

This is the 1st Affidavit of
John Karkoutlian in this case and
was made on September 26, 2024



NO. **S-246877**
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN

NATIONAL BANK OF CANADA

PETITIONER

AND

MANNA INDUSTRIAL FUND (VALUE-ADD) LIMITED PARTNERSHIP,
MANNA INDUSTRIAL FUND (VALUE-ADD) GP CORP, 8826 JIM BAILEY LTD.
375 POTTERTON LTD., GENESIS MANNA HOLDINGS LTD. AND
ALLION HOLDINGS LTD.

RESPONDENTS

A F F I D A V I T

I, **John Karkoutlian**, 130 King Street West, Exchange Tower, 29th Floor, Toronto, Ontario,
SWEAR THAT:

1. I am a Senior Manager of Special Loans for the Petitioner, the National Bank of Canada (the "**Lender**"), and, as such, have personal knowledge of the matters deposed to in this affidavit, except where I depose to a matter based on information from an informant I identify, in which case I believe that both the information from the informant and the resulting statement are true. I am authorized to make this affidavit on behalf of the Lender.

2. This affidavit is made in support of the order sought by the Lender that:

(a) FTI Consulting Canada Inc. ("**FTI**") be appointed as receiver and manager (in such capacity, the "**Receiver**") over (collectively, the "**Property**");

(i) the real property legally described as:

PID: 024-666-947

Lot 6 Section 2 Township 20 Osoyoos Division Yale District Plan
KAP65805

including all rents and leases relating thereto, (the "**Jim Bailey Property**");

- (ii) the real property legally described as:

PID: 023-839-171

Lot D Section 2 Township 20 Osoyoos Division Yale District Plan
KAP59703

including all rents and leases relating thereto (the "**Potterton Property**",
and, together with the Jim Bailey Property, the "**Real Property**");

- (iii) all present and after-acquired personal property relating to the Real Property;

- (iv) all property, assets, and undertakings of 8826 Jim Bailey Ltd. (the "**Jim Bailey Nominee**") and 375 Potterton Ltd. (the "**Potterton Nominee**" and, together with the Jim Bailey Nominee, the "**Nominees**"); and

- (v) all shares in the capital stock of the Jim Bailey Nominee and the Potterton Nominee,

pursuant to s. 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended ("**BIA**") and s. 39(1) of the *Law and Equity Act*, R.S.B.C. 1996, c. 253 ("**LEA**");

- (b) granting a first-ranking charge (the "**Receiver's Charge**") on the Property, in favour of the Receiver and its legal counsel, as security for the payment of their fees and disbursements, in each case at their standard rates, in respect of these proceedings, whether incurred before or after the making of the Receivership Order;
- (c) authorizing and empowering the Receiver to borrow such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$500,000 (or such greater amount as this Court may by further Order authorize), and granting a second-ranking charge (the "**Receiver's Borrowings Charge**") over all of the Property, as security for

the payment of the monies borrowed, together with interest and charges thereon; and

- (d) declaring that the Receiver's Charge and the Receiver's Borrowings Charge (collectively, the "**Charges**") rank in priority to all existing security interests, trusts, liens, charges, and encumbrances, in favour of any person, against the Property.

Background

- 3. The Respondents are a real estate fund that specialize in the acquisition and management of commercial and industrial properties in British Columbia.
- 4. Pursuant to the loan agreement dated February 17, 2022 (the "**Loan Agreement**"), among Manna Industrial Fund (Value-Add) Limited Partnership ("**Manna LP**"), by its general partner, Manna Industrial Fund (Value-Add) GP Corp. ("**Manna GP**" and, together with Manna LP, the "**Borrower**"), as borrower, and National Bank of Canada (the "**Lender**"), as lender, the Lender agreed to extend a \$28,700,000 term facility to the Borrower (the "**Loan Facility**"). The Loan Agreement is attached hereto as **Exhibit "A"**.
- 5. The Loan Facility was advanced to support the purchase of the Real Property.

Guarantees

- 6. The Loan Agreement is guaranteed by the Nominees, Genesis Manna Holdings Ltd. ("**Genesis**"), Allion Holdings Ltd. ("**Allion**"), Michael Chiang, and Nancy Wei (collectively, the "**Guarantors**").

Security

- 7. To secure the Borrower's obligations under the Loan Agreement, the Borrower and its affiliates granted a comprehensive security package that includes, among other things, the granting of:
 - (a) A first ranking mortgage in the principal amount of \$28,700,000 granted by the Jim Bailey Nominee with respect to the Jim Bailey Property and the Potterton Nominee with respect to the Potterton Property, dated March 3, 2022, creating a

first ranking charge on the Real Property (the "**Mortgage**"). The Mortgage is attached hereto as **Exhibit "B"**.

- (b) A direction and beneficial charge agreement from the Borrower, as the beneficial owner of the Jim Bailey Property, dated March 3, 2022 (the "**Jim Bailey Direction and Beneficial Charge Agreement**"). The Jim Bailey Direction and Beneficial Charge Agreement is attached hereto as **Exhibit "C"**.
- (c) A direction and beneficial charge agreement from the Borrower, as the beneficial owner of the Potterton Property, dated March 3, 2022 (the "**Potterton Direction and Beneficial Charge Agreement**"). The Potterton Direction and Beneficial Charge Agreement is attached hereto as **Exhibit "D"**.
- (d) A general assignment of rents and leases granted by the Jim Bailey Nominee with respect to the Jim Bailey Property, dated March 3, 2022 (the "**Jim Bailey Assignment of Rents and Leases**"). The Jim Bailey Assignment of Rents and Leases is attached hereto as **Exhibit "E"**.
- (e) A general assignment of rents and leases granted by the Potterton Nominee with respect to the Potterton Property, dated March 3, 2022 (the "**Potterton Assignment of Rents and Leases**"). The Potterton Assignment of Rents and Leases is attached hereto as **Exhibit "F"**.
- (f) A site-specific general security agreement creating a first ranking charge over all present and after-acquired personal property of the Borrower located on or used in connection with the Real Property, dated March 3, 2022 (the "**Borrower GSA**"). The Borrower GSA is attached hereto as **Exhibit "G"**.
- (g) A site-specific general security agreement creating a first ranking charge over all present and after-acquired personal property of the Jim Bailey Nominee and the Potterton Nominee located on or used in connection with the Real Property, dated March 3, 2022 (the "**Nominees GSA**"). The Nominees GSA is attached hereto as **Exhibit "H"**.
- (h) A site-specific general security agreement creating a first ranking charge over all present and after-acquired personal property of Allion and Genesis located on or used in connection with the Real Property, dated March 3, 2022 (the

"Guarantors GSA" and, together with the Borrower GSA and the Nominees GSA, the **"General Security Agreements"**). The Guarantors GSA is attached hereto as **Exhibit "I"**.

- (i) An assignment of insurance proceeds with loss payable to the Lender in first position, dated March 3, 2022 (the **"Assignment of Insurance Proceeds"**). The Assignment of Insurance Proceeds is attached hereto as **Exhibit "J"**.
- (j) A joint and several unlimited guarantee granted by the Nominees, dated March 3, 2022 (the **"Nominees Guarantee"**). The Nominees Guarantee is attached hereto as **Exhibit "K"**.
- (k) A joint and several corporate guarantee granted by Allion and Genesis for 100% of the Loan Facility, dated March 3, 2022 (the **"Corporate Guarantors Guarantee"**). The Corporate Guarantors Guarantee is attached hereto as **Exhibit "L"**.
- (l) A joint and several personal guarantee granted by Michael Chiang and Nancy Wei for 100% of the Loan Facility, dated March 3, 2022 (the **"Personal Guarantors Guarantee"**). The Personal Guarantors Guarantee is attached hereto as **Exhibit "M"**.
- (m) An assignment of security deposit accounts granted by the Borrower, dated March 3, 2022 (the **"Assignment of Security Deposit Accounts"**). The Assignment of Security Deposit Accounts is attached hereto as **Exhibit "N"**.
- (n) An environmental indemnity granted by the Borrower and the Guarantors, dated March 3, 2022 (the **"Environmental Indemnity"**). The Environmental Indemnity is attached hereto as **Exhibit "O"**.

8. The Lender also has a priority and standstill agreement from IMC Limited Partnership (**"IMC"**), who holds a second-ranking mortgage and assignment of rents over the Real Property (the **"IMC Priority Agreement"**). The IMC Priority Agreement is attached hereto as **Exhibit "P"**.

9. The Lender is permitted to appoint a receiver and manager under section 9(f) of the General Security Agreements and under section 12 of the Lender's Standard Mortgage Terms

MT140002, prescribed by the Mortgage, upon the occurrence of an event of default. The Lender's Standard Mortgage Terms MT140002 are attached hereto as **Exhibit "Q"**.

Defaults

10. The Borrower has committed multiple ongoing defaults under the Loan Facility, including:

- (o) the Borrower breached s. 6 of the Loan Agreement by failing to make the monthly payments due on July 1, 2024, August 1, 2024, and September 1, 2024, amounting to approximately \$430,000 in arrears (the "**Financial Defaults**");
- (p) the Borrower breached s. 16(4) of the Loan Agreement by failing to provide Notice to Reader financial statements within 120 days of the end of the 2023 fiscal year;
- (q) the Borrower breached s. 16(5) of the Loan Agreement by failing to provide proof of payment of property taxes within 120 days of the end of the 2023 fiscal year;
- (r) the Borrower breached s. 16(6) of the Loan Agreement by failing to provide personal net worth statements for Ms Wei on December 31, 2023;
- (s) the Borrower breached s. 16(10) of the Loan Agreement by failing to provide the DSCR calculation as at December 31, 2023; and
- (t) the Borrower and the Nominees have failed to pay 2024 property taxes on the Real Property.

(collectively, the "**Defaults**").

11. Property tax certificates for the Real Property dated September 25, 2024 are collectively attached here to as **Exhibit "R"**.

Indebtedness

12. As of September 26, 2024, CA\$27,383,056.13 remained outstanding on the Loan Facility, with interest, fees, and charges continuing to accrue (the "**Indebtedness**").

Communication with the Debtors

13. On or about July 15, 2024, the Lender issued demand letters (the "**Demand Letters**") to the Borrower and the Guarantors (collectively, the "**Debtors**"). The Demand Letters notified the Debtors that they were in default of their obligations to the Lender and required the Debtors to remedy such defaults immediately and demanding the immediate repayment of all outstanding Indebtedness. The Demand Letters enclosed notices of intention to enforce security with respect to the Debtors as applicable, pursuant to s. 244(2) of the BIA. The Demand Letters are attached hereto as **Exhibits "S"- "Y"**.

14. The notice period under the BIA lapsed on or about July 26, 2024. The Indebtedness nonetheless remains outstanding. Despite multiple discussions, the Debtors have failed to make payments.

Necessity for the Receiver

15. The Borrower has committed multiple, ongoing defaults. Despite the Demand Letters and the expiry of the BIA notice, the Indebtedness remains outstanding, with interest, fees, costs, expenses, and other amounts continuing to accrue. The Lender has given the Borrower ample time to correct these defaults. Moreover, the Borrower failed to make the monthly payments due on July 1, 2024, August 1, 2024, and September 1, 2024 which has accumulated in approximately \$430,000 in arrears. Property taxes owing for 2024 on the Real Property have also not been paid.

16. These missed payments are concerning to the Lender because, based on the latest information contained in the Lender's records, the Real Property is fully tenanted. Therefore, the Borrower receives rent payments at the beginning of each month from those tenants. However, no amounts have been applied to remedy the Financial Defaults.

17. The fact the Financial Defaults remain outstanding and date back to July 2024 suggest that the Borrower has been diverting rent payments rather than repaying the Indebtedness, notwithstanding the Lender's first-charge security. In these circumstances, the Lender has lost faith in the Borrower's management and the oversight of a court-officer is necessary to ensure funds are not further diverted.

18. Apart from the above, a British Columbia Securities Act Charge, dated August 19, 2024, under registration no. CB1536802 has been registered on title to the Real Property. The British

Columbia Securities Commission Charge and Title Search Prints dated August 24, 2024 for the Real Property are collectively attached hereto as **Exhibit "Z"**.

19. Furthermore, I am also informed by Jean Monardo at IMC that IMC has likewise not been paid and their credit facility has expired. The Borrower is clearly insolvent.

20. The Borrower does not currently have access to any further availability under the Loan Facility. The Debtors have not presented any viable plan to maintain the assets, obtain refinancing, or otherwise alleviate its financial situation. The Lender is unwilling to advance further funding other than funding a court-appointed receiver.

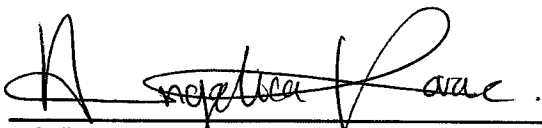
21. To address these urgent concerns as indicated above, the Lender seeks to appoint the Receiver over the Property. The Lender is willing to fund the Receiver pursuant to a receiver's borrowings charge so it can proceed to oversee, protect, and facilitate a sale of the Property.

22. Given my understanding of the financial circumstances and behaviour of the Debtors described above, I am of the view that the appointment of the Receiver is just and convenient in the circumstances.

23. I acknowledge the solemnity of making a sworn statement and acknowledge the consequences of making an untrue statement.

24. I was not physically present before the person before whom this affidavit was sworn or affirmed but was in that person's presence using video conferencing.

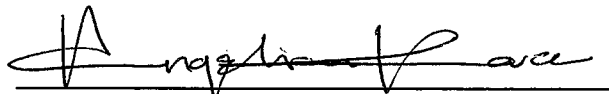
SWORN BEFORE ME at the City of
Vancouver, in the Province of British
Columbia, this 26th day of September,
2024.


A Commissioner for taking Affidavits for
British Columbia


JOHN KARKOUTLIAN

ANGELICA M. KOVAC
Barrister & Solicitor
McCarthy Tétrault LLP
SUITE 2400 - 745 THURLOW STREET
VANCOUVER, B.C. V8E 0C5
DIRECT 604-643-5889

This is **Exhibit "A"** referred to in the Affidavit #1 of John Karkoutlian made before me at Vancouver, British Columbia, on this 26th day of September, 2024.

A handwritten signature in black ink, appearing to read 'Angelina F. ...', written over a horizontal line.

A Commissioner for taking Affidavits
in the Province of British Columbia



National Bank of Canada
Real Estate Group
2900-475 Howe Street
Vancouver, BC V6C 2B3

February 17, 2022

Manna Industrial Fund (Value-Add) Limited Partnership,
by its general partner, **Manna Industrial Fund (Value-Add) GP Corp.**
207-5811 Cooney Road
Richmond, B.C. V6X 3M1

Mr. Anderson Ng,

We are pleased to inform you of National Bank of Canada's offer to the Borrower of the following credit facility, subject to the following terms and conditions ("**this Agreement**"):

1. **BORROWER**
Manna Industrial Fund (Value-Add) Limited Partnership by its general partner, Manna Industrial Fund (Value-Add) GP Corp. (the "**Borrower**"), the ownership structure of which is more particularly set out in **Schedule "B"** attached hereto.
2. **GUARANTORS**
8826 Jim Bailey Ltd. (the "**Jim Bailey Nominee**")
375 Potterton Ltd. (the "**Potterton Nominee**", together with the Jim Bailey Nominee, the "**Nominees**")
Genesis Manna Holding Ltd.
Allion Holdings Ltd.
Michael Chiang
Nancy Wei
3. **LENDER**
National Bank of Canada (the "**Bank**")
4. **TYPE OF CREDIT FACILITY AND AMOUNT (THE "FACILITY")**
i) A term facility in the amount of **CDN \$28,700,000** for 3-years.

The single advance of the Facility will be advanced no later than **March 7, 2022**, or as otherwise agreed to by the Bank (the "**Advance Date**").

All amounts are in Canadian Dollars unless otherwise specified.

5. **PURPOSE OF THE FINANCING**
The Facility shall be used to finance the purchase of the real property located at: (i) 375 Potterton Road, Kelowna, BC and legally described as PID: 023-839-171, Lot D Section 2 Township 20 Osoyoos Division Yale District Plan KAP59703 (the "**Potterton Property**"); and (ii) 8826 Jim Bailey Crescent, Kelowna, BC and legally described as PID: 024-666-947, Lot 6 Section 2 Township 20 Osoyoos Division Yale District Plan KAP65805 (the "**Jim Bailey Property**", together with the Potterton Property, the "**Property**").
6. **INTEREST RATE, CALCULATION AND PAYMENT**
The Borrower shall pay interest calculated semi-annually and not in advance. Interest shall be paid by the Borrower in equal, consecutive blended monthly installments of principal and interest, which installments shall be due and payable on the 5th day of each and every month through an automatic debit to the Borrower's account, until the maturity date of the Facility, the date on which the outstanding principal, interest, costs and accessories shall become due and payable.

The amount of the said payments shall be computed using an amortization period of up to 300 months and an interest rate equal to the Bank's Offered Rate plus 110 basis points for a 3 year term. Subject to availability, the Borrower shall fix the rate for a term of 3 years.

For the purpose hereof, "**Offered Rate**", means the annual interest rate determined from time to time by the Bank, for the chosen term by the Borrower, as being the fixed rate applicable to its commercial rate term loans granted in Canada for the same term, plus 110 basis points for a 3 year per annum.

7. APPLICATION FEE

In consideration for arranging the Facility, the Borrower agrees to pay or cause to be paid to the Bank an application fee equal to \$100,450. The application fee shall be due and payable from the single advance under the Facility, and will be net of the \$25,000 already received by the Bank.

8. ANNUAL REVIEW FEE

An annual review fee of \$1,500 will be due on the anniversary of the Facility Advance Date.

9. TENOR

Committed.

10. DRAWDOWN

As requested, upon satisfaction of conditions precedent set out in Section 15, "Conditions Precedent" below, the Borrower will be allowed to draw the single advance under the Facility. Funds are to be used to finance the purchase of the Property.

11. REPAYMENT

Monthly, blended principal and interest payments according to the 3-year term and 300 month amortization.

The Loan is to be fully repaid within 36 months of the Facility Advance Date.

12. PREPAYMENT

No prepayment of the Facility will be permitted without the prior written consent of the Lender, which may be withheld at its entire discretion. Should the Lender accept prepayment of the Facility, the Borrower shall pay to the Lender, as established by the Lender in its sole discretion, without limitation, all losses, fees, interest or penalties which the Lender may incur as a result of a request to cancel, annul or modify, in whole or in part, the Offered Rate transaction to be entered into shortly between the Lender and the Borrower. Any such loss, fee, interest or penalty suffered by the Lender shall be reimbursed by the Borrower to the Lender in accordance with the terms and conditions of this Loan Agreement. The Borrower shall also reimburse the Lender for any other loss, fee, interest or penalty incurred by the Lender resulting from the fact that the Facility is a term loan. Accordingly, the Borrower shall reimburse the Lender for such losses, fees, interest or penalties immediately upon receipt by the Borrower of a written notice stating the amount owing, including the details of calculation thereof.

13. PERMITTED LIENS

None permitted, with the exception of the second-ranking \$18,300,000 mortgage and assignment of rents over the Property (the "**IMC Mortgage**") in favour of IMC Limited Partnership ("**IMC**"), by its general partner, Institutional Mortgage Capital Canada Inc. as security for the \$18,300,000 mortgage loan granted by IMC to the Borrower (the "**IMC Loan**"), subject to a Priority and Standstill Agreement between the Bank and IMC, to the Bank's satisfaction.

14. SECURITY

The following security shall be provided, shall, unless otherwise indicated, support all present and future indebtedness and liability of the Borrower and the grantor of the security to the Bank including without limitation indebtedness and liability under guarantees, foreign exchange contracts, cash management products, and derivative contracts, shall be registered in first position, and shall be on the Bank's standard form, supported by resolutions and solicitor's opinion, all acceptable to the Bank.

- 1) An opinion from a law firm acceptable to the Bank certifying the authorization, execution and delivery of this Agreement and the Security and that the Borrower is in good standing supported by, but not limited to, Directors' Resolutions, Tax Certificate, Title sub search, etc;
- 2) First ranking inter-alia Mortgage in the principal amount of \$28,700,000 (or higher at the Borrower's option) granted by the Jim Bailey Nominee with respect to the Jim Bailey Property and the Potterton Nominee with respect to the Potterton Property in favor of the Bank, creating a 1st rank on the Property

- and free and clear of all priority charges, together with a beneficial direction and charge agreement from Borrower, as the beneficial owner of the Property;
- 3) General assignment of rents and leases granted by the Jim Bailey Nominee with respect to the Jim Bailey Property and granted by the Potterton Nominee with respect to the Potterton Property;
 - 4) Site-specific general security agreement creating a first ranking charge over all present and after-acquired personal property of the Borrower and the Nominees, Allion Holdings Ltd. and Genesis Manna Holding Ltd. located on or used in connection with the Property;
 - 5) Assignment of insurance policy (acceptable to the Bank and its insurance consultant and in the amount of the Facility) with loss payable to the Bank in first position;
 - 6) Joint and several unlimited guarantee granted by the Nominees;
 - 7) Joint and several corporate guarantee granted by Allion Holdings Ltd. and Genesis Manna Holding Ltd. for 100% of the Facility;
 - 8) Joint and several personal guarantee granted by Michael Chiang and Nancy Wei (the "**Personal Guarantors**") for 100% of the Facility;
 - 9) Assignment of security deposit accounts;
 - 10) Environmental indemnity granted by the Borrower and the Guarantors;
 - 11) Priority and Standstill Agreement from IMC, containing a 90-day standstill, and such other terms as the Bank or the Bank's legal counsel may require;
 - 12) Title insurance policy from a title insurer acceptable to the Bank, in the amount of the Facility, or in lieu of title insurance, receipt by the Bank of a survey certificate, zoning comfort letter and confirmation of fire code compliance with respect to the Property, all of which shall be satisfactory to the Bank;
 - 13) Subordination and postponement of any loans provided by a shareholder or related party of the Borrower (if applicable); and
 - 14) All other security which the Bank or its solicitor may reasonably request.

All persons and entities required to provide a guarantee shall be referred to in this Agreement individually as a "Guarantor" and collectively as the "Guarantors". All of the above security and guarantees shall be referred to collectively in this Agreement as "Bank Security".

15. CONDITIONS PRECEDENT

The following Conditions Precedent shall be provided prior to the disbursement of the Facility to the Bank's and its solicitor's satisfaction:

- 1) All security is to be prepared by a solicitor selected by the Borrower from a list provided by the Bank. The solicitor is to act solely on behalf of the Bank, with all costs to be borne by the Borrower. All security to be on hand and in good order as confirmed by the Bank's solicitor;
- 2) Proof of title to the Property;
- 3) Confirmation that all property taxes have been paid;
- 4) Satisfactory receipt and review by the Bank and its solicitor of a fully executed lease signed by CPOS Development Ltd., as tenant;
- 5) Receipt by the Bank of a tenant estoppel certificate from National Tire Distributors Inc., United Parcel Services (UPS) and Bronco Industries Inc., in form and substance satisfactory to the Bank and its solicitor;
- 6) Borrower is to open a separate bank account for the Property at National Bank. All expenses, revenues and transactions related to the Property, and the Property alone, are to flow through the bank account;
- 7) Insurance consultant report at the Borrower's expense confirming that the necessary insurance is in place;
- 8) AML/KYC documentation to the Bank's satisfaction;
- 9) Receipt of satisfactory appraisal report confirming to the Bank that the Property has a minimum property value of \$58,800,000, including reliance letter;
- 10) Receipt of a satisfactory Phase 1 (and Phase 2 if necessary) Environmental Site Assessment (including reliance letters) confirming to the Bank that the Property does not contain any hazardous materials or environmental risks. If remediation is required, the Borrower is to provide a remediation plan and any supporting documentation required by the Government of British Columbia and the City of Kelowna;
- 11) Review to the Bank's satisfaction of the executed commitment letter between IMC and the Borrower with respect to the IMC Loan;
- 12) Confirmation that the Property is up to the current fire code with the City of Kelowna;
- 13) All-risk insurance policy together with general liability insurance policy, acceptable to the Bank and in the amount of the Facility, with loss payable to the Bank in first position and the Bank as an additional insured for the general liability insurance. The Borrower's terms of coverage and their insuring companies must be entirely acceptable to the Bank and its insurance consultants at the Borrower's expense; and

- 14) Such other documents as the Bank may reasonably require.

16. POSITIVE COVENANTS

Usual and customary for transactions of this nature and which may be contained in the Security together with such other covenants as the Bank, acting reasonably, may consider to be necessary in addition to the following:

- 1) Ensure that no material change in construction contracts, plans and specifications shall be permitted without the Bank's prior approval;
- 2) Not allow the property held as security herein to become further encumbered without the consent of the Bank in writing, with the exception of the IMC Mortgage which will secure a loan in the amount of \$18,300,000 from IMC to the Borrower;
- 3) Pay all costs reasonable out of pocket costs to the Bank including costs relating to the preparation and registration of all security;
- 4) Provide accountant prepared Notice to Reader financial statements for the Borrower within 120 days of its fiscal year end, together with operating statements specific to the Property;
- 5) Provide evidence of payment of property taxes to be provided within 120 days of its fiscal year, failing which the Bank will obtain such evidence at the Borrower's expense;
- 6) Provide personal net worth statements for the Personal Guarantors on a bi-annual basis (every 2 years);
- 7) Borrower shall provide the Bank with evidence of insurance in compliance with the Bank's requirements;
- 8) Borrower shall maintain the Combined DSCR as defined and set out below in subsection 5) of Section 17, "Negative Covenants", and compliance shall be tested at the Advance Date and semi-annually (fiscal month 6 and fiscal month 12 of each year) based on management-prepared financial statements for the Borrower within 30 days of its fiscal months 6 and 12;
- 9) Semi-annually, Borrower shall provide satisfactory rent rolls and standalone operating statements specific to the Property within 30 days of its fiscal months 6 and 12, and such other financial statements as may be required in the manner and frequency as required by the Bank;
- 10) Borrower shall maintain the Facility DSCR as defined and set out below in subsection 6) of Section 17, "Negative Covenants", and compliance shall be tested at the Advance Date and at the end of each fiscal year based on Notice to Reader financial statements for the Borrower within 120 days of its fiscal year end; and
- 11) Borrower shall repay a minimum of \$5,840,000 towards the IMC Loan to ensure compliance with the Combined DSCR set out in subsection 5) of Section 17, "Negative Covenants" below.

So long as any amounts remain outstanding and unpaid under this Agreement or so long as any commitment under this Agreement remains in effect, the Borrower will and will ensure that its subsidiaries will observe the Standard Positive Covenants set out in **Schedule "A"**.

17. NEGATIVE COVENANTS

Usual and customary for transactions of this nature and which may be contained in the Security together with such other covenants as the Bank, acting reasonably, may consider to be necessary, including, without limitation, limitations on encumbrances, and additional debt, in addition to the following:

- 1) Permit vendor take back mortgages or promissory notes without the Bank's prior written consent.
- 2) Permit subsequent encumbrances of the Borrower's interest in the subject Property without the Bank's prior written consent, with the exception of the IMC Mortgage.
- 3) Create, incur, assume or suffer to exist any lease or easement that would restrict use of the Property without the prior approval of the Bank and its solicitor. Such approval is not to be unreasonably withheld.
- 4) Sell or transfer the Property, or amend the ownership of the Borrower without the prior written consent of the Bank.
- 5) On a combined basis with the Facility and the IMC Loan, permit its debt service coverage ratio to, at any time, be less than 1.00 to 1.00, such covenant to be tested semi-annually based on in-house prepared Property fiscal year-end operating statements (the "**Combined DSCR**"). For the purpose of this covenant, debt service coverage is calculated as net operating income generated by the tenants in occupancy and paying rent, net of actual expenses based on in-house prepared Property fiscal year-end operating statements divided by the annual debt payments of the Facility and interest payments of the IMC Loan, less funds in the interest reserve account held by IMC.
- 6) Permit its debt service coverage ratio in connection with the Facility to, at any time, be less than 1.25 to 1.00, such covenant to be tested annually tested annually based on in-house prepared Property fiscal year-end operating statements (the "**Facility DSCR**"). For the purpose of this covenant, debt service

coverage is calculated as net operating income generated by the tenants in occupancy and paying rent, net of actual expenses based on in-house prepared Property fiscal year-end operating statements.

So long as any amounts remain outstanding and unpaid under this Agreement or so long as any commitment under this Agreement remains in effect, the Borrower will and will ensure that its subsidiaries will observe the Standard Negative Covenants set out in **Schedule "A"**.

18. REPRESENTATIONS AND WARRANTIES

Usual and customary for transactions of this nature together with such other representations and warranties as the Bank, acting reasonably, may consider to be necessary.

The Borrower represents to the Bank that the ownership structure of the Property is as set out in **Schedule "B"** attached hereto.

All representations and warranties shall be deemed to be continually repeated so long as any amounts remain outstanding and unpaid under this Agreement or so long as any commitment under this Agreement remains in effect. The Borrower makes the Standard Representations and Warranties set out in **Schedule "A"**.

19. EVENTS OF DEFAULT

Usual and customary for transactions of this nature together with such other defaults and events of default as the Bank, acting reasonably, may consider to be necessary, including, without limitation, material adverse change and cross-default to material Property agreements.

20. DUE DILIGENCE

The Bank may conduct due diligence investigations with respect to the Property, the Borrower and the Guarantors. This may include a site inspection, review of all operating statements and any other information requested regarding the Property and other background checks as deemed necessary by the Bank in its sole discretion.

21. CLOSING DATE

In the event that after accepting this Agreement, the disbursement of the single advance under the Facility is not completed on or before **March 31, 2022**, this Agreement will be considered null and void and the fees non-refundable.

22. INCREASED RISK

Should a material change, deemed unfavourable by the Bank, occur in the (i) level of inherent risk in the financing, (ii) the financial situation of the Borrower or any Guarantor, (iii) the value of the property given as security to the Bank by the Borrower or any Guarantor or the value of their business, (iv) the rank of the security granted in favour of the Bank, or (v) the Borrower's capacity to meet its obligations to the Bank, pursuant to the law or the terms and conditions of any contract deemed material by the Bank, the Bank reserves the right to cancel any credit facility at its sole discretion and demand repayment of any amount already disbursed in this respect.

23. RECORDS

The Bank shall keep records evidencing the amounts payable under this financing, including but not limited to the principal repayment and interest payment conditions as well as applicable fees. Unless expressly indicated otherwise, the content of these records shall provide evidence as to the indebtedness to which they attest.

Converting advances or loans into advances or fixed-rate or floating-rate loans or bankers' acceptances (or vice versa), and any change in the name or number of a credit facility in the Bank's records, shall not result in the novation of credits or the Borrower's indebtedness, regardless of the transaction entry or processing by the Bank's computer systems.

24. INDEMNITY

The Borrower shall indemnify and hold harmless the Bank, its affiliates and agents and officers, directors, employees and representatives of each of them against any liability, obligations, loss, expense that may be suffered by or asserted against any of them as a result or by reason of the Bank entering into the transaction contemplated hereby and for any other reason contemplated in the model credit agreement provisions of the Canadian Bankers Association.

25. ENVIRONMENTAL INDEMNITY

The Borrower shall indemnify and hold harmless the Bank, each of its directors, officers, employees, affiliates and agents in respect of any costs, losses, damages, expenses, judgments, suits, claims, awards, fines, sanctions and liabilities whatsoever (including any costs or expenses for preparing any necessary environmental assessment report or other such reports) arising out of, or in respect of:

- a) any release, deposit, discharge, or disposal of any hazardous or toxic materials, contaminants, wastes or other substance in connection with the Property or business of the Borrower; and
- b) the remedial actions (if any) taken by the Bank, in respect of any such release, deposit, discharge or disposal.

This indemnity will survive the repayment or cancellation of the Facility or any termination of the agreement to be based on this Agreement.

26. ASSIGNMENT

The Bank shall have the right to assign, sell or participate its rights and obligations in the Facility or in any borrowing thereunder in whole or in part to one or more persons without the consent of the Borrower.

27. PRESUMPTION OF ACCURACY OF INFORMATION

All documents and information provided to the Bank by the Borrower, whether or not they are signed by one of the Borrower's representatives, including any financial information, financial statements and reports or documents of any other nature, shall be deemed by the Bank to be accurate and validly issued by the Borrower, without further formality. This presumption applies to all written documents and documents provided electronically. It is the Borrower's responsibility and the latter undertakes to implement efficient information control systems in accordance with generally accepted accounting principles to maintain the accuracy of the information provided. Furthermore, any information system for managing accounting data and producing financial statements and financial information in general must be kept up-to-date by the Borrower to ensure the integrity of the information generated by said system.

28. FINAL AGREEMENT, INTERPRETATION AND COUNTERPARTS

Once accepted and signed by the Borrower, this Agreement shall constitute the final agreement between the parties, with the exception of any subsequent written amendments agreed upon by the parties, and it shall supersede any prior agreements, verbal or written, with respect to the financing solution described herein.

This Agreement is made without novation to the credits already granted to the Borrower, if applicable, and without derogation to the rights, hypothecs, security, mortgages, guarantees, suretyships, remedies, recourses and priority ranking arising from any previous offer of financing and the security documents, and the other writings related thereto, which shall continue to secure all the terms, conditions and obligations of such credits, whether covered or not by this Agreement.

In the event of inconsistency between this Agreement and any other prior agreement relating to the credits described herein already granted in favour of the Borrower, the terms and conditions of this Offer shall prevail.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, and all such counterparts taken together shall constitute one and the same document.

29. COLLECTION, USE AND DISCLOSURE OF INFORMATION

The Borrower, the Guarantors, and their representative(s) hereby authorize the Bank to use the necessary information pertaining to them which the Bank has or may have for the purpose of granting credit and insurance products (where permitted by law) and further authorize the Bank to disclose such information to its affiliates and subsidiaries for this same purpose. Moreover, they hereby authorize the Bank to obtain personal information pertaining to them from any party likely to have such information (financial intermediaries, depositaries, credit-reporting agencies, financial institutions, creditors, employers, professionals, tax authorities, public entities, persons with whom they have business relations, and Bank affiliates and subsidiaries) in order to verify the accuracy of all information provided to the Bank from time to time and to ensure the solvency of the Borrower, the guarantor(s), if applicable, and their representative(s).

30. REVIEW

The terms and conditions of the credits granted by the Bank to the Borrower hereunder are subject to periodic review, at the Bank's discretion.

31. REPORTING

The Borrower acknowledges that the financial reporting obligations contained herein, including the submission of the financial statements to the Bank on a timely basis, constitute a material condition precedent to the Bank providing the credit facilities contemplated herein. Should the Borrower fail to fulfill such obligations within the delays set forth herein and such default is not remedied within 10 days from the date of the Bank's written notice to the Borrower setting forth the nature of the default, then the Borrower shall be deemed to have committed an "Event of Default" as hereinafter defined.

Notwithstanding the foregoing, and without prejudice to and under strict reserve thereof, of any rights and recourses the Bank may have in the circumstances, the Bank shall nevertheless have the right to engage, at the Borrower's expense, an independent auditor to examine the Borrower's books, records and physical assets, and perform such tests and analysis and such other verifications as the Bank may, in its sole discretion, determine necessary to assess its loan risk and realizable value of the Bank Security.

32. FEES AND CHARGES

In addition to any fees applicable to credit, the Borrower shall pay all of the Bank's charges and fees in respect of the offer of financing contained in this Agreement, including any file study fees, fees for preparing this Agreement and the related security, risk management fees, all the costs to register security documents, all the professional fees, etc., all of which amounts shall be included in the obligations of the Borrower contemplated herein.

33. GOVERNING LAW

This Agreement shall be construed and interpreted in accordance with the laws of the province of British Columbia.

34. SCHEDULE "A" – STANDARD TERMS AND CONDITIONS

Schedule "A" sets out the Standard Terms and Conditions ("**Standard Terms and Conditions**") which apply to these credit facility. The Standard Terms and Conditions, including the defined terms set out therein, form part of this Agreement, unless this letter states specifically that one or more of the Standard Terms and Conditions do not apply or are modified.

We trust you will find these facilities helpful in meeting your ongoing financing requirements. We ask that if you wish to accept this Agreement (which includes the Standard Terms and Conditions), please do so by signing and returning the attached duplicate copy of this letter to the undersigned. This Agreement will expire if not accepted in writing and received by the Bank on or before **March 4, 2022**.

Yours Truly,

National Bank of Canada

Gabriel Chung

DIRECTOR – COMMERCIAL BANKING - REAL ESTATE

Aaron Unger

RVP - COMMERCIAL BANKING – REAL ESTATE

providing the credit facilities contemplated herein. Should the Borrower fail to fulfill such obligations within the delays set forth herein and such default is not remedied within 10 days from the date of the Bank's written notice to the Borrower setting forth the nature of the default, then the Borrower shall be deemed to have committed an "Event of Default" as hereinafter defined.

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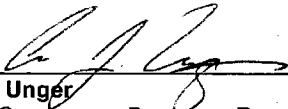
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We trust you will find these facilities helpful in meeting your ongoing financing requirements. We ask that if you wish to accept this Agreement (which includes the Standard Terms and Conditions), please do so by signing and returning the attached duplicate copy of this letter to the undersigned. This Agreement will expire if not accepted in writing and received by the Bank on or before **March 4, 2022.**

Yours Truly,

National Bank of Canada


Gabriel Chung
DIRECTOR – COMMERCIAL BANKING – REAL ESTATE


Aaron Unger
RVP – COMMERCIAL BANKING – REAL ESTATE

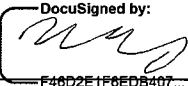
TO THE NATIONAL BANK OF CANADA

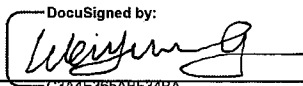
The undersigned hereby accepts the foregoing offer this 1st day of March, 2022. The Borrower confirms that, except as may be set out above, the credit facility detailed herein shall not be used by or on behalf of any third party. The arrangements set out in this Agreement are hereby consented to and acknowledged.

BORROWER

Manna Industrial Fund (Value-Add) Limited Partnership,
by its general partner,
Manna Industrial Fund (Value-Add) GP Ltd.
Manna

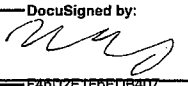


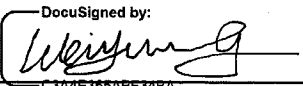
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By : _____
Name F46D2E1F6EDB407...
Title Michael Chiang

DocuSigned by:

By : _____
Name C3A4E365ABF34BA...
Title Nancy Wei

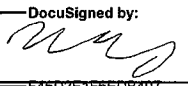
GUARANTORS

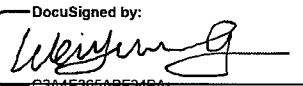
8826 Jim Bailey Ltd.

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Title Michael Chiang

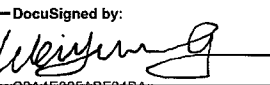
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375 Potterton Ltd.

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Title Michael Chiang

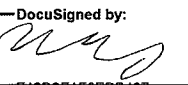
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Title Nancy Wei

Genesis Manna Holding Ltd.

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By : _____
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Title Nancy Wei


By : _____
Name
Title

Allion Holdings Ltd.

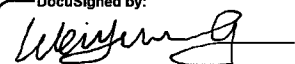
DocuSigned by:

By : _____
Name F46D2E1F6EDB407...
Title Michael Chiang

By : _____
Name
Title

Witness

DocuSigned by:

F40D2E1F8EDB407...
Michael Chiang

Witness

DocuSigned by:

G3A4E365ADF34BA...
Nancy Wei

SCHEDULE "A"

STANDARD TERMS AND CONDITIONS

1. INTEREST RATE DEFINITIONS

Prime Rate means the rate of interest per annum (based on a 365 day year) established and reported by the Bank to the Bank of Canada from time to time as the reference rate of interest for determination of interest rates that the Bank charges to customers of varying degrees of creditworthiness in Canada for Canadian dollar loans made by it in Canada.

Banker's acceptance rate of the Bank means, on any given day, the rate determined in good faith by the Bank as being the annual rate of return for the bankers' acceptances of the Bank for a period of 30 days for the period chosen, as set by the Bank at the opening of financial markets, i.e., around 10 a.m. (Montreal time) that day (or on the previous business day if the day in question is not a business day).

The Stamping Fee rate per annum for CAD\$ B/As is based on a 365 day year and the Stamping Fee is calculated on the Face Amount of each B/A presented to the Bank for acceptance. The Stamping Fee rate per annum for USD\$ B/As is based on a 360 day year and the Stamping Fee is calculated on the Face Amount of each B/A presented to the Bank for acceptance.

Canada Dealer Offered Rate (CDOR) means, on any given day, the average of the annual rates of return for bankers' acceptances set by reporting participants over a period comparable to the applicable interest rate around 10 a.m. on this day (or on the previous business day, if the day in question is not a business day) on the Reuters CDOR page. However, if this rate is not available on a given day, the CDOR will, for this day, correspond to the Bank's rate of return for bankers' acceptances for the chosen period applicable around 10 a.m. on such day. If the annual rate calculated is negative (i.e., less than zero), the CDOR for the period in question will be deemed to be 0%.

LIBOR means the rate of interest per annum (based on a 360 day year) as determined by the Bank (rounded upwards, if necessary to the nearest whole multiple of 1/16th of 1%) at which the Bank may make available United States dollars which are obtained by the Bank in the Interbank Euro Currency Market, London, England at approximately 11:00 a.m. (Montreal time) on the second Business Day before the first day of, and in an amount similar to, and for the period similar to the interest period of, such advance.

