default under the Prior Loan, 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. The Lender and the Subordinate Lender shall provide reasonable cooperation to each other to ensure the provisions of this section are complied with.

6. **Free Partial Discharges and Postponements.** The Subordinate Lender covenants and agrees that until the Prior Indebtedness is fully satisfied it will, at no expense to the Lender and regardless of default under or maturity of the Subordinate Security:

- (a) execute and register such postponements and partial discharges of its security as may be required to convey any part of the Property to bona fide purchasers of lots/units comprising the Property or to convey and/or grant easements over the project to any relevant governmental authority for walkways, utilities or for any other purposes as such governmental authorities may require, as part of the development process heretofore disclosed to the Lender in respect of the project as well as for any easements or rights-of-way in favour of abutting lands to provide access, egress and/or services to said abutting lands, provided however, that any monies received by the Borrower or the Guarantor from such purchasers or governmental authorities in connection therewith shall be remitted to the Lender until the Prior Indebtedness is discharged; and
- (b) execute and register where applicable any and all plans and documents required to facilitate development of the project and to re-zone the project, 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.

In the event for any reason the Subordinate Lender does not complete and register, without payment of principal, interest or any other amounts, a partial discharge of the Subordinate Security upon completion of a sale of a lot/unit on the Property, then the Lender shall be entitled to and the Subordinate Lender hereby irrevocably authorizes and directs the Lender and its counsel to execute and register from time to time partial discharges of the Subordinate Security for each lot/unit of the Property upon completion of a sale of a lot/unit in order to validly and fully discharge any such lot/unit from the Subordinate Security without payment of any principal, interest or any other amounts to the Subordinate Lender, provided that all net proceeds from each sale are paid to the Lender to reduce the Loan. Upon the Prior Indebtedness being fully satisfied, this direction and authorization shall be of no further force and effect.

7. **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 until the Prior Indebtedness is fully satisfied 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 until the Prior Indebtedness is fully satisfied.

8. **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 without reasonable prior notice to and the written consent of the Lender, which consent shall not be unreasonably withheld. 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. For greater clarity, 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. In this Section, "**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, attainment 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 rights or remedies available to a creditor under its security or otherwise at law or in equity, including without limitation, any bankruptcy proceedings.

9. **Receivership.** 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.

10. **Creditor Proceedings.** The parties hereto acknowledge and agree that the Lender and the Subordinate Lender have no commonality of interests between them such that (i) they ought not be classified in the same class in any restructuring proceeding; and (ii) the parties will take all reasonable steps to ensure they are not classified in the same class in any restructuring proceeding. If they are classified in the same class, the Subordinate Lender covenants and agrees to provide its proxy to vote its interests in any proceeding to the Lender. Upon the commencement of:

- (a) any dissolution, winding-up, total or partial liquidation, adjustment or readjustment of debt, reorganization, compromise, arrangement with creditors, plan of arrangement, proposal or similar proceedings under insolvency laws of or with respect to the Borrower or the Guarantor or their property or liabilities, in each case under insolvency laws;
- (b) any dissolution, winding-up, total or partial liquidation, adjustment or readjustment of debt, reorganization, compromise, arrangement with creditors, plan of arrangement or similar proceedings under the arrangement provisions of any applicable corporate law (in any case which involves the alteration, amendment, conversion, compromise, satisfaction or discharge of obligations of any or all creditors) of or with respect to the Borrower or the Guarantor or their property or liabilities;
- (c) any bankruptcy, insolvency, receivership, petition or assignment in bankruptcy, or assignment for the benefit of creditors under any insolvency laws of or with respect to the Borrower or the Guarantor;
- (d) any appointment of any receiver or receiver manager, whether pursuant to the power contained in the Subordinate Security or pursuant to a court order;
- (e) any marshaling of assets and liabilities of the Borrower or the Guarantor under any insolvency laws; or
- (f) any proceedings in relation to any of the foregoing;

whether any of the foregoing is voluntary or involuntary, partial or complete, and includes any such proceedings initiated or consented to by the Borrower or the Guarantor, the Subordinate Lender agrees not to take any action or vote in any way inconsistent with this agreement so as to contest (i) the validity or enforcement of any of the Prior Security, (ii) the priority of the Prior Security, and (iii) the rights of the Lender and duties of the Subordinate Lender. Unless the Prior Indebtedness is paid in full, the Subordinate Lender may not oppose, object to or vote against any plan of reorganization, plan of arrangement or any similar scheme of arrangement the terms of which are consistent with the rights of the Lender under this agreement.

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 (the “Assignee”) except with the prior written consent of the Lender, which consent may be given or withheld by the Lender in its sole and arbitrary discretion. If the Lender consents to any such sale, transfer, assignment or other disposition, such consent shall be conditional upon, among any other conditions that the Lender may impose, 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 transfer or assign its interest in the Loan and this agreement without restriction and without prior notice to or the consent of the Subordinate Lender.

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:

- (a) the respective dates of execution, delivery, attachment, registration, filing, perfection or enforcement of the Prior Security and the Subordinate Security;
- (b) the respective dates of any advances secured by the Prior Security or the Subordinate Security;
- (c) the respective dates of default under the Prior Security or the Subordinate Security;
- (d) 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;
- (e) the provisions of the instruments creating the Prior Security and the Subordinate Security; and

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

13. **Governing Law.** This agreement shall be governed by and construed in accordance with the laws of the Province in which the Lands are located and the laws of Canada applicable therein.

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 and assigns.

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.** 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; or the registration of any lien against the Property. The Borrower and Guarantor expressly agree to perform its 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. **Termination of Existing Subordination and Standstill Agreement.** The parties hereto acknowledge and agree that this agreement supersedes and replaces the subordination and standstill agreement dated March 1, 2022 between the Lender, the Subordinate Lender, the Borrower, and the Guarantor (the "**Existing Subordination and Standstill Agreement**") and the Existing Subordination and Standstill Agreement shall be of no further force or effect.

*Signatures appear on following page*

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

**KingSett Mortgage Corporation**

Per: Tanya Lee (Nov 1, 2023 15:43 EDT) c/s

Name:

Title:

Per: \_\_\_\_\_

Name:

Title:

I/We have the authority to bind the Corporation

**R.A.R. Consultants Ltd.**

Per: \_\_\_\_\_ c/s

Name:

Title:

Per: \_\_\_\_\_

Name:

Title:

I/We have the authority to bind the Corporation

**IHI Developments Ltd.**

Per: \_\_\_\_\_ c/s

Name:

Title:

Per: \_\_\_\_\_

Name:

Title:

I/We have the authority to bind the Corporation



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

**KingSett Mortgage Corporation**

Per: \_\_\_\_\_ c/s  
Name:  
Title:

Per: \_\_\_\_\_  
Name:  
Title:

I/We have the authority to bind the Corporation

**R.A.R. Consultants Ltd.**

  
Per: \_\_\_\_\_ c/s  
Name: Roger Reched  
Title: President

Per: \_\_\_\_\_  
Name:  
Title:

I/We have the authority to bind the Corporation


**IHI Developments Ltd.**

  
Per: \_\_\_\_\_ c/s  
Name: Roger Reched  
Title: President

Per: \_\_\_\_\_  
Name:  
Title:

I/We have the authority to bind the Corporation

**Garmeco Canada Consultants Ltd.**

Per:  \_\_\_\_\_ c/s  
Name: Roger Reched  
Title: President

Per: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

I/We have the authority to bind the Corporation


**IHI Holdings Ltd.**

Per:  \_\_\_\_\_ c/s  
Name: Roger Reched  
Title: President

Per: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_


I/We have the authority to bind the Corporation

**Surrey Centre District NW GP Ltd., in its capacity as general partner for and on behalf of District Northwest Limited Partnership**