USBR means the rate of interest per annum (based on a 365 day year) established by the Bank from time to time as the reference rate of interest for the determination of interest rates that the Bank charges to customers of varying degrees of creditworthiness for US dollar loans made by it in Canada.

Any interest rate based on a period less than a year expressed as an annual rate for the purposes of the Interest Act (Canada) is equivalent to such determined rate multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by the number of days in the period upon which it was based.

2. INTEREST CALCULATION AND PAYMENT

Interest on Prime Based Loans and USBR Loans is calculated daily (including February 29 in a leap year) and payable monthly in arrears based on the number of days the subject loan is outstanding unless otherwise provided in the Rate and Payment Terms Notice. Interest is charged on February 29 in a leap year. Unless otherwise stipulated herein or in any related document including, without limitation, all demand and term notes, interest and arrears will be calculated as follows:

- i. Interest on any amount due hereunder shall be calculated daily and not in advance on the basis of a 365-day year. For the purposes of the Interest Act (Canada) in the case of a leap year, the annual interest rate corresponding to the interest calculated on the basis of a 365-day year is equal to the interest rate thus calculated multiplied by 366 and divided by 365 except in the case of LIBOR advances where interest shall be calculated on the basis of 360-day year.
- ii. Interest shall be payable monthly on the 26th day of each month, with a minimum charge of \$10 per credit payable on demand. However, under no circumstances will the interest payable (or any amount

- considered interest under the law) exceed the maximum interest amount permitted by law. As applicable, the interest amount will be reduced so as not to exceed this maximum; and
- iii. Any amount of principal, interest, commission, discount or of any other nature remaining unpaid at expiry shall bear interest at the rate applicable to the relevant credit. The interest on arrears shall be compounded monthly and payable on demand.

L/C and L/G fees are payable at the time set out in the Letter of Credit Indemnity Agreement applicable to the issued L/C or L/G.

Interest on Fixed Rate Term Loans is compounded monthly and payable monthly in arrears unless otherwise provided in the Rate and Payment Terms Notice.

Interest is payable both before and after maturity or demand, default and judgment.

Each payment under this Agreement shall be applied first in payment of costs and expenses, then interest and fees and the balance, if any, shall be applied in reduction of principal.

For loans not secured by real property, all overdue amounts of principal and interest and all amounts outstanding in excess of the Credit Limit shall bear interest from the date on which the same became due or from when the excess was incurred, as the case may be, until the date of payment or until the date the excess is repaid at 21% per annum, or such lower interest rate if the Bank agrees to a lower interest rate in writing. Nothing in this clause shall be deemed to authorize the Borrower to incur loans in excess of the Credit Limit.

The Borrower irrevocably authorizes the Bank to debit periodically or from time to time any bank account it may maintain at the Bank in order to pay all or part of the amounts it may owe to the Bank hereunder.

3. **DRAWDOWN PROVISIONS**

Prime Based and USBR Loans

There is no minimum amount of drawdown by way of Prime Based Loans and USBR Loans, except as stated in the section of the Agreement titled "Business Credit Services Agreement", if that section of the Agreement has not been deleted. The Borrower shall provide the Bank with 3 Business Days' notice of a requested Prime Based Loan or USBR Loan over \$1,000,000.

L/C and/or L/G

The Bank shall have the discretion to restrict the maturity date of L/Gs or L/Cs.

Cash Management

The Bank may, and the Borrower hereby authorizes the Bank to, drawdown under the Facility to satisfy any obligations of the Borrower to the Bank in connection with any cash management service provided by the Bank to the Borrower. The Bank may drawdown under the Facility even if the drawdown results in amounts outstanding in excess of the Credit Limit.

Notice

Prior to each drawdown and at least 10 days prior to each Rate Term Maturity, the Borrower will advise the Bank of its selection of drawdown options from those made available by the Bank. The Bank will, after each drawdown, other than drawdowns by way of BA, LIBOR Loan or under the Facility, send a Rate and Payment Terms Notice to the Borrower.

Demand Credit Facilities

Notwithstanding any provision to the contrary, the Borrower agrees and acknowledges that (i) the credit facilities payable on demand in this Agreement constitute demand credits and are therefore payable at any time at the Bank's sole discretion and (ii) the Bank may, at any time, before or after a request for reimbursement, terminate these credit facilities and cease making new advances, without delay or notice to the Borrower.

4. **PREPAYMENT**

Floating Rate Term Loans

The Borrower may prepay the whole or any part of the principal outstanding under a Floating Rate Term Loan, at any time without the payment of prepayment charges, unless otherwise restricted in this Agreement.

5. **STANDARD DISBURSEMENT CONDITIONS**

The obligation of the Bank to permit any drawdowns hereunder at any time is subject to the following conditions precedent:

- a) The Bank shall have received the following documents which shall be in form and substance satisfactory to the Bank:
 - i. A copy of a duly executed resolution of the Board of Directors of the Borrower empowering the Borrower to enter into this Agreement;
 - ii. A copy of any necessary government approvals authorizing the Borrower to enter into this Agreement;
 - iii. All of the Bank Security and supporting resolutions and solicitors' letter of opinion required hereunder;
 - iv. The Borrower's compliance certificate certifying compliance with all terms and conditions hereunder;
 - v. All operation of account documentation; and
 - vi. For drawdowns under the Facilities by way of L/C or L/G, the Bank's standard for Letter of Credit Indemnity Agreement
- b) The representations and warranties contained in this Agreement are correct.
- c) No event has occurred and is continuing which constitutes an Event of Default or would constitute an Event of Default, but for the requirement that notice be given or time elapsed or both.
- d) The Bank has received the arrangement fee payable hereunder (if any) and the Borrower has paid all legal and other expenses incurred by the Bank in connection with the Agreement or the Bank Security.

6. **STANDARD REPRESENTATIONS AND WARRANTIES**

The Borrower hereby represents and warrants, which representations and warranties shall be deemed to be continually repeated so long as any amounts remain outstanding and unpaid under this Agreement or so long as any commitment under this Agreement remains in effect, that:

- a) The Borrower is a duly incorporated corporation, a limited partnership, partnership, or sole proprietorship, duly organized, validly existing and in good standing under the laws of the jurisdiction where the Branch/Centre is located and each other jurisdiction where the Borrower has property or assets or carries on business and the Borrower has adequate corporate power and authority to carry on its business, own property, borrow monies and enter into agreements therefore, execute and deliver the Agreement, the Bank Security, and documents required hereunder, and observe and perform the terms and provisions of this Agreement.
- b) There are no laws, statutes or regulations applicable to or binding upon the Borrower and no provisions in its charter documents or in any by-laws, resolutions, contracts, agreements, or arrangements which would be contravened, breached, violated as a result of the execution, delivery, performance, observance, of any terms of this Agreement.

- c) No Event of Default has occurred nor has any event occurred which, with the passage of time or the giving of notice, would constitute an Event of Default under this Agreement or which would constitute a default under any other agreement. There are no actions, suits or proceedings, including appeals or applications for review, or any knowledge of pending actions, suits, or proceedings against the Borrower and its subsidiaries, before any court or administrative agency which would result in any material adverse change in the property, assets, financial condition, business or operations of the Borrower.
- d) All material authorizations, approvals, consents, licenses, exemptions, filings, registrations and other requirements of governmental, judicial and public bodies and authorities required to carry on its business have been or will be obtained or effected and are or will be in full force and effect.
- e) The financial statements and forecasts delivered to the Bank fairly present the present financial position of the Borrower, and have been prepared by the Borrower and its auditors in accordance with the International Financial Reporting Standards or GAAP for Private Enterprises.
- f) All of the remittances required to be made by the Borrower to the federal government and all provincial and municipal governments have been made, are currently up to date and there are no outstanding arrears. Without limiting the foregoing, all employee source deductions (including income taxes, Employment Insurance and Canada Pension Plan), sales taxes (both provincial and federal), corporate income taxes, corporate capital taxes, payroll taxes and Workers' Compensation dues are currently paid and up to date.

7. **STANDARD POSITIVE COVENANTS**

So long as any amounts remain outstanding and unpaid under this Agreement or so long as any commitment under this Agreement remains in effect, the Borrower will, and will ensure that its subsidiaries and the Guarantors will:

- a) Pay all amounts of principal, interest and fees on the dates, times and place specified herein, under the Rate and Payment Terms Notice, and under any other agreement between the Bank and the Borrower.
- b) Advise the Bank of any change in the amount and the terms of any credit arrangement made with other lenders or any action taken by another lender to recover amounts outstanding with such other lender.
- c) Advise promptly after the happening of any event which will result in a material adverse change in the financial condition, business, operations, or prospects of the Borrower or the occurrence of any Event of Default or default under this Agreement or under any other agreement for borrowed money.
- d) Do all things necessary to maintain in good standing its corporate existence and preserve and keep all material agreements, rights, franchises, licenses, operations, contracts or other arrangements in full force and effect.
- e) Take all necessary actions to ensure that the Bank Security and its obligations hereunder will rank ahead of all other indebtedness of and all other security granted by the Borrower.
- f) Pay all taxes, assessments and government charges unless such taxes, assessments, or charges are being contested in good faith and appropriate reserves shall be made with funds set aside in a separate trust fund.
- g) Provide the Bank with information and financial data as it may request from time to time.
- h) Maintain property, plant and equipment in good repair and working condition.
- i) Inform the Bank of any actual or probable litigation and furnish the Bank with copies of details of any litigation or other proceedings, which might affect the financial condition, business, operations, or prospects of the Borrower.
- j) Provide such additional security and documentation as may be required from time to time by the Bank or its solicitors.
- k) Continue to carry on the business currently being carried on by the Borrower its subsidiaries and the Guarantors at the date hereof.
- l) Maintain adequate insurance on all of its assets, undertakings, and business risks.

- m) Permit the Bank or its authorized representatives full and reasonable access to its premises, business, financial and computer records and allow the duplication or extraction of pertinent information therefrom and
- n) Comply with all applicable laws.

8. **STANDARD NEGATIVE COVENANTS**

So long as any amounts remain outstanding and unpaid under this Agreement or so long as any commitment under this Agreement remains in effect, the Borrower will not and will ensure that its subsidiaries and the Guarantors will not, without the prior written consent of the Bank:

- a) Create, incur, assume, or suffer to exist, any mortgage, deed of trust, pledge, lien, security interest, assignment, charge, or encumbrance (including without limitation, any conditional sale, or other title retention agreement, or finance lease) of any nature, upon or with respect to any of its assets or undertakings, now owned or hereafter acquired, except for those Permitted Liens, if any, set out in the Letter.
- b) Create, incur, assume or suffer to exist any other indebtedness for borrowed money (except for indebtedness resulting from Permitted Liens, if any) or guarantee or act as surety or agree to indemnify the debts of any other Person.
- c) Merge, amalgamate or consolidate with any other Person, or acquire all or substantially all of the shares, assets or business of any other Person.
- d) Sell, lease, assign, transfer, convey or otherwise dispose of any of its now owned or hereafter acquired assets relating to the Property (including, without limitation, shares of stock and indebtedness of subsidiaries, receivables and leasehold interests), except for inventory disposed of in the ordinary course of business.
- e) Terminate or enter into a surrender of any lease of the Property.
- f) Cease to carry on the business currently being carried on by the Borrower, its subsidiaries, and the Guarantors at the date hereof.
- g) Permit any change of ownership or change in the capital structure of the Borrower.

9. **ENVIRONMENTAL**

The Borrower represents and warrants (which representation and warranty shall continue throughout the term of this Agreement) that the business of the Borrower, its subsidiaries and the Guarantors is being operated in compliance with applicable laws and regulations respecting the discharge, omission, spill or disposal of any hazardous materials and that any and all enforcement actions in respect thereto have been clearly conveyed to the Bank.

The Borrower shall, at the request of the Bank from time to time, and at the Borrower's expense, obtain and provide to the Bank an environmental audit or inspection report of the Property from auditors or inspectors acceptable to the Bank.

The Borrower hereby indemnifies the Bank, its officers, directors, employees, agents and shareholders, and agrees to hold each of them harmless from all loss, claims, damages and expenses (including legal and audit expenses) which may be suffered or incurred in connection with the indebtedness under this Agreement or in connection with the Bank Security.

10. **STANDARD EVENTS OF DEFAULT**

The Bank may accelerate the payment of principal and interest under any committed credit facility hereunder and cancel any undrawn portion of any committed credit facility hereunder, at any time after the occurrence of any one of the following events of default ("**Events of Default**"):

- a) Non-payment of principal outstanding under this Agreement when due or non-payment of interest or fees outstanding under this Agreement within 3 Business Days of when due.
- b) If any representation, warranty or statement made hereunder or made in connection with the execution and delivery of this Agreement or the Bank Security is false or misleading at any time.

- c) If any representation or warranty made or information provided by the Guarantors to the Bank from time to time, including without limitation, under or in connection with the Personal Financial Statement and Privacy Agreement provided by the Guarantors, is false or misleading at any time.
- d) If there is a breach or non-performance or non-observance of any term or condition of this Agreement or the Bank Security and, if such default is capable to being remedied, the default continues unremedied for 5 Business Days after the occurrence.
- e) If the Borrower, any one of its subsidiaries, or, if any Guarantor makes a general assignment for the benefit of creditors, files or presents a petition, makes a proposal or commits any act of bankruptcy, or if any action is taken for the winding up, liquidation or the appointment of a liquidator, trustee in bankruptcy, custodian, curator, sequestrator, receiver or any other officer with similar powers or if a judgment or order shall be entered by any court approving a petition for reorganization, arrangement or composition of or in respect of the Borrower, any of its subsidiaries, or any Guarantors or if the Borrower, any of its subsidiaries, or any Guarantor is insolvent or declared bankrupt.
- f) If there exists a voluntary or involuntary suspension of business of the Borrower, any of its subsidiaries, or any Guarantor.
- g) If action is taken by an encumbrancer against the Borrower, any of its subsidiaries, or any Guarantor to take possession of property or enforce proceedings against any assets.
- h) If any final judgment for the payment of monies is made against the Borrower, any of its subsidiaries, or any Guarantor and it is not discharged within 30 days from the imposition of such judgment.
- i) If there exists an event, the effect of which with lapse of time or the giving of notice, will constitute an event of default or a default under any other agreement for borrowed money in excess of the Cross Default Threshold entered into by the Borrower, any of its subsidiaries, or any Guarantor.
- j) If the Borrower, any one of its subsidiaries, or any Guarantor default under any other present or future agreement with the Bank or any of the Bank's subsidiaries, including without limitation, any other loan agreement, forward foreign exchange transactions, interest rate and currency and/or commodity swaps.
- k) If the Bank Security is not enforceable or if any party to the Bank Security shall dispute or deny any liability or any of its obligations under the Bank Security, or if any Guarantor terminates a guarantee in respect of future advances.
- l) If, in the Bank's determination, a material adverse change occurs in the financial condition, business operations or prospects of the Borrower, any of the Borrower's subsidiaries, or any Guarantor.

11. ACCELERATION

If the Bank accelerates the payment of principal and interest hereunder, the Borrower shall immediately pay to the Bank all amounts outstanding hereunder, including without limitation, the amount of unmatured B/As and LIBOR Loans and the amount of all drawn and undrawn L/Gs and L/Cs. All cost to the Bank of unwinding LIBOR Loans and all loss suffered by the Bank in re-employing amounts repaid will be paid by the Borrower.

The Bank may demand the payment of principal and interest under the Facility (and any other uncommitted facility) hereunder and cancel any undrawn portion of the Facility (and any other uncommitted facility) hereunder, at any time whether or not an Event of Default has occurred.

12. CURRENCY INDEMNITY

USD\$ loans must be repaid with USD\$ and CAD\$ loans must be repaid with CAD\$ and the Borrower shall indemnify the Bank for any loss suffered by the Bank if USD\$ loans are repaid with CAD\$ or vice versa, whether such payment is made pursuant to an order of a court or otherwise.

13. TAXATION ON PAYMENTS

All payments made by the Borrower to the Bank will be made free and clear of all present and future taxes (excluding the Bank's income taxes), withholdings or deductions of whatever nature. If these taxes,

withholdings or deductions are required by applicable law and are made, the Borrower, shall, as a separate and independent obligation, pay to the Bank all additional amounts as shall fully indemnify the Bank from any such taxes, withholdings or deductions.

14. REPRESENTATION

No representation or warranty or other statement made by the Bank concerning any of the credit facilities shall be binding on the Bank unless made by it in writing as a specific amendment to this Agreement.

15. CHANGING THE AGREEMENT

- a) The Bank may, from time to time, unilaterally change the provisions of this Agreement where (i) the provisions of the Agreement relate to the Facility (and any other uncommitted facility) or (ii) such change is for the benefit of the Borrower, or made at the Borrower's request, including without limitation, decreases to fees or interest payable hereunder or (iii) where such change makes compliance with this Agreement less onerous to the Borrower, including without limitation, release of security. These changes can be made by the Bank providing written notice to the Borrower of such changes in the form of a specific waiver or a document constituting an amending agreement. The Borrower is not required to execute such waiver or amending agreement, unless the Bank requests the Borrower to sign such waiver or amending agreement. A change in the Prime Rate and USBR is not an amendment to the terms of this Agreement that requires notification to be provided to the Borrower.
- b) Changes to the Agreement, other than as described in a) above, including changes to covenants and fees payable by the Borrower, are required to be agreed to by the Bank and the Borrower in writing, by the Bank and the Borrower each signing an amending agreement.
- c) The Bank is not required to notify a Guarantor of any change in the Agreement, including any increase in the Credit Limit.

16. ADDED COST

If the introduction of or any change in any present or future law, regulation, treaty, official or unofficial directive, or regulatory requirement, (whether or not having the force of law) or in the interpretation or application thereof, relates to:

- i. the imposition or exemption of taxation of payments due to the Bank or on reserves or deemed reserves in respect of the undrawn portion of any loan made available hereunder; or,
- ii. any reserve, special deposit, regulatory or similar requirement against assets, deposits, or loans or other acquisition of funds for loans by the Bank; or,
- iii. the amount of capital required or expected to be maintained by the Bank as a result of the existence of the advances or the commitment made hereunder;

and the result of such occurrence is, in the sole determination of the Bank, to increase the cost of the Bank or to reduce the income received or receivable by the Bank hereunder, the Borrower shall, on demand by the Bank, pay to the Bank that amount which the Bank estimates will compensate it for such additional cost or reduction in income and the Bank's estimate shall be conclusive, absent manifest error.

17. EXPENSES

The Borrower shall pay, within 5 Business Days following notification, all fees and expenses (including but not limited to all legal fees) incurred by the Bank in connection with the preparation, registration and ongoing administration of this Agreement and the Bank Security and with the enforcement of the Bank's rights and remedies under this Agreement and the Bank Security whether or not any amounts are advanced under the Agreement. These fees and expenses shall include, but not be limited, to all outside counsel fees and expenses and all in-house legal fees and expenses, if in-house counsel are used, and all outside professional advisory fees and expenses. The Borrower shall pay interest on unpaid amounts due pursuant to this paragraph at the All-In Rate plus 2% per annum.

Without limiting the generality of Section 24, the Bank or its agent, is authorized to debit any of the Borrower's accounts with the amount of the fees and expenses owed by the Borrower hereunder, including the registration fee in connection with the Bank Security, even if that debiting creates an overdraft in any such account. If there are insufficient funds in the Borrower's accounts to reimburse the Bank or its agent for payment of the fees and expenses owed by the Borrower hereunder, the amount debited to the Borrower's accounts shall be deemed to be a Prime Based Loan under the Facility.

The Borrower will, if requested by the Bank, sign a Pre-Authorized Payment Authorization in a format acceptable to the Bank to permit the Bank's agent to debit the Borrower's accounts as contemplated in this Section.

18. NON WAIVER

Any failure by the Bank to object to or take action with respect to a breach of this Agreement or any Bank Security or upon the occurrence of an Event of Default shall not constitute a waiver of the Bank's right to take action at a later date on that breach. No course of conduct by the Bank will give rise to any reasonable expectation which is in any way inconsistent with the terms and conditions of this Agreement and the Bank Security or the Bank's rights thereunder.

19. EVIDENCE OF INDEBTEDNESS

The Bank shall record on its records the amount of all loans made hereunder, payments made in respect thereto, and all other amounts becoming due to the Bank under this Agreement. The Bank's records constitute, in the absence of manifest error, conclusive evidence of the indebtedness of the Borrower to the Bank pursuant to this Agreement.

The Borrower will sign the Bank's standard form Letter of Credit Indemnity Agreement for all L/Cs and L/Gs issued by the Bank.

With respect to chattel mortgages taken as Bank Security, this Agreement is the Promissory Note referred to in same chattel mortgage, and the indebtedness incurred hereunder is the true indebtedness secured by the chattel mortgage.

20. ENTIRE AGREEMENTS

This Agreement replaces any previous letter agreements dealing specifically with terms and conditions of the credit facilities described in the Letter. Agreements relating to other credit facilities made available by the Bank continue to apply for those other credit facilities. This Agreement, and if applicable, the Letter of Credit Indemnity Agreement, are the entire agreements relating to the Facility described in this Agreement.

21. ASSIGNMENT

The Bank may assign or grant participation in all or part of this Agreement or in any loan made hereunder without notice to and without the Borrower's consent.

The Borrower may not assign or transfer all or any part of its rights or obligations under this Agreement.

22. RELEASE OF INFORMATION

The Borrower hereby irrevocably authorizes and directs the Borrower's accountant, (the "**Accountant**") to deliver all financial statements and other financial information concerning the Borrower to the Bank and agrees that the Bank and the Accountant may communicate directly with each other.

23. FX CLOSE OUT

The Borrower hereby acknowledges and agrees that in the event any of the following occur: (i) Default by the Borrower under any forward foreign exchange contract ("**FX Contract**"); (ii) Default by the Borrower in payment of monies owing by it to anyone, including the Bank; (iii) Default in the performance of any other

obligation of the Borrower under any agreement to which it is subject; or (iv) the Borrower is adjudged to be or voluntarily becomes bankrupt or insolvent or admits in writing to its inability to pay its debts as they come due or has a receiver appointed over its assets, the Bank shall be entitled without advance notice to the Borrower to close out and terminate all of the outstanding FX Contracts entered into hereunder, using normal commercial practices employed by the Bank, to determine the gain or loss for each terminated FX contract. The Bank shall then be entitled to calculate a net termination value for all of the terminated FX Contracts which shall be the net sum of all the losses and gains arising from the termination of the FX Contracts which net sum shall be the "Close Out Value" of the terminated FX Contracts. The Borrower acknowledges that it shall be required to forthwith pay any positive Close Out Value owing to the Bank and the Bank shall be required to pay any negative Close Out Value owing to the Borrower, subject to any rights of set-off to which the Bank is entitled or subject.

24. SET-OFF

In addition to and not in limitation of any rights now or hereafter granted under applicable law, the Bank may at any time and from time to time without notice to the Borrower or any other Person, any notice being expressly waived by the Borrower, set-off and compensate and apply any and all deposits, general or special, time or demand, provisional or final, matured or unmatured, in any currency, and any other indebtedness or amount payable by the Bank (irrespective of the place of payment or booking office of the obligation), to or for the credit of or for the Borrower's account, including without limitation, any amount owed by the Bank to the Borrower under any FX Contract or other treasury or derivative product, against and on account of the indebtedness and liability under this Agreement notwithstanding that any of them are contingent or unmatured or in a different currency than the indebtedness and liability under this Agreement.

When applying a deposit or other obligation in a different currency than the indebtedness and liability under this Agreement to the indebtedness and liability under this Agreement, the Bank will convert the deposit or other obligation to the currency of the indebtedness and liability under this Agreement using the Bank's noon spot rate of exchange for the conversion of such currency.

If the credit offered is revolving in nature the following is to apply;

Without limiting the foregoing, the Borrower authorizes the Bank to establish every day, or at any other interval the Bank may determine, the position or net position, as applicable, of the Borrower's deposit account(s) with the Bank (the "Deposit Account"), and it is understood that:

- a) If the position or net position of the Deposit Account represents a credit balance, the Bank may apply all or part of this credit to the repayment of the advances under any revolving credit made available to the Borrower and shall debit the Deposit Account for the amount paid, rounded to the amount of the minimum repayment applicable to the relevant credit; and
- b) If the position or net position of the Deposit Account represents a debit balance, the Bank shall grant an advance under any revolving credit made available to the Borrower to create a credit balance or a net credit balance in the Deposit Account and increase the advances for such revolving credit by an equivalent amount without however exceeding the authorized credit amount; the advance shall be rounded to the amount of the minimum disbursement for the relevant credit, as applicable.

25. LIMITATION ACT

The Borrower and the Bank hereby agree that the limitation period for commencement of any court action or proceeding against the Borrower with respect to demand loans shall be six (6) years rather than the period of time that is set out in the applicable limitation legislation.

26. MISCELLANEOUS

- i. The Borrower has received a signed copy of this Agreement;
- ii. If more than one Person, firm or corporation signs this Agreement as the Borrower, each party is jointly and severally liable hereunder, and the Bank may require payment of all amounts payable under this Agreement from any one of them, or a portion from each, but the Bank is released from any of its obligations by performing that obligation to any one of them. Each Borrower hereby

- acknowledges that each Borrower is an agent of each other Borrower and payment by any Borrower hereunder shall be deemed to be payment by the Borrower making the payment and by each other Borrower. Each payment, including interest payments, made will constitute an acknowledgement of the indebtedness and liability hereunder by each Borrower;
- iii. Accounting terms will (to the extent not defined in this Agreement) be interpreted in accordance with accounting principles established from time to time by the Canadian Institute of Chartered Accountants (or any successor) consistently applied, and all financial statements and information provided to the Bank will be prepared in accordance with those principles;
 - iv. This Agreement is governed by the law of the Province or Territory where the Property is located.
 - v. Unless stated otherwise, all amounts referred to herein are in Canadian dollars.
 - vi. Should the indebtedness owing to the Bank under a credit facility hereof exceed the authorized credit amount hereunder and the Bank has not formally authorized this situation, the Borrower shall be required to repay the Bank, without further notice or demand, an amount equal to such excess amount. If, however, the Bank were to tolerate an amount in excess of the authorized credit facility, the Borrower hereby undertakes to pay the overlimit fees required at such time by the Bank, failing which the Borrower shall be required to repay such excess amount to the Bank.
 - vii. This Agreement does not constitute an indivisible whole. Any decision by a court rendering any of the provisions hereof null or unenforceable shall in no way affect, invalidate or render unenforceable the other provisions hereof.

27. **DEFINITIONS**

Capitalized Terms used in this Agreement shall have the following meanings:

"All-In Rate" means the greater of the Interest Rate that the Borrower pays for Prime Based Loans (which for greater certainty includes the percent per annum added to the Prime Rate) or the highest fixed rate paid for Fixed Rate Term Loans.

"Agreement" means the agreement between the Bank and the Borrower set out in the Letter and this Schedule "A" - Standard Terms and Conditions.

"Business Day" means any day (other than a Saturday or Sunday) that the Branch/Centre is open for business.

"Branch/Centre" means The National Bank of Canada branch or banking centre noted on the first page of the Letter, or such other branch or centre as may from time to time be designated by the Bank.

"Contractual Term Maturity Date" means the last day of the Contractual Term period. If the Letter does not set out a specific Contractual Term period but rather refers to a period of time up to which the Contractual Term Maturity Date can occur, the Bank and the Borrower must agree on a Contractual Term Maturity Date before first drawdown, which Contractual Term Maturity Date will be set out in the Rate and Payments Terms Notice.

"Cross Default Threshold" means the cross default threshold set out in the Letter. If no such cross default threshold is set out in the Letter it will be deemed to be zero.

"Discount" means, in the context of a bankers' acceptance, the difference, as determined by the Bank in accordance with its normal practices, between the face value of the bankers' acceptance and the price at which a bankers' acceptance with the same expiry date and the same face value accepted by the Bank could normally be sold at about 10 a.m. on the date the bankers' acceptance is issued.

"Discounted proceeds" means, in the context of issuing a bankers' acceptance, the proceeds that the Bank must disburse, the amount of which corresponds to the face value of the bankers' acceptance less the Discount (as defined).

"Face Amount" means, in respect of:

- i. a B/A, the amount payable to the holder thereof on its maturity;
- ii. A L/C or L/G, the maximum amount payable to the beneficiary specified therein or any other Person to whom payments may be required to be made pursuant to such L/C or L/G.

"Fixed Rate Term Loan" means any drawdown in Canadian dollars under a credit facility at an interest rate which is fixed for a Rate Term at such rate as is determined by the Bank as its sole discretion.

"Floating Rate" means the interest rate applicable to floating-rate advances in Canadian or U.S. dollars, as applicable, made hereunder.

"Inventory Value" means, at any time of determination, the total value (based on the lower of cost or market) of the Borrower's inventories that are subject to the Bank Security (other than (i) those inventories supplied by trade creditors who at that time have not been fully paid and would have a right to repossess all or part of such inventories if the Borrower were then either bankrupt or in receivership, (ii) those inventories comprising work in process and (iii) those inventories that the Bank may from time to time designate in its sole discretion) minus the total amount of any claims, liens or encumbrances on those inventories having or purporting to have priority over the Bank.

"Letter" means the letter from the Bank to the Borrower to which this Schedule "A" - Standard Terms and Conditions is attached.

"Letter of Credit" or "L/C" means a documentary letter of credit or similar instrument in form and substance satisfactory to the Bank.

"Letter of Guarantee" or "L/G" means a stand-by letter of guarantee or similar instrument in form and substance satisfactory to the Bank.

"Person" includes any individual, sole proprietorship, corporation, partnership, joint venture, trust, unincorporated association, association, institution, entity, party, or government (whether national, federal, provincial, state, municipal, city, county, or otherwise and including any instrumentality, division, agency, body, or department thereof).

"Purchase Money Security Interest" means a security interest on equipment which is granted to a lender or to the seller of such equipment in order to secure the purchase price of such equipment or a loan to acquire such equipment, provided that the amount secured by the security interest does not exceed the cost of the equipment, the Borrower provides written notice to the Bank prior to the creation of the security interest, and the creditor under the security interest has, if requested by the Bank, entered into an inter-creditor agreement with the Bank, in a format acceptable to the Bank.

"Rate Offered" means the annual interest rate determined from time to time by the Bank, for the term chosen by the Borrower, as being the fixed interest rate applicable to its commercial fixed-rate term loans granted by the Bank, in Canada, for the same term.

"Rate Term" means that period of time as selected by the Borrower from the options offered to it by the Bank, during which a Fixed Rate Term Loan will bear a particular interest rate. If no Rate Term is selected, the Borrower will be deemed to have selected a Rate Term of 1 year.

"Rate Term Maturity" means the last day of a Rate Term which day may never exceed the Contractual Term Maturity Date.

"Rate and Payment Terms Notice" means the notice sent by the Bank setting out the interest rate and payment terms for a particular drawdown.

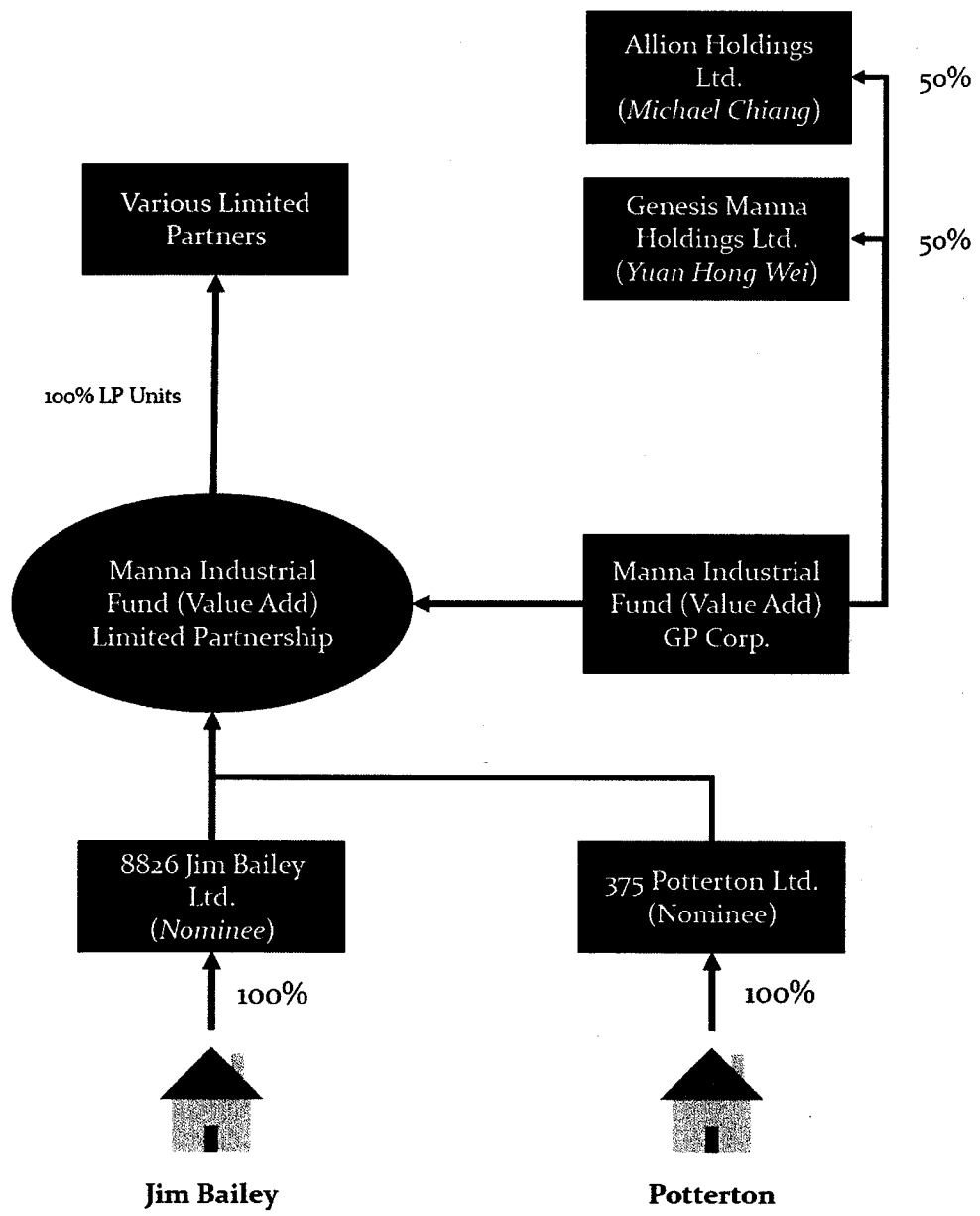
"Receivable Value" means, at any time of determination, the total value of those of the Borrower's trade accounts receivable that are subject to the Bank Security other than (i) those accounts then outstanding for 90 days, (ii) those accounts owing by Persons, firms or corporations affiliated with the Borrower, (iii) those accounts that the Bank may from time to time designate in its sole discretion, (iv) those accounts subject to

any claim, liens, or encumbrance having or purporting to have priority over the Bank, (v) those accounts which are subject to a claim of set-off by the obligor under such account, MINUS the total amount of all claims, liens, or encumbrances on those receivables having or purporting to have priority over the Bank.

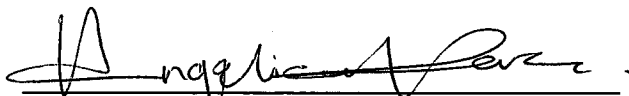
"Receivables/Inventory Summary" means a summary of the Borrower's trade account receivables and inventories, in form as the Bank may require and certified by a senior officer/representative of the Borrower.

"USD\$ Equivalent" means, on any date, the equivalent amount in United States Dollars after giving effect to a conversion of a specified amount of Canadian Dollars to United States Dollars at the Bank's noon spot rate of exchange for Canadian Dollars to United States Dollars established by the Bank for the day in question.

SCHEDULE "B"
BORROWER AND PROPERTY OWNERSHIP STRUCTURE



This is **Exhibit "B"** referred to in the Affidavit #1 of John Karkoutlian made before me at Vancouver, British Columbia, on this 26th day of September, 2024.

A handwritten signature in black ink, appearing to read "Angelica A. Perez", is written over a horizontal line.

A Commissioner for taking Affidavits
in the Province of British Columbia

1. Application

Borden Ladner Gervais LLP
1200 - 200 Burrard Street
P.O. Box 48600
Vancouver BC V7X 1T2
604-687-5744

2. Description of Land

PID/Plan Number	Legal Description
024-666-947	LOT 6 SECTION 2 TOWNSHIP 20 OSOYOOS DIVISION YALE DISTRICT PLAN KAP65805
023-839-171	LOT D SECTION 2 TOWNSHIP 20 OSOYOOS DIVISION YALE DISTRICT PLAN KAP59703

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

8826 JIM BAILEY LTD. #1115 - 8400 WEST ROAD RICHMOND BC V6X 0S7	BC1045505
375 POTTERTON LTD. #1115 - 8400 WEST ROAD RICHMOND BC V6X 0S7	BC1045502

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

NATIONAL BANK OF CANADA
 A Canadian Chartered Bank Having a Branch Office and
 Postal Address at
 2900-475 HOWE STREET
 VANCOUVER BC V6C 2B3

5. Payment Provisions

Principal Amount \$28,700,000	Interest Rate SEE SCHEDULE	Interest Adjustment Date N/A
Interest Calculation Period SEE SCHEDULE	Payment Dates SEE SCHEDULE	First Payment Date N/A
Amount of each periodic payment N/A	Interest Act (Canada) Statement. The equivalent rate of interest calculated half yearly not in advance is N/A % per annum	Last Payment Date ON DEMAND
Assignment of Rents which the applicant wants registered? Yes If yes, page and paragraph number: Page 5, Paragraph 11 of SMT MT140002	Place of payment POSTAL ADDRESS IN ITEM 4	Balance Due Date ON DEMAND



Land Title Act
Mortgage
 Part 1 Province of British Columbia

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:

(b) Filed Standard Mortgage Terms

D F Number: **MT140002**

A selection of (a) or (b) includes any additional or modified terms.

10. Additional or Modified Terms

N/A

11. Prior Encumbrances Permitted by Lender

See schedule.

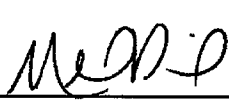
12. Execution(s)

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 Signature(s)



NEIL R. DAVIE
 BARRISTER & SOLICITOR
 SAMPSON DAVIE FANE VOLPIANA LLP
 SUITE 408 - 355 BURNARD STREET
 VANCOUVER, B.C. V6C 2G8
 (604) 343-1940

YYYY-MM-DD

2022-03-03

8826 JIM BAILEY LTD.

By their Authorized Signatory


 Name: **KAI-KAI CHIANG**

Officer Certification

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the *Evidence Act*, R.S.B.C. 1996, c.124, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the *Land Title Act* as they pertain to the execution of this instrument.



Land Title Act
Mortgage
 Part 1 Province of British Columbia

Witnessing Officer Signature

Execution Date

Borrower Signature(s)

NEIL R. DAVIE
 BARRISTER & SOLICITOR
 SAMPSON DAVIE FANE VOLPIANA LLP
 SUITE 408 - 355 BURNARD STREET
 VANCOUVER, B.C. V6C 2G8

Officer Certification
 (604) 543-1940

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.

YYY-MM-DD
 2022-03-03

375 POTTERTON LTD.
 By their Authorized Signatory

Name: FA-KAI CHIANG

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.

SCHEDULE**5. PAYMENT PROVISIONS:**Interest Rate:

Such rate or rates of interest, as may be agreed to between Manna Industrial Fund (Value-Add) Limited Partnership (the "Borrower") and the Lender(s) [Mortgagee(s)] named in Item 4 (the "Lender") from time to time in one or more Agreements (as defined in the Filed Standard Mortgage Terms comprising Part 2 of this Mortgage (the "Mortgage Terms")) entered into now or at any time in the future, with respect to the Obligations (as defined in the Mortgage Terms) arising from or relating to such Agreement or Agreements, calculated semi-annually or monthly, as the case may be, not in advance, and payable after as well as before default, judgment and maturity.

Interest Calculation Period:

Monthly, semi-annually, or as may otherwise be agreed to between the Borrower and the Lender from time to time in one or more Agreements entered now or at any time in the future, with respect to the Obligations arising from or relating to such Agreement or Agreements, not in advance.

Payment Dates:

The dates, as may be agreed to between the Borrower and the Lender from time to time in one or more Agreements entered into now or at any time in the future, with respect to Obligations arising from or relating to such Agreement or Agreements, when such Obligations are required to be paid, observed, performed and satisfied, by regular instalments or otherwise.

11. PRIOR ENCUMBRANCES PERMITTED BY LENDER:As to PID: 024-666-947Legal Notations:

Hereto is annexed Easement D25277 over Lots 43, 94, 95, 96, 108, 130, 143 & 144, Plan 521
Partially cancelled as to Lot 43 Plan 521 except Plan 26304 by LB214351
Benefit cancelled as to Lot B Plan KAP83086 by CA4258495;

Notice of Interest, Builders Lien Act (S.3(2)), see CA4717353 filed 2015-10-01;

Hereto is annexed Easement D28100 over Lot 140, Plan 521;

Hereto is annexed Easement F28660 over Part of Lot 3, Plan 500 outlined red on Plan A9476;

Hereto is annexed Easement K45926 over Parts of Lots 4, 5 & 6, Plan 25775 shown on Plan A11773;

Hereto is annexed Easement K45927 over part of Lot 6, Plan 25775 shown outlined red on Plan A11762;

Hereto is annexed Easement K45928 over part of Lot 12, Plan 25775 shown outlined red on Plan A11762;

Hereto is annexed Easement K45929 over part of Lots 10 & 11, Plan 25775 shown on Plan A11782;

Hereto is annexed Easement KE86079 over part of Lot 146 Plan 521 shown on Plan KPA46015;

Hereto is Restrictive Covenant KH10335 over lot B Plan 19644;

Hereto is annexed Restrictive Covenant KJ67523 over Lot A Plan KAP55339;

Hereto is annexed Restrictive Covenant KL97119 over Lot C, Plan KAP59703; and

Hereto is annexed Restrictive Covenant KP15319 over Lot 1 Plan KAP65805;

Charges, Liens and Interests:

Covenant KN113684;
 Covenant KN113686;
 Easement KT109471;
 Statutory Right of Way CA7072838; and
 Option to Purchase CA9604118.