Per:  c/s  
Name: Daljit Singh Thind  
Title: Director


I/We have the authority to bind the Corporation

**Thind Properties Ltd.**

Per:  c/s  
Name: Daljit Singh Thind  
Title: Director

I/We have the authority to bind the Corporation

**SIGNED, SEALED and DELIVERED** by Daljit Singh Thind in the presence of:

  
Signature

Brendan Sallis  
Print Name

700-4211 Kingsway  
Address  
Burnaby, BC

  
**DALJIT SINGH THIND**



**Brendan J. Sallis**  
Commissioner for Taking  
Affidavits in and for the  
Province of British Columbia

**SCHEDULE "A"**

**Lands**

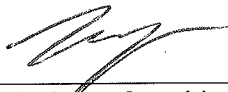
PID 031-746-667:

LOT A SECTION 22 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER  
DISTRICT PLAN EPP111526

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

1. a mortgage charging the Lands;
2. a promissory note granted by District Northwest Limited Partnership and 105 University Homes Ltd. in favour of the Subordinate Lender;
3. a general security agreement granted by 105 University View Homes Ltd. in favour of the Subordinate Lender;
4. a beneficial security agreement granted by District Northwest Limited Partnership in favour of the Subordinate Lender;
5. an unlimited personal and corporate guarantee granted by Thind Properties Ltd., Daljit Singh Thind and Harinder Thind in favour of the Subordinate Lender; and
6. an unlimited joint and several fraud misrepresentation and environmental indemnity granted by District Northwest Limited Partnership, 105 University View Homes Ltd., Thind Properties Ltd., Daljit Singh Thind and Harinder Thind in favour of the Subordinate Lender.

This is Exhibit “K” referred to in the Affidavit #1 of Daniel Pollack affirmed before me at the city of Toronto, in the Province of Ontario this October 9, 2024



---

A Commissioner for taking affidavits and  
Notary Public in and for the province of  
Ontario

Maya Churilov (LSO# 87190A)

## Registration Number - "563418N"

**Search Date and Time:** October 8, 2024 at 4:38:44 pm Pacific time  
**Account Name:** OSLER, HOSKIN & HARCOURT LLP  
**Folio Number:** 1260543

### TABLE OF CONTENTS

1 Match in 1 Registration in Report

Exact Matches: 1 (\*)

Total Search Report Pages: 3

	Base Registration	Base Registration Date	Registration Type	Page
1	<a href="#">* 563418N</a>	February 28, 2022	PPSA SECURITY AGREEMENT	<a href="#">2</a>

**Base Registration Number: 563418N**

<b>Registration Description:</b>	PPSA SECURITY AGREEMENT
<b>Act:</b>	PERSONAL PROPERTY SECURITY ACT
<b>Base Registration Date and Time:</b>	February 28, 2022 at 8:59:29 am Pacific time
<b>Current Expiry Date and Time:</b>	February 28, 2027 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
<b>Trust Indenture:</b>	No

**CURRENT REGISTRATION INFORMATION**

(as of October 8, 2024 at 4:38:44 pm Pacific time)

**Secured Party Information****KINGSETT MORTGAGE  
CORPORATION****Address**3700-40 KING STREET WEST, SCOTIA PLAZA  
TORONTO ON  
M5H 3Y2 Canada**Debtor Information****105 UNIVERSITY VIEW HOMES LTD.****Address**SUITE 700 - 4211 KINGSWAY  
BURNABY BC  
V5H 1Z6 Canada**SURREY CENTRE DISTRICT NW GP  
LTD.****Address**SUITE 215-179 DAVIE STREET  
VANCOUVER BC  
V6Z 2Y1 Canada**DISTRICT NORTHWEST LIMITED  
PARTNERSHIP****Address**SUITE 215-179 DAVIE STREET  
VANCOUVER BC  
V6Z 2Y1 Canada



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## Vehicle Collateral

None

---

## General Collateral

### Base Registration General Collateral:

All of the Debtors' present and after-acquired personal property located at, relating to, arising from or used in connection with, or which is necessary to the use and operation of the properties municipally known as 134A Street and University Drive, Surrey, B.C., and legally identified as (i) PID No. 010-049-029, LOT 96 EXCEPT: PART DEDICATED ROAD ON PLAN LMP6507 SEC 22 B5N R2W NWD PLAN 15002; (ii) PID No. 010-049-002, LOT 93 EXCEPT: PART DEDICATED ROAD ON PLAN LMP6507 SEC 22 B5N R2W NWD PLAN 15002; (iii) PID No. 010-465-961, LOT "A" SECTION 22 B5N R2W NWD PLAN 18562; (iv) PID No. 005-084-407, LOT 88 SECTION 22 B5N R2W NWD PLAN 15002; (v) PID No. 010-048-979, LOT 85 SECTION 22 B5N R2W NWD PLAN 15002; (vi) PID No. 000-576-646, LOT 94 SECTION 22 B5N R2W NWD PLAN 15002; (vii) PID No. 004-433-980, LOT 91 SECTION 22 B5N R2W NWD PLAN 15002; (viii) 010-048-995, LOT 90 SECTION 22 B5N R2W NWD PLAN 15002; (ix) 010-048-987, LOT 87 SECTION 22 B5N R2W NWD PLAN 15002; (x) PID No. 001-743-627, LOT 86 SECTION 22 B5N R2W NWD PLAN 15002; (xi) PID No. 010-048-961, LOT 84 EXCEPT: PARCEL "L" (BYLAW PLAN 66874) SEC 22 B5N R2W NWD PLAN 15002; (xii) PID No. 010-048-952, LOT 83 EXCEPT: PARCEL "J" (BYLAW PLAN 66874) SEC 22 B5N R2W NWD PLAN 15002; (xiii) 010-049-011, LOT 95 SECTION 22 B5N R2W NWD PLAN 15002 and all proceeds therefrom.

---

## Original Registering Party

**BENNETT JONES LLP  
(O'GRADY/59445-61/OD)**

### Address

3400-1 FIRST CANADIAN PLACE  
TORONTO ON  
M5X 1A4 Canada

This is Exhibit "L" referred to in the Affidavit #1 of Daniel Pollack affirmed before me at the city of Toronto, in the Province of Ontario this October 9, 2024



---

A Commissioner for taking affidavits and  
Notary Public in and for the province of  
Ontario

Maya Churilov (LSO# 87190A)

**TITLE SEARCH PRINT**

File Reference: 1260534

2024-10-08<sup>28</sup>, 15:56:31

Requestor: Pavan Sidhu

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

**Title Issued Under** SECTION 98 LAND TITLE ACT

**Land Title District** NEW WESTMINSTER  
Land Title Office NEW WESTMINSTER

**Title Number** CB112388  
From Title Number CA6537042  
CA6537043  
CA6537044  
CA6537045  
CA6537046  
CA6537047  
CA6537048  
CA6537049  
CA6537050  
CA6537051  
CA6537052  
CA6537053  
CA6537054

**Application Received** 2022-07-27

**Application Entered** 2022-08-03

**Registered Owner in Fee Simple**  
Registered Owner/Mailing Address: 105 UNIVERSITY VIEW HOMES LTD., INC.NO. BC1139244  
#700 - 4211 KINGSWAY  
BURNABY, BC  
V5H 1Z6

**Taxation Authority** Surrey, City of

**Description of Land**  
Parcel Identifier: 031-746-667  
Legal Description:  
LOT A SECTION 22 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT  
PLAN EPP111526