As to PID: 023-839-171Legal Notations:

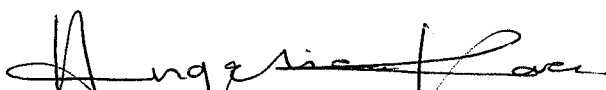
Hereto is Annexed Easement D25277 over Lots 43, 94, 95, 96, 108, 130, 143 & 144, Plan 521
 Partially cancelled as to Lot 43 Plan 521 except Plan 26304 by LB214351
 Benefit cancelled as to Lot B Plan KAP83086 by CA4258495;

Notice of Interest, Builders Lien Act (S.3(2)), See CA4717355 Filed 2015-10-01;
 Hereto is annexed Easement D16650 over Lot 53, Plan 521 See 282957;
 Hereto is annexed Easement D28100 over Lot 140, Plan 521;
 Hereto is annexed Easement F28660 over Part of Lot 3, Plan 500 outlined red on Plan A9476;
 Hereto is annexed Easement K45926 over Parts of Lots 4, 5 & 6, Plan 25775 shown on Plan A11773;
 Hereto is annexed Easement K45927 over Part of Lot 6, Plan 25775 shown outlined red on Plan A11762;
 Hereto is annexed Easement K45928 over Part of Lot 12, Plan 25775 Shown outlined red on Plan A11762;
 Hereto is annexed Easement K45929 over Part of Lots 10 & 11, Plan 25775 shown on Plan A11782;
 Hereto is annexed Easement KE86079 over Part of Lot 146 Plan 521 shown on Plan KPA46015;
 Hereto is Restrictive Covenant KH10335 over Lot B Plan 19644; and
 Hereto is annexed Restrictive Covenant KJ67523 over Lot A Plan KAP55339;

Charges, Liens and Interests:

Right of Way 68926E;
 Statutory Right of Way KH114936;
 Covenant KL79064;
 Covenant KL79067;
 Statutory Right of Way CA8765255;
 Statutory Right of Way CA8765257; and
 Option to Purchase CA9604119.

This is **Exhibit "C"** referred to in the Affidavit #1 of John Karkoutlian made before me at Vancouver, British Columbia, on this 26th day of September, 2024.

A handwritten signature in black ink, appearing to read "Angela Lee", written over a horizontal line.

A Commissioner for taking Affidavits
in the Province of British Columbia

DIRECTION AND BENEFICIAL CHARGE AGREEMENT

THIS AGREEMENT dated for reference MARCH 3, 2022

BETWEEN:

MANNA INDUSTRIAL FUND (VALUE-ADD) LIMITED PARTNERSHIP, a British Columbia limited partnership having a mailing address at #1115 – 8400 West Road, Richmond, BC V6X 0S7

(including its successors and assigns, collectively, the “**Beneficiary**”)

AND:

8826 JIM BAILEY LTD., a company duly incorporated under the laws of the Province of British Columbia having a mailing address at #1115 – 8400 West Road, Richmond, BC V6X 0S7

(including its successors and assigns, collectively, the “**Trustee**”)

IN FAVOUR OF:

NATIONAL BANK OF CANADA, having a mailing address at 2900 – 475 Howe Street, Vancouver, BC V6C 2B3

(including its successors and assigns, collectively, the “**Bank**”)

WITNESSES THAT for valuable consideration, and with the knowledge that this Agreement is being relied upon by the Trustee and the Bank:

1. Representations re Trust Property and Trust Declaration. Each of the Beneficiary and the Trustee jointly and severally represents and warrants to the Bank that the Trustee holds or may hold in trust as agent, nominee and bare trustee, for and on behalf of the Beneficiary, as principal and beneficial owner:

- (a) the real property (the “**Trust Real Property**”) legally described in **Schedule A** attached hereto, all pursuant to the terms of a bare trust and declaration of nominee and agency agreement dated as of March 7, 2022 made by the Trustee in favour of the Beneficiary (the “**Trust Declaration**”), a true copy of which is attached hereto as **Schedule B** and which remains in full force and effect unamended; and
- (b) certain of the Trustee’s present and after-acquired personal property relating to the Trust Real Property (collectively, the “**Trust Personal Property**” and the Trust Real Property and the Trust Personal Property will collectively be referred to as the “**Trust Property**”).

2. Irrevocable Direction to Trustee. The Beneficiary irrevocably directs, authorizes and empowers the Trustee to:

- (a) mortgage, charge and assign to the Bank, as security for all present and future direct and indirect debts and liabilities of the Beneficiary and the Trustee to the Bank, the Trust Property and all of the legal and beneficial right, title, interest and estate of the Trustee and the Beneficiary therein, both present and future, in the manner and to the extent provided

for in the following documents, copies of which have been reviewed and approved by the Beneficiary (collectively, the "Trust Security"):

- (i) Inter Alia Collateral Mortgage including Assignment of Rents (including Acknowledgement of Receipt of the standard mortgage terms) with respect to, *inter alia*, the Trust Real Property;
- (ii) Site Specific Security Agreement with respect to the Trust Real Property;
- (b) execute and deliver the Trust Security to the Bank; and
- (c) observe and perform all of the Trustee's present and future obligations under the Trust Security.

3. Confirmation of Charges on Beneficiary's Interest. The Beneficiary and the Trustee confirm that the Trust Security, once executed and delivered by the Trustee and appropriately registered, will be effective to mortgage, charge and assign to the Bank all of the Beneficiary's present and future right, title and interest in and to the Trust Property.

4. Beneficiary Joins in Trust Security. The Beneficiary joins in and makes for the benefit of the Bank all of the representations and warranties set out in the Trust Security, and the Beneficiary agrees with the Bank to cause the Trustee to observe and perform all of its present and future obligations set out in or secured by the Trust Security.

5. Grant of Additional Security and Covenants. As additional security for the Bank, the Beneficiary hereby adopts the Trust Security, *mutatis mutandis*, and for greater certainty:

- (a) the Beneficiary mortgages, charges and assigns to the Bank all of the Beneficiary's present and future right, title and interest in and to the Trust Property, as security for all of the grantor's (i.e. the Beneficiary's) present and future direct and indirect debts and liabilities to the Bank in respect of the Trust Property;
- (b) the Beneficiary covenants and agrees with the Bank to observe and perform all of the grantor's obligations set out in the Trust Security; and
- (c) the Beneficiary makes in favour of the Bank all of the grantor's representations, warranties and other agreements set out in the Trust Security;

in each case on and subject to the terms and conditions set out in the Trust Security, *mutatis mutandis*, as if the Beneficiary were granting the same in place of the Trustee and were the registered, legal and beneficial owner of the Trust Property.

6. Amendment to Trust Declaration (if necessary). To the extent necessary (if at all), the Beneficiary and the Trustee agree that the Trust Declaration is hereby amended to give the Trustee the power, capacity and authority to do each of the matters contemplated by this Agreement and the Trust Security.

7. Covenants re Trust Declaration. The Beneficiary and the Trustee covenant and agree with the Bank that neither will assign, amend, charge or terminate or permit the termination of the Trust Declaration without the Bank's prior written consent.

8. Counterparts. This Agreement may be executed in any number of counterparts, each of which when delivered shall be deemed to be an original and all of which together shall constitute one and the same document.

9. Successors and Assigns. This Agreement will be binding upon and enure to the benefit of the parties and their respective successors and assigns.

[Signature page follows]

IN WITNESS WHEREOF the Beneficiary and the Trustee have executed this Agreement on MARCH 3, 2022.

**MANNA INDUSTRIAL FUND (VALUE-ADD)
LIMITED PARTNERSHIP**, by its general partner
**MANNA INDUSTRIAL FUND (VALUE-ADD)
GP CORP.**

by its authorized signatory/(ies):

Per:


Authorized Signatory

Per:

Authorized Signatory

8826 JIM BAILEY LTD.

by its authorized signatory/(ies):

Per:


Authorized Signatory

Per:

Authorized Signatory

SCHEDULE A
Trust Real Property

The lands and premises located at:

8826 Jim Bailey Crescent, Kelowna, BC and legally described as PID: 024-666-947, Lot 6 Section 2
Township 20 Osoyoos Division Yale District Plan KAP65805

SCHEDULE B
Trust Declaration

Please see attached.

**BARE TRUST AND DECLARATION OF
NOMINEE AND AGENCY AGREEMENT**

8826 JIM BAILEY CRESCENT, KELOWNA, BRITISH COLUMBIA

THIS AGREEMENT made as of the 7th day of March, 2022,

BETWEEN:

**MANNA INDUSTRIAL FUND (VALUE-ADD) LIMITED
PARTNERSHIP**

(the "Beneficial Owner")

AND:

8826 JIM BAILEY LTD.

(the "Nominee")

WITNESSES THAT WHEREAS:

A. The Nominee is the registered owner of those lands and premises situate, lying and being in the City of Kelowna, British Columbia, and more particularly known and legally described as:

Parcel Identifier: 024-666-947
Lot 6 Section 2 Township 20 Osoyoos Division Yale District Plan
KAP65805

(the "Property"); and

B. The Beneficial Owner is the beneficial owner of the Property.

NOW THEREFORE in consideration of the premises and the amount of ONE DOLLAR (\$1.00) now paid by the Beneficial Owner to the Nominee, the receipt and sufficiency of which are hereby acknowledged, the parties hereto covenant and agree as follows:

1. APPOINTMENT

The Beneficial Owner hereby appoints the Nominee as its nominee, agent and bare trustee of the Property for and on behalf of the Beneficial Owner in accordance with this Agreement, with the power to manage and deal with the Property and execute any instrument, document or encumbrance in respect of the Property for and on behalf of the Beneficial Owner, all at the direction of the Beneficial Owner and strictly in accordance with this Agreement, and the Nominee hereby accepts such appointment.

2. NOMINEE'S COVENANTS

The Nominee hereby acknowledges and agrees that:

- (a) the Nominee shall hold title to the Property as nominee, agent and bare trustee for and on behalf of the Beneficial Owner and the Nominee shall have no equitable or beneficial interest therein, and the equitable and beneficial interest in the Property shall be vested solely and exclusively in the Beneficial Owner;
- (b) any benefit, interest, profit or advantage arising out of or accruing from the Property is a benefit, interest, profit or advantage of the Beneficial Owner and if received by the Nominee shall be received and held by the Nominee for the sole use, benefit and advantage of the Beneficial Owner and the Nominee shall account to the Beneficial Owner for any money or other consideration paid to or to the order of the Nominee in connection with the Property as directed by the Beneficial Owner and the Nominee shall, upon the request and at the expense of the Beneficial Owner, deliver to the Beneficial Owner a detailed accounting of all amounts received and disbursed by the Nominee in respect of the Property;
- (c) the Nominee shall, upon the direction of the Beneficial Owner, deal with the Property and do all acts and things in respect of the Property at the expense of and as directed by the Beneficial Owner from time to time and shall assign, transfer, convey, lease, mortgage, pledge, charge or otherwise deal with the Property or any portion thereof at any time and from time to time in such manner as the Beneficial Owner may determine, to the extent permitted under all relevant laws. Without limiting the generality of the foregoing, the Nominee shall transfer legal title to the Property to or as directed by the Beneficial Owner forthwith upon the direction of the Beneficial Owner;
- (d) the Nominee shall, upon and strictly in accordance with the direction of the Beneficial Owner, act as the agent of the Beneficial Owner in respect of any matter relating to the Property or the performance or observance of any contract or agreement relating to the Property, including, without limitation, making any payment under any mortgage, debenture, security agreement or other instrument, document or encumbrance pertaining to the Property;
- (e) acting under this Agreement and at the direction of the Beneficial Owner, the Nominee shall have the full right and power to execute and deliver, under seal and otherwise, any instrument, document or encumbrance pertaining to the Property without delivering proof to any person of its authority to do so and any person may act in reliance on any such instrument, document or encumbrance and for all purposes any such instrument, document or encumbrance shall be binding on the Beneficial Owner;
- (f) the Nominee shall not deal with the Property in any instrument, document or encumbrance in respect of the Property without the prior written consent or direction of the Beneficial Owner;

- (g) the Nominee shall notify the Beneficial Owner forthwith upon receipt by the Nominee of written notice of any matter or thing in respect of the Property or any portion thereof, including, without limitation, in respect of any tax, lien, charge or encumbrance in respect of the Property; and
- (h) the Nominee shall maintain its corporate existence during the term of this Agreement.

3. REIMBURSEMENT OF EXPENSES

Any payments or disbursements made by the Nominee in respect of the Property in accordance with this Agreement shall be made as the agent of and for the account of the Beneficial Owner, as principal, and the Beneficial Owner shall reimburse the Nominee for any amount reasonably and properly expended by the Nominee in connection with the Property with the consent or direction of the Beneficial Owner. All liabilities incurred or outstanding in respect of the Property, including any liability under any mortgage, debenture or security agreement in respect thereof, are the liabilities of the Beneficial Owner as principal and the Nominee in incurring or granting the same is acting only as agent for the Beneficial Owner. The Nominee shall not be entitled to any remuneration or any revenue or profit in respect of the Property for acting as nominee, agent and bare trustee under this Agreement.

4. INDEMNITY BY THE BENEFICIAL OWNER

The Beneficial Owner hereby agrees to indemnify and save harmless the Nominee against any and all liability, loss, cost, action, claim or expense resulting from the Nominee's holding of title to the Property or dealing with the Property as directed by the Beneficial Owner from time to time. The indemnity contained herein shall survive the termination of this Agreement.

5. TIME

Time shall be of the essence of this Agreement.

6. FURTHER ASSURANCES

The Nominee shall perform all such other acts and things and execute all such other documents as are necessary or desirable in the opinion of the Beneficial Owner to evidence or carry out the terms or intent of this Agreement.

7. GENDER OR NUMBER

Words importing the masculine gender include the feminine and neuter genders and words in the singular include the plural, and vice versa.

8. GOVERNING LAW

This Agreement and all matters arising hereunder shall be governed by and construed in accordance with the laws of British Columbia, which shall be deemed to be the proper law hereof, and the Courts of British Columbia shall have the non-exclusive jurisdiction to entertain

and determine all claims and disputes arising out of or in any way connected with this Agreement and the validity, existence and enforceability hereof.

9. NO WAIVER

No failure or delay on the part of either party in exercising any right, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

10. AMENDMENTS

This Agreement may be altered or amended only by an agreement in writing signed by the parties hereto.

11. ENUREMENT

This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF the parties have executed this Agreement as of the day and year first above written.

8826 JIM BAILEY LTD.

Per: 
Authorized Signatory

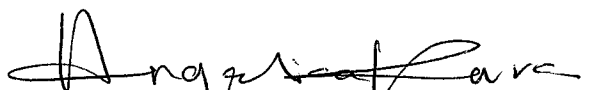
Per: _____
Authorized Signatory

**MANNA INDUSTRIAL FUND (VALUE-ADD)
LIMITED PARTNERSHIP by its general
partner MANNA INDUSTRIAL FUND (VALUE-
ADD) GP CORP.**

Per: 
Authorized Signatory

Per: _____
Authorized Signatory

This is **Exhibit "D"** referred to in the Affidavit #1 of John Karkoutlian made before me at Vancouver, British Columbia, on this 26th day of September, 2024.

A handwritten signature in black ink, appearing to read "Angelina Pava", written over a horizontal line.

A Commissioner for taking Affidavits
in the Province of British Columbia

DIRECTION AND BENEFICIAL CHARGE AGREEMENT

THIS AGREEMENT dated for reference MARCH 3, 2022

BETWEEN:

MANNA INDUSTRIAL FUND (VALUE-ADD) LIMITED PARTNERSHIP, a British Columbia limited partnership having a mailing address at #1115 – 8400 West Road, Richmond, BC V6X 0S7

(including its successors and assigns, collectively, the “**Beneficiary**”)

AND:

375 POTTERTON LTD., a company duly incorporated under the laws of the Province of British Columbia having a mailing address at #1115 – 8400 West Road, Richmond, BC V6X 0S7

(including its successors and assigns, collectively, the “**Trustee**”)

IN FAVOUR OF:

NATIONAL BANK OF CANADA, having a mailing address at 2900 – 475 Howe Street, Vancouver, BC V6C 2B3

(including its successors and assigns, collectively, the “**Bank**”)

WITNESSES THAT for valuable consideration, and with the knowledge that this Agreement is being relied upon by the Trustee and the Bank:

1. Representations re Trust Property and Trust Declaration. Each of the Beneficiary and the Trustee jointly and severally represents and warrants to the Bank that the Trustee holds or may hold in trust as agent, nominee and bare trustee, for and on behalf of the Beneficiary, as principal and beneficial owner:
 - (a) the real property (the “**Trust Real Property**”) legally described in **Schedule A** attached hereto, all pursuant to the terms of a bare trust and declaration of nominee and agency agreement dated as of March 7, 2022 made by the Trustee in favour of the Beneficiary (the “**Trust Declaration**”), a true copy of which is attached hereto as **Schedule B** and which remains in full force and effect unamended; and
 - (b) certain of the Trustee’s present and after-acquired personal property relating to the Trust Real Property (collectively, the “**Trust Personal Property**” and the Trust Real Property and the Trust Personal Property will collectively be referred to as the “**Trust Property**”).
2. Irrevocable Direction to Trustee. The Beneficiary irrevocably directs, authorizes and empowers the Trustee to:
 - (a) mortgage, charge and assign to the Bank, as security for all present and future direct and indirect debts and liabilities of the Beneficiary and the Trustee to the Bank, the Trust Property and all of the legal and beneficial right, title, interest and estate of the Trustee and the Beneficiary therein, both present and future, in the manner and to the extent provided

for in the following documents, copies of which have been reviewed and approved by the Beneficiary (collectively, the "Trust Security"):

- (i) Inter Alia Collateral Mortgage including Assignment of Rents (including Acknowledgement of Receipt of the standard mortgage terms) with respect to, *inter alia*, the Trust Real Property;
- (ii) Site Specific Security Agreement with respect to the Trust Real Property;
- (b) execute and deliver the Trust Security to the Bank; and
- (c) observe and perform all of the Trustee's present and future obligations under the Trust Security.

3. Confirmation of Charges on Beneficiary's Interest. The Beneficiary and the Trustee confirm that the Trust Security, once executed and delivered by the Trustee and appropriately registered, will be effective to mortgage, charge and assign to the Bank all of the Beneficiary's present and future right, title and interest in and to the Trust Property.

4. Beneficiary Joins in Trust Security. The Beneficiary joins in and makes for the benefit of the Bank all of the representations and warranties set out in the Trust Security, and the Beneficiary agrees with the Bank to cause the Trustee to observe and perform all of its present and future obligations set out in or secured by the Trust Security.

5. Grant of Additional Security and Covenants. As additional security for the Bank, the Beneficiary hereby adopts the Trust Security, mutatis mutandis, and for greater certainty:

- (a) the Beneficiary mortgages, charges and assigns to the Bank all of the Beneficiary's present and future right, title and interest in and to the Trust Property, as security for all of the grantor's (i.e. the Beneficiary's) present and future direct and indirect debts and liabilities to the Bank in respect of the Trust Property;
- (b) the Beneficiary covenants and agrees with the Bank to observe and perform all of the grantor's obligations set out in the Trust Security; and
- (c) the Beneficiary makes in favour of the Bank all of the grantor's representations, warranties and other agreements set out in the Trust Security;

in each case on and subject to the terms and conditions set out in the Trust Security, mutatis mutandis, as if the Beneficiary were granting the same in place of the Trustee and were the registered, legal and beneficial owner of the Trust Property.

6. Amendment to Trust Declaration (if necessary). To the extent necessary (if at all), the Beneficiary and the Trustee agree that the Trust Declaration is hereby amended to give the Trustee the power, capacity and authority to do each of the matters contemplated by this Agreement and the Trust Security.

7. Covenants re Trust Declaration. The Beneficiary and the Trustee covenant and agree with the Bank that neither will assign, amend, charge or terminate or permit the termination of the Trust Declaration without the Bank's prior written consent.

8. Counterparts. This Agreement may be executed in any number of counterparts, each of which when delivered shall be deemed to be an original and all of which together shall constitute one and the same document.

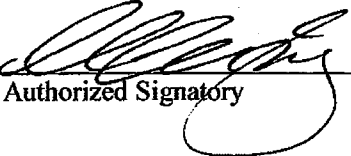
9. Successors and Assigns. This Agreement will be binding upon and enure to the benefit of the parties and their respective successors and assigns.

[Signature page follows]

IN WITNESS WHEREOF the Beneficiary and the Trustee have executed this Agreement on
MARCH 3, 2022.

**MANNA INDUSTRIAL FUND (VALUE-ADD)
LIMITED PARTNERSHIP**, by its general partner
**MANNA INDUSTRIAL FUND (VALUE-ADD)
GP CORP.**

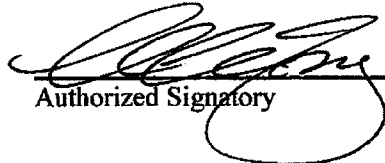
by its authorized signatory/(ies):

Per: 
Authorized Signatory

Per: _____
Authorized Signatory

375 POTTERTON LTD.

by its authorized signatory/(ies):

Per: 
Authorized Signatory

Per: _____
Authorized Signatory

SCHEDULE A
Trust Real Property

The lands and premises located at:

375 Potterton Road, Kelowna, BC and legally described as PID: 023-839-171, Lot D Section 2 Township
20 Osoyoos Division Yale District Plan KAP59703

SCHEDULE B
Trust Declaration

Please see attached.

**BARE TRUST AND DECLARATION OF
NOMINEE AND AGENCY AGREEMENT**

375 POTTERTON ROAD, KELOWNA, BRITISH COLUMBIA

THIS AGREEMENT made as of the 7th day of March, 2022,

BETWEEN:

**MANNA INDUSTRIAL FUND (VALUE-ADD) LIMITED
PARTNERSHIP**

(the "Beneficial Owner")

AND:

375 POTTERTON LTD.

(the "Nominee")

WITNESSES THAT WHEREAS:

A. The Nominee is the registered owner of those lands and premises situate, lying and being in the City of Kelowna, British Columbia, and more particularly known and legally described as:

Parcel Identifier: 023-839-171
Lot D Section 2 Township 20 Osoyoss Division Yale District Plan
KAP59703

(the "Property"); and

B. The Beneficial Owner is the beneficial owner of the Property.

NOW THEREFORE in consideration of the premises and the amount of ONE DOLLAR (\$1.00) now paid by the Beneficial Owner to the Nominee, the receipt and sufficiency of which are hereby acknowledged, the parties hereto covenant and agree as follows:

1. APPOINTMENT

The Beneficial Owner hereby appoints the Nominee as its nominee, agent and bare trustee of the Property for and on behalf of the Beneficial Owner in accordance with this Agreement, with the power to manage and deal with the Property and execute any instrument, document or encumbrance in respect of the Property for and on behalf of the Beneficial Owner, all at the direction of the Beneficial Owner and strictly in accordance with this Agreement, and the Nominee hereby accepts such appointment.

2. NOMINEE'S COVENANTS

The Nominee hereby acknowledges and agrees that:

- (a) the Nominee shall hold title to the Property as nominee, agent and bare trustee for and on behalf of the Beneficial Owner and the Nominee shall have no equitable or beneficial interest therein, and the equitable and beneficial interest in the Property shall be vested solely and exclusively in the Beneficial Owner;
- (b) any benefit, interest, profit or advantage arising out of or accruing from the Property is a benefit, interest, profit or advantage of the Beneficial Owner and if received by the Nominee shall be received and held by the Nominee for the sole use, benefit and advantage of the Beneficial Owner and the Nominee shall account to the Beneficial Owner for any money or other consideration paid to or to the order of the Nominee in connection with the Property as directed by the Beneficial Owner and the Nominee shall, upon the request and at the expense of the Beneficial Owner, deliver to the Beneficial Owner a detailed accounting of all amounts received and disbursed by the Nominee in respect of the Property;
- (c) the Nominee shall, upon the direction of the Beneficial Owner, deal with the Property and do all acts and things in respect of the Property at the expense of and as directed by the Beneficial Owner from time to time and shall assign, transfer, convey, lease, mortgage, pledge, charge or otherwise deal with the Property or any portion thereof at any time and from time to time in such manner as the Beneficial Owner may determine, to the extent permitted under all relevant laws. Without limiting the generality of the foregoing, the Nominee shall transfer legal title to the Property to or as directed by the Beneficial Owner forthwith upon the direction of the Beneficial Owner;
- (d) the Nominee shall, upon and strictly in accordance with the direction of the Beneficial Owner, act as the agent of the Beneficial Owner in respect of any matter relating to the Property or the performance or observance of any contract or agreement relating to the Property, including, without limitation, making any payment under any mortgage, debenture, security agreement or other instrument, document or encumbrance pertaining to the Property;
- (e) acting under this Agreement and at the direction of the Beneficial Owner, the Nominee shall have the full right and power to execute and deliver, under seal and otherwise, any instrument, document or encumbrance pertaining to the Property without delivering proof to any person of its authority to do so and any person may act in reliance on any such instrument, document or encumbrance and for all purposes any such instrument, document or encumbrance shall be binding on the Beneficial Owner;
- (f) the Nominee shall not deal with the Property in any instrument, document or encumbrance in respect of the Property without the prior written consent or direction of the Beneficial Owner;

- (g) the Nominee shall notify the Beneficial Owner forthwith upon receipt by the Nominee of written notice of any matter or thing in respect of the Property or any portion thereof, including, without limitation, in respect of any tax, lien, charge or encumbrance in respect of the Property; and
- (h) the Nominee shall maintain its corporate existence during the term of this Agreement.

3. REIMBURSEMENT OF EXPENSES

Any payments or disbursements made by the Nominee in respect of the Property in accordance with this Agreement shall be made as the agent of and for the account of the Beneficial Owner, as principal, and the Beneficial Owner shall reimburse the Nominee for any amount reasonably and properly expended by the Nominee in connection with the Property with the consent or direction of the Beneficial Owner. All liabilities incurred or outstanding in respect of the Property, including any liability under any mortgage, debenture or security agreement in respect thereof, are the liabilities of the Beneficial Owner as principal and the Nominee in incurring or granting the same is acting only as agent for the Beneficial Owner. The Nominee shall not be entitled to any remuneration or any revenue or profit in respect of the Property for acting as nominee, agent and bare trustee under this Agreement.

4. INDEMNITY BY THE BENEFICIAL OWNER

The Beneficial Owner hereby agrees to indemnify and save harmless the Nominee against any and all liability, loss, cost, action, claim or expense resulting from the Nominee's holding of title to the Property or dealing with the Property as directed by the Beneficial Owner from time to time. The indemnity contained herein shall survive the termination of this Agreement.

5. TIME

Time shall be of the essence of this Agreement.

6. FURTHER ASSURANCES

The Nominee shall perform all such other acts and things and execute all such other documents as are necessary or desirable in the opinion of the Beneficial Owner to evidence or carry out the terms or intent of this Agreement.

7. GENDER OR NUMBER

Words importing the masculine gender include the feminine and neuter genders and words in the singular include the plural, and vice versa.

8. GOVERNING LAW

This Agreement and all matters arising hereunder shall be governed by and construed in accordance with the laws of British Columbia, which shall be deemed to be the proper law hereof, and the Courts of British Columbia shall have the non-exclusive jurisdiction to entertain

and determine all claims and disputes arising out of or in any way connected with this Agreement and the validity, existence and enforceability hereof.

9. NO WAIVER

No failure or delay on the part of either party in exercising any right, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

10. AMENDMENTS

This Agreement may be altered or amended only by an agreement in writing signed by the parties hereto.

11. ENUREMENT

This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF the parties have executed this Agreement as of the day and year first above written.

375 POTTERTON LTD.

Per: 
Authorized Signatory

Per: _____
Authorized Signatory

**MANNA INDUSTRIAL FUND (VALUE-ADD)
LIMITED PARTNERSHIP by its general
partner MANNA INDUSTRIAL FUND (VALUE-
ADD) GP CORP.**

Per: 
Authorized Signatory

Per: _____
Authorized Signatory

This is **Exhibit "E"** referred to in the Affidavit #1 of John Karkoutlian made before me at Vancouver, British Columbia, on this 26th day of September, 2024.

A handwritten signature in black ink, appearing to read "Angelica Perez", is written over a horizontal line.

A Commissioner for taking Affidavits
in the Province of British Columbia



REVIEW CGENERAL ASSIGNMENT OF RENTS AND LEASES

(Ontario, Western Canada, Nova Scotia, Prince
Edward Island, Newfoundland and Labrador)

This agreement and assignment made as of the 3rd day of MARCH, 2022.

BETWEEN:

8826 JIM BAILEY LTD.

(hereinafter called the "Assignor")

of the first part,

and

NATIONAL BANK OF CANADA

a bank governed by the Bank Act (Canada)

(hereinafter called the "Assignee")

of the second part,

witnesses that the Assignor is the owner of the Lands subject to the Mortgage and has agreed to enter into this agreement and assignment with the Assignee as collateral security for the due payment and performance of the Obligations secured under the Mortgage.

Now, therefore, for good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by each of the parties), it is hereby covenanted, agreed and declared as follows:

1. In this agreement and assignment, unless there is something in the subject matter or context inconsistent therewith,
 - (a) "Lands" means the lands and premises described in Schedule A attached to this agreement and assignment;
 - (b) "Leases" includes without limitation:
 - (i) every existing and future lease of and agreement to lease or offer to lease of the whole or any portion of the Lands and any and all extensions and renewals thereof;
 - (ii) every existing and future tenancy, agreement as to use or occupation and licence in respect of the whole or any portion of the Lands, whether or not pursuant to any written lease, agreement or licence and any and all extensions and renewals thereof;
 - (iii) every existing and future indemnity or guarantee of all or any of the obligations of any existing or future tenant, user, occupier or licensee of the whole or any portion of the Lands; and
 - (iv) every existing and future assignment and agreement to assume the obligations of tenants of the whole or any portion of the Lands;
 - (c) "Mortgage" means the charge or mortgage of land from the Assignor to the Assignee, dated March 3, 2022, and registered in the appropriate Land Titles Office/Registry concurrently with this agreement and assignment, securing the principal sum of \$28,700,000 and interest thereon, and including, but not limited to, any schedules and any standard charge/mortgage terms referred to therein or attached thereto, forming a part thereof, as same may be amended, restated, and/or supplemented from time to time;
 - (d) "Obligations" shall have the meaning set forth in the Mortgage; and
 - (e) "Rents" means all rents and other monies now due and payable or hereafter to become due and payable and the benefit of all covenants of tenants, users, occupiers, licensees, indemnitors and guarantors, under or in respect of the Leases.
2. The Assignor hereby assigns to the Assignee, its successors and assigns (as security for the Obligations (in principal, interest, costs and otherwise) secured by the Mortgage and until such Obligations have been fully paid and satisfied) the interest of the Assignor in and to the Leases and Rents, with full power and authority to demand, collect, sue for, recover, receive and give receipts for the Rents and to enforce payment of the Rents and performance of the obligations of the tenants, users, occupiers, licensees, indemnitors and guarantors under the Leases in the name of the Assignor or the owner from time to time of the Lands.
3. The Assignor hereby covenants and agrees that:
 - (a) none of the Rents has been or will be paid more than one month in advance (except, if so provided in the lease or agreement, for payment of rent for the last month of the term);

- (b) there has been no default of a material nature which has not been remedied under any of the existing Leases by any of the parties thereto;
 - (c) the Assignor will observe and perform all of the Assignor's obligations under each of the Leases; and
 - (d) the Assignor shall not surrender or materially modify, alter or amend the Leases or any of the benefit or advantage to be derived therefrom, without first obtaining the consent in writing of the Assignee.
4. Subject to the provisions of paragraph 3 (a) above, the Assignor shall be permitted to collect and receive the Rents as and when they shall become due and payable according to the terms of each of the Leases unless and until, the Mortgage being in default, the Assignee shall give notice to the tenant, user, occupier, licensee, indemnitor or guarantor thereunder requiring payment to the Assignee.
 5. Nothing contained herein or in any statute shall have the effect of making the Assignee, its successors or assigns, responsible for the collection of Rents or any of them or for the performance of the covenants, obligations or conditions under or in respect of the Leases or any of them to be observed or performed by the Assignor, and the Assignee shall not, by virtue of this agreement and assignment or its receipt of the Rents or any of them, become or be deemed a mortgagee in possession of the Lands or the charged premises and the Assignee shall not be under any obligation to take any action or exercise any remedy in the collection or recovery of the Rents or any of them or to see to or enforce the performance of the obligations and liabilities of any person under or in respect of the Leases or any of them; and the Assignee shall be liable to account only for such monies as shall actually come into its hands, less all costs and expenses and other proper deductions. Any monies received by the Assignee may be applied and reapplied notwithstanding any previous application on such part or parts of the Obligations as the Assignee decides in its sole discretion.
 6. The Assignor hereby agrees to execute such further assurances as may be reasonably required by the Assignee from time to time to perfect this agreement and assignment and whenever in the future any lease, agreement, licence, indemnity or guarantee with respect to the Lands is made, the Assignor will forthwith advise the Assignee of the terms thereof and, if requested by the Assignee, give the Assignee a specific assignment of the Rents thereunder in form satisfactory to the Assignee.
 7. The Assignor further agrees that the Assignor will not lease or agree to lease any part of the Lands except at a rent, on terms and conditions, and to tenants which are not less favourable or desirable than those which a prudent landlord would expect to receive for the premises to be leased.
 8. It is understood and agreed that this agreement and assignment is being taken as collateral security only for the due payment and performance of the Obligations secured under the Mortgage; and that none of the rights or remedies of the Assignee under the Mortgage shall be delayed or in any way prejudiced by these presents; and that following registration of a discharge of the Mortgage this agreement and assignment shall be of no further force or effect.
 9. Any demand, notice or other communication to be given in connection with this agreement and assignment must be given in writing and may be given by delivery or by facsimile, addressed to the recipient as follows:

To the Assignor:

8826 Jim Bailey Ltd.
 #1115 – 8400 West Road
 Richmond, BC V6X 0S7
 Attention: Michael Chiang and Nancy Wei
 Facsimile No.: _____

To the Assignee:

National Bank of Canada
 2900 – 475 Howe Street
 Vancouver, BC V6X 2B3
 Attention: Gabriel Chung, Director
 10. This agreement and assignment and everything herein contained shall extend to, bind and enure to the benefit of the respective successors and assigns of each of the parties hereto.
 11. This agreement and assignment shall be governed in all respects by the laws of the Province where the Lands are situated and the laws of Canada applicable therein.

The Assignor has executed this agreement and assignment as of the date first above written

ASSIGNOR:

8826 JIM BAILEY LTD.

Name of Assignor (Legal Entity)

Per: 

Signature

Name

Title

KA-KAI CHIANG

DIRECTOR

Per: _____

Signature

Name

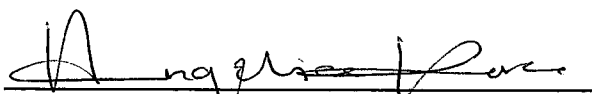
Title

I/We have authority to bind the Legal Entity.

SCHEDULE A
LEGAL DESCRIPTION OF LANDS

PID: 024-666-947, Lot 6 Section 2 Township 20 Osoyoos Division Yale District Plan KAP65805

This is **Exhibit "F"** referred to in the Affidavit #1 of John Karkoutlian made before me at Vancouver, British Columbia, on this 26th day of September, 2024.

A handwritten signature in black ink, appearing to read "Angela Rose", is written over a horizontal line.

A Commissioner for taking Affidavits
in the Province of British Columbia



GENERAL ASSIGNMENT OF RENTS AND LEASES

(Ontario, Western Canada, Nova Scotia, Prince Edward Island, Newfoundland and Labrador)

This agreement and assignment made as of the 3rd day of MARCH, 2022.

BETWEEN:

375 POTTERTON LTD.

(hereinafter called the "Assignor")

of the first part,

and

NATIONAL BANK OF CANADA

a bank governed by the Bank Act (Canada)

(hereinafter called the "Assignee")

of the second part,

witnesses that the Assignor is the owner of the Lands subject to the Mortgage and has agreed to enter into this agreement and assignment with the Assignee as collateral security for the due payment and performance of the Obligations secured under the Mortgage.

Now, therefore, for good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by each of the parties), it is hereby covenanted, agreed and declared as follows:

1. In this agreement and assignment, unless there is something in the subject matter or context inconsistent therewith,
 - (a) "Lands" means the lands and premises described in Schedule A attached to this agreement and assignment;
 - (b) "Leases" includes without limitation:
 - (i) every existing and future lease of and agreement to lease or offer to lease of the whole or any portion of the Lands and any and all extensions and renewals thereof;
 - (ii) every existing and future tenancy, agreement as to use or occupation and licence in respect of the whole or any portion of the Lands, whether or not pursuant to any written lease, agreement or licence and any and all extensions and renewals thereof;
 - (iii) every existing and future indemnity or guarantee of all or any of the obligations of any existing or future tenant, user, occupier or licensee of the whole or any portion of the Lands; and
 - (iv) every existing and future assignment and agreement to assume the obligations of tenants of the whole or any portion of the Lands;
 - (c) "Mortgage" means the charge or mortgage of land from the Assignor to the Assignee, dated March 3, 2022, and registered in the appropriate Land Titles Office/Registry concurrently with this agreement and assignment, securing the principal sum of \$28,700,000 and interest thereon, and including, but not limited to, any schedules and any standard charge/mortgage terms referred to therein or attached thereto, forming a part thereof, as same may be amended, restated, and/or supplemented from time to time;
 - (d) "Obligations" shall have the meaning set forth in the Mortgage; and
 - (e) "Rents" means all rents and other monies now due and payable or hereafter to become due and payable and the benefit of all covenants of tenants, users, occupiers, licensees, indemnitors and guarantors, under or in respect of the Leases.
2. The Assignor hereby assigns to the Assignee, its successors and assigns (as security for the Obligations (in principal, interest, costs and otherwise) secured by the Mortgage and until such Obligations have been fully paid and satisfied) the interest of the Assignor in and to the Leases and Rents, with full power and authority to demand, collect, sue for, recover, receive and give receipts for the Rents and to enforce payment of the Rents and performance of the obligations of the tenants, users, occupiers, licensees, indemnitors and guarantors under the Leases in the name of the Assignor or the owner from time to time of the Lands.
3. The Assignor hereby covenants and agrees that:
 - (a) none of the Rents has been or will be paid more than one month in advance (except, if so provided in the lease or agreement, for payment of rent for the last month of the term);
 - (b) there has been no default of a material nature which has not been remedied under any of the existing Leases by any of the parties thereto;

- (c) the Assignor will observe and perform all of the Assignor's obligations under each of the Leases; and
 - (d) the Assignor shall not surrender or materially modify, alter or amend the Leases or any of the benefit or advantage to be derived therefrom, without first obtaining the consent in writing of the Assignee.
4. Subject to the provisions of paragraph 3 (a) above, the Assignor shall be permitted to collect and receive the Rents as and when they shall become due and payable according to the terms of each of the Leases unless and until, the Mortgage being in default, the Assignee shall give notice to the tenant, user, occupier, licensee, indemnitor or guarantor thereunder requiring payment to the Assignee.
 5. Nothing contained herein or in any statute shall have the effect of making the Assignee, its successors or assigns, responsible for the collection of Rents or any of them or for the performance of the covenants, obligations or conditions under or in respect of the Leases or any of them to be observed or performed by the Assignor, and the Assignee shall not, by virtue of this agreement and assignment or its receipt of the Rents or any of them, become or be deemed a mortgagee in possession of the Lands or the charged premises and the Assignee shall not be under any obligation to take any action or exercise any remedy in the collection or recovery of the Rents or any of them or to see to or enforce the performance of the obligations and liabilities of any person under or in respect of the Leases or any of them; and the Assignee shall be liable to account only for such monies as shall actually come into its hands, less all costs and expenses and other proper deductions. Any monies received by the Assignee may be applied and reapplied notwithstanding any previous application on such part or parts of the Obligations as the Assignee decides in its sole discretion.
 6. The Assignor hereby agrees to execute such further assurances as may be reasonably required by the Assignee from time to time to perfect this agreement and assignment and whenever in the future any lease, agreement, licence, indemnity or guarantee with respect to the Lands is made, the Assignor will forthwith advise the Assignee of the terms thereof and, if requested by the Assignee, give the Assignee a specific assignment of the Rents thereunder in form satisfactory to the Assignee.
 7. The Assignor further agrees that the Assignor will not lease or agree to lease any part of the Lands except at a rent, on terms and conditions, and to tenants which are not less favourable or desirable than those which a prudent landlord would expect to receive for the premises to be leased.
 8. It is understood and agreed that this agreement and assignment is being taken as collateral security only for the due payment and performance of the Obligations secured under the Mortgage; and that none of the rights or remedies of the Assignee under the Mortgage shall be delayed or in any way prejudiced by these presents; and that following registration of a discharge of the Mortgage this agreement and assignment shall be of no further force or effect.
 9. Any demand, notice or other communication to be given in connection with this agreement and assignment must be given in writing and may be given by delivery or by facsimile, addressed to the recipient as follows:

To the Assignor:

375 Potterton Ltd.
 #1115 – 8400 West Road
 Richmond, BC V6X 0S7
 Attention: Michael Chiang and Nancy Wei
 Facsimile No.: _____

To the Assignee:

National Bank of Canada
 2900 – 475 Howe Street
 Vancouver, BC V6X 2B3
 Attention: Gabriel Chung, Director
 10. This agreement and assignment and everything herein contained shall extend to, bind and enure to the benefit of the respective successors and assigns of each of the parties hereto.
 11. This agreement and assignment shall be governed in all respects by the laws of the Province where the Lands are situated and the laws of Canada applicable therein.