**Legal Notations**  
HERETO IS ANNEXED EASEMENT CA7885739 OVER LOTS A AND B PLAN EPP79101

**TITLE SEARCH PRINT**

File Reference: 1260534

2024-10-08<sup>29</sup>, 15:56:31  
Requestor: Pavan Sidhu

THIS TITLE MAY BE AFFECTED BY A PERMIT UNDER PART 14 OF THE LOCAL GOVERNMENT ACT, SEE CB209481

**Charges, Liens and Interests**

Nature: STATUTORY RIGHT OF WAY  
Registration Number: BG115826  
Registration Date and Time: 1993-04-07 13:09  
Registered Owner: BRITISH COLUMBIA TRANSIT  
Remarks: INTER ALIA  
PLAN LMP9777  
MODIFIED BY BR81992

Nature: STATUTORY RIGHT OF WAY  
Registration Number: BR81992  
Registration Date and Time: 2001-04-09 14:18  
Remarks: INTER ALIA  
MODIFICATION OF BG115826

Nature: EASEMENT  
Registration Number: CA7885741  
Registration Date and Time: 2019-11-22 17:04  
Remarks: INTER ALIA  
APPURTENANT TO LOTS A AND B PLAN EPP79101

Nature: MORTGAGE  
Registration Number: CA9749054  
Registration Date and Time: 2022-02-28 13:48  
Registered Owner: KINGSETT MORTGAGE CORPORATION  
INCORPORATION NO. AA0081500

Nature: ASSIGNMENT OF RENTS  
Registration Number: CA9749055  
Registration Date and Time: 2022-02-28 13:48  
Registered Owner: KINGSETT MORTGAGE CORPORATION  
INCORPORATION NO. A0081500

**TITLE SEARCH PRINT**

File Reference: 1260534

2024-10-08<sup>230</sup>, 15:56:31  
Requestor: Pavan Sidhu

Nature: MORTGAGE  
Registration Number: CA9754858  
Registration Date and Time: 2022-03-01 15:35  
Registered Owner: IHI DEVELOPMENTS LTD.  
INCORPORATION NO. BC616723  
GARMECO CANADA CONSULTANTS LTD.  
INCORPORATION NO. BC0367989  
IHI HOLDINGS LTD.  
INCORPORATION NO. BC0431817  
R.A.R. CONSULTANTS LTD.  
INCORPORATION NO. A0050404  
AS JOINT TENANTS  
Remarks: INTER ALIA

Nature: STATUTORY RIGHT OF WAY  
Registration Number: CB70399  
Registration Date and Time: 2022-07-11 11:17  
Registered Owner: CITY OF SURREY  
Remarks: INTER ALIA  
PART IN PLAN EPP111524

Nature: PRIORITY AGREEMENT  
Registration Number: CB70400  
Registration Date and Time: 2022-07-11 11:17  
Remarks: INTER ALIA  
GRANTING CB70399 PRIORITY OVER CA7885741,  
CA9749054, CA9749055 AND CA9754858

Nature: COVENANT  
Registration Number: CB70401  
Registration Date and Time: 2022-07-11 11:17  
Registered Owner: CITY OF SURREY  
Remarks: INTER ALIA

Nature: PRIORITY AGREEMENT  
Registration Number: CB70402  
Registration Date and Time: 2022-07-11 11:17  
Remarks: INTER ALIA  
GRANTING CB70401 PRIORITY OVER CA7885741,  
CA9749054, CA9749055 AND CA9754858

Nature: STATUTORY RIGHT OF WAY  
Registration Number: CB70403  
Registration Date and Time: 2022-07-11 11:17  
Registered Owner: CITY OF SURREY  
Remarks: PART IN PLAN EPP111524

**TITLE SEARCH PRINT**

2024-10-08<sup>231</sup>, 15:56:31

File Reference: 1260534

Requestor: Pavan Sidhu

Nature: PRIORITY AGREEMENT  
Registration Number: CB70404  
Registration Date and Time: 2022-07-11 11:17  
Remarks: GRANTING CB70403 PRIORITY OVER CA9749054,  
CA9749055 AND CA9754858

Nature: COVENANT  
Registration Number: CB70405  
Registration Date and Time: 2022-07-11 11:17  
Registered Owner: CITY OF SURREY

Nature: PRIORITY AGREEMENT  
Registration Number: CB70406  
Registration Date and Time: 2022-07-11 11:17  
Remarks: GRANTING CB70405 PRIORITY OVER CA9749054,  
CA9749055 AND CA9754858

Nature: STATUTORY RIGHT OF WAY  
Registration Number: CB70407  
Registration Date and Time: 2022-07-11 11:17  
Registered Owner: CITY OF SURREY  
Remarks: INTER ALIA  
PART IN PLAN EPP111524

Nature: PRIORITY AGREEMENT  
Registration Number: CB70408  
Registration Date and Time: 2022-07-11 11:17  
Remarks: GRANTING CB70407 PRIORITY OVER CA9749054,  
CA9749055 AND CA9754858

Nature: COVENANT  
Registration Number: CB70409  
Registration Date and Time: 2022-07-11 11:17  
Registered Owner: CITY OF SURREY  
Remarks: INTER ALIA

Nature: PRIORITY AGREEMENT  
Registration Number: CB70410  
Registration Date and Time: 2022-07-11 11:17  
Remarks: GRANTING CB70409 PRIORITY OVER CA9749054,  
CA9749055 AND CA9754858

Nature: STATUTORY RIGHT OF WAY  
Registration Number: CB70411  
Registration Date and Time: 2022-07-11 11:17  
Registered Owner: CITY OF SURREY  
Remarks: PART IN PLAN EPP111524

**TITLE SEARCH PRINT**

File Reference: 1260534

2024-10-08<sup>232</sup>, 15:56:31  
Requestor: Pavan Sidhu

Nature: PRIORITY AGREEMENT  
Registration Number: CB70412  
Registration Date and Time: 2022-07-11 11:17  
Remarks: GRANTING CB70411 PRIORITY OVER CA9749054,  
CA9749055 AND CA9754858

Nature: COVENANT  
Registration Number: CB70413  
Registration Date and Time: 2022-07-11 11:17  
Registered Owner: CITY OF SURREY

Nature: PRIORITY AGREEMENT  
Registration Number: CB70414  
Registration Date and Time: 2022-07-11 11:17  
Remarks: GRANTING CB70413 PRIORITY OVER CA9749054,  
CA9749055 AND CA9754858

Nature: STATUTORY RIGHT OF WAY  
Registration Number: CB70415  
Registration Date and Time: 2022-07-11 11:17  
Registered Owner: CITY OF SURREY  
Remarks: PART IN PLAN EPP111524

Nature: PRIORITY AGREEMENT  
Registration Number: CB70416  
Registration Date and Time: 2022-07-11 11:17  
Remarks: GRANTING CB70415 PRIORITY OVER CA9749054,  
CA9749055 AND CA9754858

Nature: COVENANT  
Registration Number: CB70417  
Registration Date and Time: 2022-07-11 11:17  
Registered Owner: CITY OF SURREY  
Remarks: PART FORMERLY LOT 87 PLAN 15002

Nature: PRIORITY AGREEMENT  
Registration Number: CB70418  
Registration Date and Time: 2022-07-11 11:17  
Remarks: GRANTING CB70417 PRIORITY OVER CA9749054,  
CA9749055 AND CA9754858

Nature: STATUTORY RIGHT OF WAY  
Registration Number: CB70419  
Registration Date and Time: 2022-07-11 11:17  
Registered Owner: CITY OF SURREY  
Remarks: PART IN PLAN EPP111524