The Assignor has executed this agreement and assignment as of the date first above written

ASSIGNOR:

375 POTTERTON LTD.

Name of Assignor (Legal Entity)

Per: _____

Signature

Name

Title

[Handwritten Signature]
KAI-CHANG
DIRECTOR

Per: _____

Signature

Name


Title

I/We have authority to bind the Legal Entity.

SCHEDULE A
LEGAL DESCRIPTION OF LANDS

PID: 023-839-171, Lot D Section 2 Township 20 Osoyoos Division Yale District Plan KAP59703

This is **Exhibit "G"** referred to in the Affidavit #1 of John Karkoutlian made before me at Vancouver, British Columbia, on this 26th day of September, 2024.

A handwritten signature in black ink, appearing to read "Angela Rae", written over a horizontal line.

A Commissioner for taking Affidavits
in the Province of British Columbia

THIS GENERAL SECURITY AGREEMENT DATED the 3rd day of MARCH, 2022.

BRANCH ADDRESS: 2900 – 475 Howe Street, Vancouver, BC V6C 2B3

1. **DEFINITIONS**

The following definitions shall apply herein:

- (a) **"Act"** means the Personal Property Security Act of the Province of British Columbia in effect on the date hereof;
- (b) **"Accessions", "Account", "Account Debtor", "Chattel Paper", "Consumer Goods", "Document of Title", "Equipment", "Financing Change Statement", "Financing Statement", "Goods", "Instrument", "Intangible", "Inventory", "Investment Property", "Money" and "Purchase Money Security Interest"** shall have the meanings ascribed to them in the Act and shall be deemed to include both the singular and plural of such terms. All other capitalized words or terms used herein, unless otherwise defined herein, shall have the meanings ascribed to them in the Act and the Regulations passed pursuant thereto;
- (c) **"Agreement", "herein", and similar expressions** refer to the whole of this Security Agreement and not to any particular section or other portion thereof and extend to and include every instrument which amends or supplements this Agreement;
- (d) **"Collateral"** means all present and after-acquired personal property of the Debtor of whatever kind and wherever situate located on or exclusively related to any of the Real Property, including, without limiting the generality of the foregoing, those specific items, if any, described on the attached Schedule "A" together with all documents, writings, papers, books of account and records relating to the foregoing and all rights and interests therein, but shall not include:
 - (i) the last day of any term of years reserved by any lease, verbal or written, or any agreement therefor now or hereafter held by the Debtor, it being the intention that the Debtor shall stand possessed of the reversion remaining in respect of any leasehold interest forming part of the Collateral upon trust to assign and dispose thereof as the Lender may after default direct;
 - (ii) Consumer Goods, or
 - (iii) those specific items, if any, described on the attached Schedule "B";
- (e) **"Credit Agreement"** has the meaning ascribed to such term in Schedule "D" attached hereto;
- (f) **"Debtor"** means **MANNA INDUSTRIAL FUND (VALUE-ADD) LIMITED PARTNERSHIP** and **MANNA INDUSTRIAL FUND (VALUE-ADD) GP CORP.;**
- (g) **"Default"** means the happening of any one or more of the events or conditions described in section 7 and such term shall be deemed to include each, any, or all such events or conditions, whether any such event is voluntary or involuntary or is effected by operation of law or pursuant to or in compliance with any judgment, decree or order of any Court or any order, rule or regulation of any administrative or governmental body;
- (h) **"Indebtedness"** means and includes any and all obligations, indebtedness and liability of the Debtor to the Lender, (including but not limited to principal, interest and all costs on a full indemnity basis) under or pursuant to the Credit Agreement, together with any ultimate unpaid balance thereof, whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again, and whether the Debtor is bound alone or with another or others and whether as principal or surety;

- (i) **"Lender"** means **NATIONAL BANK OF CANADA**;
- (j) **"Permitted Encumbrances"** means those specific security interests, whether by way of mortgage, lien, claim, charge or otherwise, listed on Schedule "A" or hereafter approved in writing by the Lender prior to their creation or assumption;
- (k) **"Proceeds"** shall have the meaning ascribed to it in the Act and shall be interpreted to include bank accounts, cash, trade-ins, Equipment, notes, Chattel Paper, Goods, contractual rights, Accounts and any other personal property or obligation received when Collateral or Proceeds thereof are sold, exchanged, collected or otherwise disposed of;
- (l) **"Real Property"** means all of the Debtor's right, title and interest in and to the real property legally described in Schedule "E" attached hereto and all interests therein, and all easements, right-of-way, privileges, benefits, licenses, improvements and rights whether connected therewith or appurtenant thereto or separately owned or held, including all structures, plant or other fixtures;
- (m) **"Receiver"** means any one or more persons (whether officers of the Lender or not), firms or corporations appointed pursuant to subsection 9(f) and shall be deemed to include a receiver, manager, receiver-manager or receiver and manager; and
- (n) **"Security Interest"** means the security interest granted by the Debtor to the Lender pursuant to this Agreement; and
- (o) **"Specifically Described Collateral"** means those items, if any, described in Schedule "A" which comprise part of the Collateral.

2. GRANT OF SECURITY INTEREST

For value received (the receipt and sufficiency of which is hereby acknowledged):

- (a) the Debtor hereby grants, assigns, conveys, mortgages, pledges and charges, as and by way of a specific mortgage, pledge and charge and grants a continuing Security Interest to and in favor of the Lender in the Collateral (other than Real Property); and
- (b) the Debtor hereby charges the Real Property as and by way of a floating charge.

3. INDEBTEDNESS SECURED

The Security Interest secures payment and satisfaction of the Indebtedness; provided however, that if the Security Interest in the Collateral is not sufficient to satisfy the Indebtedness of the Debtor in full, the Debtor agrees that the Debtor shall continue to be liable for any Indebtedness remaining outstanding and the Lender shall be entitled to pursue full payment and satisfaction thereof.

4. ATTACHMENT OF SECURITY INTEREST

The Security Interest shall attach to the Collateral at the earliest possible moment in accordance with the Act, there being no intention on the part of the Debtor and the Lender that it attach at any later time.

5. REPRESENTATIONS AND WARRANTIES OF THE DEBTOR

The Debtor represents and warrants, and as long as this Agreement remains in effect shall be deemed to continuously represent and warrant, that:

- (a) the Debtor is duly organized, existing and in good standing under the laws of its incorporating jurisdiction and of each other jurisdiction in which the nature of its activities make such necessary;
- (b) the Debtor has the right, power and authority to enter into this Agreement and to grant the Security Interest;
- (c) the execution, delivery and performance of this Agreement have been duly organized by all necessary corporate action and are not in contravention of any instrument by which the Debtor has been incorporated or continued, any instrument amending any such instrument, any internal regulation of the Debtor, any law, or any indenture, agreement or undertaking to which the Debtor is a party or by which it is bound;
- (d) the Debtor has not previously carried on business, does not currently carry on business, and shall not, without the prior written consent of the Lender, in the future carry on business under any name other than the name set forth in paragraph 1(f);
- (e) the Collateral is genuine and is legally and beneficially owned by the Debtor free of all security interest except for the Security Interest and the Permitted Encumbrances;
- (f) the description of the Specifically Described Collateral, whether contained herein or provided elsewhere by the Debtor to the Lender, is complete and accurate and all serial numbers affixed or ascribed to any of the Collateral have been provided to the Lender;
- (g) each Chattel Paper, Intangible and Instrument constituting Collateral is enforceable in accordance with its terms against the party obligated to pay the same ("Account Debtor"), the amount represented by the Debtor to the Lender from time to time as owing by each Account Debtor shall be the correct amount owing unconditionally by such Account Debtor, and no Account Debtor shall have any defence, set-off, claim or counterclaim against the Debtor which can be asserted against the Lender, whether in any proceedings to enforce the Collateral or otherwise;
- (h) the locations specified in the attached Schedule "C" as to business operations and records are accurate and complete and, except for Goods in transit to such locations and Inventory on lease or consignment, all Collateral shall be situate at one of such locations;
- (i) all financial statements, certificates and other information concerning the Debtor's financial condition or otherwise from time to time furnished by the Debtor to the Lender are and shall be in all respects complete, correct and fair representations of the affairs of the Debtor stated in accordance with generally accepted accounting principles applied on a consistent basis;
- (j) there has not been and shall not be a material adverse change in the Debtor's position, financial or otherwise, from that indicated by the financial statements which have been delivered to the Lender;
- (k) there are no actions, suits or proceedings pending or, to the knowledge of the Debtor, threatened against the Debtor except as have been disclosed in writing to and approved by the Lender; and
- (l) none of the Collateral is or shall be Consumer Goods.

6. COVENANTS OF THE DEBTOR

The Debtor covenants:

- (a) to defend the Collateral against the claims and demands of all other parties claiming the same or an interest therein and to keep the Collateral free from all security interests except for the Security Interest and the Permitted Encumbrances and as otherwise permitted by the Credit Agreement;
- (b) except as expressly permitted herein or as otherwise provided in the Credit Agreement, not to sell, exchange, transfer, assign, destroy, lease or otherwise dispose of the Collateral or any interest therein without the prior written consent of the Lender;
- (c) except as expressly permitted herein, not to move the Collateral from its current location, as indicated on Schedule "C", without the prior written consent of the Lender;
- (d) to assemble and deliver the Collateral to the Lender at such location as the Lender may direct;
- (e) to notify the Lender promptly in writing of:
 - (i) any change in the information contained in this Agreement including any information relating to the Debtor (including its name), the Debtor's business, the Collateral, or the locations of the Collateral or the records of the Debtor, so that the Lender shall be constantly advised of all places where the Debtor conducts its business, maintains the Collateral and maintains its records,
 - (ii) the details of any significant acquisition of Collateral (including serial numbers where required under the Act in connection with registration or as otherwise requested by the Lender), and for the purposes of this Agreement "significant" shall mean any item or items the value of which exceeds in the aggregate \$50,000,
 - (iii) the removal of any of the Collateral to any jurisdiction in which any registration of, or in respect of, this Agreement may not be effective to protect the Security Interest, and in the case of such removal to provide the Lender with a written certificate stating the time of removal, what is being removed and the intended new locality of such Collateral, and to assist the Lender in effecting such further registrations as may be required by the Lender to protect its Security Interest; provided however that this provision shall not be construed as a waiver of any prohibition against removal or relocation of Collateral contained elsewhere in this Agreement, nor shall it be construed as permission to do so,
 - (iv) the details of any claims or litigation affecting the Debtor or the Collateral of which the Debtor is aware,
 - (v) any loss or damage to the Collateral of which the Debtor is aware,
 - (vi) any Default by an Account Debtor in payment or other performance of its obligations with respect to any Collateral of which the Debtor is aware, and
- (f) to keep all of its property, including the Collateral, in good order, condition and repair and not to use the Collateral in violation of the provisions of this Agreement or any other agreement relating to the Collateral or any policy insuring the Collateral or any applicable statute, law, by-law, rule, regulation or ordinance having jurisdiction over the same;
- (g) to execute, acknowledge and deliver such further agreements and documents supplemental hereto (including financing statements, further schedules to this Agreement, assignments and transfers) and to do all acts, matters and things as may be requested by the Lender in order to give effect to this Agreement and to perfect the Security Interest, including but not limited to any of the same which may be required to correct or amplify the description of any Collateral or for any other purpose not inconsistent with the terms of this Agreement;

- (h) subject to the terms and conditions of the Credit Agreement, to pay all costs and expenses on a full indemnity basis (including legal fees as between a solicitor and his own client) incidental to:
 - (i) the preparation, execution and filing of this Agreement,
 - (ii) maintaining, protecting and defending the Collateral, the Security Interest, and all of the Lender's rights and interests arising pursuant to this Agreement, and
 - (iii) the exercise of any rights or remedies of the Lender pursuant to this Agreement, including but not limited to the costs of the appointment of a Receiver and all expenditures incurred by such Receiver, the cost of any sale proceedings (whether the same prove abortive or not), and all costs of inspection, and all other costs and expenses incurred by the Lender in connection with or arising out of, directly or indirectly, this Agreement, all without limitation. All such costs and expenses shall be payable by the Debtor immediately upon demand from the Lender and until paid shall bear interest from the date incurred by the Lender at the highest rate of interest then chargeable by the Lender to the Debtor on any of the Indebtedness. The amount of all such costs and expenses shall be added to the Indebtedness and shall be secured by this Agreement;
- (i) to punctually pay and discharge all taxes, rates, levies, assessments and other charges of every nature which might result in any lien encumbrance, right of distress, forfeiture or termination or sale, or any other remedy being enforced against the Collateral and to provide to the Lender satisfactory evidence of such payment and discharge;
- (j) to maintain its corporate existence, and to diligently preserve all its rights, licenses, powers, privileges, franchises and goodwill;
- (k) to observe and perform all of its obligations and comply with all conditions under leases, licenses and other agreements to which it is a party or pursuant to which any of the Collateral is held;
- (l) to carry on and conduct its business in an efficient and proper manner so as to preserve and protect the Collateral and income therefrom;
- (m) to keep, in accordance with generally accepted accounting principles consistently applied, proper books of account and records of all transactions in relation to its business and the Collateral;
- (n) to observe and conform to all valid requirements of law and of any governmental or municipal authority relating to the Collateral or the carrying on by the Debtor of its business;
- (o) at all reasonable times, to allow the Lender access to its premises in order to view the state and condition of its property and to inspect its books and records and make extracts therefrom;
- (p) to insure the Collateral for such periods, in such amounts, on such terms, with such insurers and against such loss or damage by fire and other such risks as the Lender reasonably directs, with loss payable to the Lender and the Debtor as insureds, as their respective interests may appear, to pay all premiums therefore, to deliver evidence of the same on request, and to do all acts necessary to obtain payment to the Lender of any insurance proceeds;
- (q) to prevent the Collateral from being or becoming an Accession or a Fixture to other property not covered by this Agreement or other security granted by the Debtor in favour of the Lender;
- (r) to deliver to the Lender from time to time promptly upon request:
 - (i) any Documents of Title, Instruments, Investment Property and Chattel Paper constituting the Collateral;
 - (ii) all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to the Collateral,

- (iii) all financial statements prepared by or for the Debtor regarding its business, or, where the Debtor is an individual, all tax returns and such personal financial statements as the Lender may request,
- (iv) all policies and certificates of insurance relating to the Collateral, and
- (v) such further information concerning the Collateral, the Debtor and the Debtor's business and affairs as the Lender may request;
- (s) not to change the present use of the Collateral; and
- (t) to comply with all other requirements of the Lender, whether in the nature of positive or negative covenants, as may be communicated by the Lender to the Debtor from time to time, including but not limited to those additional covenants, terms, and conditions, if any, contained on the attached Schedule "D".

7. EVENTS OF DEFAULT

The following constitute Default (subject to any applicable curative provisions of section 9.1 of the Credit Agreement):

- (a) non-payment when due, whether by acceleration or otherwise, of any principal or interest forming part of the Indebtedness;
- (b) failure of the Debtor to perform or observe any obligation, covenant, term, provision or condition contained in this Agreement or any other agreement, security instrument or other document made by the Debtor with or in favour of the Lender or any other person, firm or corporation;
- (c) the death of or declaration of incompetency by a Court of competent jurisdiction with respect to the Debtor, if an individual;
- (d) the Debtor becomes insolvent or makes a voluntary assignment or proposal in bankruptcy or otherwise acknowledges its insolvency, a bankruptcy petition is filed or presented against the Debtor, the making of an authorized assignment for the benefit of the creditors of the Debtor, the appointment of a receiver, receiver-manager, receiver and manager or trustee for the Debtor or any assets of the Debtor, or the institution by or against the Debtor of any other type of insolvency proceeding under the Bankruptcy and Insolvency Act, Companies' Creditors Arrangement Act or similar legislation in any jurisdiction;
- (e) any act, matter or thing being done toward, or the commencement of any action or proceeding for, terminating the corporate existence of the Debtor, or if the Debtor is a partnership, the existence of the partnership, whether by way of winding-up, surrender of charter or otherwise;
- (f) any encumbrance or security interest affecting the Collateral becomes enforceable;
- (g) the Debtor ceases or threatens to cease to carry on its business or makes or proposes to make a bulk sale of its assets or any sale of the Collateral other than as expressly permitted herein;
- (h) any execution or other process of any Court becomes enforceable against the Debtor or a distress or analogous process is levied upon the assets of the Debtor or any part thereof (whether or not forming part of the Collateral);
- (i) the Debtor permits any amount which has been admitted as due by it or is not disputed to be due by it and which forms, or is capable of being made, a charge upon the Collateral in priority to, or *pari passu* with, the charge created by this Agreement to remain unpaid for thirty (30) days after proceedings have been taken to enforce the same;

- (j) the Debtor allows any amount outstanding from it to the Crown pursuant to any federal or provincial statute to remain unpaid for thirty (30) days or more;
- (k) a corporate dispute occurs within the Debtor, if a corporation, (whether between or among its shareholders, directors, officers, employees or otherwise) which may hamper the business operations of the Debtor or otherwise adversely affect, in the sole opinion of the Lender, the Debtor's business, assets or the Collateral;
- (l) any representation or warranty furnished by or on behalf of the Debtor pursuant to or in connection with this Agreement (regardless of the form thereof or whether contained herein or elsewhere), whether as an inducement to the Lender to extend any credit to or to enter into this or any other agreement with the Debtor or otherwise proves to have been false or misleading as of the day made in any material respect or to have omitted any substantial contingent or unliquidated liability or claim against the Debtor;
- (m) there is any material adverse change in any of the facts disclosed to the Lender, in the Debtor's position (financial or otherwise), or in the nature and value of the Collateral; or
- (n) the Lender considers or deems, in its sole opinion, that the Security Interest and the Collateral are not sufficient security in relation to the extent of the Indebtedness.

For the purposes of Section 203 of the *Land Title Act* (British Columbia), the floating charge created by this Security Agreement over Real Property shall become a fixed charge thereon upon the earlier of:

- (a) the occurrence of an event described in clause 7(d), (e), (f), (g), or (h); or
- (b) the Lender taking any action pursuant to clause 9 to enforce and realize on the Security Interests created by this Security Agreement.

8. ACCELERATION/DEFAULT

In the event of Default the Lender, in its sole discretion, may declare all or any part of the Indebtedness which is not by its terms payable on demand to be immediately due and payable, without demand or notice of any kind. The provisions of this clause shall not in any way affect any rights of the Lender with respect to any Indebtedness which may now or hereafter be payable on demand.

9. REMEDIES

Upon Default the Lender shall have the following rights and powers, which the Lender may exercise immediately:

- (a) to enter upon the premises of the Debtor or any other premises where the Collateral may be situated and to take possession of all or any part of the Collateral, by any method permitted by law, to the exclusion of all others, including the Debtor, its directors, officers, agents and employees, and the Debtor hereby waives and releases the Lender and any Receiver from all claims in connection therewith or arising therefrom;
- (b) to remove all or any part of the Collateral to such place as the Lender deems advisable;
- (c) to preserve and maintain the Collateral and to do all such acts incidental thereto as the Lender considers advisable, including but not limited to making replacements and additions to the Collateral;
- (d) to collect, demand, sue on, enforce, recover and receive Collateral and give receipts and discharges therefore, and may do any such act and take any proceedings related thereto in the name of the Debtor or otherwise as the Lender considers appropriate;

- (e) to sell, lease, or otherwise dispose of the Collateral in such manner, at such time or times and place or places, for such consideration and upon such terms and conditions as the Lender deems reasonable (including without limitation, by deferred payment) all in the Lender's absolute discretion and without the concurrence of the Debtor; provided however, that the Lender shall not be required to do so and it shall be lawful for the Lender to use and possess the Collateral for any and all purposes and in any manner the Lender sees fit, all without hindrance or interruption by the Debtor or any other person or persons, provided however that none of the foregoing shall prejudice the Lender's right to pursue the Debtor for recovery in full of the amount of the Indebtedness, including the amount of any deficiency owing after the application of the proceeds of realization (and to the extent permitted by laws, the Debtor waives its rights to the protection afforded by any rule of law or legislation respecting such deficiency);
- (f) to appoint by instrument in writing, with or without bond, or by application to any Court of competent jurisdiction, a Receiver of the Collateral and to remove any Receiver so appointed and appoint another or others in his stead. Any such Receiver shall, so far as concerns responsibility for his acts, be deemed the agent of the Debtor and not of the Lender and the Lender shall not be in any way responsible for any misconduct, negligence or non-feasance on the part of any such Receiver, his agents, servants or employees. Subject to the provisions of the instrument appointing him, any such Receiver shall have the power to take possession of the Collateral, to preserve the Collateral or its value, to carry on or concur in carrying on all or any part of the business of the Debtor and to sell, lease or otherwise dispose of or concur in selling, leasing or otherwise disposing of the Collateral (including dispositions by way of deferred payment). To facilitate the foregoing powers, any such Receiver may, to the exclusion of all others including the Debtor, enter upon, use and occupy all premises owned or occupied by the Debtor where Collateral may be situate, to employ and discharge such employees, agents or professional advisors as the Receiver deems advisable, to enter into such compromises, arrangements or settlements as the Receiver deems advisable, to borrow or otherwise raise money on the security of the Collateral and to issue Receiver's certificates and do all such other acts as the Receiver deems advisable in connection with any of the powers referred to herein. Except as may be otherwise directed by the Lender, all monies received from time to time by the Receiver in carrying out his appointment shall be received in trust for and paid over to the Lender. In addition, every Receiver may, at the discretion of the Lender, be vested with all or any of the rights and powers of the Lender under the Act or any other applicable legislation or under this Agreement or any other agreement;
- (g) to rescind or vary any contract for sale, lease or other disposition that the Debtor or the Lender may have entered into and to resell, release or redispense of the Collateral;
- (h) to deliver to any purchasers of the Collateral good and sufficient conveyances or deeds for the same free and clear of any claim by the Debtor. For such purposes, the purchaser or lessee receiving any disposition of the Collateral need not inquire whether Default under this Agreement has actually occurred but may as to this and all other matters rely upon a statutory declaration of an officer of the Lender, which declaration shall be conclusive evidence as between the Debtor and such purchaser or lessee, and any such disposition shall not be affected by any irregularity of any nature or kind relating to the enforcement of this Agreement or the exercise of the rights and remedies of the Lender;
- (i) to exercise any of the powers and rights given to a Receiver pursuant to this Agreement;
- (j) to provide written notice to the Debtor that all the powers, functions, rights and privileges of the directors and officers of the Debtor with respect to the Collateral, business and undertaking of the Debtor have or shall cease as of the date notified therein, except to the extent specifically continued at any time by the Lender in writing; and
- (k) to take the benefit of or to exercise any other right, proceeding or remedy authorized or permitted at law or in equity, whether as a secured party pursuant to the Act as the same is in force from time to time or otherwise.

All rights and remedies of the Lender are cumulative and may be exercised at any time and from time to time independently or in combination. No delay or omission by the Lender in exercising any right or remedy shall operate as a waiver thereof or of any other right or remedy, and no singular partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy. Provided always that the Lender shall not be liable or accountable for any failure to exercise its remedies, take possession of, collect, enforce, realize, sell, maintain, lease or otherwise dispose of the Collateral, or to institute any proceedings for such purposes. The Lender shall have no obligation to take any steps to preserve rights against other parties, shall have no obligations to exercise any of the rights and remedies available to it on Default and shall not be liable or accountable for not exercising any such rights and remedies.

The Lender may waive any Default but no such waiver shall be effective unless made in writing and signed by an authorized officer of the Lender. Any such waiver shall not extend to, or be taken in any manner whatsoever to affect, any subsequent Default or the rights resulting therefrom.

By its acceptance of this Agreement, the Lender acknowledges that it shall not, except in the case of the bankruptcy of the Debtor, enforce this Security Agreement against any personal property of the Debtor used solely for the personal or household use and enjoyment of the Debtor or the Debtor's immediate family.

10. LENDER MAY REMEDY DEFAULT

The Lender shall have the right, but shall not be obliged to, remedy any Default of the Debtor and all sums thereby expended by the Lender shall be payable immediately by the Debtor, together with interest thereon at the highest rate of interest then chargeable by the Lender to the Debtor on any portion of the Indebtedness. All such sums shall be added to the Indebtedness and shall be secured by this Agreement. In no case shall the exercise of the Lender's rights pursuant to this Section 10 be deemed to relieve the Debtor from such Default or be deemed a waiver of such Default or of any other prior or subsequent Default.

11. USE OF COLLATERAL

Subject to compliance with the Debtor's covenants contained herein and to the following provisions of this Section 11, until Default the Debtor may:

- (a) in the case of Equipment, dispose of the same for the purpose of immediately replacing it by other Equipment of a similar nature or of a more useful or convenient character and of at least equal value;
- (b) in the case of Inventory and Money, dispose of the same in the ordinary course of the business of the Debtor and for the sole purpose of carrying on the same; and
- (c) otherwise possess, collect, use, enjoy and deal with the Collateral in the ordinary course of the Debtor's business in any manner not expressly or impliedly prohibited herein or otherwise inconsistent with the provisions of this Agreement.

Notwithstanding the foregoing:

- (a) after Default the Lender may notify all or any Account Debtors and may direct such Account Debtors to make all payments owed in respect of the Collateral directly to the Lender; and
- (b) the Debtor agrees that any payments on or other Proceeds of Collateral received by the Debtor, after Default, shall be received and held by the Debtor in trust for the Lender and shall be turned over to the Lender upon request.

If the Collateral at any time includes Investment Property, the Debtor authorizes the Lender to transfer the same or any part thereof into its own name or that of its nominees so that the Lender or its nominees may appear on record as the sole owner thereof; provided however that until Default the Lender shall deliver to the Debtor all notices or other communications received by it or its nominees as registered owner and upon demand and receipt of payment of any necessary expenses shall issue to the Debtor or

its order a proxy to vote and take all action with respect to such Investment Property. However, the Default the Debtor waives all rights to receive any notices or communications in respect of such Investment Property and agrees that no proxy issued by the Lender to the Debtor or its order as aforesaid shall thereafter be effective.

12. APPROPRIATION OF PAYMENTS

All payments made at any time in respect of the Indebtedness and all Proceeds realized from any Investment Property held therefore may be applied (and reapplied from time to time notwithstanding any previous application) in such manner as the Lender sees fit or, at the option of the Lender, may be held unappropriated in a collateral account or released to the Debtor all without prejudice to the rights of the Lender hereunder, including the Lender's right to collect from the Debtor the amount of any deficiency remaining after application of all such payments and Proceeds.

13. POWER OF ATTORNEY AND AUTHORIZATION TO FILE

The Debtor hereby authorizes the Lender to file such Financing Statements and other documents and do such acts, matters and things (including completing and adding schedules to this Agreement identifying Collateral or locations) as the Lender from time to time deems appropriate to perfect, continue and realize upon the Security Interest and to protect and preserve the Collateral. In addition, for valuable consideration, the Debtor hereby irrevocably appoints the Lender and its officers from time to time, or any one or more of them, to be the true and lawful attorney of the Debtor, with full power of substitution, in the name of and on behalf of the Debtor to execute and to do all deeds, transfers, conveyances, assignments, assurances, and other things which the Debtor ought to execute and do under the covenants and provisions contained in this Agreement and generally to use the name of the Debtor in the exercise of all or any of the rights, remedies and powers of the Lender.

14. MISCELLANEOUS

- (a) The Lender may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges and otherwise deal with the Debtor, debtors of the Debtor, sureties and others and with the Collateral and other securities as the Lender sees fit, all without prejudice to the liability of the Debtor to the Lender or to the Lender's rights in respect thereof. In addition, the Lender may demand, collect, and sue on the Collateral in either the Debtor's or the Lender's name, all at the Lender's option, and may endorse the Debtor's name on any and all cheques, commercial paper and other Instruments pertaining to or constituting the Collateral;
- (b) Neither the execution or registration of this Agreement, nor the advance or re-advance of part of the monies hereby intended to be secured, shall bind the Lender to advance or re-advance the said monies or any unadvanced part thereof. The advance or re-advance of the said monies or any part thereof from time to time shall be in the sole discretion of the Lender;
- (c) The Debtor hereby waives protest of any Instrument constituting Collateral at any time held by the Lender on which the Debtor is in any way liable and, except as expressly prohibited by law, waives notice of any other action taken by the Lender;
- (d) Without limiting any other right of the Lender, whenever the Indebtedness is due and payable or the Lender has the right to declare it to be due and payable (whether or not it has been so declared), the Lender may, in its sole discretion, set off against the Indebtedness any and all monies then owed to the Debtor by the Lender in any capacity, whether or not due, and the Lender shall be deemed to have exercised such right to set-off immediately at the time of making its decision to do so even though any charge therefor is made or entered on the Lender's records subsequent thereto; and
- (e) In any action brought by an assignee of this Agreement and the Security Interest or any part thereof to enforce any rights hereunder, the Debtor shall not assert against such assignee any claim or defence which the Debtor now has or may hereafter have against the Lender.

- (f) The Debtor and the Lender shall act in good faith and in a commercial reasonable manner in enjoying and carrying out their respective rights and obligations hereunder and where the consent, judgment, determination, decision, review and approval by the Debtor, the Lender, or their respective counsel, is required regarding any matter contemplated hereunder, such consent, judgment, determination, decision, review and approval shall not, unless otherwise expressly stated hereunder, be unreasonably withheld, conditioned and/or delayed.

15. NOTICE

In addition to the notice provisions contained in the Act, whenever the Debtor or the Lender is required or entitled to notify or direct the other or to make a demand or request upon the other, such notice, direction, demand or request shall be in writing and shall be sufficiently given only if delivered, transmitted by facsimile, or sent by prepaid registered mail addressed to the party for whom it is intended at the Branch Address, in the case of the Lender, and at the Debtor Address, in the case of the Debtor, as set out herein or as changed pursuant hereto. Either party may notify the other of any change in such party's address to be used for the purposes hereof. All such communications shall, in the case of delivery or facsimile, be deemed received on the date of delivery and, if mailed as aforesaid, shall be deemed received on the third business day following the date of posting. In the case of a disruption in postal service all such communications shall be delivered or transmitted by facsimile.

16. INTERPRETATION

- (a) This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia.
- (b) This Agreement and the security afforded by it is in addition to and not in substitution for any other security now or hereafter held by the Lender and is intended to be a continuing security agreement and shall remain in full force and effect until released in writing by the Lender. The Lender shall have no obligation to provide such release unless and until the full amount of the Indebtedness has been paid in full.
- (c) If any provision of this Agreement is held invalid, in whole or in part, by any Court of competent jurisdiction, the remaining terms and provisions of this Agreement shall remain in full force and effect and this Agreement shall be enforced to the fullest extent permitted by law.
- (d) The Debtor hereby waives the benefit of all statutory, common law and equitable rights, benefits and provisions which in any way limit or restrict the Lender's rights and remedies, to the extent that such waiver is not expressly prohibited by law. The Debtor acknowledges and agrees that the Lender shall have the right to recover the full amount of the Indebtedness by all lawful means, including the right to seek recovery of any deficiency remaining after the sale of the Collateral, including any sale thereof to the Lender.
- (e) The headings of the sections of this Agreement are inserted for convenience of reference only and shall not affect or limit the construction or interpretation of this Agreement.
- (f) All schedules, whether attached hereto on the date hereof or subsequently attached pursuant to the provisions of this Agreement, form part of this Agreement. With the exception of any schedules which may be added hereafter by the Lender without the concurrence of the Debtor pursuant to the provisions of this Agreement, no modification, variation or amendment of this Agreement shall be made except by a written agreement executed by the Debtor and the Lender.
- (g) When the context so requires, words importing the singular number shall be read to include the plural and vice versa, and words importing gender shall be read with all grammatical changes necessary to reflect the identity of the parties.
- (h) This Agreement shall enure to the benefit of the Lender, its successors and assigns and shall be binding upon the Debtor, its personal representatives, administrators, successors and permitted

assigns. If more than one Debtor executes this Agreement, the obligations of the Debtor shall be joint and several.


- (i) Time shall be in all respects of the essence of this Agreement.
- (j) This Agreement is entered into pursuant to the Credit Agreement and to the extent that any provisions of this Agreement conflict or are inconsistent with any of the provisions of the Credit Agreement, the Credit Agreement shall govern and prevail to resolve such conflict or inconsistency in any and all circumstances, such that the provisions of the Credit Agreement shall be paramount to and supersede the provisions of this Agreement.
- (k) Each party hereto agrees to act in good faith and in a commercially reasonable manner in enjoying and carrying out the rights and obligations of the parties hereunder and where the consent, judgment, determination, decision, review and approval by a party, or its counsel, is required regarding any matter contemplated hereunder, such consent, judgment, determination, decision, review and approval shall not, unless otherwise expressly stated hereunder, be unreasonably withheld, conditioned and/or delayed.

17. RECEIPT OF DOCUMENTS

- (a) The Debtor hereby acknowledges receiving a copy of this Agreement.
- (b) The Debtor hereby waives its right to receive a copy of any Financing Statement, Financing Change Statement or Verification Statement which may be filed by or issued to the Lender pursuant to the Act.

IN WITNESS WHEREOF the Debtor has executed this Agreement as of the day and year first above written.

**MANNA INDUSTRIAL FUND (VALUE-ADD) GP
CORP.**, in its own capacity and in its capacity as general
partner of **MANNA INDUSTRIAL FUND (VALUE-ADD)
LIMITED PARTNERSHIP**

Per: 
Name: FU-KAI CHIAN
Title: DIRECTOR

Per: _____
Name: _____
Title: _____

AUTHORIZED SIGNATORY(S)

SCHEDULE "A"**1. SPECIFICALLY DESCRIBED COLLATERAL**

(a) Serial Number Goods - NIL

<u>Make</u>	<u>Model</u>	<u>Year of Manufacturer</u>	<u>Serial Number</u>
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(b) Other - NIL

2. PURCHASE MONEY SECURITY INTERESTS - NIL**3. PERMITTED ENCUMBRANCES**

NIL

SCHEDULE "B"**PERSONAL PROPERTY NOT INCLUDED IN COLLATERAL**

NIL

SCHEDULE "C"**1. LOCATIONS OF DEBTOR'S BUSINESS OPERATIONS**

(a) Chief Executive Office

#1115 – 8400 West Road, Richmond, BC V6X 0S7

(b) Other Locations

2. LOCATIONS OF RECORDS RELATING TO COLLATERAL

#1115 – 8400 West Road, Richmond, BC V6X 0S7

3. LOCATIONS OF COLLATERAL

As described in Schedule "E" attached hereto.

SCHEDULE "D"**ADDITIONAL COVENANTS, TERMS AND CONDITIONS**

Loan agreement dated as of the 17th day of February, 2022 (the "**Credit Agreement**") among, *inter alios*, the Debtor, as borrower, and the Lender, as lender, as amended, modified, supplemented, restated or replaced, from time to time.

SCHEDULE "E"**REAL PROPERTY**

The lands and premises located at:

8826 Jim Bailey Crescent, Kelowna, BC and legally described as PID: 024-666-947, Lot 6 Section 2 Township 20 Osoyoos Division Yale District Plan KAP65805; and

375 Potterton Road, Kelowna, BC and legally described as PID: 023-839-171, Lot D Section 2 Township 20 Osoyoos Division Yale District Plan KAP59703

Dated: March 3, 2022

FROM:

**MANNA INDUSTRIAL FUND (VALUE-ADD)
LIMITED PARTNERSHIP**

and

MANNA INDUSTRIAL FUND (VALUE-ADD) GP CORP.

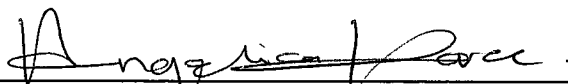
TO:

NATIONAL BANK OF CANADA

2900 – 475 Howe Street, Vancouver, BC V6C 2B3

GENERAL SECURITY AGREEMENT

This is **Exhibit "H"** referred to in the Affidavit #1 of John Karkoutlian made before me at Vancouver, British Columbia, on this 26th day of September, 2024.

A handwritten signature in black ink, appearing to read "Angela Perce", is written over a horizontal line.

A Commissioner for taking Affidavits
in the Province of British Columbia

THIS GENERAL SECURITY AGREEMENT DATED the 3rd day of MARCH, 2022.

BRANCH ADDRESS: 2900 – 475 Howe Street, Vancouver, BC V6C 2B3

1. DEFINITIONS

The following definitions shall apply herein:

- (a) "Act" means the Personal Property Security Act of the Province of British Columbia in effect on the date hereof;
- (b) "Accessions", "Account", "Account Debtor", "Chattel Paper", "Consumer Goods", "Document of Title", "Equipment", "Financing Change Statement", "Financing Statement", "Goods", "Instrument", "Intangible", "Inventory", "Investment Property", "Money" and "Purchase Money Security Interest" shall have the meanings ascribed to them in the Act and shall be deemed to include both the singular and plural of such terms. All other capitalized words or terms used herein, unless otherwise defined herein, shall have the meanings ascribed to them in the Act and the Regulations passed pursuant thereto;
- (c) "Agreement", "herein", and similar expressions refer to the whole of this Security Agreement and not to any particular section or other portion thereof and extend to and include every instrument which amends or supplements this Agreement;
- (d) "Collateral" means all present and after-acquired personal property of the Debtor of whatever kind and wherever situate located on or exclusively related to any of the Real Property, including, without limiting the generality of the foregoing, those specific items, if any, described on the attached Schedule "A" together with all documents, writings, papers, books of account and records relating to the foregoing and all rights and interests therein, but shall not include:
 - (i) the last day of any term of years reserved by any lease, verbal or written, or any agreement therefor now or hereafter held by the Debtor, it being the intention that the Debtor shall stand possessed of the reversion remaining in respect of any leasehold interest forming part of the Collateral upon trust to assign and dispose thereof as the Lender may after default direct;
 - (ii) Consumer Goods, or
 - (iii) those specific items, if any, described on the attached Schedule "B";
- (e) "Credit Agreement" has the meaning ascribed to such term in Schedule "D" attached hereto;
- (f) "Debtor" means **8826 JIM BAILEY LTD.** and **375 POTTERTON LTD.**;
- (g) "Default" means the happening of any one or more of the events or conditions described in section 7 and such term shall be deemed to include each, any, or all such events or conditions, whether any such event is voluntary or involuntary or is effected by operation of law or pursuant to or in compliance with any judgment, decree or order of any Court or any order, rule or regulation of any administrative or governmental body;
- (h) "Indebtedness" means and includes any and all obligations, indebtedness and liability of the Debtor to the Lender, (including but not limited to principal, interest and all costs on a full indemnity basis) under or pursuant to the Credit Agreement, together with any ultimate unpaid balance thereof, whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again, and whether the Debtor is bound alone or with another or others and whether as principal or surety;
- (i) "Lender" means **NATIONAL BANK OF CANADA**;

- (j) **"Permitted Encumbrances"** means those specific security interests, whether by way of mortgage, lien, claim, charge or otherwise, listed on Schedule "A" or hereafter approved in writing by the Lender prior to their creation or assumption;
- (k) **"Proceeds"** shall have the meaning ascribed to it in the Act and shall be interpreted to include bank accounts, cash, trade-ins, Equipment, notes, Chattel Paper, Goods, contractual rights, Accounts and any other personal property or obligation received when Collateral or Proceeds thereof are sold, exchanged, collected or otherwise disposed of;
- (l) **"Real Property"** means all of the Debtor's right, title and interest in and to the real property legally described in Schedule "E" attached hereto and all interests therein, and all easements, right-of-way, privileges, benefits, licenses, improvements and rights whether connected therewith or appurtenant thereto or separately owned or held, including all structures, plant or other fixtures;
- (m) **"Receiver"** means any one or more persons (whether officers of the Lender or not), firms or corporations appointed pursuant to subsection 9(f) and shall be deemed to include a receiver, manager, receiver-manager or receiver and manager; and
- (n) **"Security Interest"** means the security interest granted by the Debtor to the Lender pursuant to this Agreement; and
- (o) **"Specifically Described Collateral"** means those items, if any, described in Schedule "A" which comprise part of the Collateral.

2. GRANT OF SECURITY INTEREST

For value received (the receipt and sufficiency of which is hereby acknowledged):

- (a) the Debtor hereby grants, assigns, conveys, mortgages, pledges and charges, as and by way of a specific mortgage, pledge and charge and grants a continuing Security Interest to and in favor of the Lender in the Collateral (other than Real Property); and
- (b) the Debtor hereby charges the Real Property as and by way of a floating charge.

3. INDEBTEDNESS SECURED

The Security Interest secures payment and satisfaction of the Indebtedness; provided however, that if the Security Interest in the Collateral is not sufficient to satisfy the Indebtedness of the Debtor in full, the Debtor agrees that the Debtor shall continue to be liable for any Indebtedness remaining outstanding and the Lender shall be entitled to pursue full payment and satisfaction thereof.

4. ATTACHMENT OF SECURITY INTEREST

The Security Interest shall attach to the Collateral at the earliest possible moment in accordance with the Act, there being no intention on the part of the Debtor and the Lender that it attach at any later time.