**TITLE SEARCH PRINT**

2024-10-08<sup>233</sup>, 15:56:31  
Requestor: Pavan Sidhu

File Reference: 1260534

Nature: PRIORITY AGREEMENT  
Registration Number: CB70420  
Registration Date and Time: 2022-07-11 11:17  
Remarks: GRANTING CB70419 PRIORITY OVER CA9749054,  
CA9749055 AND CA9754858

Nature: COVENANT  
Registration Number: CB70421  
Registration Date and Time: 2022-07-11 11:17  
Registered Owner: CITY OF SURREY  
Remarks: PART FORMERLY LOT 88 PLAN 15002

Nature: PRIORITY AGREEMENT  
Registration Number: CB70422  
Registration Date and Time: 2022-07-11 11:17  
Remarks: GRANTING CB70421 PRIORITY OVER CA9749054,  
CA9749055 AND CA9754858

Nature: STATUTORY RIGHT OF WAY  
Registration Number: CB70423  
Registration Date and Time: 2022-07-11 11:17  
Registered Owner: CITY OF SURREY  
Remarks: PART IN PLAN EPP111524

Nature: PRIORITY AGREEMENT  
Registration Number: CB70424  
Registration Date and Time: 2022-07-11 11:17  
Remarks: GRANTING CB70423 PRIORITY OVER CA9749054,  
CA9749055 AND CA9754858

Nature: COVENANT  
Registration Number: CB70425  
Registration Date and Time: 2022-07-11 11:17  
Registered Owner: CITY OF SURREY  
Remarks: PART FORMERLY LOT 90 PLAN 15002

Nature: PRIORITY AGREEMENT  
Registration Number: CB70426  
Registration Date and Time: 2022-07-11 11:17  
Remarks: GRANTING CB70425 PRIORITY OVER CA9749054,  
CA9749055 AND CA9754858



**TITLE SEARCH PRINT**

File Reference: 1260534

2024-10-08<sup>234</sup>, 15:56:31  
Requestor: Pavan Sidhu

Nature: STATUTORY RIGHT OF WAY  
Registration Number: CB70427  
Registration Date and Time: 2022-07-11 11:17  
Registered Owner: CITY OF SURREY  
Remarks: INTER ALIA  
PART IN PLAN EPP111524

Nature: PRIORITY AGREEMENT  
Registration Number: CB70428  
Registration Date and Time: 2022-07-11 11:17  
Remarks: GRANTING CB70427 PRIORITY OVER CA9749054,  
CA9749055 AND CA9754858

Nature: COVENANT  
Registration Number: CB70429  
Registration Date and Time: 2022-07-11 11:17  
Registered Owner: CITY OF SURREY  
Remarks: INTER ALIA  
PART FORMERLY LOT 91 PLAN 15002

Nature: PRIORITY AGREEMENT  
Registration Number: CB70430  
Registration Date and Time: 2022-07-11 11:17  
Remarks: GRANTING CB70429 PRIORITY OVER CA9749054,  
CA9749055 AND CA9754858

Nature: STATUTORY RIGHT OF WAY  
Registration Number: CB70431  
Registration Date and Time: 2022-07-11 11:17  
Registered Owner: CITY OF SURREY  
Remarks: PART IN PLAN EPP111524

Nature: PRIORITY AGREEMENT  
Registration Number: CB70432  
Registration Date and Time: 2022-07-11 11:17  
Remarks: GRANTING CB70431 PRIORITY OVER CA9749054,  
CA9749055 AND CA9754858

Nature: COVENANT  
Registration Number: CB70433  
Registration Date and Time: 2022-07-11 11:17  
Registered Owner: CITY OF SURREY  
Remarks: PART FORMERLY LOT A PLAN 18562

**TITLE SEARCH PRINT**

File Reference: 1260534

2024-10-08<sup>235</sup>, 15:56:31  
Requestor: Pavan Sidhu

Nature: PRIORITY AGREEMENT  
Registration Number: CB70434  
Registration Date and Time: 2022-07-11 11:17  
Remarks: GRANTING CB70433 PRIORITY OVER CA9749054,  
CA9749055 AND CA9754858

Nature: STATUTORY RIGHT OF WAY  
Registration Number: CB70435  
Registration Date and Time: 2022-07-11 11:17  
Registered Owner: CITY OF SURREY  
Remarks: INTER ALIA  
PART IN PLAN EPP111524

Nature: PRIORITY AGREEMENT  
Registration Number: CB70436  
Registration Date and Time: 2022-07-11 11:17  
Remarks: GRANTING CB70435 PRIORITY OVER CA9749054,  
CA9749055 AND CA9754858

Nature: COVENANT  
Registration Number: CB70437  
Registration Date and Time: 2022-07-11 11:17  
Registered Owner: CITY OF SURREY  
Remarks: INTER ALIA  
PART FORMERLY LOT 94 PLAN 15002

Nature: PRIORITY AGREEMENT  
Registration Number: CB70438  
Registration Date and Time: 2022-07-11 11:17  
Remarks: GRANTING CB70437 PRIORITY OVER CA9749054,  
CA9749055 AND CA9754858

Nature: STATUTORY RIGHT OF WAY  
Registration Number: CB87920  
Registration Date and Time: 2022-07-18 08:58  
Registered Owner: CITY OF SURREY  
Remarks: PART IN PLAN EPP111524

Nature: PRIORITY AGREEMENT  
Registration Number: CB87921  
Registration Date and Time: 2022-07-18 08:58  
Remarks: GRANTING CB87920 PRIORITY OVER CA9749054,  
CA9749055 AND CA9754858

**TITLE SEARCH PRINT**

2024-10-08<sup>236</sup>, 15:56:31  
Requestor: Pavan Sidhu

File Reference: 1260534

Nature: COVENANT  
Registration Number: CB87922  
Registration Date and Time: 2022-07-18 08:58  
Registered Owner: CITY OF SURREY  
Remarks: PART FORMERLY LOT 86 PLAN 15002

Nature: PRIORITY AGREEMENT  
Registration Number: CB87923  
Registration Date and Time: 2022-07-18 08:58  
Remarks: GRANTING CB87922 PRIORITY OVER CA9749054,  
CA9749055 AND CA9754858

Nature: STATUTORY RIGHT OF WAY  
Registration Number: CB87924  
Registration Date and Time: 2022-07-18 08:58  
Registered Owner: CITY OF SURREY  
Remarks: PART IN PLAN EPP111524

Nature: PRIORITY AGREEMENT  
Registration Number: CB87925  
Registration Date and Time: 2022-07-18 08:58  
Remarks: GRANTING CB87924 PRIORITY OVER CA9749054,  
CA9749055 AND CA9754858

Nature: COVENANT  
Registration Number: CB87926  
Registration Date and Time: 2022-07-18 08:58  
Registered Owner: CITY OF SURREY  
Remarks: PART FORMERLY LOT 93 PLAN 15002

Nature: PRIORITY AGREEMENT  
Registration Number: CB87927  
Registration Date and Time: 2022-07-18 08:58  
Remarks: GRANTING CB87926 PRIORITY OVER CA9749054,  
CA9749055 AND CA9754858

Nature: STATUTORY RIGHT OF WAY  
Registration Number: CB87928  
Registration Date and Time: 2022-07-18 08:58  
Registered Owner: CITY OF SURREY  
Remarks: PART IN PLAN EPP111524

Nature: PRIORITY AGREEMENT  
Registration Number: CB87929  
Registration Date and Time: 2022-07-18 08:58  
Remarks: GRANTING CB87928 PRIORITY OVER CA9749054,  
CA9749055 AND CA9754858

**TITLE SEARCH PRINT**

File Reference: 1260534

2024-10-08<sup>237</sup>, 15:56:31  
Requestor: Pavan Sidhu

Nature: COVENANT  
Registration Number: CB87930  
Registration Date and Time: 2022-07-18 08:58  
Registered Owner: CITY OF SURREY  
Remarks: PART FORMERLY LOT 96 PLAN 15002

Nature: PRIORITY AGREEMENT  
Registration Number: CB87931  
Registration Date and Time: 2022-07-18 08:58  
Remarks: GRANTING CB87930 PRIORITY OVER CA9749054,  
CA9749055 AND CA9754858

Nature: COVENANT  
Registration Number: CB112391  
Registration Date and Time: 2022-07-27 17:31  
Registered Owner: CITY OF SURREY

Nature: PRIORITY AGREEMENT  
Registration Number: CB112392  
Registration Date and Time: 2022-07-27 17:31  
Remarks: GRANTING CB112391 PRIORITY OVER CA9749054,  
CA9749055 AND CA9754858

Nature: COVENANT  
Registration Number: CB112393  
Registration Date and Time: 2022-07-27 17:31  
Registered Owner: CITY OF SURREY

Nature: PRIORITY AGREEMENT  
Registration Number: CB112394  
Registration Date and Time: 2022-07-27 17:31  
Remarks: GRANTING CB112393 PRIORITY OVER CA9749054,  
CA9749055 AND CA9754858

Nature: STATUTORY RIGHT OF WAY  
Registration Number: CB112395  
Registration Date and Time: 2022-07-27 17:31  
Registered Owner: CITY OF SURREY

Nature: COVENANT  
Registration Number: CB112396  
Registration Date and Time: 2022-07-27 17:31  
Registered Owner: CITY OF SURREY

**TITLE SEARCH PRINT**

2024-10-08<sup>238</sup>, 15:56:31

File Reference: 1260534

Requestor: Pavan Sidhu

Nature: PRIORITY AGREEMENT  
 Registration Number: CB112397  
 Registration Date and Time: 2022-07-27 17:31  
 Remarks: GRANTING CB112395 PRIORITY OVER CA9749054,  
 CA9749055 AND CA9754858

Nature: PRIORITY AGREEMENT  
 Registration Number: CB112398  
 Registration Date and Time: 2022-07-27 17:31  
 Remarks: GRANTING CB112396 PRIORITY OVER CA9749054,  
 CA9749055 AND CA9754858

Nature: COVENANT  
 Registration Number: CB112399  
 Registration Date and Time: 2022-07-27 17:31  
 Registered Owner: CITY OF SURREY

Nature: PRIORITY AGREEMENT  
 Registration Number: CB112400  
 Registration Date and Time: 2022-07-27 17:31  
 Remarks: GRANTING CB112399 PRIORITY OVER CA9749054,  
 CA9749055 AND CA9754858

Nature: MORTGAGE  
 Registration Number: CB1008626  
 Registration Date and Time: 2023-11-06 10:53  
 Registered Owner: KINGSETT MORTGAGE CORPORATION  
 INCORPORATION NO. A0081500

Nature: PRIORITY AGREEMENT  
 Registration Number: CB1008989  
 Registration Date and Time: 2023-11-06 12:27  
 Remarks: GRANTING CB1008626 PRIORITY OVER CA9754858

**Duplicate Indefeasible Title** NONE OUTSTANDING

**Transfers** NONE

**Pending Applications** NONE

ParcelMap BC Search

Search

- Parcels by
  - Civic Address
  - Plan Number
  - Parcel Identifier (PID)
  - Parcel Identification Number (PIN)
  - Jurisdiction and Roll Number
  - Short Legal Description

031-746-683

Add to Existing Search Results

Include Fabric History

Search

Crown Features by

004-484-373  
NWP 13330  
Parcel A

Road  
BCP40220

009-858-531  
NWP 13330  
REM Lot 19

006-858-504  
NWP 13330  
Lot 18

004-526-753  
NWP 13330  
Lot 17

009-858-458  
NWP 13330  
Lot 16

004-299-051  
NWP 13330  
Lot 14

009-858-440  
NWP 13330  
Lot 13

009-858-423  
NWP 13330  
Lot 12

002-098-236  
NWP 13330  
Lot 11

Road  
BCP40223

009-858-415  
NWP 13330  
REMI Lot

009-858-407  
NWP 13330  
Lot 7

010-040-471  
NWP 15002  
REM Lot 55

010-040-544  
NWP 15002  
REM Lot 56

010-040-579  
NWP 15002  
Lot 57

007-087-594  
NWP 15002  
Lot 60

001-678-094  
NWP 15002  
Lot 59

007-087-047  
NWP 15002  
Lot 61

010-040-587  
NWP 15002  
Lot 64

010-040-609  
NWP 15002  
Lot 65

010-040-863  
NWP 45360  
Parcel A  
Lot 68

010-040-847  
NWP 15002  
Lot 67

Building Strata  
NWS1464

031-746-687  
EPP111626  
Lot A

031-746-683  
EPP106559  
Lot A

105A Ave

105A Ave

105A Ave

105 Ave

105 Ave

134A St

134A St

105 Ave

105 Ave

Building Strata  
LMS1328

Building Strata

49°13'59"N 122°51'05"W

20m

Esri Canada, Esri, TomTom, Garmin, FAO, NOAA, USGS, EPA, NRCan, Parks Canada, Land Title and Survey Authority of British Columbia - All rights reserved. Contact Us Privacy Terms & Conditions

The requested plan search results are displayed below. There is no fee for these results.



2024-09-16 15:34:53

**Plan Search Results**

Requestor: Pavan Sidhu

File Reference: 1260534

18 search results found in Land Title District: All Districts

**Plans for Plan Number 111526**

Land Title District	Plan Number	Plan Type	Short Legal Description	Parcel Information
NEW WESTMINSTER	EPP111526	Subdivision	S/15002/////83	010-048-952
			S/15002/////83//J	014-344-271
			S/15002/////84	010-048-961 (MN)
			S/15002/////85	010-048-979 (MN)
			S/15002/////86	001-743-627
			S/15002/////87	010-048-987 (MN)
			S/15002/////88	005-084-407 (MN)
			S/15002/////90	010-048-995 (MN)
			S/15002/////91	004-433-980 (MN)
			S/15002/////93	010-049-002
			S/15002/////94	000-576-646 (MN)
			S/15002/////95	010-049-011 (MN)
			S/15002/////96	010-049-029
			S/18562/////A	010-465-961 (MN)
			S/EPP111526/////A	031-746-667
			S/EPP111526/////B	031-746-675
			S/EPP111526/////C	031-746-683
	<b>NEP111526DD</b>	Not Identified		(No Known Related Parcels)

NEW WESTMINSTER LAND TITLE OFFICE

Jul-27-2022 17:31:06.002

EPP111526<sup>241</sup>

**SURVEY PLAN CERTIFICATION**  
**PROVINCE OF BRITISH COLUMBIA**

0718

PAGE 1 OF 2 PAGES

Your electronic signature is a representation that you are a British Columbia land surveyor and a subscriber under section 168.6 of the *Land Title Act*, R.S.B.C. 1996 c.250. By electronically signing this document, you are also electronically signing the attached plan under section 168.3 of the act.