5. REPRESENTATIONS AND WARRANTIES OF THE DEBTOR

The Debtor represents and warrants, and as long as this Agreement remains in effect shall be deemed to continuously represent and warrant, that:

- (a) the Debtor is duly organized, existing and in good standing under the laws of its incorporating jurisdiction and of each other jurisdiction in which the nature of its activities make such necessary;
- (b) the Debtor has the right, power and authority to enter into this Agreement and to grant the Security Interest;
- (c) the execution, delivery and performance of this Agreement have been duly organized by all necessary corporate action and are not in contravention of any instrument by which the Debtor has been incorporated or continued, any instrument amending any such instrument, any internal regulation of the Debtor, any law, or any indenture, agreement or undertaking to which the Debtor is a party or by which it is bound;
- (d) the Debtor has not previously carried on business, does not currently carry on business, and shall not, without the prior written consent of the Lender, in the future carry on business under any name other than the name set forth in paragraph 1(f);
- (e) the Collateral is genuine and is legally and beneficially owned by the Debtor free of all security interest except for the Security Interest and the Permitted Encumbrances;
- (f) the description of the Specifically Described Collateral, whether contained herein or provided elsewhere by the Debtor to the Lender, is complete and accurate and all serial numbers affixed or ascribed to any of the Collateral have been provided to the Lender;
- (g) each Chattel Paper, Intangible and Instrument constituting Collateral is enforceable in accordance with its terms against the party obligated to pay the same ("Account Debtor"), the amount represented by the Debtor to the Lender from time to time as owing by each Account Debtor shall be the correct amount owing unconditionally by such Account Debtor, and no Account Debtor shall have any defence, set-off, claim or counterclaim against the Debtor which can be asserted against the Lender, whether in any proceedings to enforce the Collateral or otherwise;
- (h) the locations specified in the attached Schedule "C" as to business operations and records are accurate and complete and, except for Goods in transit to such locations and Inventory on lease or consignment, all Collateral shall be situate at one of such locations;
- (i) all financial statements, certificates and other information concerning the Debtor's financial condition or otherwise from time to time furnished by the Debtor to the Lender are and shall be in all respects complete, correct and fair representations of the affairs of the Debtor stated in accordance with generally accepted accounting principles applied on a consistent basis;
- (j) there has not been and shall not be a material adverse change in the Debtor's position, financial or otherwise, from that indicated by the financial statements which have been delivered to the Lender;
- (k) there are no actions, suits or proceedings pending or, to the knowledge of the Debtor, threatened against the Debtor except as have been disclosed in writing to and approved by the Lender; and
- (l) none of the Collateral is or shall be Consumer Goods.

6. COVENANTS OF THE DEBTOR

The Debtor covenants:

- (a) to defend the Collateral against the claims and demands of all other parties claiming the same or an interest therein and to keep the Collateral free from all security interests except for the Security Interest and the Permitted Encumbrances and as otherwise permitted by the Credit Agreement;
- (b) except as expressly permitted herein or as otherwise provided in the Credit Agreement, not to sell, exchange, transfer, assign, destroy, lease or otherwise dispose of the Collateral or any interest therein without the prior written consent of the Lender;
- (c) except as expressly permitted herein, not to move the Collateral from its current location, as indicated on Schedule "C", without the prior written consent of the Lender;
- (d) to assemble and deliver the Collateral to the Lender at such location as the Lender may direct;
- (e) to notify the Lender promptly in writing of:
 - (i) any change in the information contained in this Agreement including any information relating to the Debtor (including its name), the Debtor's business, the Collateral, or the locations of the Collateral or the records of the Debtor, so that the Lender shall be constantly advised of all places where the Debtor conducts its business, maintains the Collateral and maintains its records,
 - (ii) the details of any significant acquisition of Collateral (including serial numbers where required under the Act in connection with registration or as otherwise requested by the Lender), and for the purposes of this Agreement "significant" shall mean any item or items the value of which exceeds in the aggregate \$50,000,
 - (iii) the removal of any of the Collateral to any jurisdiction in which any registration of, or in respect of, this Agreement may not be effective to protect the Security Interest, and in the case of such removal to provide the Lender with a written certificate stating the time of removal, what is being removed and the intended new locality of such Collateral, and to assist the Lender in effecting such further registrations as may be required by the Lender to protect its Security Interest; provided however that this provision shall not be construed as a waiver of any prohibition against removal or relocation of Collateral contained elsewhere in this Agreement, nor shall it be construed as permission to do so,
 - (iv) the details of any claims or litigation affecting the Debtor or the Collateral of which the Debtor is aware,
 - (v) any loss or damage to the Collateral of which the Debtor is aware,
 - (vi) any Default by an Account Debtor in payment or other performance of its obligations with respect to any Collateral of which the Debtor is aware, and
- (f) to keep all of its property, including the Collateral, in good order, condition and repair and not to use the Collateral in violation of the provisions of this Agreement or any other agreement relating to the Collateral or any policy insuring the Collateral or any applicable statute, law, by-law, rule, regulation or ordinance having jurisdiction over the same;
- (g) to execute, acknowledge and deliver such further agreements and documents supplemental hereto (including financing statements, further schedules to this Agreement, assignments and transfers) and to do all acts, matters and things as may be requested by the Lender in order to give effect to this Agreement and to perfect the Security Interest, including but not limited to any of the same which may be required to correct or amplify the description of any Collateral or for any other purpose not inconsistent with the terms of this Agreement;

- (h) subject to the terms and conditions of the Credit Agreement, to pay all costs and expenses on a full indemnity basis (including legal fees as between a solicitor and his own client) incidental to:
 - (i) the preparation, execution and filing of this Agreement,
 - (ii) maintaining, protecting and defending the Collateral, the Security Interest, and all of the Lender's rights and interests arising pursuant to this Agreement, and
 - (iii) the exercise of any rights or remedies of the Lender pursuant to this Agreement, including but not limited to the costs of the appointment of a Receiver and all expenditures incurred by such Receiver, the cost of any sale proceedings (whether the same prove abortive or not), and all costs of inspection, and all other costs and expenses incurred by the Lender in connection with or arising out of, directly or indirectly, this Agreement, all without limitation. All such costs and expenses shall be payable by the Debtor immediately upon demand from the Lender and until paid shall bear interest from the date incurred by the Lender at the highest rate of interest then chargeable by the Lender to the Debtor on any of the Indebtedness. The amount of all such costs and expenses shall be added to the Indebtedness and shall be secured by this Agreement;
- (i) to punctually pay and discharge all taxes, rates, levies, assessments and other charges of every nature which might result in any lien encumbrance, right of distress, forfeiture or termination or sale, or any other remedy being enforced against the Collateral and to provide to the Lender satisfactory evidence of such payment and discharge;
- (j) to maintain its corporate existence, and to diligently preserve all its rights, licenses, powers, privileges, franchises and goodwill;
- (k) to observe and perform all of its obligations and comply with all conditions under leases, licenses and other agreements to which it is a party or pursuant to which any of the Collateral is held;
- (l) to carry on and conduct its business in an efficient and proper manner so as to preserve and protect the Collateral and income therefrom;
- (m) to keep, in accordance with generally accepted accounting principles consistently applied, proper books of account and records of all transactions in relation to its business and the Collateral;
- (n) to observe and conform to all valid requirements of law and of any governmental or municipal authority relating to the Collateral or the carrying on by the Debtor of its business;
- (o) at all reasonable times, to allow the Lender access to its premises in order to view the state and condition of its property and to inspect its books and records and make extracts therefrom;
- (p) to insure the Collateral for such periods, in such amounts, on such terms, with such insurers and against such loss or damage by fire and other such risks as the Lender reasonably directs, with loss payable to the Lender and the Debtor as insureds, as their respective interests may appear, to pay all premiums therefore, to deliver evidence of the same on request, and to do all acts necessary to obtain payment to the Lender of any insurance proceeds;
- (q) to prevent the Collateral from being or becoming an Accession or a Fixture to other property not covered by this Agreement or other security granted by the Debtor in favour of the Lender;
- (r) to deliver to the Lender from time to time promptly upon request:
 - (i) any Documents of Title, Instruments, Investment Property and Chattel Paper constituting the Collateral;
 - (ii) all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to the Collateral;

- (iii) all financial statements prepared by or for the Debtor regarding its business, or, where the Debtor is an individual, all tax returns and such personal financial statements as the Lender may request,
- (iv) all policies and certificates of insurance relating to the Collateral, and
- (v) such further information concerning the Collateral, the Debtor and the Debtor's business and affairs as the Lender may request;
- (s) not to change the present use of the Collateral; and
- (t) to comply with all other requirements of the Lender, whether in the nature of positive or negative covenants, as may be communicated by the Lender to the Debtor from time to time, including but not limited to those additional covenants, terms, and conditions, if any, contained on the attached Schedule "D".

7. EVENTS OF DEFAULT

The following constitute Default (subject to any applicable curative provisions of section 9.1 of the Credit Agreement):

- (a) non-payment when due, whether by acceleration or otherwise, of any principal or interest forming part of the Indebtedness;
- (b) failure of the Debtor to perform or observe any obligation, covenant, term, provision or condition contained in this Agreement or any other agreement, security instrument or other document made by the Debtor with or in favour of the Lender or any other person, firm or corporation;
- (c) the death of or declaration of incompetency by a Court of competent jurisdiction with respect to the Debtor, if an individual;
- (d) the Debtor becomes insolvent or makes a voluntary assignment or proposal in bankruptcy or otherwise acknowledges its insolvency, a bankruptcy petition is filed or presented against the Debtor, the making of an authorized assignment for the benefit of the creditors of the Debtor, the appointment of a receiver, receiver-manager, receiver and manager or trustee for the Debtor or any assets of the Debtor, or the institution by or against the Debtor of any other type of insolvency proceeding under the Bankruptcy and Insolvency Act, Companies' Creditors Arrangement Act or similar legislation in any jurisdiction;
- (e) any act, matter or thing being done toward, or the commencement of any action or proceeding for, terminating the corporate existence of the Debtor, or if the Debtor is a partnership, the existence of the partnership, whether by way of winding-up, surrender of charter or otherwise;
- (f) any encumbrance or security interest affecting the Collateral becomes enforceable;
- (g) the Debtor ceases or threatens to cease to carry on its business or makes or proposes to make a bulk sale of its assets or any sale of the Collateral other than as expressly permitted herein;
- (h) any execution or other process of any Court becomes enforceable against the Debtor or a distress or analogous process is levied upon the assets of the Debtor or any part thereof (whether or not forming part of the Collateral);
- (i) the Debtor permits any amount which has been admitted as due by it or is not disputed to be due by it and which forms, or is capable of being made, a charge upon the Collateral in priority to, or *pari passu* with, the charge created by this Agreement to remain unpaid for thirty (30) days after proceedings have been taken to enforce the same;

- (j) the Debtor allows any amount outstanding from it to the Crown pursuant to any federal or provincial statute to remain unpaid for thirty (30) days or more;
- (k) a corporate dispute occurs within the Debtor, if a corporation, (whether between or among its shareholders, directors, officers, employees or otherwise) which may hamper the business operations of the Debtor or otherwise adversely affect, in the sole opinion of the Lender, the Debtor's business, assets or the Collateral;
- (l) any representation or warranty furnished by or on behalf of the Debtor pursuant to or in connection with this Agreement (regardless of the form thereof or whether contained herein or elsewhere), whether as an inducement to the Lender to extend any credit to or to enter into this or any other agreement with the Debtor or otherwise proves to have been false or misleading as of the day made in any material respect or to have omitted any substantial contingent or unliquidated liability or claim against the Debtor;
- (m) there is any material adverse change in any of the facts disclosed to the Lender, in the Debtor's position (financial or otherwise), or in the nature and value of the Collateral; or
- (n) the Lender considers or deems, in its sole opinion, that the Security Interest and the Collateral are not sufficient security in relation to the extent of the Indebtedness.

For the purposes of Section 203 of the *Land Title Act* (British Columbia), the floating charge created by this Security Agreement over Real Property shall become a fixed charge thereon upon the earlier of:

- (a) the occurrence of an event described in clause 7(d), (e), (f), (g), or (h); or
- (b) the Lender taking any action pursuant to clause 9 to enforce and realize on the Security Interests created by this Security Agreement.

8. ACCELERATION/DEFAULT

In the event of Default the Lender, in its sole discretion, may declare all or any part of the Indebtedness which is not by its terms payable on demand to be immediately due and payable, without demand or notice of any kind. The provisions of this clause shall not in any way affect any rights of the Lender with respect to any Indebtedness which may now or hereafter be payable on demand.

9. REMEDIES

Upon Default the Lender shall have the following rights and powers, which the Lender may exercise immediately:

- (a) to enter upon the premises of the Debtor or any other premises where the Collateral may be situated and to take possession of all or any part of the Collateral, by any method permitted by law, to the exclusion of all others, including the Debtor, its directors, officers, agents and employees, and the Debtor hereby waives and releases the Lender and any Receiver from all claims in connection therewith or arising therefrom;
- (b) to remove all or any part of the Collateral to such place as the Lender deems advisable;
- (c) to preserve and maintain the Collateral and to do all such acts incidental thereto as the Lender considers advisable, including but not limited to making replacements and additions to the Collateral;
- (d) to collect, demand, sue on, enforce, recover and receive Collateral and give receipts and discharges therefore, and may do any such act and take any proceedings related thereto in the name of the Debtor or otherwise as the Lender considers appropriate;

- (e) to sell, lease, or otherwise dispose of the Collateral in such manner, at such time or times and place or places, for such consideration and upon such terms and conditions as the Lender deems reasonable (including without limitation, by deferred payment) all in the Lender's absolute discretion and without the concurrence of the Debtor; provided however, that the Lender shall not be required to do so and it shall be lawful for the Lender to use and possess the Collateral for any and all purposes and in any manner the Lender sees fit, all without hindrance or interruption by the Debtor or any other person or persons, provided however that none of the foregoing shall prejudice the Lender's right to pursue the Debtor for recovery in full of the amount of the Indebtedness, including the amount of any deficiency owing after the application of the proceeds of realization (and to the extent permitted by laws, the Debtor waives its rights to the protection afforded by any rule of law or legislation respecting such deficiency);
- (f) to appoint by instrument in writing, with or without bond, or by application to any Court of competent jurisdiction, a Receiver of the Collateral and to remove any Receiver so appointed and appoint another or others in his stead. Any such Receiver shall, so far as concerns responsibility for his acts, be deemed the agent of the Debtor and not of the Lender and the Lender shall not be in any way responsible for any misconduct, negligence or non-feasance on the part of any such Receiver, his agents, servants or employees. Subject to the provisions of the instrument appointing him, any such Receiver shall have the power to take possession of the Collateral, to preserve the Collateral or its value, to carry on or concur in carrying on all or any part of the business of the Debtor and to sell, lease or otherwise dispose of or concur in selling, leasing or otherwise disposing of the Collateral (including dispositions by way of deferred payment). To facilitate the foregoing powers, any such Receiver may, to the exclusion of all others including the Debtor, enter upon, use and occupy all premises owned or occupied by the Debtor where Collateral may be situate, to employ and discharge such employees, agents or professional advisors as the Receiver deems advisable, to enter into such compromises, arrangements or settlements as the Receiver deems advisable, to borrow or otherwise raise money on the security of the Collateral and to issue Receiver's certificates and do all such other acts as the Receiver deems advisable in connection with any of the powers referred to herein. Except as may be otherwise directed by the Lender, all monies received from time to time by the Receiver in carrying out his appointment shall be received in trust for and paid over to the Lender. In addition, every Receiver may, at the discretion of the Lender, be vested with all or any of the rights and powers of the Lender under the Act or any other applicable legislation or under this Agreement or any other agreement;
- (g) to rescind or vary any contract for sale, lease or other disposition that the Debtor or the Lender may have entered into and to resell, release or redispense of the Collateral;
- (h) to deliver to any purchasers of the Collateral good and sufficient conveyances or deeds for the same free and clear of any claim by the Debtor. For such purposes, the purchaser or lessee receiving any disposition of the Collateral need not inquire whether Default under this Agreement has actually occurred but may as to this and all other matters rely upon a statutory declaration of an officer of the Lender, which declaration shall be conclusive evidence as between the Debtor and such purchaser or lessee, and any such disposition shall not be affected by any irregularity of any nature or kind relating to the enforcement of this Agreement or the exercise of the rights and remedies of the Lender;
- (i) to exercise any of the powers and rights given to a Receiver pursuant to this Agreement;
- (j) to provide written notice to the Debtor that all the powers, functions, rights and privileges of the directors and officers of the Debtor with respect to the Collateral, business and undertaking of the Debtor have or shall cease as of the date notified therein, except to the extent specifically continued at any time by the Lender in writing; and
- (k) to take the benefit of or to exercise any other right, proceeding or remedy authorized or permitted at law or in equity, whether as a secured party pursuant to the Act as the same is in force from time to time or otherwise.

All rights and remedies of the Lender are cumulative and may be exercised at any time and from time to time independently or in combination. No delay or omission by the Lender in exercising any right or remedy shall operate as a waiver thereof or of any other right or remedy, and no singular partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy. Provided always that the Lender shall not be liable or accountable for any failure to exercise its remedies, take possession of, collect, enforce, realize, sell, maintain, lease or otherwise dispose of the Collateral, or to institute any proceedings for such purposes. The Lender shall have no obligation to take any steps to preserve rights against other parties, shall have no obligations to exercise any of the rights and remedies available to it on Default and shall not be liable or accountable for not exercising any such rights and remedies.

The Lender may waive any Default but no such waiver shall be effective unless made in writing and signed by an authorized officer of the Lender. Any such waiver shall not extend to, or be taken in any manner whatsoever to affect, any subsequent Default or the rights resulting therefrom.

By its acceptance of this Agreement, the Lender acknowledges that it shall not, except in the case of the bankruptcy of the Debtor, enforce this Security Agreement against any personal property of the Debtor used solely for the personal or household use and enjoyment of the Debtor or the Debtor's immediate family.

10. LENDER MAY REMEDY DEFAULT

The Lender shall have the right, but shall not be obliged to, remedy any Default of the Debtor and all sums thereby expended by the Lender shall be payable immediately by the Debtor, together with interest thereon at the highest rate of interest then chargeable by the Lender to the Debtor on any portion of the Indebtedness. All such sums shall be added to the Indebtedness and shall be secured by this Agreement. In no case shall the exercise of the Lender's rights pursuant to this Section 10 be deemed to relieve the Debtor from such Default or be deemed a waiver of such Default or of any other prior or subsequent Default.

11. USE OF COLLATERAL

Subject to compliance with the Debtor's covenants contained herein and to the following provisions of this Section 11, until Default the Debtor may:

- (a) in the case of Equipment, dispose of the same for the purpose of immediately replacing it by other Equipment of a similar nature or of a more useful or convenient character and of at least equal value;
- (b) in the case of Inventory and Money, dispose of the same in the ordinary course of the business of the Debtor and for the sole purpose of carrying on the same; and
- (c) otherwise possess, collect, use, enjoy and deal with the Collateral in the ordinary course of the Debtor's business in any manner not expressly or impliedly prohibited herein or otherwise inconsistent with the provisions of this Agreement.

Notwithstanding the foregoing:

- (a) after Default the Lender may notify all or any Account Debtors and may direct such Account Debtors to make all payments owed in respect of the Collateral directly to the Lender; and
- (b) the Debtor agrees that any payments on or other Proceeds of Collateral received by the Debtor, after Default, shall be received and held by the Debtor in trust for the Lender and shall be turned over to the Lender upon request.

If the Collateral at any time includes Investment Property, the Debtor authorizes the Lender to transfer the same or any part thereof into its own name or that of its nominees so that the Lender or its nominees may appear on record as the sole owner thereof; provided however that until Default the Lender shall deliver to the Debtor all notices or other communications received by it or its nominees as registered owner and upon demand and receipt of payment of any necessary expenses shall issue to the Debtor or

its order a proxy to vote and take all action with respect to such Investment Property. However, the Default the Debtor waives all rights to receive any notices or communications in respect of such Investment Property and agrees that no proxy issued by the Lender to the Debtor or its order as aforesaid shall thereafter be effective.

12. APPROPRIATION OF PAYMENTS

All payments made at any time in respect of the Indebtedness and all Proceeds realized from any Investment Property held therefore may be applied (and reapplied from time to time notwithstanding any previous application) in such manner as the Lender sees fit or, at the option of the Lender, may be held unappropriated in a collateral account or released to the Debtor all without prejudice to the rights of the Lender hereunder, including the Lender's right to collect from the Debtor the amount of any deficiency remaining after application of all such payments and Proceeds.

13. POWER OF ATTORNEY AND AUTHORIZATION TO FILE

The Debtor hereby authorizes the Lender to file such Financing Statements and other documents and do such acts, matters and things (including completing and adding schedules to this Agreement identifying Collateral or locations) as the Lender from time to time deems appropriate to perfect, continue and realize upon the Security Interest and to protect and preserve the Collateral. In addition, for valuable consideration, the Debtor hereby irrevocably appoints the Lender and its officers from time to time, or any one or more of them, to be the true and lawful attorney of the Debtor, with full power of substitution, in the name of and on behalf of the Debtor to execute and to do all deeds, transfers, conveyances, assignments, assurances, and other things which the Debtor ought to execute and do under the covenants and provisions contained in this Agreement and generally to use the name of the Debtor in the exercise of all or any of the rights, remedies and powers of the Lender.

14. MISCELLANEOUS

- (a) The Lender may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges and otherwise deal with the Debtor, debtors of the Debtor, sureties and others and with the Collateral and other securities as the Lender sees fit, all without prejudice to the liability of the Debtor to the Lender or to the Lender's rights in respect thereof. In addition, the Lender may demand, collect, and sue on the Collateral in either the Debtor's or the Lender's name, all at the Lender's option, and may endorse the Debtor's name on any and all cheques, commercial paper and other Instruments pertaining to or constituting the Collateral;
- (b) Neither the execution or registration of this Agreement, nor the advance or re-advance of part of the monies hereby intended to be secured, shall bind the Lender to advance or re-advance the said monies or any unadvanced part thereof. The advance or re-advance of the said monies or any part thereof from time to time shall be in the sole discretion of the Lender;
- (c) The Debtor hereby waives protest of any Instrument constituting Collateral at any time held by the Lender on which the Debtor is in any way liable and, except as expressly prohibited by law, waives notice of any other action taken by the Lender;
- (d) Without limiting any other right of the Lender, whenever the Indebtedness is due and payable or the Lender has the right to declare it to be due and payable (whether or not it has been so declared), the Lender may, in its sole discretion, set off against the Indebtedness any and all monies then owed to the Debtor by the Lender in any capacity, whether or not due, and the Lender shall be deemed to have exercised such right to set-off immediately at the time of making its decision to do so even though any charge therefor is made or entered on the Lender's records subsequent thereto; and
- (e) In any action brought by an assignee of this Agreement and the Security Interest or any part thereof to enforce any rights hereunder, the Debtor shall not assert against such assignee any claim or defence which the Debtor now has or may hereafter have against the Lender.

- (f) The Debtor and the Lender shall act in good faith and in a commercial reasonable manner in enjoying and carrying out their respective rights and obligations hereunder and where the consent, judgment, determination, decision, review and approval by the Debtor, the Lender, or their respective counsel, is required regarding any matter contemplated hereunder, such consent, judgment, determination, decision, review and approval shall not, unless otherwise expressly stated hereunder, be unreasonably withheld, conditioned and/or delayed.

15. NOTICE

In addition to the notice provisions contained in the Act, whenever the Debtor or the Lender is required or entitled to notify or direct the other or to make a demand or request upon the other, such notice, direction, demand or request shall be in writing and shall be sufficiently given only if delivered, transmitted by facsimile, or sent by prepaid registered mail addressed to the party for whom it is intended at the Branch Address, in the case of the Lender, and at the Debtor Address, in the case of the Debtor, as set out herein or as changed pursuant hereto. Either party may notify the other of any change in such party's address to be used for the purposes hereof. All such communications shall, in the case of delivery or facsimile, be deemed received on the date of delivery and, if mailed as aforesaid, shall be deemed received on the third business day following the date of posting. In the case of a disruption in postal service all such communications shall be delivered or transmitted by facsimile.

16. INTERPRETATION

- (a) This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia.
- (b) This Agreement and the security afforded by it is in addition to and not in substitution for any other security now or hereafter held by the Lender and is intended to be a continuing security agreement and shall remain in full force and effect until released in writing by the Lender. The Lender shall have no obligation to provide such release unless and until the full amount of the Indebtedness has been paid in full.
- (c) If any provision of this Agreement is held invalid, in whole or in part, by any Court of competent jurisdiction, the remaining terms and provisions of this Agreement shall remain in full force and effect and this Agreement shall be enforced to the fullest extent permitted by law.
- (d) The Debtor hereby waives the benefit of all statutory, common law and equitable rights, benefits and provisions which in any way limit or restrict the Lender's rights and remedies, to the extent that such waiver is not expressly prohibited by law. The Debtor acknowledges and agrees that the Lender shall have the right to recover the full amount of the Indebtedness by all lawful means, including the right to seek recovery of any deficiency remaining after the sale of the Collateral, including any sale thereof to the Lender.
- (e) The headings of the sections of this Agreement are inserted for convenience of reference only and shall not affect or limit the construction or interpretation of this Agreement.
- (f) All schedules, whether attached hereto on the date hereof or subsequently attached pursuant to the provisions of this Agreement, form part of this Agreement. With the exception of any schedules which may be added hereafter by the Lender without the concurrence of the Debtor pursuant to the provisions of this Agreement, no modification, variation or amendment of this Agreement shall be made except by a written agreement executed by the Debtor and the Lender.
- (g) When the context so requires, words importing the singular number shall be read to include the plural and vice versa, and words importing gender shall be read with all grammatical changes necessary to reflect the identity of the parties.
- (h) This Agreement shall enure to the benefit of the Lender, its successors and assigns and shall be binding upon the Debtor, its personal representatives, administrators, successors and permitted

assigns. If more than one Debtor executes this Agreement, the obligations of the Debtor shall be joint and several.

- (i) Time shall be in all respects of the essence of this Agreement.
- (j) This Agreement is entered into pursuant to the Credit Agreement and to the extent that any provisions of this Agreement conflict or are inconsistent with any of the provisions of the Credit Agreement, the Credit Agreement shall govern and prevail to resolve such conflict or inconsistency in any and all circumstances, such that the provisions of the Credit Agreement shall be paramount to and supersede the provisions of this Agreement.
- (k) Each party hereto agrees to act in good faith and in a commercially reasonable manner in enjoying and carrying out the rights and obligations of the parties hereunder and where the consent, judgment, determination, decision, review and approval by a party, or its counsel, is required regarding any matter contemplated hereunder, such consent, judgment, determination, decision, review and approval shall not, unless otherwise expressly stated hereunder, be unreasonably withheld, conditioned and/or delayed.

17. RECEIPT OF DOCUMENTS

- (a) The Debtor hereby acknowledges receiving a copy of this Agreement.
- (b) The Debtor hereby waives its right to receive a copy of any Financing Statement, Financing Change Statement or Verification Statement which may be filed by or issued to the Lender pursuant to the Act.

IN WITNESS WHEREOF the Debtor has executed this Agreement as of the day and year first above written.

8826 JIM BAILEY LTD.

Per: 
 Name: KA-KAI CHIANG
 Title: DIRECTOR

Per: _____
 Name: _____
 Title: _____

375 POTTERTON LTD.

Per: 
 Name: KA-KAI CHIANG
 Title: DIRECTOR

Per: _____
 Name: _____
 Title: _____

AUTHORIZED SIGNATORY(S)

SCHEDULE "A"

1. SPECIFICALLY DESCRIBED COLLATERAL

(a) Serial Number Goods - NIL

<u>Make</u>	<u>Model</u>	<u>Year of Manufacturer</u>	<u>Serial Number</u>
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(b) Other - NIL

2. PURCHASE MONEY SECURITY INTERESTS - NIL

3. PERMITTED ENCUMBRANCES

NIL

SCHEDULE "B"

PERSONAL PROPERTY NOT INCLUDED IN COLLATERAL

NIL

SCHEDULE "C"**1. LOCATIONS OF DEBTOR'S BUSINESS OPERATIONS**

(a) Chief Executive Office

#1115 – 8400 West Road, Richmond, BC V6X 0S7

(b) Other Locations

2. LOCATIONS OF RECORDS RELATING TO COLLATERAL

#1115 – 8400 West Road, Richmond, BC V6X 0S7

3. LOCATIONS OF COLLATERAL

As described in Schedule "E" attached hereto.

SCHEDULE "D"**ADDITIONAL COVENANTS, TERMS AND CONDITIONS**

Loan agreement dated as of the 17th day of February, 2022 (the "**Credit Agreement**") among, *inter alios*, the Debtor, as borrower, and the Lender, as lender, as amended, modified, supplemented, restated or replaced, from time to time.

SCHEDULE "E"**REAL PROPERTY**

The lands and premises located at:

8826 Jim Bailey Crescent, Kelowna, BC and legally described as PID: 024-666-947, Lot 6 Section 2 Township 20 Osoyoos Division Yale District Plan KAP65805; and

375 Potterton Road, Kelowna, BC and legally described as PID: 023-839-171, Lot D Section 2 Township 20 Osoyoos Division Yale District Plan KAP59703

Dated: March 3, 2022

FROM:

8826 JIM BAILEY LTD.

and

375 POTTERTON LTD.

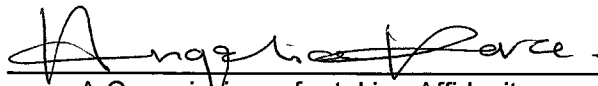
TO:

NATIONAL BANK OF CANADA

2900 – 475 Howe Street, Vancouver, BC V6C 2B3

GENERAL SECURITY AGREEMENT

This is **Exhibit "I"** referred to in the Affidavit #1 of John Karkoutlian made before me at Vancouver, British Columbia, on this 26th day of September, 2024.

A handwritten signature in black ink, appearing to read "Angelia Perce", written over a horizontal line.

A Commissioner for taking Affidavits
in the Province of British Columbia

THIS GENERAL SECURITY AGREEMENT DATED the 3rd day of MARCH, 2022.

BRANCH ADDRESS: 2900 – 475 Howe Street, Vancouver, BC V6C 2B3

1. DEFINITIONS

The following definitions shall apply herein:

- (a) "Act" means the Personal Property Security Act of the Province of British Columbia in effect on the date hereof;
- (b) "Accessions", "Account", "Account Debtor", "Chattel Paper", "Consumer Goods", "Document of Title", "Equipment", "Financing Change Statement", "Financing Statement", "Goods", "Instrument", "Intangible", "Inventory", "Investment Property", "Money" and "Purchase Money Security Interest" shall have the meanings ascribed to them in the Act and shall be deemed to include both the singular and plural of such terms. All other capitalized words or terms used herein, unless otherwise defined herein, shall have the meanings ascribed to them in the Act and the Regulations passed pursuant thereto;
- (c) "Agreement", "herein", and similar expressions refer to the whole of this Security Agreement and not to any particular section or other portion thereof and extend to and include every instrument which amends or supplements this Agreement;
- (d) "Collateral" means all present and after-acquired personal property of the Debtor of whatever kind and wherever situate located on or exclusively related to any of the Real Property, including, without limiting the generality of the foregoing, those specific items, if any, described on the attached Schedule "A" together with all documents, writings, papers, books of account and records relating to the foregoing and all rights and interests therein, but shall not include:
 - (i) the last day of any term of years reserved by any lease, verbal or written, or any agreement therefor now or hereafter held by the Debtor, it being the intention that the Debtor shall stand possessed of the reversion remaining in respect of any leasehold interest forming part of the Collateral upon trust to assign and dispose thereof as the Lender may after default direct;
 - (ii) Consumer Goods, or
 - (iii) those specific items, if any, described on the attached Schedule "B";
- (e) "Credit Agreement" has the meaning ascribed to such term in Schedule "D" attached hereto;
- (f) "Debtor" means **GENESIS MANNA HOLDING LTD.** and **ALLION HOLDINGS LTD.**;
- (g) "Default" means the happening of any one or more of the events or conditions described in section 7 and such term shall be deemed to include each, any, or all such events or conditions, whether any such event is voluntary or involuntary or is effected by operation of law or pursuant to or in compliance with any judgment, decree or order of any Court or any order, rule or regulation of any administrative or governmental body;
- (h) "Indebtedness" means and includes any and all obligations, indebtedness and liability of the Debtor to the Lender, (including but not limited to principal, interest and all costs on a full indemnity basis) under or pursuant to the Credit Agreement, together with any ultimate unpaid balance thereof, whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again, and whether the Debtor is bound alone or with another or others and whether as principal or surety;
- (i) "Lender" means **NATIONAL BANK OF CANADA**;

- (j) **"Permitted Encumbrances"** means those specific security interests, whether by way of mortgage, lien, claim, charge or otherwise, listed on Schedule "A" or hereafter approved in writing by the Lender prior to their creation or assumption;
- (k) **"Proceeds"** shall have the meaning ascribed to it in the Act and shall be interpreted to include bank accounts, cash, trade-ins, Equipment, notes, Chattel Paper, Goods, contractual rights, Accounts and any other personal property or obligation received when Collateral or Proceeds thereof are sold, exchanged, collected or otherwise disposed of;
- (l) **"Real Property"** means all of the Debtor's right, title and interest in and to the real property legally described in Schedule "E" attached hereto and all interests therein, and all easements, right-of-way, privileges, benefits, licenses, improvements and rights whether connected therewith or appurtenant thereto or separately owned or held, including all structures, plant or other fixtures;
- (m) **"Receiver"** means any one or more persons (whether officers of the Lender or not), firms or corporations appointed pursuant to subsection 9(f) and shall be deemed to include a receiver, manager, receiver-manager or receiver and manager; and
- (n) **"Security Interest"** means the security interest granted by the Debtor to the Lender pursuant to this Agreement; and
- (o) **"Specifically Described Collateral"** means those items, if any, described in Schedule "A" which comprise part of the Collateral.

2. GRANT OF SECURITY INTEREST

For value received (the receipt and sufficiency of which is hereby acknowledged):

- (a) the Debtor hereby grants, assigns, conveys, mortgages, pledges and charges, as and by way of a specific mortgage, pledge and charge and grants a continuing Security Interest to and in favor of the Lender in the Collateral (other than Real Property); and
- (b) the Debtor hereby charges the Real Property as and by way of a floating charge.

3. INDEBTEDNESS SECURED

The Security Interest secures payment and satisfaction of the Indebtedness; provided however, that if the Security Interest in the Collateral is not sufficient to satisfy the Indebtedness of the Debtor in full, the Debtor agrees that the Debtor shall continue to be liable for any Indebtedness remaining outstanding and the Lender shall be entitled to pursue full payment and satisfaction thereof.

4. ATTACHMENT OF SECURITY INTEREST

The Security Interest shall attach to the Collateral at the earliest possible moment in accordance with the Act, there being no intention on the part of the Debtor and the Lender that it attach at any later time.

5. REPRESENTATIONS AND WARRANTIES OF THE DEBTOR

The Debtor represents and warrants, and as long as this Agreement remains in effect shall be deemed to continuously represent and warrant, that:

- (a) the Debtor is duly organized, existing and in good standing under the laws of its incorporating jurisdiction and of each other jurisdiction in which the nature of its activities make such necessary;
- (b) the Debtor has the right, power and authority to enter into this Agreement and to grant the Security Interest;
- (c) the execution, delivery and performance of this Agreement have been duly organized by all necessary corporate action and are not in contravention of any instrument by which the Debtor has been incorporated or continued, any instrument amending any such instrument, any internal regulation of the Debtor, any law, or any indenture, agreement or undertaking to which the Debtor is a party or by which it is bound;
- (d) the Debtor has not previously carried on business, does not currently carry on business, and shall not, without the prior written consent of the Lender, in the future carry on business under any name other than the name set forth in paragraph 1(f);
- (e) the Collateral is genuine and is legally and beneficially owned by the Debtor free of all security interest except for the Security Interest and the Permitted Encumbrances;
- (f) the description of the Specifically Described Collateral, whether contained herein or provided elsewhere by the Debtor to the Lender, is complete and accurate and all serial numbers affixed or ascribed to any of the Collateral have been provided to the Lender;
- (g) each Chattel Paper, Intangible and Instrument constituting Collateral is enforceable in accordance with its terms against the party obligated to pay the same ("Account Debtor"), the amount represented by the Debtor to the Lender from time to time as owing by each Account Debtor shall be the correct amount owing unconditionally by such Account Debtor, and no Account Debtor shall have any defence, set-off, claim or counterclaim against the Debtor which can be asserted against the Lender, whether in any proceedings to enforce the Collateral or otherwise;
- (h) the locations specified in the attached Schedule "C" as to business operations and records are accurate and complete and, except for Goods in transit to such locations and Inventory on lease or consignment, all Collateral shall be situate at one of such locations;
- (i) all financial statements, certificates and other information concerning the Debtor's financial condition or otherwise from time to time furnished by the Debtor to the Lender are and shall be in all respects complete, correct and fair representations of the affairs of the Debtor stated in accordance with generally accepted accounting principles applied on a consistent basis;
- (j) there has not been and shall not be a material adverse change in the Debtor's position, financial or otherwise, from that indicated by the financial statements which have been delivered to the Lender;
- (k) there are no actions, suits or proceedings pending or, to the knowledge of the Debtor, threatened against the Debtor except as have been disclosed in writing to and approved by the Lender; and
- (l) none of the Collateral is or shall be Consumer Goods.

6. COVENANTS OF THE DEBTOR

The Debtor covenants:

- (a) to defend the Collateral against the claims and demands of all other parties claiming the same or an interest therein and to keep the Collateral free from all security interests except for the Security Interest and the Permitted Encumbrances and as otherwise permitted by the Credit Agreement;
- (b) except as expressly permitted herein or as otherwise provided in the Credit Agreement, not to sell, exchange, transfer, assign, destroy, lease or otherwise dispose of the Collateral or any interest therein without the prior written consent of the Lender;
- (c) except as expressly permitted herein, not to move the Collateral from its current location, as indicated on Schedule "C", without the prior written consent of the Lender;
- (d) to assemble and deliver the Collateral to the Lender at such location as the Lender may direct;
- (e) to notify the Lender promptly in writing of:
 - (i) any change in the information contained in this Agreement including any information relating to the Debtor (including its name), the Debtor's business, the Collateral, or the locations of the Collateral or the records of the Debtor, so that the Lender shall be constantly advised of all places where the Debtor conducts its business, maintains the Collateral and maintains its records,
 - (ii) the details of any significant acquisition of Collateral (including serial numbers where required under the Act in connection with registration or as otherwise requested by the Lender), and for the purposes of this Agreement "significant" shall mean any item or items the value of which exceeds in the aggregate \$50,000,
 - (iii) the removal of any of the Collateral to any jurisdiction in which any registration of, or in respect of, this Agreement may not be effective to protect the Security Interest, and in the case of such removal to provide the Lender with a written certificate stating the time of removal, what is being removed and the intended new locality of such Collateral, and to assist the Lender in effecting such further registrations as may be required by the Lender to protect its Security Interest; provided however that this provision shall not be construed as a waiver of any prohibition against removal or relocation of Collateral contained elsewhere in this Agreement, nor shall it be construed as permission to do so,
 - (iv) the details of any claims or litigation affecting the Debtor or the Collateral of which the Debtor is aware,
 - (v) any loss or damage to the Collateral of which the Debtor is aware,
 - (vi) any Default by an Account Debtor in payment or other performance of its obligations with respect to any Collateral of which the Debtor is aware, and
- (f) to keep all of its property, including the Collateral, in good order, condition and repair and not to use the Collateral in violation of the provisions of this Agreement or any other agreement relating to the Collateral or any policy insuring the Collateral or any applicable statute, law, by-law, rule, regulation or ordinance having jurisdiction over the same;
- (g) to execute, acknowledge and deliver such further agreements and documents supplemental hereto (including financing statements, further schedules to this Agreement, assignments and transfers) and to do all acts, matters and things as may be requested by the Lender in order to give effect to this Agreement and to perfect the Security Interest, including but not limited to any of the same which may be required to correct or amplify the description of any Collateral or for any other purpose not inconsistent with the terms of this Agreement;

- (h) subject to the terms and conditions of the Credit Agreement, to pay all costs and expenses on a full indemnity basis (including legal fees as between a solicitor and his own client) incidental to:
 - (i) the preparation, execution and filing of this Agreement,
 - (ii) maintaining, protecting and defending the Collateral, the Security Interest, and all of the Lender's rights and interests arising pursuant to this Agreement, and
 - (iii) the exercise of any rights or remedies of the Lender pursuant to this Agreement, including but not limited to the costs of the appointment of a Receiver and all expenditures incurred by such Receiver, the cost of any sale proceedings (whether the same prove abortive or not), and all costs of inspection, and all other costs and expenses incurred by the Lender in connection with or arising out of, directly or indirectly, this Agreement, all without limitation. All such costs and expenses shall be payable by the Debtor immediately upon demand from the Lender and until paid shall bear interest from the date incurred by the Lender at the highest rate of interest then chargeable by the Lender to the Debtor on any of the Indebtedness. The amount of all such costs and expenses shall be added to the Indebtedness and shall be secured by this Agreement;
- (I) to punctually pay and discharge all taxes, rates, levies, assessments and other charges of every nature which might result in any lien encumbrance, right of distress, forfeiture or termination or sale, or any other remedy being enforced against the Collateral and to provide to the Lender satisfactory evidence of such payment and discharge;
- (j) to maintain its corporate existence, and to diligently preserve all its rights, licenses, powers, privileges, franchises and goodwill;
- (k) to observe and perform all of its obligations and comply with all conditions under leases, licenses and other agreements to which it is a party or pursuant to which any of the Collateral is held;
- (l) to carry on and conduct its business in an efficient and proper manner so as to preserve and protect the Collateral and income therefrom;
- (m) to keep, in accordance with generally accepted accounting principles consistently applied, proper books of account and records of all transactions in relation to its business and the Collateral;
- (n) to observe and conform to all valid requirements of law and of any governmental or municipal authority relating to the Collateral or the carrying on by the Debtor of its business;
- (o) at all reasonable times, to allow the Lender access to its premises in order to view the state and condition of its property and to inspect its books and records and make extracts therefrom;
- (p) to insure the Collateral for such periods, in such amounts, on such terms, with such insurers and against such loss or damage by fire and other such risks as the Lender reasonably directs, with loss payable to the Lender and the Debtor as insureds, as their respective interests may appear, to pay all premiums therefore, to deliver evidence of the same on request, and to do all acts necessary to obtain payment to the Lender of any insurance proceeds;
- (q) to prevent the Collateral from being or becoming an Accession or a Fixture to other property not covered by this Agreement or other security granted by the Debtor in favour of the Lender;
- (r) to deliver to the Lender from time to time promptly upon request:
 - (i) any Documents of Title, Instruments, Investment Property and Chattel Paper constituting the Collateral;
 - (ii) all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to the Collateral,

- (iii) all financial statements prepared by or for the Debtor regarding its business, or, where the Debtor is an individual, all tax returns and such personal financial statements as the Lender may request;
- (iv) all policies and certificates of insurance relating to the Collateral, and
- (v) such further information concerning the Collateral, the Debtor and the Debtor's business and affairs as the Lender may request;
- (s) not to change the present use of the Collateral; and
- (t) to comply with all other requirements of the Lender, whether in the nature of positive or negative covenants, as may be communicated by the Lender to the Debtor from time to time, including but not limited to those additional covenants, terms, and conditions, if any, contained on the attached Schedule "D".