Curtis Van Hove HE2FAR

Digitally signed by Curtis Van Hove HE2FAR  
Date: 2022.03.21 10:03:17 -07'00'

ting Not Permi

1. BC LAND SURVEYOR (Name, address, phone, email)  
Curtis Van Hove  
HY and Associates Land Surveying Ltd.  
#200 - 9128 152nd Street  
Surrey BC V3R 4E7

(604) 583-1616  
curtis.vanhove@hyengineering.com

Surveyor General Certification [For Surveyor General Use Only]

2. PLAN IDENTIFICATION:

Control Number: 164-788-2197

Plan Number: EPP111526

This original plan number assignment was done under Commission #: 718

LTO Document Reference: CB112388

ge Obscured

3. CERTIFICATION:

Form 9A

I, the undersigned, a British Columbia land surveyor, certify that the information presented hereon is true and correct, and that the survey and plan are correct.

The field survey was completed on: 2022 March 18 (YYYY/Month/DD)

The checklist was filed under ECR#:

The plan was completed and checked on: 2022 March 21 (YYYY/Month/DD)

259121

For Official

None  Strata Form S  Strata Form UI  Strata Form UI/U2

lan Preview On

Remainder Parcel (Airspace)

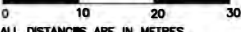
4. ALTERATION:



**SUBMISSION PLAN OF**  
**PARCEL "J" (BYLAW PLAN 66874) OF LOT 83 PLAN 15002**  
**LOT 83 EXCEPT: PARCEL "J" (BYLAW PLAN 66874) PLAN 15002**  
**LOT 84 EXCEPT: PARCEL "L" (BYLAW PLAN 66874) PLAN 15002**  
**LOTS 85 TO 88, LOTS 90 AND 91, LOTS 94 AND 95, ALL OF PLAN 15002**  
**LOT "A" PLAN 18562**  
**LOT 93 EXCEPT: PART DEDICATED ROAD ON PLAN LMP6507, PLAN 15002**  
**LOT 96 EXCEPT: PART DEDICATED ROAD ON PLAN LMP6507, PLAN 15002**  
**ALL OF SECTION 22 BLOCK 5 NORTH RANGE 2 WEST**  
**NEW WESTMINSTER DISTRICT**

BCGS 92G.016

Printing Not Permitted



ALL DISTANCES ARE IN METRES

THE INTENDED PLOT SIZE OF THIS PLAN IS 560mm IN HEIGHT BY 432mm IN WIDTH (C SIZE) WHEN PLOTTED AT A SCALE OF 1:500

THIS PLAN LIES WITHIN INTEGRATED SURVEY AREA NO. 1, SURREY, BC, NAD83 (CSRS) 4.0.0.BC.1.MVRD.

GRID BEARINGS ARE DERIVED FROM OBSERVATIONS BETWEEN GEODETIC CONTROL MONUMENTS 92H0891 AND 5791 AND ARE REFERRED TO THE CENTRAL MERIDIAN OF UTM ZONE 10

THE UTM COORDINATES AND ESTIMATED ABSOLUTE ACCURACY ACHIEVED ARE DERIVED FROM MASCOT PUBLISHED COORDINATES AND STANDARD DEVIATIONS FOR GEODETIC CONTROL MONUMENTS 92H0891 AND 5791

THIS PLAN SHOWS HORIZONTAL GROUND-LEVEL DISTANCES UNLESS OTHERWISE SPECIFIED. TO COMPUTE GRID DISTANCES, MULTIPLY GROUND-LEVEL DISTANCES BY THE AVERAGE COMBINED FACTOR OF 0.99999005. THE AVERAGE COMBINED FACTOR HAS BEEN DETERMINED FROM CONTROL MONUMENTS 92H0891 AND 5791

**LEGEND**

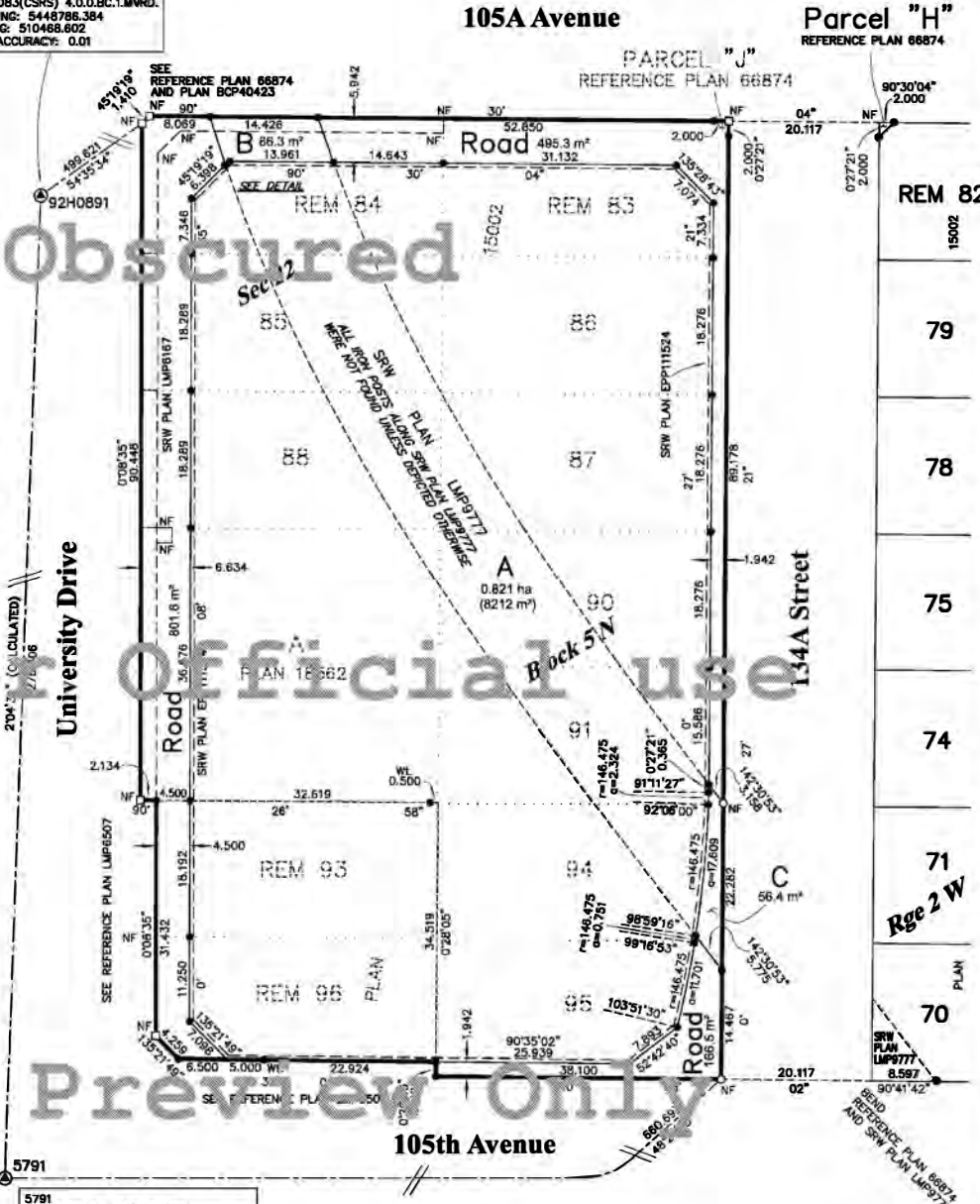
- ⊙ INDICATES CONTROL MONUMENT FEIGN
  - INDICATES STANDARD IRON
  - INDICATES STANDARD IRON POST PLACED
  - INDICATES LEAD PLUG PLACED
- THIS PLAN SHOWS ONE OR MORE WITNESS POSTS WHICH ARE NOT SET ON THE TRUE CORNER(S)

92H0891  
UTM ZONE 10 COORDINATES  
DATUM: NAD83(CSRS) 4.0.0.BC.1.MVRD.  
UTM NORTHING: 5443783.384  
UTM EASTING: 510468.802  
ABSOLUTE ACCURACY: 0.01



DETAIL

SCALE OF ENLARGEMENT IS 1:250 AT INTENDED PLOT SIZE OF PLAN



5791  
UTM ZONE 10 COORDINATES  
DATUM: NAD83(CSRS) 4.0.0.BC.1.MVRD.  
UTM NORTHING: 54445510.236  
UTM EASTING: 510458.586  
ABSOLUTE ACCURACY: 0.03

THIS PLAN WAS PREVIOUSLY CERTIFIED BY EUGENE WONG BCLS #718 ON THE 19th DAY OF NOVEMBER, 2021

THIS PLAN LIES WITHIN THE METRO VANCOUVER REGIONAL DISTRICT - CITY OF SURREY

THIS PLAN LIES WITHIN THE JURISDICTION OF THE APPROVING OFFICER FOR THE CITY OF SURREY

THE FIELD SURVEY REPRESENTED BY THIS PLAN WAS COMPLETED ON THE 18th DAY OF MARCH, 2022 CURTIS VAN HOVE, BCLS #1047

This is Exhibit “**M**” referred to in the Affidavit #1 of Daniel Pollack affirmed before me at the city of Toronto, in the Province of Ontario this October 9, 2024



---

A Commissioner for taking affidavits and  
Notary Public in and for the province of  
Ontario

Maya Churilov (LSO# 87190A)

**Osler, Hoskin & Harcourt LLP**  
 Suite 3000, Four Bentall,  
 1055 Dunsmuir Street,  
 Vancouver, BC, Canada V7X 1K8  
 778.785.3000 MAIN  
 778.785.2745 FACSIMILE

**OSLER**

Vancouver

Toronto

Montréal

Calgary

Ottawa

New York

August 30, 2024

Mary Buttery, K.C.  
 Direct Dial: 604.692.2752  
[mbuttery@osler.com](mailto:mbuttery@osler.com)

**Sent By Courier and Electronic Mail**

**District Northwest Limited Partnership**

#700 – 401 West Georgia Street  
 Vancouver, BC V6B 5A1

**Surrey Centre District NW GP Ltd.**

#700 – 401 West Georgia Street  
 Vancouver, BC V6B 5A1

**105 University View Homes Ltd.**

#700 – 401 West Georgia Street  
 Vancouver, BC V6B 5A1

Attention: Daljit Thind  
 Email: [daljit@thind.ca](mailto:daljit@thind.ca)

Dear Sir:

**RE: Mortgage financing advanced by KingSett Mortgage Corporation (the “Lender”) to District Northwest Limited Partnership, by its general partner Surrey Centre District NW GP Ltd., and 105 University View Homes Ltd., as nominee (collectively, the “Borrower”) pursuant to the terms of a commitment letter dated February 14, 2022, as amended by a first amending agreement dated October 16, 2023, a second amending agreement dated January 30, 2024, and a third amending agreement dated March 19, 2024 (as may be further amended, restated, or supplemented from time to time, the “Commitment Letter”)**

We are counsel to the Lender.

Pursuant to the Commitment Letter, the Lender advanced to the Borrower a first mortgage non-revolving demand loan in the total amount of \$79,912,500.00 (collectively, the “Loan”).

Pursuant to the Commitment Letter, the Loan is secured by the following:

- (a) General Security Agreement, registered February 28, 2022;
- (b) Mortgage and Assignment of Rents, dated February 24, 2022, as described below;
- (c) Guarantee executed by Daljit Thind, dated February 24, 2022;
- (d) Guarantee executed by Thind Properties Ltd., dated February 24, 2022;
- (e) Guarantee Collateral Security executed by Thind Properties Ltd., which includes the Thind Properties Specific Assignment of Distributions, as defined in the Commitment Letter, registered February 28, 2022;
- (f) General Assignment of Material Contracts;
- (g) Assignment of Insurance;
- (h) Fraud, Misrepresentation and Environmental Indemnity;
- (i) Beneficial Security Agreement;
- (j) Pledge Agreement; and
- (k) Such other Security as the Lender and/or its legal counsel may reasonably require.

(collectively, the “**Security**”).

In accordance with the terms of the Commitment Letter, and as part of the above noted Security, the Borrower granted a mortgage in the amount of \$70,000,000.00 (the “**Mortgage**”) and an assignment of rents (the “**Assignment of Rents**”) in favour of the Lender over the lands legally described as:

- (a) LOT 96 EXCEPT; PART DEDICATED ROAD ON PLAN LMP6507, SECTION 22 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 15002, PID 010-049-029
- (b) LOT 93 EXCEPT; PART DEDICATED ROAD ON PLAN LMP6507, SECTION 22 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 15002, PID 010-049-002
- (c) LOT "A" SECTION 22 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 18562, PID 010-465-961

- (d) LOT 88 SECTION 22 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 15002, PID 005-084-407
- (e) LOT 85 SECTION 22 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 15002, PID 010-048-979
- (f) LOT 94 SECTION 22 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 15002, PID 000-576-646
- (g) LOT 91 SECTION 22 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 15002, PID 004-433-980
- (h) LOT 90 SECTION 22 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 15002, PID 010-048-995
- (i) LOT 87 SECTION 22 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 15002, PID 010-048-987
- (j) LOT 86 SECTION 22 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 15002, PID 001-743-627
- (k) LOT 84 EXCEPT PARCEL “L” (BYLAW PLAN 66874); SECTION 22 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 15002, PID 010-048-961
- (l) LOT 83 EXCEPT PARCEL “L” (BYLAW PLAN 66874); SECTION 22 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 15002, PID 010-048-952
- (m) LOT 95 SECTION 22 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 15002, PID 010-049-011

(collectively, the “**Property**”).

The Mortgage and Assignment of Rents are registered in favour of the Lender, as mortgagee, against the Property in the New Westminster Land Title Office having registration numbers: CA9749054 and CA9749055.

As at August 29, 2024, the total amount due and owing to the Lender pursuant to and in connection with the Loan, inclusive of interest, is \$84,633,896.19 (the “**Outstanding Amount**”), plus accrued and accruing costs, disbursements, and interest.

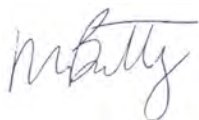
It is the position of the Lender that the Borrower is in default of its obligations under the Commitment Letter, the Mortgage, and the Assignment of Rents, for reasons including but not limited to:

- (a) The Borrower's failure to make the monthly interest installment payment to the Lender on May 1, 2024, as required pursuant to Article 13 of the Commitment Letter.

In accordance with the Commitment Letter and the Security, 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 is not made in full by close of business on September 11, 2024, 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 consent to the Lender taking earlier enforcement measures, please return the consent executed by a duly executed officer of the Borrower.

Regards,

A handwritten signature in cursive script, appearing to read "M. Buttery".