7. EVENTS OF DEFAULT

The following constitute Default (subject to any applicable curative provisions of section 9.1 of the Credit Agreement):

- (a) non-payment when due, whether by acceleration or otherwise, of any principal or interest forming part of the Indebtedness;
- (b) failure of the Debtor to perform or observe any obligation, covenant, term, provision or condition contained in this Agreement or any other agreement, security instrument or other document made by the Debtor with or in favour of the Lender or any other person, firm or corporation;
- (c) the death of or declaration of incompetency by a Court of competent jurisdiction with respect to the Debtor, if an individual;
- (d) the Debtor becomes insolvent or makes a voluntary assignment or proposal in bankruptcy or otherwise acknowledges its insolvency, a bankruptcy petition is filed or presented against the Debtor, the making of an authorized assignment for the benefit of the creditors of the Debtor, the appointment of a receiver, receiver-manager, receiver and manager or trustee for the Debtor or any assets of the Debtor, or the institution by or against the Debtor of any other type of insolvency proceeding under the Bankruptcy and Insolvency Act, Companies' Creditors Arrangement Act or similar legislation in any jurisdiction;
- (e) any act, matter or thing being done toward, or the commencement of any action or proceeding for, terminating the corporate existence of the Debtor, or if the Debtor is a partnership, the existence of the partnership, whether by way of winding-up, surrender of charter or otherwise;
- (f) any encumbrance or security interest affecting the Collateral becomes enforceable;
- (g) the Debtor ceases or threatens to cease to carry on its business or makes or proposes to make a bulk sale of its assets or any sale of the Collateral other than as expressly permitted herein;
- (h) any execution or other process of any Court becomes enforceable against the Debtor or a distress or analogous process is levied upon the assets of the Debtor or any part thereof (whether or not forming part of the Collateral);
- (i) the Debtor permits any amount which has been admitted as due by it or is not disputed to be due by it and which forms, or is capable of being made, a charge upon the Collateral in priority to, or *pari passu* with, the charge created by this Agreement to remain unpaid for thirty (30) days after proceedings have been taken to enforce the same;

- (j) the Debtor allows any amount outstanding from it to the Crown pursuant to any federal or provincial statute to remain unpaid for thirty (30) days or more;
- (k) a corporate dispute occurs within the Debtor, if a corporation, (whether between or among its shareholders, directors, officers, employees or otherwise) which may hamper the business operations of the Debtor or otherwise adversely affect, in the sole opinion of the Lender, the Debtor's business, assets or the Collateral;
- (l) any representation or warranty furnished by or on behalf of the Debtor pursuant to or in connection with this Agreement (regardless of the form thereof or whether contained herein or elsewhere), whether as an inducement to the Lender to extend any credit to or to enter into this or any other agreement with the Debtor or otherwise proves to have been false or misleading as of the day made in any material respect or to have omitted any substantial contingent or unliquidated liability or claim against the Debtor;
- (m) there is any material adverse change in any of the facts disclosed to the Lender, in the Debtor's position (financial or otherwise), or in the nature and value of the Collateral; or
- (n) the Lender considers or deems, in its sole opinion, that the Security Interest and the Collateral are not sufficient security in relation to the extent of the Indebtedness.

For the purposes of Section 203 of the *Land Title Act* (British Columbia), the floating charge created by this Security Agreement over Real Property shall become a fixed charge thereon upon the earlier of:

- (a) the occurrence of an event described in clause 7(d), (e), (f), (g), or (h); or
- (b) the Lender taking any action pursuant to clause 9 to enforce and realize on the Security Interests created by this Security Agreement.

8. ACCELERATION/DEFAULT

In the event of Default the Lender, in its sole discretion, may declare all or any part of the Indebtedness which is not by its terms payable on demand to be immediately due and payable, without demand or notice of any kind. The provisions of this clause shall not in any way affect any rights of the Lender with respect to any Indebtedness which may now or hereafter be payable on demand.

9. REMEDIES

Upon Default the Lender shall have the following rights and powers, which the Lender may exercise immediately:

- (a) to enter upon the premises of the Debtor or any other premises where the Collateral may be situated and to take possession of all or any part of the Collateral, by any method permitted by law, to the exclusion of all others, including the Debtor, its directors, officers, agents and employees, and the Debtor hereby waives and releases the Lender and any Receiver from all claims in connection therewith or arising therefrom;
- (b) to remove all or any part of the Collateral to such place as the Lender deems advisable;
- (c) to preserve and maintain the Collateral and to do all such acts incidental thereto as the Lender considers advisable, including but not limited to making replacements and additions to the Collateral;
- (d) to collect, demand, sue on, enforce, recover and receive Collateral and give receipts and discharges therefore, and may do any such act and take any proceedings related thereto in the name of the Debtor or otherwise as the Lender considers appropriate;

- (e) to sell, lease, or otherwise dispose of the Collateral in such manner, at such time or times and place or places, for such consideration and upon such terms and conditions as the Lender deems reasonable (including without limitation, by deferred payment) all in the Lender's absolute discretion and without the concurrence of the Debtor; provided however, that the Lender shall not be required to do so and it shall be lawful for the Lender to use and possess the Collateral for any and all purposes and in any manner the Lender sees fit, all without hindrance or interruption by the Debtor or any other person or persons, provided however that none of the foregoing shall prejudice the Lender's right to pursue the Debtor for recovery in full of the amount of the Indebtedness, including the amount of any deficiency owing after the application of the proceeds of realization (and to the extent permitted by laws, the Debtor waives its rights to the protection afforded by any rule of law or legislation respecting such deficiency);
- (f) to appoint by instrument in writing, with or without bond, or by application to any Court of competent jurisdiction, a Receiver of the Collateral and to remove any Receiver so appointed and appoint another or others in his stead. Any such Receiver shall, so far as concerns responsibility for his acts, be deemed the agent of the Debtor and not of the Lender and the Lender shall not be in any way responsible for any misconduct, negligence or non-feasance on the part of any such Receiver, his agents, servants or employees. Subject to the provisions of the instrument appointing him, any such Receiver shall have the power to take possession of the Collateral, to preserve the Collateral or its value, to carry on or concur in carrying on all or any part of the business of the Debtor and to sell, lease or otherwise dispose of or concur in selling, leasing or otherwise disposing of the Collateral (including dispositions by way of deferred payment). To facilitate the foregoing powers, any such Receiver may, to the exclusion of all others including the Debtor, enter upon, use and occupy all premises owned or occupied by the Debtor where Collateral may be situate, to employ and discharge such employees, agents or professional advisors as the Receiver deems advisable, to enter into such compromises, arrangements or settlements as the Receiver deems advisable, to borrow or otherwise raise money on the security of the Collateral and to issue Receiver's certificates and do all such other acts as the Receiver deems advisable in connection with any of the powers referred to herein. Except as may be otherwise directed by the Lender, all monies received from time to time by the Receiver in carrying out his appointment shall be received in trust for and paid over to the Lender. In addition, every Receiver may, at the discretion of the Lender, be vested with all or any of the rights and powers of the Lender under the Act or any other applicable legislation or under this Agreement or any other agreement;
- (g) to rescind or vary any contract for sale, lease or other disposition that the Debtor or the Lender may have entered into and to resell, release or redispense of the Collateral;
- (h) to deliver to any purchasers of the Collateral good and sufficient conveyances or deeds for the same free and clear of any claim by the Debtor. For such purposes, the purchaser or lessee receiving any disposition of the Collateral need not inquire whether Default under this Agreement has actually occurred but may as to this and all other matters rely upon a statutory declaration of an officer of the Lender, which declaration shall be conclusive evidence as between the Debtor and such purchaser or lessee, and any such disposition shall not be affected by any irregularity of any nature or kind relating to the enforcement of this Agreement or the exercise of the rights and remedies of the Lender;
- (i) to exercise any of the powers and rights given to a Receiver pursuant to this Agreement;
- (j) to provide written notice to the Debtor that all the powers, functions, rights and privileges of the directors and officers of the Debtor with respect to the Collateral, business and undertaking of the Debtor have or shall cease as of the date notified therein, except to the extent specifically continued at any time by the Lender in writing; and
- (k) to take the benefit of or to exercise any other right, proceeding or remedy authorized or permitted at law or in equity, whether as a secured party pursuant to the Act as the same is in force from time to time or otherwise.

All rights and remedies of the Lender are cumulative and may be exercised at any time and from time to time independently or in combination. No delay or omission by the Lender in exercising any right or remedy shall operate as a waiver thereof or of any other right or remedy, and no singular partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy. Provided always that the Lender shall not be liable or accountable for any failure to exercise its remedies, take possession of, collect, enforce, realize, sell, maintain, lease or otherwise dispose of the Collateral, or to institute any proceedings for such purposes. The Lender shall have no obligation to take any steps to preserve rights against other parties, shall have no obligations to exercise any of the rights and remedies available to it on Default and shall not be liable or accountable for not exercising any such rights and remedies.

The Lender may waive any Default but no such waiver shall be effective unless made in writing and signed by an authorized officer of the Lender. Any such waiver shall not extend to, or be taken in any manner whatsoever to affect, any subsequent Default or the rights resulting therefrom.

By its acceptance of this Agreement, the Lender acknowledges that it shall not, except in the case of the bankruptcy of the Debtor, enforce this Security Agreement against any personal property of the Debtor used solely for the personal or household use and enjoyment of the Debtor or the Debtor's immediate family.

10. LENDER MAY REMEDY DEFAULT

The Lender shall have the right, but shall not be obliged to, remedy any Default of the Debtor and all sums thereby expended by the Lender shall be payable immediately by the Debtor, together with interest thereon at the highest rate of interest then chargeable by the Lender to the Debtor on any portion of the Indebtedness. All such sums shall be added to the Indebtedness and shall be secured by this Agreement. In no case shall the exercise of the Lender's rights pursuant to this Section 10 be deemed to relieve the Debtor from such Default or be deemed a waiver of such Default or of any other prior or subsequent Default.

11. USE OF COLLATERAL

Subject to compliance with the Debtor's covenants contained herein and to the following provisions of this Section 11, until Default the Debtor may:

- (a) in the case of Equipment, dispose of the same for the purpose of immediately replacing it by other Equipment of a similar nature or of a more useful or convenient character and of at least equal value;
- (b) in the case of Inventory and Money, dispose of the same in the ordinary course of the business of the Debtor and for the sole purpose of carrying on the same; and
- (c) otherwise possess, collect, use, enjoy and deal with the Collateral in the ordinary course of the Debtor's business in any manner not expressly or impliedly prohibited herein or otherwise inconsistent with the provisions of this Agreement.

Notwithstanding the foregoing:

- (a) after Default the Lender may notify all or any Account Debtors and may direct such Account Debtors to make all payments owed in respect of the Collateral directly to the Lender; and
- (b) the Debtor agrees that any payments on or other Proceeds of Collateral received by the Debtor, after Default, shall be received and held by the Debtor in trust for the Lender and shall be turned over to the Lender upon request.

If the Collateral at any time includes Investment Property, the Debtor authorizes the Lender to transfer the same or any part thereof into its own name or that of its nominees so that the Lender or its nominees may appear on record as the sole owner thereof; provided however that until Default the Lender shall deliver to the Debtor all notices or other communications received by it or its nominees as registered owner and upon demand and receipt of payment of any necessary expenses shall issue to the Debtor or

its order a proxy to vote and take all action with respect to such Investment Property. However, the Default the Debtor waives all rights to receive any notices or communications in respect of such Investment Property and agrees that no proxy issued by the Lender to the Debtor or its order as aforesaid shall thereafter be effective.

12. APPROPRIATION OF PAYMENTS

All payments made at any time in respect of the Indebtedness and all Proceeds realized from any Investment Property held therefore may be applied (and reapplied from time to time notwithstanding any previous application) in such manner as the Lender sees fit or, at the option of the Lender, may be held unappropriated in a collateral account or released to the Debtor all without prejudice to the rights of the Lender hereunder, including the Lender's right to collect from the Debtor the amount of any deficiency remaining after application of all such payments and Proceeds.

13. POWER OF ATTORNEY AND AUTHORIZATION TO FILE

The Debtor hereby authorizes the Lender to file such Financing Statements and other documents and do such acts, matters and things (including completing and adding schedules to this Agreement identifying Collateral or locations) as the Lender from time to time deems appropriate to perfect, continue and realize upon the Security Interest and to protect and preserve the Collateral. In addition, for valuable consideration, the Debtor hereby irrevocably appoints the Lender and its officers from time to time, or any one or more of them, to be the true and lawful attorney of the Debtor, with full power of substitution, in the name of and on behalf of the Debtor to execute and to do all deeds, transfers, conveyances, assignments, assurances, and other things which the Debtor ought to execute and do under the covenants and provisions contained in this Agreement and generally to use the name of the Debtor in the exercise of all or any of the rights, remedies and powers of the Lender.

14. MISCELLANEOUS

- (a) The Lender may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges and otherwise deal with the Debtor, debtors of the Debtor, sureties and others and with the Collateral and other securities as the Lender sees fit, all without prejudice to the liability of the Debtor to the Lender or to the Lender's rights in respect thereof. In addition, the Lender may demand, collect, and sue on the Collateral in either the Debtor's or the Lender's name, all at the Lender's option, and may endorse the Debtor's name on any and all cheques, commercial paper and other instruments pertaining to or constituting the Collateral;
- (b) Neither the execution or registration of this Agreement, nor the advance or re-advance of part of the monies hereby intended to be secured, shall bind the Lender to advance or re-advance the said monies or any unadvanced part thereof. The advance or re-advance of the said monies or any part thereof from time to time shall be in the sole discretion of the Lender;
- (c) The Debtor hereby waives protest of any Instrument constituting Collateral at any time held by the Lender on which the Debtor is in any way liable and, except as expressly prohibited by law, waives notice of any other action taken by the Lender;
- (d) Without limiting any other right of the Lender, whenever the Indebtedness is due and payable or the Lender has the right to declare it to be due and payable (whether or not it has been so declared), the Lender may, in its sole discretion, set off against the Indebtedness any and all monies then owed to the Debtor by the Lender in any capacity, whether or not due, and the Lender shall be deemed to have exercised such right to set-off immediately at the time of making its decision to do so even though any charge therefor is made or entered on the Lender's records subsequent thereto; and
- (e) In any action brought by an assignee of this Agreement and the Security Interest or any part thereof to enforce any rights hereunder, the Debtor shall not assert against such assignee any claim or defence which the Debtor now has or may hereafter have against the Lender.

- (f) The Debtor and the Lender shall act in good faith and in a commercial reasonable manner in enjoying and carrying out their respective rights and obligations hereunder and where the consent, judgment, determination, decision, review and approval by the Debtor, the Lender, or their respective counsel, is required regarding any matter contemplated hereunder, such consent, judgment, determination, decision, review and approval shall not, unless otherwise expressly stated hereunder, be unreasonably withheld, conditioned and/or delayed.

15. NOTICE

In addition to the notice provisions contained in the Act, whenever the Debtor or the Lender is required or entitled to notify or direct the other or to make a demand or request upon the other, such notice, direction, demand or request shall be in writing and shall be sufficiently given only if delivered, transmitted by facsimile, or sent by prepaid registered mail addressed to the party for whom it is intended at the Branch Address, in the case of the Lender, and at the Debtor Address, in the case of the Debtor, as set out herein or as changed pursuant hereto. Either party may notify the other of any change in such party's address to be used for the purposes hereof. All such communications shall, in the case of delivery or facsimile, be deemed received on the date of delivery and, if mailed as aforesaid, shall be deemed received on the third business day following the date of posting. In the case of a disruption in postal service all such communications shall be delivered or transmitted by facsimile.

16. INTERPRETATION

- (a) This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia.
- (b) This Agreement and the security afforded by it is in addition to and not in substitution for any other security now or hereafter held by the Lender and is intended to be a continuing security agreement and shall remain in full force and effect until released in writing by the Lender. The Lender shall have no obligation to provide such release unless and until the full amount of the Indebtedness has been paid in full.
- (c) If any provision of this Agreement is held invalid, in whole or in part, by any Court of competent jurisdiction, the remaining terms and provisions of this Agreement shall remain in full force and effect and this Agreement shall be enforced to the fullest extent permitted by law.
- (d) The Debtor hereby waives the benefit of all statutory, common law and equitable rights, benefits and provisions which in any way limit or restrict the Lender's rights and remedies, to the extent that such waiver is not expressly prohibited by law. The Debtor acknowledges and agrees that the Lender shall have the right to recover the full amount of the Indebtedness by all lawful means, including the right to seek recovery of any deficiency remaining after the sale of the Collateral, including any sale thereof to the Lender.
- (e) The headings of the sections of this Agreement are inserted for convenience of reference only and shall not affect or limit the construction or interpretation of this Agreement.
- (f) All schedules, whether attached hereto on the date hereof or subsequently attached pursuant to the provisions of this Agreement, form part of this Agreement. With the exception of any schedules which may be added hereafter by the Lender without the concurrence of the Debtor pursuant to the provisions of this Agreement, no modification, variation or amendment of this Agreement shall be made except by a written agreement executed by the Debtor and the Lender.
- (g) When the context so requires, words importing the singular number shall be read to include the plural and vice versa, and words importing gender shall be read with all grammatical changes necessary to reflect the identity of the parties.
- (h) This Agreement shall enure to the benefit of the Lender, its successors and assigns and shall be binding upon the Debtor, its personal representatives, administrators, successors and permitted

assigns. If more than one Debtor executes this Agreement, the obligations of the Debtor shall be joint and several.

- (i) Time shall be in all respects of the essence of this Agreement.
- (j) This Agreement is entered into pursuant to the Credit Agreement and to the extent that any provisions of this Agreement conflict or are inconsistent with any of the provisions of the Credit Agreement, the Credit Agreement shall govern and prevail to resolve such conflict or inconsistency in any and all circumstances, such that the provisions of the Credit Agreement shall be paramount to and supersede the provisions of this Agreement.
- (k) Each party hereto agrees to act in good faith and in a commercially reasonable manner in enjoying and carrying out the rights and obligations of the parties hereunder and where the consent, judgment, determination, decision, review and approval by a party, or its counsel, is required regarding any matter contemplated hereunder, such consent, judgment, determination, decision, review and approval shall not, unless otherwise expressly stated hereunder, be unreasonably withheld, conditioned and/or delayed.

17. RECEIPT OF DOCUMENTS

- (a) The Debtor hereby acknowledges receiving a copy of this Agreement.
- (b) The Debtor hereby waives its right to receive a copy of any Financing Statement, Financing Change Statement or Verification Statement which may be filed by or issued to the Lender pursuant to the Act.

IN WITNESS WHEREOF the Debtor has executed this Agreement as of the day and year first above written.

GENESIS MANNA HOLDING LTD.

Per: _____

Name: YUKAN HANG WEI
Title: DIRECTOR

Per: _____

Name: _____
Title: _____

ALLION HOLDINGS LTD.

Per: _____

Name: PA-KYI CHIANG
Title: DIRECTOR

Per: _____

Name: _____
Title: _____

AUTHORIZED SIGNATORY(S)

SCHEDULE "A"**1. SPECIFICALLY DESCRIBED COLLATERAL**

(a) Serial Number Goods - NIL

<u>Make</u>	<u>Model</u>	<u>Year of Manufacturer</u>	<u>Serial Number</u>
-------------	--------------	---------------------------------	----------------------

(b) Other - NIL

2. PURCHASE MONEY SECURITY INTERESTS - NIL**3. PERMITTED ENCUMBRANCES**

NIL

SCHEDULE "B"**PERSONAL PROPERTY NOT INCLUDED IN COLLATERAL**

NIL

SCHEDULE "C"**1. LOCATIONS OF DEBTOR'S BUSINESS OPERATIONS**

(a) Chief Executive Office

#1115 – 8400 West Road, Richmond, BC V6X 0S7

(b) Other Locations

2. LOCATIONS OF RECORDS RELATING TO COLLATERAL

#1115 – 8400 West Road, Richmond, BC V6X 0S7

3. LOCATIONS OF COLLATERAL

As described in Schedule "E" attached hereto.

SCHEDULE "D"**ADDITIONAL COVENANTS, TERMS AND CONDITIONS**

Loan agreement dated as of the 17th day of February, 2022 (the "**Credit Agreement**") among, *inter alios*, the Debtor, as borrower, and the Lender, as lender, as amended, modified, supplemented, restated or replaced, from time to time.

SCHEDULE "E"**REAL PROPERTY**

The lands and premises located at:

8826 Jim Bailey Crescent, Kelowna, BC and legally described as PID: 024-666-947, Lot 6 Section 2 Township 20 Osoyoos Division Yale District Plan KAP65805; and

375 Potterton Road, Kelowna, BC and legally described as PID: 023-839-171, Lot D Section 2 Township 20 Osoyoos Division Yale District Plan KAP59703

Dated: March 3, 2022

FROM:

GENESIS MANNA HOLDING LTD.

and

ALLION HOLDINGS LTD.

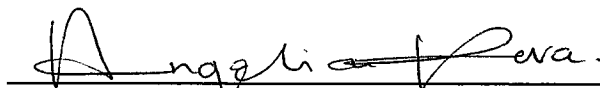
TO:

NATIONAL BANK OF CANADA

2900 – 475 Howe Street, Vancouver, BC V6C 2B3

GENERAL SECURITY AGREEMENT

This is **Exhibit "J"** referred to in the Affidavit #1 of John Karkoutlian made before me at Vancouver, British Columbia, on this 26th day of September, 2024.


A Commissioner for taking Affidavits
in the Province of British Columbia

ASSIGNMENT OF INSURANCE PROCEEDS

THIS ASSIGNMENT OF INSURANCE PROCEEDS dated for reference MMXCH 3, 2022.

MADE BY:

MANNA INDUSTRIAL FUND (VALUE-ADD) LIMITED PARTNERSHIP, a British Columbia limited partnership having an address at #1115 – 8400 West Road, Richmond, BC V6X 0S7

(the “Partnership”)

MANNA INDUSTRIAL FUND (VALUE-ADD) GP CORP. a company duly incorporated under the laws of the Province of British Columbia having an address at #1115 – 8400 West Road, Richmond, BC V6X 0S7

(the “GP” and together with the Partnership, the “Borrowers”)

8826 JIM BAILEY LTD. a company duly incorporated under the laws of the Province of British Columbia having an address at #1115 – 8400 West Road, Richmond, BC V6X 0S7

(the “JB Nominee”)

375 POTTERTON LTD. a company duly incorporated under the laws of the Province of British Columbia having an address at #1115 – 8400 West Road, Richmond, BC V6X 0S7

(the “Potterton Nominee” and together with the JB Nominee, the “Nominees” and the Nominees, together with the Borrowers, including their successors and assigns, collectively, the “Assignor”)

OF THE FIRST PART

IN FAVOUR OF:

NATIONAL BANK OF CANADA, having a mailing address at 2900 – 475 Howe Street, Vancouver, BC V6C 2B3

(including their successors and assigns, collectively, the “Lender”)

OF THE SECOND PART

WITNESSES THAT WHEREAS:

A. By a loan agreement dated February 17, 2022, as may be amended, restated, replaced or modified from time to time (the “**Loan Agreement**”), from the Lender to the Borrowers, and accepted by, *inter alios*, the Borrowers and the Nominees, the Lender has agreed to provide to the Borrowers a loan (the “**Loan**”) to be secured by a mortgage in the principal amount of \$28,700,000 and a general assignment of rents and leases (collectively, the “**Mortgage**”) made between the Nominees, as mortgagors, and the Lender, as mortgagee, over certain lands and premises located at (i) 8826 Jim Bailey

Crescent, Kelowna, BC and legally described as PID: 024-666-947, Lot 6 Section 2 Township 20 Osoyoos Division Yale District Plan KAP65805 and (ii) 375 Potterton Road, Kelowna, BC and legally described as PID: 023-839-171, Lot D Section 2 Township 20 Osoyoos Division Yale District Plan (the "**Mortgaged Property**").

B. The Assignor has granted, or proposes to grant (or cause to be granted) to the Lender other related security (together with the Loan Agreement and the Mortgage, the "**Security Instruments**") as further security for the Loan.

C. The Assignor has agreed, as a condition precedent to the Lender making advances to the Borrower pursuant to the Mortgage, to assign to the Lender all of the Assignor's rights, title and interest in all insurance policies (the "**Insurance Policies**") in connection with the Mortgaged Property.

NOW THEREFORE in consideration of advances made or to be made by the Lender to the Borrower pursuant to the Mortgage and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged) the Assignor agrees as follows:

1. The Assignor hereby covenants to and agrees with the Lender as follows:
 - (a) the Assignor hereby assigns, transfers and sets over unto the Lender all of its right, title and interest in and to any and all moneys and proceeds (the "**Proceeds**") paid or payable to the Assignor and any and all claims in respect thereof under or pursuant to the Insurance Policies with full power and authority to demand, sue for and collect the Proceeds either in the name of and as agent for the Assignor, or in the name of the Lender;
 - (b) notwithstanding any variation of the terms of the Security Instruments or any agreement or arrangement with the Assignor or any extension of time for payment or any release of part or parts of the Security Instruments, or of any collateral security, this Assignment shall continue as additional security for the indebtedness, until the whole of the indebtedness secured by the Security Instruments shall be fully paid and satisfied;
 - (c) any and all payments to be made by and responsibilities, burdens, obligations and liabilities of the Assignor under the Insurance Policies shall remain those of the Assignor and no such payments to be made by or responsibilities, burdens, obligations or liabilities of the Assignor are assigned hereby nor shall they be incurred by the Lender hereunder and that the Lender shall not by virtue of these presents be in any way liable under the Insurance Policies nor liable for any act or omissions whatsoever;
 - (d) the Lender shall be liable to account for only such Proceeds as may actually come into its hands by virtue of these presents after the deduction of all collection charges, costs and other expenses to which the Lender may be put in respect thereof and that such Proceeds when so received by it shall be applied on account of the indebtedness;
 - (e) the Assignor shall not at any time during the existence of the Loan without the consent in writing of the Lender, do or permit any act to be done which either directly or indirectly has the effect of transferring, waiving, releasing, reducing or abating any rights or remedies of the Assignor under or with respect to the Insurance Policies or terminate, accept a termination of, or amend in any material manner the Insurance Policies;

- (f) the Assignor shall, upon request from the Lender, forthwith deliver true copies of the Insurance Policies to the Lender;
- (g) the Assignor hereby agrees to execute such further assurances as may be required by the Lender from time to time to perfect this Assignment;
- (h) this Assignment is taken by way of additional security only, and neither the taking of this Assignment nor anything done in pursuance hereof shall in any way prejudice or limit the rights of the Lender or the obligations of the Assignor under the Security Instruments and the rights and remedies given to the Lender hereunder shall be in addition to and not in substitution for and shall not in any way derogate from or delay or prejudice any rights or remedies to which the Lender may be entitled under the Security Instruments or by law;
- (i) the Assignor covenants and agrees that it has not and will not assign the Proceeds or any part thereof or the Insurance Policies or any interest therein to any Person other than the Lender;
- (j) the Assignor will observe and perform all of its obligations under this Assignment;
- (k) at any time and from time to time, at its sole discretion, the Lender are hereby authorized to notify the insurers under the Insurance Policies of the existence of this Assignment and the Lender may take control of the Proceeds thereof and may direct such insurers to pay and remit directly to the Lender the amounts due and such insurers may accept the receipt of the Lender for any such payments as a full release for any amount so paid; and
- (l) the Assignor hereby irrevocably authorizes and directs any and all insurers under the Insurance Policies to, upon receipt of a notice of this Assignment from the Lender, pay any and all Proceeds otherwise payable to the Assignor directly to the Lender and this shall be their sole and sufficient authority for so doing.

2. Any provision hereof which is prohibited or unenforceable in any applicable jurisdiction will be ineffective to the extent of such prohibition or unenforceable without invalidating any remaining provisions hereof. To the extent permitted by law, the parties hereto hereby waive any provision of law which renders any such provision prohibited or unenforceable in any respect.

3. Except as herein provided neither this Assignment nor the rights nor duties of the Lender or the Assignor hereunder shall be changed, modified, waived, released or discharged in any way except by an instrument in writing signed, acknowledged and delivered by the Lender and the Assignor. No waiver of any provision hereunder shall be valid unless effected by written instrument signed by the waiving party and any such waiver shall be effective only in the specific instance and for the purpose of which the same shall be given.

4. No remedy herein or in the Security Instruments conferred upon or reserved to the Lender is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder or thereunder or now or hereafter existing at law or in equity or by statute. No delay or omission of the Lender to exercise their rights pursuant to the Security Instruments shall impair any such right or power, or shall be construed to be a waiver of any such event of default hereunder or any acquiescence therein and every power and remedy given by this Assignment and the Security Instruments may be exercised from time to time by the Lender as often as may be deemed expedient by the Lender.

5. The provisions of this Assignment shall be construed and interpreted in accordance with the laws of the Province of British Columbia and shall be binding upon and enure to the benefit of the Lender, the Assignor and their respective successors and assigns. All references to the parties herein shall include their respective successors and assigns. Except as provided in the immediately preceding sentence, nothing herein shall be deemed to create any rights, and this Assignment shall not be construed to be a contract in whole or in part for the benefit of any person or entity not a party hereto. To the extent permitted by law, this Assignment shall not be affected by any laws, ordinances or regulations, whether federal, provincial, county, city, municipal, or otherwise, which may be enacted or become effective from and after the date of this Assignment affecting or regulating or attempting to affect or regulate the payment of all or any portion of the Proceeds, or otherwise.

[Signature page follows]

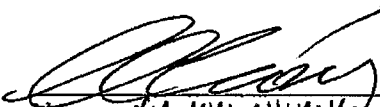
IN WITNESS WHEREOF the Assignor has executed this assignment on 3rd day of MARCH, 2022.

MANNA INDUSTRIAL FUND (VALUE-ADD) LIMITED PARTNERSHIP

by its general partner

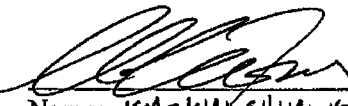
MANNA INDUSTRIAL FUND (VALUE-ADD) GP CORP.

by its authorized signatory:

By: 
 Name: KA-KAI CHIANG
 Title: DIRECTOR

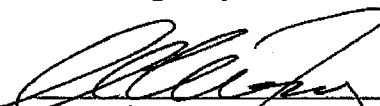
MANNA INDUSTRIAL FUND (VALUE-ADD) GP CORP.

by its authorized signatory:

By: 
 Name: KA-KAI CHIANG
 Title: DIRECTOR

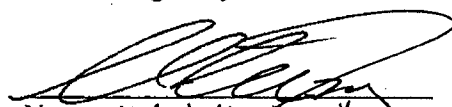
8826 JIM BAILEY LTD.

by its authorized signatory:

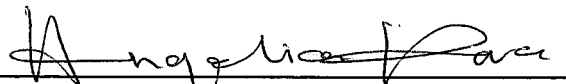
By: 
 Name: KA-KAI CHIANG
 Title: DIRECTOR

375 POTTERTON LTD.

by its authorized signatory:

By: 
 Name: KA-KAI CHIANG
 Title: DIRECTOR

This is **Exhibit "K"** referred to in the Affidavit #1 of John Karkoutlian made before me at Vancouver, British Columbia, on this 26th day of September, 2024.

A handwritten signature in black ink, appearing to read "Angelica Pava", written over a horizontal line.

A Commissioner for taking Affidavits
in the Province of British Columbia

LETTER OF GUARANTEE
(Canada except Quebec)

TO: NATIONAL BANK OF CANADA

1. In consideration of National Bank of Canada (hereinafter referred to as the "Lender") dealing with

MANNA INDUSTRIAL FUND (VALUE-ADD) LIMITED PARTNERSHIP and MANNA INDUSTRIAL FUND (VALUE-ADD) GP CORP.

(hereinafter referred to as the "Customer"), the undersigned and each of them, if more than one, hereby jointly and severally guarantee payment to the Lender of all present and future debts and liabilities (direct or indirect, absolute or contingent, matured or otherwise), now or at any time and from time to time hereafter due or owing to the Lender whether incurred by the Customer alone or jointly with any corporation, person or persons, or otherwise howsoever, including all costs and disbursements incurred by the Lender in view of recovering or attempting to recover said debts and liabilities. Provided, however, that the liability of the undersigned, and of each of the undersigned herein, is limited

to UNLIMITED

Dollars (\$ UNLIMITED), with interest thereon from the date payment is demanded, at the rate agreed upon between the Lender and the Customer.

2. In this guarantee, the word "Guarantor" shall mean the undersigned and if there is more than one, it shall mean each of them.
3. This guarantee shall not be affected by the death or loss or diminution of capacity of the Customer or of the Guarantor or by any change in the name of the Customer or in the membership of the firm of the Customer through the death or retirement of one or more partners or the introduction of one or more other partners or otherwise, or by the acquisition of the business of the Customer by a corporation, firm or person, or by any change whatsoever in the objects, capital structure or constitution of the Customer, or by the Customer or the business of the Customer being amalgamated with a firm or corporation but shall, notwithstanding the occurrence of any such event, continue to exist and apply to the full extent as if such event has not occurred. The Guarantor agrees to monitor changes in the financial position of the Customer and hereby releases the Lender from any liability resulting therefrom.
4. All monies, advances renewals and credits in fact borrowed or obtained from the Lender shall be deemed to form part of the debts and liabilities, notwithstanding any lack or limitation of status or of power, incapacity or disability of the Customer or of the directors, partners or agents thereof, or that the Customer may not be a legal or suable entity, or any irregularity, defect or informality in the borrowing or obtaining of such monies, advances, renewals or credits, the whole whether known to the Lender or not. Any sum which may not be recoverable from the Guarantor under the terms of a guarantee shall be recoverable from the Guarantor as sole and principal debtor in respect thereof and shall be paid to the Lender on demand with interest and incidental charges as herein provided.
5. This guarantee shall continue and be enforceable notwithstanding any amalgamation of the Lender with any other bank(s), financial institution(s) or other corporation(s), and any further amalgamation, in which event this guarantee shall also extend to all debts and liabilities then or thereafter owed by the Customer to the amalgamated bank. Furthermore, all security, real or personal, moveable or immovable, which have been or will be given by the Guarantor for the said debts and liabilities shall be valid in the hands of the Lender, as well as its successors and assigns.
6. It is further agreed that this shall be a continuing guarantee, and shall cover and secure any ultimate balance owing to the Lender.
7. This guarantee shall bind the Guarantor together with his heirs, successors, executors, administrators, legal representatives and assigns until termination thereof by notice in writing to the manager of the branch of the Lender at which the account of the Customer is held, but such termination by any of the guarantors or their respective heirs, successors, executors, administrators, legal representatives or assigns shall not prevent the continuance of the liability hereunder of any other guarantor. Such termination shall apply only to those debts or liabilities of the Customer incurred or arising after reception of the notice by the Lender, but not in respect of any prior debts or liabilities, matured or not. The notice of termination shall have no effect on those debts or liabilities incurred after reception of said notice which will result from express or implied commitments made prior to reception.
8. This guarantee will not be diminished or modified on account of any act on the part of the Lender which would prevent subrogation from operating in favour of the Guarantor. It is agreed that the Lender, without exonerating in whole or in part the Guarantor, may grant time, renewals, extensions, indulgences, releases and discharges to, may take security from, and give up or release any or part of the security held, may abstain from taking, perfecting, registering or renewing security or from realizing on security, may accept compositions and otherwise deal with the Customer and with any other person or persons, including any of the guarantors, and dispose of any security held by the Lender as it may see fit. It is further agreed that all dividends and monies received by the Lender from the Customer or from any other person, capable of being applied by the Lender in reduction of the debts and liabilities hereby guaranteed, shall be considered for all purposes as payment in gross which the Lender shall have the right to apply as it may see fit, not being bound by the law of imputation, and that the Lender shall be entitled to prove against the estate of the Customer upon any insolvency or winding up, in respect of the whole said debts and liabilities. The Guarantor shall have no right to be subrogated to the Lender until the Lender shall have received payment in full of its claims against the Customer with interest and costs. For greater certainty and without limitation, this guarantee will continue to apply in accordance with its terms and conditions to all present and future debts and liabilities of the Customer howsoever created including such debts and liabilities which may have matured or been expressly terminated by operation of law or any previous contract or instrument but revived, restated or recreated in any manner whatsoever and whether or not the undersigned has executed any contract or instrument other than this guarantee. A request for execution of the undersigned and failure to obtain it shall not amount to a waiver of this continuing obligation of the undersigned.
9. If any circumstances arise necessitating the Lender to file their claim against the estate of the Customer and to value their security, it will be entitled to place such valuation as the Lender may in their discretion see fit, and the filing of such claim and the valuation of their security shall in no way prejudice or restrict their rights against the Guarantor.
10. Each of the Lender shall not be obliged to exhaust its recourse against the Customer or other persons or the security it may hold before being entitled to payment from the Guarantor of any and all debts and liabilities hereby guaranteed and it shall not be obliged to offer or deliver its security before its whole claim has been paid. The Guarantor waives all benefits of discussion and division.
11. All indebtedness and liability, present and future, of the Customer to the Guarantor are hereby assigned to the Lender and postponed to the present and future debts and liabilities of the Customer to the Lender. All monies received from the Customer or on his behalf by the Guarantor shall be held as in his capacity as agent, mandatary and trustee for the Lender and shall be paid over to the Lender forthwith. This provision will remain in full force and effect, notwithstanding the termination of the guarantee pursuant to the provisions of paragraph 7 in which event it will terminate when the debts and liabilities of the Customer to the Lender covered by this guarantee pursuant to paragraph 7 hereof have been paid in full.
12. This guarantee is in addition to and not in substitution for any other guarantee, by whomsoever given, at any time held by the Lender, and without prejudice to any other security by whomsoever given held at any time by the Lender and the Lender shall be under no obligation to marshal in favour of the Guarantor any such security or any of the funds or assets the Lender may be entitled to receive or have a claim upon.
13. The Guarantor shall be bound by any account settled between the Lender and the Customer and, if no such account has been so settled, any account stated by the Lender shall be accepted by the Guarantor as conclusive evidence of the amount which at the date of the account so stated is due by the Customer to the Lender.
14. The Guarantor shall make payment to the Lender of the amount of his liability forthwith after demand therefor is made in writing. Such demand shall be deemed to have been made when a postage-paid envelope containing it addressed to the Guarantor at his last address known to the Lender is mailed. The liability of the Guarantor shall bear interest from the date of such demand at the rate or rates then applicable to the debts and liabilities of the Customer to the Lender.

15. This guarantee and agreement shall be valid and binding upon every signatory thereof notwithstanding the non-execution thereof by any other proposed signatory or signatories, and possession of this instrument by the Lender shall be conclusive evidence against the Guarantor that this instrument was not delivered in escrow or pursuant to any agreement that it should not be effective until any condition has been complied with. None of the parties shall be bound by any representation or promise made by any person relative thereto which is not embodied herein. The liability of the Guarantor hereunder begins on the date of his signature on this letter of guarantee.
16. This guarantee shall be binding upon the undersigned and any of them, if more than one, jointly and severally between them and with the Customer and also upon the heirs, executors, administrators and successors of the Guarantor and will extend to and enure to the benefit of the successors and assigns of the Lender. Each and every provision hereof is severable and should any provision hereof be illegal or not enforceable for any reason whatsoever, such illegality or invalidity shall not affect the other provisions hereof which shall remain in force and be binding on the parties hereto. I (we) hereby acknowledge that a copy of this Letter of Guarantee was handed over to me (us) on the date hereof.
17. The Guarantor acknowledges having read and taken cognizance of the present Letter or Guarantee before signing it and declares that he understands perfectly the terms, conditions and undertakings contained therein.
18. This Letter of Guarantee shall be construed and governed in accordance with the laws of the Province of British Columbia and the Guarantor agrees that any legal suit, action or proceeding arising out of or relating to this Letter of Guarantee may be instituted in the courts of such province, and the Guarantor hereby accepts and irrevocably submits to the jurisdiction of the said courts, and acknowledges their competence and agrees to be bound by any judgment thereof, provided that nothing herein shall limit the Lender's right to bring proceedings against the Guarantor elsewhere.

IN WITNESS WHEREOF the Guarantor has signed at
this 3rd day of MARCH, 2022
SIGNED SEALED AND DELIVERED

VANCOUVER BC

WITNESS

GUARANTOR(S):

8826 JIM BAILEY LTD.

By its authorized signatory:

Name: KA-KAI CHIANG
Title: DIRECTOR

375 POTTERTON LTD.

By its authorized signatory:

Name: KA-KAI CHIANG
Title: DIRECTOR

NEIL DAVIE
First and last name (in block letters)

NEIL DAVIE
First and last name (in block letters)

I (we) hereby acknowledge that a copy of this Letter of Guarantee was handed over to me (us) on the date hereof.

Signature of Guarantor(s)

8826 JIM BAILEY LTD.

By its authorized signatory:

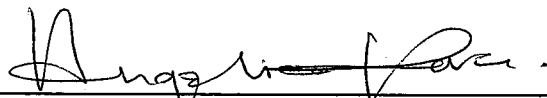
Name: KA-KAI CHIANG
Title: DIRECTOR

375 POTTERTON LTD.

By its authorized signatory:

Name: KA-KAI CHIANG
Title: DIRECTOR

This is **Exhibit "L"** referred to in the Affidavit #1 of John Karkoutlian made before me at Vancouver, British Columbia, on this 26th day of September, 2024.

A handwritten signature in black ink, appearing to read "Angela Perre", written over a horizontal line.

A Commissioner for taking Affidavits
in the Province of British Columbia

LETTER OF GUARANTEE
(Canada except Quebec)

TO: NATIONAL BANK OF CANADA

1. In consideration of National Bank of Canada (hereinafter referred to as the "Lender") dealing with

MANNA INDUSTRIAL FUND (VALUE-ADD) LIMITED PARTNERSHIP and MANNA INDUSTRIAL FUND (VALUE-ADD) GP CORP.

(hereinafter referred to as the "Customer"), the undersigned and each of them, if more than one, hereby jointly and severally guarantee payment to the Lender of all present and future debts and liabilities (direct or indirect, absolute or contingent, matured or otherwise), now or at any time and from time to time hereafter due or owing to the Lender whether incurred by the Customer alone or jointly with any corporation, person or persons, or otherwise howsoever, including all costs and disbursements incurred by the Lender in view of recovering or attempting to recover said debts and liabilities. Provided, however, that the liability of the undersigned, and of each of the undersigned herein, is limited

to Twenty Eight Million Seven Hundred Thousand --

Dollars (\$ 28,700,000), with interest thereon from the date payment is demanded, at the rate agreed upon between the Lender and the Customer.

2. In this guarantee, the word "Guarantor" shall mean the undersigned and if there is more than one, it shall mean each of them.
3. This guarantee shall not be affected by the death or loss or diminution of capacity of the Customer or of the Guarantor or by any change in the name of the Customer or in the membership of the firm of the Customer through the death or retirement of one or more partners or the introduction of one or more other partners or otherwise, or by the acquisition of the business of the Customer by a corporation, firm or person, or by any change whatsoever in the objects, capital structure or constitution of the Customer, or by the Customer or the business of the Customer being amalgamated with a firm or corporation but shall, notwithstanding the occurrence of any such event, continue to exist and apply to the full extent as if such event has not occurred. The Guarantor agrees to monitor changes in the financial position of the Customer and hereby releases the Lender from any liability resulting therefrom.
4. All monies, advances renewals and credits in fact borrowed or obtained from the Lender shall be deemed to form part of the debts and liabilities, notwithstanding any lack or limitation of status or of power, incapacity or disability of the Customer or of the directors, partners or agents thereof, or that the Customer may not be a legal or suable entity, or any irregularity, defect or informality in the borrowing or obtaining of such monies, advances, renewals or credits, the whole whether known to the Lender or not. Any sum which may not be recoverable from the Guarantor under the terms of a guarantee shall be recoverable from the Guarantor as sole and principal debtor in respect thereof and shall be paid to the Lender on demand with interest and incidental charges as herein provided.
5. This guarantee shall continue and be enforceable notwithstanding any amalgamation of the Lender with any other bank(s), financial institution(s) or other corporation(s), and any further amalgamation, in which event this guarantee shall also extend to all debts and liabilities then or thereafter owed by the Customer to the amalgamated bank. Furthermore, all security, real or personal, moveable or immovable, which have been or will be given by the Guarantor for the said debts and liabilities shall be valid in the hands of the Lender, as well as its successors and assigns.
6. It is further agreed that this shall be a continuing guarantee, and shall cover and secure any ultimate balance owing to the Lender.
7. This guarantee shall bind the Guarantor together with his heirs, successors, executors, administrators, legal representatives and assigns until termination thereof by notice in writing to the manager of the branch of the Lender at which the account of the Customer is held, but such termination by any of the guarantors or their respective heirs, successors, executors, administrators, legal representatives or assigns shall not prevent the continuance of the liability hereunder of any other guarantor. Such termination shall apply only to those debts or liabilities of the Customer incurred or arising after reception of the notice by the Lender, but not in respect of any prior debts or liabilities, matured or not. The notice of termination shall have no effect on those debts or liabilities incurred after reception of said notice which will result from express or implied commitments made prior to reception.
8. This guarantee will not be diminished or modified on account of any act on the part of the Lender which would prevent subrogation from operating in favour of the Guarantor. It is agreed that the Lender, without exonerating in whole or in part the Guarantor, may grant time, renewals, extensions, indulgences, releases and discharges to, may take security from, and give up or release any or part of the security held, may abstain from taking, perfecting, registering or renewing security or from realizing on security, may accept compositions and otherwise deal with the Customer and with any other person or persons, including any of the guarantors, and dispose of any security held by the Lender as it may see fit. It is further agreed that all dividends and monies received by the Lender from the Customer or from any other person, capable of being applied by the Lender in reduction of the debts and liabilities hereby guaranteed, shall be considered for all purposes as payment in gross which the Lender shall have the right to apply as it may see fit, not being bound by the law of imputation, and that the Lender shall be entitled to prove against the estate of the Customer upon any insolvency or winding up, in respect of the whole said debts and liabilities. The Guarantor shall have no right to be subrogated to the Lender until the Lender shall have received payment in full of its claims against the Customer with interest and costs. For greater certainty and without limitation, this guarantee will continue to apply in accordance with its terms and conditions to all present and future debts and liabilities of the Customer howsoever created including such debts and liabilities which may have matured or been expressly terminated by operation of law or any previous contract or instrument but revived, restated or recreated in any manner whatsoever and whether or not the undersigned has executed any contract or instrument other than this guarantee. A request for execution of the undersigned and failure to obtain it shall not amount to a waiver of this continuing obligation of the undersigned.
9. If any circumstances arise necessitating the Lender to file their claim against the estate of the Customer and to value their security, it will be entitled to place such valuation as the Lender may in their discretion see fit, and the filing of such claim and the valuation of their security shall in no way prejudice or restrict their rights against the Guarantor.
10. Each of the Lender shall not be obliged to exhaust its recourse against the Customer or other persons or the security it may hold before being entitled to payment from the Guarantor of any and all debts and liabilities hereby guaranteed and it shall not be obliged to offer or deliver its security before its whole claim has been paid. The Guarantor waives all benefits of discussion and division.
11. All indebtedness and liability, present and future, of the Customer to the Guarantor are hereby assigned to the Lender and postponed to the present and future debts and liabilities of the Customer to the Lender. All monies received from the Customer or on his behalf by the Guarantor shall be held as in his capacity as agent, mandatary and trustee for the Lender and shall be paid over to the Lender forthwith. This provision will remain in full force and effect, notwithstanding the termination of the guarantee pursuant to the provisions of paragraph 7 in which event it will terminate when the debts and liabilities of the Customer to the Lender covered by this guarantee pursuant to paragraph 7 hereof have been paid in full.
12. This guarantee is in addition to and not in substitution for any other guarantee, by whomsoever given, at any time held by the Lender, and without prejudice to any other security by whomsoever given held at any time by the Lender and the Lender shall be under no obligation to marshal in favour of the Guarantor any such security or any of the funds or assets the Lender may be entitled to receive or have a claim upon.
13. The Guarantor shall be bound by any account settled between the Lender and the Customer and, if no such account has been so settled, any account stated by the Lender shall be accepted by the Guarantor as conclusive evidence of the amount which at the date of the account so stated is due by the Customer to the Lender.
14. The Guarantor shall make payment to the Lender of the amount of his liability forthwith after demand therefor is made in writing. Such demand shall be deemed to have been made when a postage-paid envelope containing it addressed to the Guarantor at his last address known to the Lender is mailed. The liability of the Guarantor shall bear interest from the date of such demand at the rate or rates then applicable to the debts and liabilities of the Customer to the Lender.

15. This guarantee and agreement shall be valid and binding upon every signatory thereof notwithstanding the non-execution thereof by any other proposed signatory or signatories, and possession of this instrument by the Lender shall be conclusive evidence against the Guarantor that this instrument was not delivered in escrow or pursuant to any agreement that it should not be effective until any condition has been complied with. None of the parties shall be bound by any representation or promise made by any person relative thereto which is not embodied herein. The liability of the Guarantor hereunder begins on the date of his signature on this letter of guarantee.
16. This guarantee shall be binding upon the undersigned and any of them, if more than one, jointly and severally between them and with the Customer and also upon the heirs, executors, administrators and successors of the Guarantor and will extend to and enure to the benefit of the successors and assigns of the Lender. Each and every provision hereof is severable and should any provision hereof be illegal or not enforceable for any reason whatsoever, such illegality or invalidity shall not affect the other provisions hereof which shall remain in force and be binding on the parties hereto. I (we) hereby acknowledge that a copy of this Letter of Guarantee was handed over to me (us) on the date hereof.
17. The Guarantor acknowledges having read and taken cognizance of the present Letter or Guarantee before signing it and declares that he understands perfectly the terms, conditions and undertakings contained therein.
18. This Letter of Guarantee shall be construed and governed in accordance with the laws of the Province of British Columbia and the Guarantor agrees that any legal suit, action or proceeding arising out of or relating to this Letter of Guarantee may be instituted in the courts of such province, and the Guarantor hereby accepts and irrevocably submits to the jurisdiction of the said courts, and acknowledges their competence and agrees to be bound by any judgment thereof, provided that nothing herein shall limit the Lender's right to bring proceedings against the Guarantor elsewhere.

IN WITNESS WHEREOF the Guarantee has signed at
this 2nd day of MARCH, 2022
SIGNED SEALED AND DELIVERED

VANCOUVER, BC

WITNESS

NEIL DAVIE
First and last name (in block letters)

GUARANTOR(S):

GENESIS MANNA HOLDING LTD.

By its authorized signatory:

YUAN HONG WEI
Name: YUAN HONG WEI
Title: DIRECTOR

NEIL DAVIE
First and last name (in block letters)

ALLION HOLDINGS LTD.

By its authorized signatory:

FA-KAI CHIANG
Name: FA-KAI CHIANG
Title: DIRECTOR

I (we) hereby acknowledge that a copy of this Letter of Guarantee was handed over to me (us) on the date hereof.

Signature of Guarantor(s)

GENESIS MANNA HOLDING LTD.

By its authorized signatory:


YUAN HONG WEI
Name: YUAN HONG WEI
Title: DIRECTOR

ALLION HOLDINGS LTD.

By its authorized signatory:

FA-KAI CHIANG
Name: FA-KAI CHIANG
Title: DIRECTOR

This is **Exhibit "M"** referred to in the Affidavit #1 of John Karkoutlian made before me at Vancouver, British Columbia, on this 26th day of September, 2024.

A handwritten signature in black ink, appearing to read "Angelica Fera", written over a horizontal line.

A Commissioner for taking Affidavits
in the Province of British Columbia

LETTER OF GUARANTEE
(Canada except Quebec)

TO: NATIONAL BANK OF CANADA

1. In consideration of National Bank of Canada (hereinafter referred to as the "Lender") dealing with

MANNA INDUSTRIAL FUND (VALUE-ADD) LIMITED PARTNERSHIP and MANNA INDUSTRIAL FUND (VALUE-ADD) GP CORP.

(hereinafter referred to as the "Customer"), the undersigned and each of them, if more than one, hereby jointly and severally guarantee payment to the Lender of all present and future debts and liabilities (direct or indirect, absolute or contingent, matured or otherwise), now or at any time and from time to time hereafter due or owing to the Lender whether incurred by the Customer alone or jointly with any corporation, person or persons, or otherwise howsoever, including all costs and disbursements incurred by the Lender in view of recovering or attempting to recover said debts and liabilities. Provided, however, that the liability of the undersigned, and of each of the undersigned herein, is limited

to Twenty Eight Million Seven Hundred Thousand --

Dollars (\$ 28,700,000), with interest thereon from the date payment is demanded, at the rate agreed upon between the Lender and the Customer.

2. In this guarantee, the word "Guarantor" shall mean the undersigned and if there is more than one, it shall mean each of them.
3. This guarantee shall not be affected by the death or loss or diminution of capacity of the Customer or of the Guarantor or by any change in the name of the Customer or in the membership of the firm of the Customer through the death or retirement of one or more partners or the introduction of one or more other partners or otherwise, or by the acquisition of the business of the Customer by a corporation, firm or person, or by any change whatsoever in the objects, capital structure or constitution of the Customer, or by the Customer or the business of the Customer being amalgamated with a firm or corporation but shall, notwithstanding the occurrence of any such event, continue to exist and apply to the full extent as if such event has not occurred. The Guarantor agrees to monitor changes in the financial position of the Customer and hereby releases the Lender from any liability resulting therefrom.
4. All monies, advances renewals and credits in fact borrowed or obtained from the Lender shall be deemed to form part of the debts and liabilities, notwithstanding any lack or limitation of status or of power, incapacity or disability of the Customer or of the directors, partners or agents thereof, or that the Customer may not be a legal or suable entity, or any irregularity, defect or informality in the borrowing or obtaining of such monies, advances, renewals or credits, the whole whether known to the Lender or not. Any sum which may not be recoverable from the Guarantor under the terms of a guarantee shall be recoverable from the Guarantor as sole and principal debtor in respect thereof and shall be paid to the Lender on demand with interest and incidental charges as herein provided.
5. This guarantee shall continue and be enforceable notwithstanding any amalgamation of the Lender with any other bank(s), financial institution(s) or other corporation(s), and any further amalgamation, in which event this guarantee shall also extend to all debts and liabilities then or thereafter owed by the Customer to the amalgamated bank. Furthermore, all security, real or personal, moveable or immovable, which have been or will be given by the Guarantor for the said debts and liabilities shall be valid in the hands of the Lender, as well as its successors and assigns.
6. It is further agreed that this shall be a continuing guarantee, and shall cover and secure any ultimate balance owing to the Lender.
7. This guarantee shall bind the Guarantor together with his heirs, successors, executors, administrators, legal representatives and assigns until termination thereof by notice in writing to the manager of the branch of the Lender at which the account of the Customer is held, but such termination by any of the guarantors or their respective heirs, successors, executors, administrators, legal representatives or assigns shall not prevent the continuance of the liability hereunder of any other guarantor. Such termination shall apply only to those debts or liabilities of the Customer incurred or arising after reception of the notice by the Lender, but not in respect of any prior debts or liabilities, matured or not. The notice of termination shall have no effect on those debts or liabilities incurred after reception of said notice which will result from express or implied commitments made prior to reception.
8. This guarantee will not be diminished or modified on account of any act on the part of the Lender which would prevent subrogation from operating in favour of the Guarantor. It is agreed that the Lender, without exonerating in whole or in part the Guarantor, may grant time, renewals, extensions, indulgences, releases and discharges to, may take security from, and give up or release any or part of the security held, may abstain from taking, perfecting, registering or renewing security or from realizing on security, may accept compositions and otherwise deal with the Customer and with any other person or persons, including any of the guarantors, and dispose of any security held by the Lender as it may see fit. It is further agreed that all dividends and monies received by the Lender from the Customer or from any other person, capable of being applied by the Lender in reduction of the debts and liabilities hereby guaranteed, shall be considered for all purposes as payment in gross which the Lender shall have the right to apply as it may see fit, not being bound by the law of imputation, and that the Lender shall be entitled to prove against the estate of the Customer upon any insolvency or winding up, in respect of the whole said debts and liabilities. The Guarantor shall have no right to be subrogated to the Lender until the Lender shall have received payment in full of its claims against the Customer with interest and costs. For greater certainty and without limitation, this guarantee will continue to apply in accordance with its terms and conditions to all present and future debts and liabilities of the Customer howsoever created including such debts and liabilities which may have matured or been expressly terminated by operation of law or any previous contract or instrument but revived, restated or recreated in any manner whatsoever and whether or not the undersigned has executed any contract or instrument other than this guarantee. A request for execution of the undersigned and failure to obtain it shall not amount to a waiver of this continuing obligation of the undersigned.
9. If any circumstances arise necessitating the Lender to file their claim against the estate of the Customer and to value their security, it will be entitled to place such valuation as the Lender may in their discretion see fit, and the filing of such claim and the valuation of their security shall in no way prejudice or restrict their rights against the Guarantor.
10. Each of the Lender shall not be obliged to exhaust its recourse against the Customer or other persons or the security it may hold before being entitled to payment from the Guarantor of any and all debts and liabilities hereby guaranteed and it shall not be obliged to offer or deliver its security before its whole claim has been paid. The Guarantor waives all benefits of discussion and division.
11. All indebtedness and liability, present and future, of the Customer to the Guarantor are hereby assigned to the Lender and postponed to the present and future debts and liabilities of the Customer to the Lender. All monies received from the Customer or on his behalf by the Guarantor shall be held as in his capacity as agent, mandatary and trustee for the Lender and shall be paid over to the Lender forthwith. This provision will remain in full force and effect, notwithstanding the termination of the guarantee pursuant to the provisions of paragraph 7 in which event it will terminate when the debts and liabilities of the Customer to the Lender covered by this guarantee pursuant to paragraph 7 hereof have been paid in full.
12. This guarantee is in addition to and not in substitution for any other guarantee, by whomsoever given, at any time held by the Lender, and without prejudice to any other security by whomsoever given held at any time by the Lender and the Lender shall be under no obligation to marshal in favour of the Guarantor any such security or any of the funds or assets the Lender may be entitled to receive or have a claim upon.
13. The Guarantor shall be bound by any account settled between the Lender and the Customer and, if no such account has been so settled, any account stated by the Lender shall be accepted by the Guarantor as conclusive evidence of the amount which at the date of the account so stated is due by the Customer to the Lender.
14. The Guarantor shall make payment to the Lender of the amount of his liability forthwith after demand therefor is made in writing. Such demand shall be deemed to have been made when a postage-paid envelope containing it addressed to the Guarantor at his last address known to the Lender is mailed. The liability of the Guarantor shall bear interest from the date of such demand at the rate or rates then applicable to the debts and liabilities of the Customer to the Lender.

15. This guarantee and agreement shall be valid and binding upon every signatory thereof notwithstanding the non-execution thereof by any other proposed signatory or signatories, and possession of this instrument by the Lender shall be conclusive evidence against the Guarantor that this instrument was not delivered in escrow or pursuant to any agreement that it should not be effective until any condition has been complied with. None of the parties shall be bound by any representation or promise made by any person relative thereto which is not embodied herein. The liability of the Guarantor hereunder begins on the date of his signature on this letter of guarantee.
16. This guarantee shall be binding upon the undersigned and any of them, if more than one, jointly and severally between them and with the Customer and also upon the heirs, executors, administrators and successors of the Guarantor and will extend to and enure to the benefit of the successors and assigns of the Lender. Each and every provision hereof is severable and should any provision hereof be illegal or not enforceable for any reason whatsoever, such illegality or invalidity shall not affect the other provisions hereof which shall remain in force and be binding on the parties hereto. I (we) hereby acknowledge that a copy of this Letter of Guarantee was handed over to me (us) on the date hereof.
17. The Guarantor acknowledges having read and taken cognizance of the present Letter or Guarantee before signing it and declares that he understands perfectly the terms, conditions and undertakings contained therein.
18. This Letter of Guarantee shall be construed and governed in accordance with the laws of the Province of British Columbia and the Guarantor agrees that any legal suit, action or proceeding arising out of or relating to this Letter of Guarantee may be instituted in the courts of such province, and the Guarantor hereby accepts and irrevocably submits to the jurisdiction of the said courts, and acknowledges their competence and agrees to be bound by any judgment thereof, provided that nothing herein shall limit the Lender's right to bring proceedings against the Guarantor elsewhere.

IN WITNESS WHEREOF the Guarantee has signed at
this 3rd day of MARCH, 2022
SIGNED SEALED AND DELIVERED

VANCOUVER, BC

WITNESS

GUARANTOR(S):

MURDO NEIL DAVIE
First and last name (in block letters)

MICHAEL CHIANG

MURDO NEIL DAVIE
First and last name (in block letters)

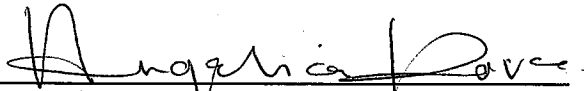
NANCY WEI

I (we) hereby acknowledge that a copy of this Letter of Guarantee was handed over to me (us) on the date hereof.

Signature of Guarantor(s)

MICHAEL CHIANG
NANCY WEI

This is **Exhibit "N"** referred to in the Affidavit #1 of John Karkoutlian made before me at Vancouver, British Columbia, on this 26th day of September, 2024.

A handwritten signature in black ink, appearing to read "Angelica Dove", written over a horizontal line.

A Commissioner for taking Affidavits
in the Province of British Columbia

ASSIGNMENT OF SECURITY DEPOSITS

BETWEEN:

**NATIONAL BANK OF CANADA
(hereinafter referred to as the "Lender")**

-and-

**MANNA INDUSTRIAL FUND (VALUE-ADD) LIMITED PARTNERSHIP and MANNA
INDUSTRIAL FUND (VALUE-ADD) GP CORP.
(hereinafter collectively referred to as the "Debtor")**

WHEREAS:

A. The Debtor is indebted to the Lender which indebtedness is secured by, and is repayable in accordance with, the Mortgage; and

B. The Lender has required that the Debtor maintain the Deposit Account and as collateral security for the Mortgage, the Lender has required that the Debtor pledge and assign the Deposit Account to the Lender;

NOW THEREFORE, in consideration of the Lender advancing funds to the Debtor, the Debtor hereby covenants and agrees as follows:

ARTICLE 1

1.1 Definitions

In this Agreement, unless there is something in the context or subject-matter inconsistent therewith:

- (a) **"Adjustment Date"** means, for the purpose of Section 2.2 hereof, the 31st day of December in the immediately preceding calendar year;
- (b) **"Agreement"** means this Assignment of Security Deposits and includes the preamble and the Schedules attached hereto;
- (c) **"Debtor"** collectively means MANNA INDUSTRIAL FUND (VALUE-ADD) LIMITED PARTNERSHIP by its general partner MANNA INDUSTRIAL FUND (VALUE-ADD) GP CORP.
- (d) **"Deposit Account"** means a trust fund to be established and maintained by the Debtor and this Agreement and shall include all Security Deposits and all Interest, which Deposit Account is more particularly described in Schedule "A" attached hereto;
- (e) **"Interest"** means all interest payable by the Debtor, as landlord, on the Security Deposits, calculated in accordance with the Agreement;
- (g) **"Lender"** means NATIONAL BANK OF CANADA;
- (h) **"Mortgage"** means that certain land mortgage granted by 8826 JIM BAILEY LTD. and 375 POTTERTON LTD. to the Lender concurrently herewith, to be registered as a first mortgage charge against title to the Project;
- (i) **"Project"** means those certain rental units of the Project located at:

8826 Jim Bailey Crescent, Kelowna, BC and legally described as PID: 024-666-947, Lot 6 Section 2 Township 20 Osoyoos Division Yale District Plan KAP65805, and

375 Potterton Road, Kelowna, BC and legally described as PID: 023-839-171, Lot D Section 2 Township 20 Osoyoos Division Yale District Plan KAP59703;

- (j) **"Security Deposits"** means all monies collected from the tenants of the Project, or which are payable to the tenants of the Project from time to time, as security deposits;

1.2 Interpretation

Wherever the singular, plural, masculine, feminine or neuter is used throughout this Agreement, the same shall be construed as meaning the singular, plural, masculine, feminine, neuter, body politic or body corporate where the fact or context so requires and the provisions hereof and all covenants herein shall be construed to be joint several when applicable to more than one party.

1.3 Enurement

This Agreement shall enure to the benefit of and be binding upon the parties hereto and the successors and permitted assigns of the Debtor.

ARTICLE 2

2.1 Maintenance of Deposit Account

Forthwith upon the advance of the funds secured by the Mortgage, the Debtor shall deposit sufficient funds in the Deposit Account to meet the Debtor's current obligations (as of the date of this Agreement) with respect to Security Deposits and Interest. Thereafter, the Debtor shall deposit all Security Deposits received in the Deposit Account forthwith upon receipt of the same. The Debtor hereby authorizes the Lender to deduct sufficient funds from any mortgage advance to create the initial Deposit Account.

2.2 Interest

The Deposit Account shall be an interest-bearing account and all interest earned upon the Security Deposits shall be retained in the Deposit Account subject to the terms of this Agreement. On or before January 31st of each year the Debtor shall, if requested in writing by the Lender, provide the Lender with a detailed accounting of the amount of Security Deposits and Interest outstanding to the tenants of the Project on the Adjustment Date certified correct by an officer of the Debtor.

2.3 Trust Funds

All Security Deposits and Interest in the Deposit Account shall for all purposes be trust funds and the Debtor hereby acknowledges and declares that such funds are held by the Debtor in trust for the tenants of the Project as their respective interests may appear. All Security Deposits and Interest withdrawn from the Deposit Account shall remain trust funds until received by the beneficial owner thereof. The Debtor shall not intermingle the Security Deposits and Interest with any other funds belonging to the Debtor or any other person.

2.4 Withdrawals from Deposit Account

The Debtor shall not withdraw any funds from the Deposit Account without the prior written consent of the Lender except in the ordinary course of business

2.5 Access to Deposit Account

Unless otherwise agreed to in writing by the Lender, the Deposit Account may only be accessed by the following persons:

- (a) the Debtor; and
- (b) the Lender.

2.6 Setup of Deposit Account

In the event the Deposit Account is not set up prior to the advance under the Mortgage and the Lender, despite same, advances under the Mortgage, the Debtor hereby undertakes and agrees to proceed diligently to set up the Deposit Account, to comply with the terms of 2.1 hereof and to forthwith provide to the Lender the Schedule A particulars of the Deposit Account. Failure to do so shall constitute a default under the Mortgage.

ARTICLE 3

3.1 Assignment

The Debtor hereby assigns, pledges and transfers the Deposit Account and all funds deposited therein to the Lender as security for the Debtor's obligations under the Mortgage. Notwithstanding the foregoing, until default occurs under the Mortgage, the Debtor shall be at liberty to deal with the Deposit Account in accordance with the terms of this Agreement.

3.2 Default

Upon default occurring under Mortgage and the Lender taking steps to realize on its security, all interest of the Debtor in the Deposit Account, the Security Deposits, the Interest and any other funds in the Deposit Account shall immediately cease and vest in the Lender and the Lender shall be entitled to hold and deal with the same without interference from the Debtor. A default under this Agreement shall constitute a default under the Mortgage.

3.3 Sale of Project

In the event that the Project is sold and the balance secured by the Mortgage is fully paid, the Lender shall release its rights hereunder but only upon payment in full of the balance secured by the Mortgage. In the event that the Lender or any other party becomes owner of the Project as a result of the enforcement of the Mortgage, the Deposit Account and all funds contained therein shall become conclusively the property of the owner of the Project.

ARTICLE 4

4.1 Notices

Any notices to be given hereunder shall be given in accordance with the Mortgage.

4.2 Governing Law

This Agreement shall be governed by and interpreted in accordance with the laws of the Province of British Columbia and the Courts of the Province of British Columbia shall have exclusive jurisdiction over any dispute arising herefrom.

4.3 Receiver

The rights of the Lender hereunder may be exercised by any receiver or receiver and manager appointed by, or on behalf of, the Lender by private appointment or by court appointment.

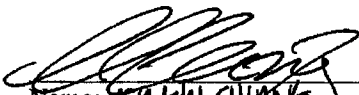
4.4 Change of Deposit Account

In the event the Debtor opens a new or replacement Deposit Account it undertakes and agrees to forthwith provide the Lender with the Schedule A particulars of the Deposit Account and the terms hereof shall apply to the new or replacement account.

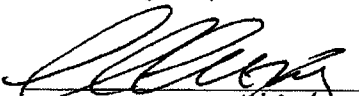
[Signature Page Follows]

IN WITNESS WHEREOF the Debtor has executed this Agreement on this 3rd day of MARCH, 2022.

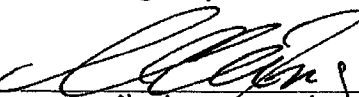
MANNA INDUSTRIAL FUND (VALUE-ADD) LIMITED PARTNERSHIP, by its general partner, **MANNA INDUSTRIAL FUND (VALUE-ADD) GP CORP.**
by its authorized signatory:

By: 
Name: KA-KAI CHIANG
Title: DIRECTOR

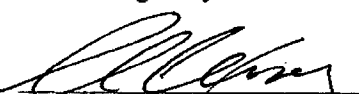
MANNA INDUSTRIAL FUND (VALUE-ADD) GP CORP.
by its authorized signatory:

By: 
Name: KA-KAI CHIANG
Title: DIRECTOR

8826 JIM BAILEY LTD.
by its authorized signatory:

By: 
Name: KA-KAI CHIANG
Title: DIRECTOR

375 POTTERTON LTD.
by its authorized signatory:

By: 
Name: KA-KAI CHIANG
Title: DIRECTOR

SCHEDULE "A"

Description of Deposit Account

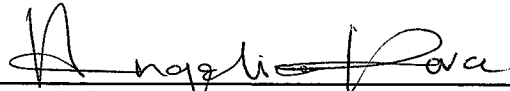
BRANCH: _____

PHONE #: _____

ACCOUNT #: _____

::

This is **Exhibit "O"** referred to in the Affidavit #1 of John Karkoutlian made before me at Vancouver, British Columbia, on this 26th day of September, 2024.

A handwritten signature in black ink, appearing to read "Angelia Pava", written over a horizontal line.

A Commissioner for taking Affidavits
in the Province of British Columbia

ENVIRONMENTAL INDEMNITY AGREEMENT

THIS AGREEMENT dated for reference MARCH 3, 2022

BETWEEN:

NATIONAL BANK OF CANADA, a Canadian chartered bank having a mailing address at 2900 – 475 Howe Street, Vancouver, BC V6C 2B3

(the “**Lender**”)

AND:

MANNA INDUSTRIAL FUND (VALUE-ADD) LIMITED PARTNERSHIP, a British Columbia limited partnership having a mailing address at #1115 – 8400 West Road, Richmond, BC V6X 0S7 (the “**Partnership**”)

MANNA INDUSTRIAL FUND (VALUE-ADD) GP CORP., (Incorporation Number BC1253991), a British Columbia company having a mailing address at #1115 – 8400 West Road, Richmond, BC V6X 0S7 (the “**GP**”)

(collectively, the “**Borrowers**”)

AND:

8826 JIM BAILEY LTD. (Incorporation Number BC1045505), a British Columbia company having a mailing address at #1115 – 8400 West Road, Richmond, BC V6X 0S7 (the “**JB Nominee**”)

375 POTTERTON LTD. (Incorporation Number BC1045502), a British Columbia company having a mailing address at #1115 – 8400 West Road, Richmond, BC V6X 0S7 (the “**Potterton Nominee**”)

(collectively, the “**Nominees**”)

GENESIS MANNA HOLDING LTD. (Incorporation Number BC1252105), a British Columbia company having a mailing address at #1115 – 8400 West Road, Richmond, BC V6X 0S7

ALLION HOLDINGS LTD. (Registration Number in BC A0120720), a company extra-provincially registered in British Columbia having a mailing address at #1115 – 8400 West Road, Richmond, BC V6X 0S7

(collectively, the “**Corporate Guarantors**”)

MICHAEL CHIANG, having a mailing address at #1115 – 8400 West Road, Richmond, BC V6X 0S7

NANCY WEI, having a mailing address at N208 – 5811 Cooney Road, Richmond, BC V6X 3M1

(collectively, the **"Personal Guarantors"** and together with the Borrowers, the Nominees, and the Corporate Guarantors, collectively, the **"Indemnitors"**)

WITNESSES THAT WHEREAS:

- A. The Borrowers and the Lender, among others, have entered into a loan agreement dated February 17, 2022 as may be amended, restated or otherwise modified from time to time for loans and /or other credit facilities (the **"Loan"**) in favour of the Borrowers;
- B. The JB Nominee is the registered owner and the Partnership is the beneficial owner of the lands and premises located at 8826 Jim Bailey Crescent, Kelowna, BC and legally described as PID: 024-666-947, Lot 6 Section 2 Township 20 Osoyoos Division Yale District Plan KAP65805 (the **"JB Lands"**);
- C. The Potterton Nominee is the registered owner and the Partnership is the beneficial owner of the lands and premises located at 375 Potterton Road, Kelowna, BC and legally described as PID: 023-839-171, Lot D Section 2 Township 20 Osoyoos Division Yale District Plan KAP59703 (the **"Potterton Lands"** and together with the JB Lands, collectively, the **"Property"**)
- D. The Lender has agreed to make certain loans to the Borrowers, which Loan is secured by various security documents including a mortgage charging the Property to be granted by the Nominees to the Lender (the **"Mortgage"**), security agreements to be granted by the Borrowers, the Nominees and the Corporate Guarantors to the Lender, and other security instruments and documents granted by the Indemnitors (collectively, the **"Loan Documents"**); and
- E. As a condition of making the Loan, the Lender has required the Indemnitors to provide an indemnity against certain hazardous substances.

NOW THEREFORE in consideration of the premises and of the Lender making the Loan to the Borrowers, each of the Indemnitors covenants and agrees with the Lender as follows:

1. In this Agreement, **"Requirements of Environmental Law"** means all requirements of the common law or of statutes, regulations, by-laws, ordinances, treaties, judgments and decrees, and rules, politics, guidelines, orders, approvals, notices, permits, directives and the like, of any federal, territorial, provincial, regional, municipal or local judicial, regulatory or administrative agency, board or governmental authority relating to environmental or health or fire or safety matters, or any of them and the Property and the activities carried out thereon (whether in the past, present or the future) including, but not limited to, all such requirements relating to:

- (a) the protection, preservation or remediation of the natural environment (the air, land, surface water or groundwater);
- (b) the generation, handling, treatment, storage, transportation or disposal of or other dealing with solid, gaseous or liquid waste;
- (c) substances or conditions that are prohibited, controlled or otherwise regulated or are otherwise hazardous in fact (collectively, the **"Hazardous Substances"**) such as contaminants, pollutants, toxic, dangerous or hazardous substances, toxic, dangerous or hazardous materials, designated substances, controlled products, including without limitation, wastes, subject wastes, urea formaldehyde foam type of insulation, asbestos or asbestos-containing materials, polychlorinated biphenyls (**"PCBs"**) or PCB contaminated fluids or equipment, explosives, radioactive substances, petroleum and associated products, underground storage tanks or surface impoundments; and

- (d) the securing, protection, preservation and remediation of health, fire and/or safety concerns.

2. Each of the Indemnitors covenants and agrees, at its sole cost and expense, to indemnify, protect and save the Lender harmless against and from any and all damages, losses, liabilities, obligations, penalties, claims, litigation, demands, defenses, judgments, suits, proceedings, costs, disbursements or expenses (including, without limitation, legal and experts fees and disbursements) of any kind or of any nature whatsoever (collectively, the "**Indemnified Matters**") which may at any time be imposed upon, incurred by or asserted or awarded against the Lender and arising from or out of:

- (a) any Hazardous Substance being present or released in, on, or migrating from the Property, whether or not the presence of such Hazardous Substance is known or unknown by the parties hereto at the time this is executed;
- (b) any breach of any representation or any warranty with respect to Hazardous Substances in, on, or migrating from the Property made or given by the Indemnitors to the Lender or to any prospective or actual buyer or lessee of all or any portion of the Property;
- (c) any act or omission of the Indemnitors in connection with Hazardous Substances in, on, or migrating from the Property;
- (d) the failure to comply with any Requirements of Environmental Law relating to Hazardous Substances in, on, or migrating from the Property;
- (e) the failure to protect public health and safety that is or may be threatened by any Hazardous Substance being present or released in, on, or migrating from the Property; or
- (f) the enforcement of the terms of this Agreement;

whether any of such matters arise before or after foreclosure of the Property or other taking of title to all or a portion of the Property by the Lender or any affiliate of the Lender. Indemnified Matters shall include, without limitation, all of the following:

- (i) the costs of removal of any and all Hazardous Substances from all or any portion of the Property or migrating from the Property to any surrounding areas;
- (ii) additional costs required to take necessary precautions to protect against the release of Hazardous Substances on, in, under or affecting the Property into the air, the soil, any body of water, any other public area or any surrounding areas; and
- (iii) costs incurred to comply, in connection with all or any portion of the Property or any surrounding areas affected by Hazardous Substances that have migrated from the Property, with all applicable laws with respect to Hazardous Substances;

(all removal work referred to in clause (i) above, all work and other actions to take precautions against release referred to in clause (ii) above and all work and other actions performed in order to comply with Requirements of Environmental Laws referred to in clause (iii) above are collectively, the "**Corrective Work**").

The rights of the Lender under this Agreement shall be in addition to all rights of the Lender under the Loan Documents and any guarantee or guarantees (whether of payment and/or performance) given to the Lender in connection with the Loan and under any other documents or instruments evidencing or securing the Loan and payments by the Indemnitors under this Agreement shall not reduce the Indemnitors' obligations and liabilities under any of the Loan Documents.

3. The Lender hereby agree that, prior to the Lender taking any Corrective Work, the Indemnitors may, at their sole cost and expense,

- (a) contest the assertion by any governmental authority or any third party of any obligation or liability affecting the Indemnitors, the Lender or all or any portion of the Property for performance of any Corrective Work; and/or
- (b) perform any Corrective Work;

provided at all times all of the following conditions are satisfied in full:

- (i) no event of default exists under any of the Loan Documents, and the Lender has not commenced or completed enforcement or foreclosure or otherwise taken title to all or any portion of the Property;
- (ii) the collateral for the Loan shall not be impaired in the judgment of the Lender, and the Lender (and its agents, officers, servants, employees and contractors) shall not be subject to any criminal or other penalties, costs or expenses, by reason of such contest or the performance of such Corrective Work or any delays in connection therewith;
- (iii) the Indemnitors shall notify the Lender within ten (10) days after commencement of any such contest or Corrective Work, and shall give the Lender a monthly report, during the period of such contest or the performance of such Corrective Work, on the Indemnitors' progress with respect thereto, and shall promptly give the Lender such other information with respect thereto as the Lender shall request;
- (iv) with respect to contests, any such contest shall be instituted promptly after the Indemnitors obtain actual knowledge of an action, suit, proceeding or governmental order or directive which asserts any obligation or liability affecting the Indemnitors, the Lender or all or any portion of the Property, and such contest shall at all times be diligently prosecuted until a final judgment or order is obtained that negates such assertion of obligation or liability;
- (v) with respect to contests, the Lender, at their expense, shall have the right (but not the obligation) to join in any action or proceeding in which the Indemnitors contest any such assertions by any governmental authorities or third parties;
- (vi) with respect to Corrective Work, any such Corrective Work shall be instituted promptly after the later to occur of:
 - (1) a determination by the applicable judicial or administrative authority that the contest is unsuccessful, which determination is not, or ceases to be, subject to further appeal; or
 - (2) the Indemnitors obtain actual knowledge of any Hazardous Substances on, in, under or affecting the Property or (when applicable) any surrounding areas affected by Hazardous Substances that have migrated from the Property, and such Corrective Work shall at all times be diligently prosecuted until all such Hazardous Substances are removed as then required by applicable law and properly and lawfully disposed of, and
- (vii) with respect to any Corrective Work, the Indemnitors shall, not less than fifteen (15) days prior to commencement of such Corrective Work, submit to the Lender for their review reasonably detailed plans for such Corrective Work, and, if, within said fifteen (15) day period, the Lender, in their reasonable judgment, reject such plans, the Indemnitors shall

promptly submit revised plans to the Lender and shall obtain the Lender' acceptance of such plans prior to commencement of such Corrective Work, and the Indemnitors shall comply with the plans submitted to the Lender (and, if applicable, accepted by the Lender) in performing such Corrective Work.

4. (a) Promptly after the receipt by the Lender of written notice of any demand or claim or the commencement of any action, suit or proceeding in respect of any of the Indemnified Matters, the Lender shall notify the Indemnitors thereof in writing; but the failure by the Lender promptly to give such notice shall not relieve the Indemnitors of liability which such party may have to the Lender hereunder; and
- (b) it is expressly understood and agreed that failure by the Lender to object to any actions taken by the Indemnitors shall not be construed to be an approval by the Lender of such actions. It is further expressly understood and agreed that this Agreement shall not be construed as creating any obligation for the Lender to initiate any contests of the nature described in clause 3(v), to review any plans for Corrective Work or to perform, or review the Indemnitors', or any other party's performance of, any Corrective Work.