Mary Buttery, K.C.  
MB:en

Enclosures

**NOTICE OF INTENTION TO ENFORCE SECURITY**  
**(Subsection 244(1))**  
*Bankruptcy and Insolvency Act (Canada)*

To: **District Northwest Limited Partnership**  
 #700 – 401 West Georgia Street  
 Vancouver, BC V6B 5A1

**105 University View Homes Ltd.**  
 #700 – 401 West Georgia Street  
 Vancouver, BC V6B 5A1

**Surrey Centre NW GP Ltd.**  
 #700 – 401 West Georgia Street  
 Vancouver, BC V6B 5A1

**Daljit Thind**  
 700 – 4211 Kingsway  
 Burnaby, BC V5H 1Z6

**Thind Properties Ltd.**  
 #700 – 401 West Georgia Street  
 Vancouver, BC V6B 5A1

Attention: Daljit Thind

**TAKE NOTICE THAT:**

1. KingSett Mortgage Corporation (“**KingSett**”), 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:
  - (a) LOT 96 EXCEPT; PART DEDICATED ROAD ON PLAN LMP6507, SECTION 22 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 15002, PID 010-049-029
  - (b) LOT 93 EXCEPT; PART DEDICATED ROAD ON PLAN LMP6507, SECTION 22 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 15002, PID 010-049-002
  - (c) LOT "A" SECTION 22 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 18562, PID 010-465-961
  - (d) LOT 88 SECTION 22 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 15002, PID 005-084-407

- (e) LOT 85 SECTION 22 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 15002, PID 010-048-979
  - (f) LOT 94 SECTION 22 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 15002, PID 000-576-646
  - (g) LOT 91 SECTION 22 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 15002, PID 004-433-980
  - (h) LOT 90 SECTION 22 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 15002, PID 010-048-995
  - (i) LOT 87 SECTION 22 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 15002, PID 010-048-987
  - (j) LOT 86 SECTION 22 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 15002, PID 001-743-627
  - (k) LOT 84 EXCEPT PARCEL "L" (BYLAW PLAN 66874); SECTION 22 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 15002, PID 010-048-961
  - (l) LOT 83 EXCEPT PARCEL "L" (BYLAW PLAN 66874); SECTION 22 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 15002, PID 010-048-952
  - (m) LOT 95 SECTION 22 BLOCK 5 NORTH RANGE 2 WEST NEW WESTMINSTER DISTRICT PLAN 15002, PID 010-049-011.
2. The security that is to be enforced includes security granted by the insolvent persons in favour of KingSett as set out in the following:
- (a) General Security Agreement, registered February 28, 2022;
  - (b) Mortgage and Assignment of Rents, dated February 24, 2022;
  - (c) Guarantee executed by Daljit Thind, dated February 24, 2022;
  - (d) Guarantee executed by Thind Properties Ltd., dated February 24, 2022;
  - (e) A specific assignment of cash distributions granted by Thind Properties Ltd., which includes the assignment of all cash distributions to be received from Lumina Eclipse LP, Minoru Square Development Limited Partnership, or 6411 Sussex Heights Development Ltd., dated February 28, 2022;
  - (f) General Assignment of Material Contracts;
  - (g) Assignment of Insurance;

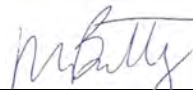


- (h) Fraud, Misrepresentation and Environmental Indemnity;
  - (i) Beneficial Security Agreement;
  - (j) Pledge Agreement; and
  - (k) Such other Security as the Lender and/or its legal counsel may reasonably require.
3. The total amount of the indebtedness secured by the security, as at August 29, 2024, is \$84,633,896.19 plus accrued and accruing costs, disbursements and interest accruing from the date of this notice; and
4. KingSett 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 persons consents to an earlier enforcement.

DATED at Vancouver, British Columbia, this 30<sup>th</sup> day of August, 2024.

**KingSett Mortgage Corporation**

Per: \_\_\_\_\_



Name: Mary Buttery, K.C.  
Title: Counsel and Agent for KingSett  
Mortgage Corporation

**District Northwest Limited Partnership**

1. consents to the immediate enforcement by KingSett as a secured party of the security described in paragraph 2 above pursuant to Section 244(2) of the *Bankruptcy and Insolvency Act* (Canada);
2. consents to the secured party's (KingSett's) disposition of any or all collateral subject to the secured party's (KingSett's) security immediately or otherwise as the secured party may determine in its sole discretion, without notice as required by the *Personal Property Security Act* (British Columbia); and
3. consents to the secured party's (KingSett's) immediate appointment of a Receiver, or a Receiver-Manager, in accordance with the provisions of the above noted security.

**District Northwest Limited Partnership, by  
its general partner, Surrey Centre NW GP  
Ltd.**

Per: \_\_\_\_\_

Name:

Title:

**By its authorized signatory**

**105 University View Homes Ltd.**

1. consents to the immediate enforcement by KingSett as a secured party of the security described in paragraph 2 above pursuant to Section 244(2) of the *Bankruptcy and Insolvency Act* (Canada);
2. consents to the secured party's (KingSett's) disposition of any or all collateral subject to the secured party's (KingSett's) security immediately or otherwise as the secured party may determine in its sole discretion, without notice as required by the *Personal Property Security Act* (British Columbia); and
3. consents to the secured party's (KingSett's) immediate appointment of a Receiver, or a Receiver-Manager, in accordance with the provisions of the above noted security.

**105 University View Homes Ltd.**

Per: \_\_\_\_\_  
Name:  
Title:  
**By its authorized signatory**

**Surrey Centre NW GP Ltd.**

1. consents to the immediate enforcement by KingSett as a secured party of the security described in paragraph 2 above pursuant to Section 244(2) of the *Bankruptcy and Insolvency Act* (Canada);
2. consents to the secured party's (KingSett's) disposition of any or all collateral subject to the secured party's (KingSett's) security immediately or otherwise as the secured party may determine in its sole discretion, without notice as required by the *Personal Property Security Act* (British Columbia); and
3. consents to the secured party's (KingSett's) immediate appointment of a Receiver, or a Receiver-Manager, in accordance with the provisions of the above noted security.

**Surrey Centre NW GP Ltd.**

Per: \_\_\_\_\_  
Name:  
Title:  
**By its authorized signatory**

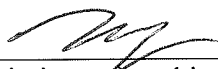
**Thind Properties Ltd.**

4. consents to the immediate enforcement by KingSett as a secured party of the security described in paragraph 2 above pursuant to Section 244(2) of the *Bankruptcy and Insolvency Act* (Canada);
5. consents to the secured party's (KingSett's) disposition of any or all collateral subject to the secured party's (KingSett's) security immediately or otherwise as the secured party may determine in its sole discretion, without notice as required by the *Personal Property Security Act* (British Columbia); and
6. consents to the secured party's (KingSett's) immediate appointment of a Receiver, or a Receiver-Manager, in accordance with the provisions of the above noted security.

**Thind Properties Ltd.**

Per: \_\_\_\_\_  
Name:  
Title:  
**By its authorized signatory**

This is Exhibit "N" referred to in the Affidavit #1 of Daniel Pollack affirmed before me at the city of Toronto, in the Province of Ontario this October 9, 2024



---

A Commissioner for taking affidavits and  
Notary Public in and for the province of  
Ontario

Maya Churilov (LSO# 87190A)

No. \_\_\_\_\_  
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN

**KINGSETT MORTGAGE CORPORATION**

PETITIONER

AND

**DISTRICT NORTHWEST LIMITED PARTNERSHIP**

and

**105 UNIVERSITY VIEW HOMES LTD.**

RESPONDENTS

**CONSENT OF THE PROPOSED RECEIVER**

**KSV RESTRUCTURING INC.** hereby consents to act as the Court-appointed receiver of certain property of the Respondents, pursuant to the terms of the receivership order sought by the Petitioner in these proceedings.

Dated: October \_\_\_\_, 2024

**KSV RESTRUCTURING INC.**

Per:



---

Name: Noah Goldstein  
Title: Managing Director