5. The liability of the Indemnitors under this Agreement shall in no way be limited or impaired by, and the Indemnitors hereby consent to and agree to be bound by, any amendment or modification of the provisions of the Loan Documents to or with the Lender by the Indemnitors or any person who succeeds the Indemnitors as owner of the Property. In addition, the liability of the Indemnitors under this Agreement shall in no way be limited or impaired by:

- (a) any extensions of time for performance required by any of the Loan Documents;
- (b) any sale, assignment or foreclosure of the Property or any sale or transfer of all or part of the Property,
- (c) any exculpatory provision in any of the Loan Documents limiting any Indemnitor's obligation to pay the Loan or the Lender' recourse to the Property or to any other security, or limiting the Lender' rights to a deficiency judgment against such Indemnitor;
- (d) the accuracy or inaccuracy of the representations and warranties made by the Indemnitors under any of the Loan Documents;
- (e) the release of the Indemnitors or any person from performance or observance of any of the agreements, covenants, terms or conditions contained in any of the Loan Documents by operation of law, the Lender' voluntary act, or otherwise;
- (f) the release or substitution in whole or in part of any security for the Loan; or
- (g) the Lender' failure to register a security instrument or to otherwise perfect, protect, secure or insure any security interest given as security for the Loan; and, in any such case, whether with or without notice to the Indemnitors and with or without consideration.

6. Each of the Indemnitors waives any right or claim of right to cause a marshalling of Indemnitor's assets or to cause the Lender to proceed against any of the security for the Loan before proceeding under this Agreement against each Indemnitor or to proceed against each Indemnitor in particular order; each Indemnitor agrees that any payments required to be made hereunder shall become due on demand; each Indemnitor expressly waives and relinquishes all rights and remedies accorded by applicable law to guarantors, except any rights of subrogation which Indemnitors may have, provided that the indemnity provided for hereunder shall neither be contingent upon the existence of any such rights of subrogation nor subject to any claims or defenses whatsoever which may be asserted in connection with the enforcement or attempted enforcement of such subrogation rights including, without limitation, any

claim that such subrogation rights were abrogated by any acts of Lender. Each Indemnitor hereby agrees to postpone the exercise of any and all rights of subrogation to the rights of the Lender against each Indemnitor hereunder and any rights of subrogation to any collateral securing the Loan until the Loan shall have been paid in full.

7. No delay on the part of the Lender in exercising any right, power or privilege under the Loan Documents shall operate as a waiver of any arch privilege, power or right.

8. Any one or more of the Indemnitors, or any other party liable upon or in respect of this Agreement or the Loan, may be released by the Lender without affecting the liability of any party not so released.

9. Except as herein provided, this Agreement shall be binding upon and enure to the benefit of the Indemnitors and the Lender and their respective heirs, personal representatives, successors and assigns, including, as to the Lender, without limitation, any holder of the Loan Documents and any affiliate of the Lender which acquires all or part of the Property by any sale, assignment or foreclosure, or otherwise. Notwithstanding the foregoing, the Indemnitors, without the prior written consent of the Lender in each instance, may not assign, transfer or set over to another, in whole or in part, all or any part of its or their benefits, rights, duties and obligations hereunder.

10. The Lender shall, at all times, be free to independently establish to its satisfaction and in its absolute discretion the existence or non-existence of any fact or facts the existence or non-existence of which is a condition of this Agreement.

11. The Indemnitors do hereby irrevocably covenant and agree that any and all notices, demands, pleadings and legal process which the Lender wish to send to or serve upon the Indemnitor shall be effectively given or served for all purposes on the parties defined herein as the Indemnitors by the delivery of such notices, demands, pleadings and legal process to the Indemnitors, at the addresses set out on the first page of this Agreement or such other addresses as may be provided to the Lender in writing from time to time, and any such notices, demands, pleadings and legal process shall be conclusively deemed to be received by the parties defined herein as the Indemnitors and served upon the Indemnitors at the time of delivery to such addresses.

12. No provision of this Agreement may be changed, waived, discharged or terminated orally or by any other means except by an instrument in writing signed by the party against whom enforcement of the change, waiver, discharge or termination is sought.

13. All covenants and agreements herein contained on the part of the Indemnitors shall be and be deemed to be the joint and several covenants and agreements of each party who executes this Agreement as an Indemnitor.

14. This Agreement shall be governed by, and construed in accordance with, the laws of the Province of British Columbia, Canada and the Indemnitors agree that any legal suit, action or proceeding arising out of or relating to this Agreement may be instituted in and determined by the courts of the Province of British Columbia and the Indemnitors hereby accept and irrevocably submit to the jurisdiction of the said courts and acknowledge their competence and agree to be bound by any judgment thereof, provided that nothing herein shall limit the Lender' right to bring proceedings against the Indemnitors elsewhere as the Lender may determine.

15. This Agreement may be executed in any number of counterparts, each of which when delivered shall be deemed to be an original and all of which together shall constitute one and the same document.

[Signature page follows]

IN WITNESS WHEREOF each Indemnitor has executed this Agreement as of the date above.

MANNA INDUSTRIAL FUND (VALUE-ADD) GP CORP.

in its own capacity and in its capacity as general partner of

MANNA INDUSTRIAL FUND (VALUE-ADD) LIMITED PARTNERSHIP

By its authorized signatory:


Name:
Title:


8826 JIM BAILEY LTD.

By its authorized signatory:


Name:
Title:


375 POTTERTON LTD.

By its authorized signatory:


Name:
Title:

GENESIS MANNA HOLDING LTD.


By its authorized signatory:



Name:
Title:

ALLION HOLDINGS LTD.

By its authorized signatory:


Name:
Title:


Witness:


Witness:

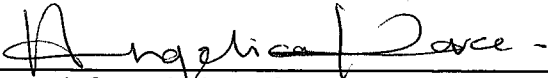

MICHAEL CHIANG

NANCY WEI

NEIL R. DAVIE
BARRISTER & SOLICITOR
SAMPSON DAVIE FANE VOLPIANA LLP
SUITE 408 - 355 BURNARD STREET
VANCOUVER, B.C. V6C 2G8
(604) 343-1940

Signature Page to Environmental Indemnity Agreement

This is **Exhibit "P"** referred to in the Affidavit #1 of John Karkoutlian made before me at Vancouver, British Columbia, on this 26th day of September, 2024.


A Commissioner for taking Affidavits
in the Province of British Columbia



1. Application

Borden Ladner Gervais LLP
1200 - 200 Burrard Street
P.O. Box 48600
Vancouver BC V7X 1T2
604-687-5744

2. Description of Land

PID/Plan Number	Legal Description
024-666-947	LOT 6 SECTION 2 TOWNSHIP 20 OSOYOOS DIVISION YALE DISTRICT PLAN KAP65805
023-839-171	LOT D SECTION 2 TOWNSHIP 20 OSOYOOS DIVISION YALE DISTRICT PLAN KAP59703

3. Nature of Interest

Type	Number	Additional Information
PRIORITY AGREEMENT		Granting Mortgage CA9768038 priority over Mortgage No. CA9768040 and Assignment of Rents No. CA9768041
PRIORITY AGREEMENT		Granting Assignment of Rents CA9768039 priority over Mortgage No. CA9768040 and Assignment of Rents No. CA9768041

4. Terms

Part 2 of this instrument consists of:

(b) Express Charge Terms Annexed as Part 2

5. Transferor(s)

INSTITUTIONAL MORTGAGE CAPITAL CANADA INC., NO.A0081339

6. Transferee(s)

NATIONAL BANK OF CANADA
A CANADIAN CHARTERED BANK HAVING ITS BRANCH
OFFICE AT
2900-475 HOWE STREET
VANCOUVER BC V6C 2B3

7. Additional or Modified Terms

8. Execution(s)

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

Witnessing Officer Signature

Execution Date

Transferor Signature(s)

Ronald B. Melvin
Barrister & Solicitor
Suite 600, 390 Bay Street
Toronto ON M5H 2Y2

YYYY-MM-DD

2022-03-04

INSTITUTIONAL MORTGAGE
CAPITAL CANADA INC.
By their Authorized Signatory

Name: Jean Monardo

Rose, Persiko, Rakowsky, Melvin LLP
Telephone: 416-868-1908

Name:

Officer Certification

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the *Evidence Act*, R.S.B.C. 1996, c.124, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the *Land Title Act* as they pertain to the execution of this instrument.

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.

Cherie Lai Wah
Mah SX1WUR

Digitally signed by
Cherie Lai Wah Mah SX1WUR
Date: 2022-03-07
14:56:14 -08:00

TERMS OF INSTRUMENT - PART 2

PRIORITY AGREEMENT

This Agreement is dated for reference March 4, 2022, but is effective as of the execution hereof.

1. DEFINED TERMS

1.1 **Defined Terms.** The terms defined in Section 5 of this Agreement will have those defined meanings unless the context otherwise requires.

2. GRANT OF PRIORITY

2.1 **General.** For and in consideration of the payment to the Grantor of the sum of Two (\$2.00) Dollars and other good and valuable consideration, the Grantor:

2.1.1 grants priority to the Senior Creditor's Charges over the Grantor's Charges with respect to the Debtor's Property in all respects to the extent of: (a) the principal amount of \$28,700,000 less any principal which is repaid to the Senior Creditor on account of non-revolving Debtor to Senior Creditor Liabilities; plus (b) interest thereon at the rate set out on the Senior Creditor's Commitment Letter (as of the date of this Agreement), (c) protective disbursements, and (d) all related costs and expenses to which the Senior Creditor is entitled under the Senior Creditor's Security Documents and any other documents relating to the Debtor to Senior Creditor Liabilities (collectively, the "**Senior Creditor Priority Limit**"); and

2.1.2 subject to Section 2.3, postpones all of its rights under the Grantor's Security Documents, and all of the Charges on the Debtor's Property which the Grantor has acquired or may at any time hereafter acquire under or by virtue of the Grantor's Security Documents to the Charges which the Senior Creditor has acquired or may at any time acquire upon the Debtor's Property under or by virtue of the Senior Creditor's Security Documents to the extent of the Senior Creditor Priority Limit.

2.1.3 Notwithstanding the foregoing, the Senior Creditor shall have no right, title or interest in the Interest Reserve.

2.2 **Standstill.** The Grantor hereby agrees that until the date of repayment and satisfaction of all Debtor to Senior Creditor Liabilities up to the Senior Creditor Priority Limit, direct or indirect, absolute or contingent, the Grantor will not, without the prior written consent of the Senior Creditor, take any Action, unless and until:

- (a) the Senior Creditor has commenced an Action, and even then only while the Action is continuing; or
- (b) the Grantor has provided 90 days' written notice to the Senior Creditor advising of the default under the Grantor's Facility Letter and the Grantor's Security Documents, and the Grantor's intention to enforce on the Debtor's Property.

2.3 **Permitted Payment.** Notwithstanding anything contained herein, until the Senior Creditor has given notice to the Grantor that the Debtor is in default under the Senior Creditor's Commitment Letter or the Senior Creditor's Security Documents or would result in a default under the Senior Creditor's Commitment Letter or the Senior Creditor's Security Documents (a "Default Notice"), the Debtor may pay and the Grantor may receive:

- (a) monthly interest payments in accordance with the Grantor's Facility Letter;
- (b) any prepayment on the Debtor to Grantor Liabilities pursuant to the terms of the Grantor's Facility Letter to ensure compliance with the financial covenants of the Debtor under the Senior Creditor's Commitment Letter, including but not limited to a minimum payment of \$5,840,000 within six (6) months after the advance of the Debtor to Grantor Liabilities,

provided that for greater certainty, repayment of principal in full is not permitted unless otherwise agreed to by the Senior Creditor.

Once the Senior Creditor has given a Default Notice to the Grantor and for so long as such default continues, the Grantor may receive monthly interest payments only from the Interest Reserve, and the Grantor shall not receive any other payment under the Debtor to Grantor Liabilities without the prior written consent of the Senior Creditor. The Senior Creditor agrees to use commercially reasonable efforts to provide notice to the Grantor when such default is remedied or waived however an unintentional failure to provide such notice shall not result in any liability to the Senior Creditor.

2.4 **Trust.** All proceeds up to the Senior Creditor Priority Limit arising from the Debtor's Property received by the Grantor in connection with any enforcement of or realization on the Grantor's Charges, and subject to Section 2.3, all payments and other assets received by the Grantor from the Debtor or arising from or in relation to the Debtor's Property on account of the Debtor to Grantor Liabilities will be held by the Grantor in trust for the Senior Creditor so as to give effect to the priorities provided for herein and will be paid over or otherwise provided to the Senior Creditor forthwith upon demand.

2.5 **Circular Priorities.** If any person, firm or corporation other than a party hereto is found by a court of competent jurisdiction to have a right to the Debtor's Property in priority to the Senior Creditor but not in priority to the Grantor, then this Agreement will not apply so as to diminish the rights (as those rights would have been but for this Agreement) of the Grantor with respect to such Debtor's Property unless the Senior Creditor is diligently contesting such finding and has provided the Grantor with a satisfactory indemnity.

2.6 **Irrelevant Events and Circumstances.** The grant of priority provided for herein will apply in all events and circumstances regardless of:

- (a) the dates of execution, delivery and registration of the Grantor's Security Documents and the Senior Creditor's Security Documents, and the dates of creation, attachment, perfection and existence of the Grantor's Charges and the Senior Creditor's Charges;

- (b) the dates of all past, present and future advances, re-advances and other extensions of credit made by the Grantor or the Senior Creditor for the benefit of the Debtor, and the dates of all other past, present and future liabilities incurred by the Debtor in favour of the Grantor or the Senior Creditor;
- (c) the dates of any past, present or future defaults by the Debtor under the Grantor's Security Documents or the Senior Creditor's Security Documents, and the dates of crystallization of any floating charges comprised in the Grantor's Charges or the Senior Creditor's Charges;
- (d) the dates any demands for payment are made, the dates any notices are given, and any failure to make or give any such demands or notices;
- (e) any contrary intention expressed in the Senior Creditor's Security Documents, the Grantor's Security Documents or any other documents; and
- (f) any priority granted by any principle of law or equity or any statute, including the *Bank Act* and applicable personal property security legislation.

3. REPRESENTATIONS, COVENANTS AND OTHER AGREEMENTS

3.1 Beneficial Ownership.

3.1.1 The Grantor represents and warrants that it is the holder (for itself and its investors from time to time) of the Grantor's Security Documents and the Grantor's Charges and the Debtor to Grantor Liabilities, in each case free and clear of all Charges.

3.1.2 The Senior Creditor represents and warrants that it is the legal and beneficial holder of the Senior Creditor's Security Documents and the Senior Creditor's Charges and the Debtor to Senior Creditor Liabilities, in each case free and clear of all Charges.

3.2 Authority to Grant Priority.

3.2.1 The Grantor has good right, full power and lawful authority to enter into this Agreement and to agree to the grant of priority provided for herein, and all necessary resolutions have been passed and all other necessary steps have been taken to authorize the execution and delivery of this Agreement.

3.2.2 The Senior Creditor has good right, full power and lawful authority to enter into this Agreement, and all necessary resolutions have been passed and all other necessary steps have been taken to authorize the execution and delivery of this Agreement.

3.3 Consent and Waiver.

3.3.1 The Grantor consents to, and waives any default under the Grantor's Security Documents that may otherwise have occurred by reason solely of, the execution, delivery and registration of the Senior Creditor's Security Documents and the creation, attachment, perfection

and existence of the Senior Creditor's Charges and the incurring of the Debtor to Senior Creditor Liabilities.

3.3.2 The Senior Creditor consents to, and waives any default under the Senior Creditor's Security Documents that may otherwise have occurred by reason solely of, the execution, delivery and registration of the Grantor's Security Documents and the creation, attachment, perfection and existence of the Grantor's Charges and the incurring of the Debtor to Grantor Liabilities.

3.4 **Knowledge of Defaults.**

3.4.1 The Grantor represents and warrants that, to the best of the Grantor's knowledge, none of the Grantor's Security Documents are in default.

3.4.2 The Senior Creditor represents and warrants that, to the best of the Senior Creditor's knowledge, none of the Senior Creditor's Security Documents are in default.

3.5 **Notice Prior to Enforcement.** The Grantor will, prior to making any demand for payment on the Debtor or proceeding to enforce any of the Grantor's Charges, give the Senior Creditor 5 days' prior written notice of such demand or enforcement.

3.6 **Assignment.**

3.6.1 The Grantor will not sell, assign, charge, or otherwise dispose of any interest in the Grantor's Security Documents or the Grantor's Charges or the Debtor to Grantor Liabilities except upon giving 10 days' prior written notice to the Senior Creditor and upon the proposed transferee executing and delivering to the Senior Creditor an agreement to be bound by the provisions hereof.

3.6.2 The Senior Creditor will not sell, assign, charge, or otherwise dispose of any interest in the Senior Creditor's Security Documents or the Senior Creditor's Charges or the Debtor to Senior Creditor Liabilities except upon giving 10 days' prior written notice to the Grantor and upon the proposed transferee executing and delivering to the Grantor an agreement to be bound by the provisions hereof.

3.7 **Further Assurances.** Each of the Grantor and the Senior Creditor will forthwith at all times, execute and deliver such further documents and do such other acts as the other party may reasonably require in order to give effect to the intent of this Agreement.

3.8 **Indulgences.** Each of the Grantor and the Senior Creditor may grant time, renewals, extensions, releases and discharges to, accept compositions from, and otherwise deal with the Debtor as it may see fit, the whole without notice to the party to this Agreement, without prejudice to or in any way limiting or affecting the rights of the other party to this Agreement and at all times subject to the terms and conditions of this Agreement including, for greater clarity, Section 2.1 hereof.

3.9 **Amendment, Waiver and Termination.** Subject to Section 3.8, neither this Agreement nor any provision hereof may be amended, waived or terminated in any respect except by an instrument in writing executed by the party against whom enforcement of the amendment, waiver or termination is sought.

3.10 **Communication.** No notice, consent or other communication in connection herewith will be effective unless it is in writing and is executed by the party giving the same or the party's authorized agent. Any such communication may be given by delivery or fax to the address for the intended party set out on the first page hereof, or a corresponding fax number, or such other address or fax number as the intended party may have given notice of.

3.11 **Copies of Agreement.** Each of the Grantor and the Senior Creditor acknowledges receipt of a copy of this Agreement.

4. **INTERPRETATION**

4.1 **Governing Law.** This Agreement will be governed by the laws in effect in British Columbia.

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

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

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

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

4.6 **Entire Agreement.** This Agreement constitutes the entire agreement among the parties with respect to the subject matter hereof and supersedes all oral agreements, undertakings and understandings among the parties with respect to the subject matter hereof.

5. **DEFINITIONS**

Unless the context otherwise requires, the following terms will have the following meanings herein:

“**this Agreement**”, “**hereby**”, “**herein**”, “**hereof**”, “**hereto**” and “**hereunder**” refer to the whole of this Agreement, including the attachments, all as amended from time to time, and not to any subdivision hereof.

“**Action**” means any action or proceeding to enforce payment of any of the Senior Creditor's Commitment Letter or Debtor to Senior Creditor Liabilities or the Grantor's Facility Letter or Debtor to Grantor Liabilities, as applicable, or any part of parts thereof or to enforce performance by the Debtor of any obligation under the Senior Creditor's Commitment Letter or Senior Creditor's Security Documents or the Grantor's Facility Letter or Grantor's Security Documents, including commencement of enforcement proceedings, whether by way of the appointment of a receiver, or enforcing any other rights under the Senior Creditor's Commitment Letter or Senior Creditor's Security Documents or the Grantor's Facility Letter or Grantor's Security Documents

or any other document or instrument taken or given pursuant thereto including any indemnities or guarantees. For greater certainty, (i) the making of a demand for payment or performance of an obligation, (ii) the acceleration of the time for payment, (iii) the delivery of a notice under Section 244 of the *Bankruptcy and Insolvency Act* (Canada) (iv) filing a proof of claim in respect of any Debtor, if a petition in bankruptcy is filed by or against such Debtor, (v) participating in any proposal or similar proceeding under the *Companies' Creditor Arrangement Act* (Canada) or the *Bankruptcy and Insolvency Act* (Canada) in respect of any Debtor in a manner not inconsistent with this Agreement, and (vi) instituting and enforcing any action or proceeding relating to any party under the Grantor's Credit Agreement that is not a Debtor, as defined herein, or as against any other security or collateral that is not the Debtor's Property or otherwise shall not constitute an "Action".

"Charge" means any security interest, mortgage, charge (fixed or floating), pledge, hypothec, lien (statutory or otherwise), assignment, lease, conditional sale or other title retention agreement, trust or other encumbrance of any nature however arising.

"Debtor" means 8826 Jim Bailey Ltd., 375 Potterton Ltd., Manna Industrial Fund (Value-Add) Limited Partnership and Manna Industrial Fund (Value-Add) GP Corp., and its respective successors and assigns, as the case may be, whether immediate or derivative.

"Debtor's Property" means all present and after-acquired real and personal property and other assets and undertaking of the Debtor consisting of the real property described in Item 2 of Part 1 hereof, and all other present and after-acquired personal property and other assets and undertaking of the Debtor, and all direct and indirect proceeds thereof of whatever nature or kind, including all present and future insurance proceeds payable in respect of any Debtor's Property and all claims therefor, and any reference to "Debtor's Property" will unless otherwise provided be deemed to refer to the Debtor's Property as a whole or any parts thereof.

"Debtor to Grantor Liabilities" means all present and future debts and liabilities of the Debtor to the Grantor.

"Debtor to Senior Creditor Liabilities" means all present and future debts and liabilities of the Debtor to the Senior Creditor.

"Grantor" means the party(ies) described in Item 5 of Part 1 hereof and its successors and assigns, as the case may be, whether immediate or derivative.

"Grantor's Charges" means all present and future Charges created by the Grantor's Security Documents with respect to the Debtor's Property, including the charges described in Item 3 of Part 1 hereof registered in favour of the Grantor.

"Grantor's Facility Letter" means the commitment letter dated February 25, 2022 between, *inter alios*, the Grantor and the Debtor, as may be further amended, supplemented, restated or replaced from time to time.

"Grantor's Security Documents" means all present and future mortgages and security documents in favour of or held by the Grantor (or any predecessor thereof) that create Charges with respect to the Debtor's Property, and includes all related financing statements and similar documents.

“including” means including without limitation.

“Interest Reserve” means the sum of \$1,100,000 held from the proceed of the single advance under the Debtor to Grantor Liabilities, to be deposited by the Debtor with the Grantor pursuant to the Grantor’s Facility Letter or its solicitors, for the payment of interest from time to time payable to the Grantor on account of the Debtor to Grantor Liabilities.

“Person” means any individual, proprietorship, firm or artificial body, including any corporation, government or instrumentality.

“Senior Creditor” means the party described in Item 6 of Part 1 hereof and its successors and assigns, as the case may be, whether immediate or derivative.

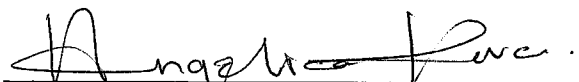
“Senior Creditor’s Charges” means all present and future Charges created by the Senior Creditor’s Security Documents with respect to the Debtor’s Property, including the charges described in Item 3 of Part 1 hereof registered in favour of the Senior Creditor.

“Senior Creditor’s Commitment Letter” means any commitment letter from the Senior Creditor to the Debtor, as may be amended, modified or replaced from time to time.

“Senior Creditor’s Security Documents” means all present and future mortgages and security documents in favour of or held by the Senior Creditor (or any predecessor thereof) that create Charges with respect to the Debtor’s Property, and includes all related financing statements and similar documents.

END OF DOCUMENT

This is **Exhibit "Q"** referred to in the Affidavit #1 of John Karkoutlian made before me at Vancouver, British Columbia, on this 26th day of September, 2024.

A handwritten signature in black ink, appearing to read "Angela Fene", written over a horizontal line.

A Commissioner for taking Affidavits
in the Province of British Columbia

17 FEB 2014 10 30

MT 140002.
~~881512056~~

12/20

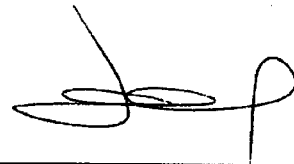
Registrar
Lower Mainland Land Title Office
New Westminster, B.C.

ZT 17/02/2014 10:30:53 AM 1 2
Doc File 1 \$24.20

Please receive herewith the following document(s) for filing by
National Bank:

STANDARD MORTGAGE TERMS

MT140002



Jacqueline Leung
Real Property Paralegal
McCarthy Tétrault LLP
Barristers and Solicitors
1300 – 777 Dunsmuir Street
Vancouver, B.C. V7Y 1K2
(604) 643-7100

(LTO Client No. 010452)



STANDARD MORTGAGE TERMS
(Alberta, British Columbia, Manitoba and Saskatchewan)

FILED BY: NATIONAL BANK

FILING NO.:

A. Registered in Alberta having Registration Number ____.

When the Property (as defined below) is in Alberta, the following set of Mortgage Terms shall be deemed to be included in and form part of every mortgage in which it is referred to by the above-mentioned Registration Number.

B. Filed in British Columbia pursuant to the Land Transfer Form Act, R.S.B.C. 1996, Part 3, c. 252, reference date: ___. Registered in the Land Title Office, dated ___, as Filing Number ____.

When the Property (as defined below) is in British Columbia, the following set of Mortgage Terms shall be deemed to be included in and form part of every mortgage in which it is referred to by the above-mentioned Filing Number, as provided in Section 225 of the Land Title Act, R.S.B.C. 1996, c. 250, as amended or replaced from time to time.

C. Filed in Manitoba as Serial Number ____.

When the Property (as defined below) is in Manitoba, the following set of Mortgage Terms shall be deemed to be included in and form part of every mortgage in which it is referred to by the above-mentioned Serial Number, as provided in Section 96(4) of The Real Property Act, RSM 1988, c. R30, as amended or replaced from time to time.

D. Registered in Saskatchewan having DSL Number ____.

When the Property (as defined below) is in Saskatchewan, the following set of Mortgage Terms shall be deemed to be included in and form part of every Mortgage in which it is referred to by the above-mentioned DSL Number.

1. MEANINGS AND DEFINITIONS

1.1 Definitions. In these Mortgage Terms:

"Agreement" means any agreement or document, now or in the future, that gives rise or relates to any Obligations, and any renewals, extensions, amendments, replacements, restatements and substitutions of such agreement or document.

"Applicable Laws" means all applicable federal, provincial and municipal laws, statutes, regulations, rules, by-laws, policies and guidelines, orders, permits, licenses, authorizations, approvals and all applicable common laws or equitable principles whether now or hereafter in force and effect.

"Costs" means all costs of the Mortgagee (and interest on all such costs from the date incurred until paid to the Mortgagee) for:

- (i) preparing, executing and registering any Agreement or this Mortgage and any such costs in extending credit to the Mortgagor or qualifying the Mortgagor for such purpose;
- (ii) enforcing the Mortgage or any Agreement;
- (iii) any protective disbursements or just allowances paid by the Mortgagee that may be added to the Obligations or are otherwise secured by this Mortgage;
- (iv) any Receiver or other Person appointed with similar powers (under this Mortgage or otherwise) and such Receiver's or Person's costs in regard to the Property;
- (v) obtaining assessments of the condition of the Property, such as environmental assessments;
- (vi) complying with any requirements of Applicable Laws in regard to the Property or the Mortgage;
- (vii) performing any of the obligations of the Mortgagor under the Mortgage or any Agreement, such as the costs incurred in removing any lien from title to the Property that is in breach of this Mortgage (whether or not having priority over the Mortgage) or paying Taxes; and
- (viii) in the case of all of the above items, all legal fees and disbursements of the Mortgagee, or a Receiver, on a full solicitor-client or substantial (i.e. full) indemnity basis.

"Court" means a court or judge having jurisdiction under Applicable Laws.

"Default" means any default occurring under this Mortgage.

"Mortgage" means, together, the Mortgage Form and these Mortgage Terms.

"Mortgage Form" means the form, stipulated by Applicable Laws, to which these Mortgage Terms are attached or incorporated by reference.

"Mortgage Terms" means the terms and conditions contained in this document.

"Mortgagee" means National Bank of Canada and includes any Person to whom National Bank of Canada transfers this Mortgage.

"Mortgagee's Address" means the address shown on the Mortgage Form or the most recent address provided in a written notice given by the Mortgagee to the Mortgagor under these Mortgage Terms.

"Mortgagor" means the Person or Persons named in the Mortgage Form as Mortgagor.

"Mortgagor's Address" means the address of the Mortgagor set out in the Mortgage Form or the most recent address provided in a written notice given by the Mortgagor to the Mortgagee under these Mortgage Terms.

"Obligations" means all obligations, indebtedness and liabilities of the Mortgagor to the Mortgagee, present and future, direct and indirect, absolute and contingent, matured or not, wherever incurred, now or at any time due or owing by the Mortgagor to the Mortgagee or remaining unpaid by the Mortgagor to the Mortgagee, whether reduced from time to time and afterwards increased or entirely extinguished and afterwards incurred again (such as a revolving line of credit), whether arising by way of an Agreement or otherwise, whether arising from dealings between the Mortgagee and the Mortgagor or from other dealings or proceedings by which the Mortgagee may be or become in any manner a creditor of the Mortgagor, whether incurred by the Mortgagor as principal, surety or otherwise and whether incurred by the Mortgagor alone or with others.

"Person" means a natural person, corporation, company, partnership, joint venture, unincorporated organization, trust, government or any other entity.

"Place of Payment" means the Mortgagee's Address or any other place specified in a written notice given by the Mortgagee to the Mortgagor.

"Property" means the lands described in the Mortgage Form, together with all buildings, structures, and improvements of any nature or kind now or hereafter located on such lands, and all fixtures, rents and all other appurtenances thereto.

"Receiver" means a receiver, a manager, a receiver and manager, or any other similar Person appointed in regard to the Property, or any part of the Property, and the rents and profits of and from such Property, which receiver may be an officer or officers or employee or employees of the Mortgagee, though need not be.

"Spouse" means spouse or common-law partner.

"Strata/Condominium Documents" has the meaning given to such term in subsection 13.2.

"Taxes" means all taxes, rates and assessments of every kind that are payable by any Person in connection with this Mortgage, the Property or its use and occupation, or arising out of any transaction between the Mortgagor and the Mortgagee, but not including the Mortgagee's income taxes.

2. CONTINUING SECURITY

- 2.1 **Mortgage of Property.** The Mortgagor, hereby grants, mortgages and charges the Property to the Mortgagee as continuing security for payment and performance of the Obligations.
- 2.2 **Limitation.** This Mortgage will secure at any one time only that portion of the principal component of the Obligations at such time up to the registered amount shown on the Mortgage Form (which may be identified on such form as the principal amount), together with (i) interest (at the rate specified in this Mortgage) on such portion of the Obligations and (ii) Costs.
- 2.3 **Mortgagee Not Required to Advance Money.** The Mortgagee is not obliged to advance to the Mortgagor any money under this Mortgage, whether or not this Mortgage is registered, and nothing in this Mortgage obliges the Mortgagee to make any advances of money to the Mortgagor.
- 2.4 **No Discharge.** By entering into this Mortgage, the Mortgagor and Mortgagee do not intend that any Agreement is to be extinguished, superseded or discharged. If a judgment is obtained from a Court concerning some or all of the Obligations, the Mortgagor and Mortgagee do not intend that the remaining Obligations will be extinguished, superseded or discharged or that the Mortgagee will be prevented from exercising any of its remaining rights under any Agreement, this Mortgage or Applicable Laws.
- 2.5 **No Prejudice to Other Security.** The Mortgagee may take guarantees or security from other Persons or take other security from the Mortgagor, or grant time, renewals, extensions, indulgences, releases and discharges to the Mortgagor and other Persons, relating to the Obligations, without prejudicing the rights and remedies of the Mortgagee under this Mortgage.
- 2.6 **Possession of Property.** The Mortgagor may continue to remain in possession of the Property as long as the Mortgagor is not in Default.
- 2.7 **Discharge of Mortgage.** When all Obligations are satisfied in full by the Mortgagor, and the Mortgagor has no further liability under any Agreement, and the Mortgagee has no obligation to make any further advances or extend credit under any Agreement, this Mortgage will have no further effect and the Mortgagor will be entitled to obtain a discharge of this Mortgage. The Mortgage shall not be or be deemed to be considered as satisfied, exhausted or discharged by any intermediate payment or satisfaction of the whole or part or parts of the Obligations at any time or from time to time, but shall constitute and be a continuing security to the Mortgagee for the payment, fulfillment and performance of all of the Obligations from time to time unpaid or unfulfilled. Where the Mortgagor is entitled to such discharge of this Mortgage, the discharge will be prepared and signed by the Mortgagee and is to be registered by the Mortgagor, at the Mortgagor's expense, in the appropriate registry of deeds, land titles or land registration office or district to cause cancellation, release or discharge of this Mortgage against the Property.

3. INTEREST

- 3.1 **Calculation of Interest.** Any interest that is chargeable on and forms part of the Obligations is payable at the rate or rates and with the frequency specified by the terms of an Agreement and this Mortgage, both before and after any Default, any maturity of the Obligations to which the interest relates and any judgment obtained with respect to the Obligations to which the interest relates, until all such interest and the Obligations to which the interest relates have been paid in full. Interest unpaid when due in accordance with the terms of an Agreement and this Mortgage will be added to the Obligations and will bear compound interest at the rate or rates and with the frequency specified by the terms of an Agreement and this Mortgage. If the interest rate for any amount payable under this Mortgage is not specified by the terms of any Agreement or this Mortgage, then such interest will be payable at the rate and with the frequency and otherwise in accordance with Applicable Laws.
- 3.2 **Maximum Interest.** If the interest rate or rates under the terms of an Agreement and this Mortgage exceed the maximum rate permitted by Applicable Laws, then, notwithstanding the terms of said Agreement and this Mortgage, the interest rate will be deemed to be such maximum rate.
- 3.3 **Rate of Interest on Mortgage Form.** If a rate of interest is set out on the Mortgage Form, the rate or rates of interest on the Obligations will nonetheless be the rate or rates specified by the terms of any applicable Agreement, but if none is so specified for any portion of the Obligations, then the applicable rate of interest for such Obligations will be that which is set out on the Mortgage Form.

- 3.4 Interest on Costs.** Costs form part of the Obligations and if Costs arise, the Mortgagor will pay interest on such Costs on demand (and interest on overdue interest), from the time the Costs arise. The interest rate on Costs will be determined in accordance with subsections 3.1, 3.2 and 3.3.
- 4. PAYMENT**
- 4.1 Payment on Demand.** The Mortgagor will pay to the Mortgagee the outstanding amount of the Obligations immediately on demand by the Mortgagee, unless the terms of an Agreement and this Mortgage provide otherwise.
- 4.2 Application of Payments.** Each payment will be applied as set out in the applicable Agreement. If an Agreement does not specify the manner in which payments will be applied, each payment will be applied firstly to Costs and secondly to other Obligations, as the Mortgagee will determine. Payments do not discharge the Mortgagee otherwise than in accordance with subsection 2.7.
- 5. TAXES**
- 5.1 Payment of Taxes by Mortgagor.** Without limiting any promise the Mortgagor has made to the Mortgagee in any Agreement concerning the payment of Taxes, the Mortgagor promises to pay all Taxes when they are due and any other debt that could rank prior to this Mortgage and to send to the Mortgagee at the Place of Payment, within thirty days of the payment due date for such Taxes, evidence that such payments have been made. If the Mortgagor fails to pay Taxes as required, the Mortgagee may, but is not obligated to, pay the Taxes, and any such amount paid by the Mortgagee will be included as Costs and form part of the Obligations.
- 5.2 Government Assistance.** The Mortgagor promises to apply for all government grants, assistance and rebates in respect of Taxes.
- 6. OTHER PROMISES OF THE MORTGAGOR**
- 6.1 Mortgagor Promises.** The Mortgagor promises:
- to comply with all terms and conditions of any charge or encumbrance of the Property;
 - to pay and perform all Obligations, and to comply with all terms of this Mortgage and any applicable Agreement;
 - to keep all buildings and improvements forming part of the Property in good condition and to repair them as needed or as the Mortgagee reasonably requires and not to alter or tear down any building or part of a building forming part of the Property;
 - to enforce and maintain in good standing all warranties and insurance relating to buildings and improvements forming part of the Property;
 - to comply with Applicable Laws affecting the condition (such as the environmental condition), repair, use and occupation of the Property;
 - to do all things and sign any other document that the Mortgagee reasonably requires to ensure that the Obligations remain secured by this Mortgage and that the Mortgage has priority over any other security over the Property, except as may otherwise be agreed to by the Mortgagee;
 - not to do or fail to do anything that has the effect of reducing the value of the Property or lowering the priority of this Mortgage and any other security in favour of the Mortgagee (the Mortgagor is to promptly inform the Mortgagee of any fact or event that could adversely affect the value of the Property or the financial condition of the Mortgagor or that could lower the priority of this Mortgage or other security held by the Mortgagee for the Obligations);
 - if the Mortgagor has rented the Property, and if the Mortgagee so requests, to keep records of all rents received and of all expenses paid by the Mortgagor in connection with the Property, and, at least annually, have a statement of revenue and expenses for the Property prepared by a chartered accountant, and to give a copy of the statement to the Mortgagee;
 - to insure and keep insured all buildings and improvements on the Property for not less than their full replacement value until this Mortgage is discharged, including, without limitation, (i) risks of loss or damage by fire with extended perils coverage and such additional perils, risks or events against which a prudent owner would insure the Property; (ii) risks of loss and damage by explosion of, or caused by, any boiler or similar equipment, against loss or damage caused by a sprinkler system; and (iii) risks of loss from damage to or destruction of the Property resulting in interruption to or loss of revenue, rental income, or business income from the Property;
 - to send to the Mortgagee a copy of all insurance policies and renewals of same upon receipt and to ensure that all insurance policies required under this Mortgage are carried with a company approved by the Mortgagee and contain Mortgage clauses approved by the Insurance Bureau of Canada confirming that loss proceeds are payable to the Mortgagee, that the Mortgagee has the right to receive and to have a lien on the loss proceeds in accordance with its priority established under this Mortgage (the Mortgagor hereby assigns to the Mortgagee all amounts payable under any of these policies), and that the insurer will promptly advise the Mortgagee of (i) any cancellation, or proposed cancellation of a policy by the insurer for any reason, (ii) any failure by the insurer to renew a policy for any reason and (iii) any material change in the risk insured by the insurer, if required by the Mortgagee;
 - on the happening of any damage, to furnish all necessary proofs to the Mortgagee and do all necessary acts to enable the Mortgagee to obtain payment of the insurance proceeds, with the intention that the Mortgagee, in its discretion, may allow the Mortgagor to use the insurance proceeds to repair or rebuild the Property or may use such insurance proceeds to reduce the Obligations, whether due or not;
 - if the Mortgagee requires the Mortgagor to do so, to arrange for payments on account of Obligations to be made by pre-authorized withdrawals from an account of the Mortgagor;
 - to pay any money, which, if not paid, would result in a default under any charge or encumbrance having priority over this Mortgage or which might result in the sale of the Property; and
 - to pay and cause to be discharged any liens or encumbrances over the Property that are not liens or encumbrances permitted by the Mortgagee under this Mortgage or any Agreement.
- 6.2 Promises regarding the Property.** The Mortgagor promises and declares to the Mortgagee that:
- the Mortgagor:
 - has good title to the Property;
 - has the right to give the Mortgagee this Mortgage and that on Default the Mortgagee can have quiet possession of the Property free from all encumbrances; and

- (iii) will execute such further assurances of title to the Property as may be required by the Mortgagee;
- b. the Mortgagor's title to the Property is subject only to those charges and encumbrances that the Mortgagee has agreed to in writing;
- c. subject to paragraph (b) above, the Mortgagor:
 - (i) has not given or is not in the process of giving any other charge or encumbrance against the Property; and
 - (ii) has no knowledge of any other claim against the Property.

7. PROMISES BETWEEN THE MORTGAGOR AND THE MORTGAGEE

- 7.1 **Mortgagee May Fulfill Mortgagor's Obligations.** The Mortgagee may, but is not required to, fulfill any of the obligations of the Mortgagor under the terms of an Agreement, this Mortgage or the Obligations, or spend any money to perform any such obligations.
- 7.2 **Subsequent Interests.** By this Mortgage, the Mortgagor grants and mortgages any additional or greater interest in the Property that the Mortgagor may later acquire.
- 7.3 **Inspection of Property.** The Mortgagee or its agents may, at any reasonable time, inspect the Property and any buildings and improvements which form part of it, or have it appraised from time to time. In addition, the Mortgagee or its agents may conduct, at any reasonable time, any environmental testing, site assessment, investigation, or study that the Mortgagee or its insurer considers necessary. The reasonable cost of any inspection, appraisal, testing, assessment, investigation or study will be immediately due and payable by the Mortgagor and will form part of the Costs. The Mortgagee or its insurer, or their respective agents, will not become a mortgagee in possession by exercising these rights.
- 7.4 **Repairs by Mortgagee.** The Mortgagee, in its sole discretion, may enter the Property at any reasonable time to inspect the Property and request the Mortgagor to make any repairs that the Mortgagee deems necessary, at the cost of the Mortgagor, but, just by doing so, the Mortgagee will not become a mortgagee in possession nor will the Mortgagee be under any obligation to make any repairs to the Property.
- 7.5 **Mortgagee not Responsible for Maintenance.** If the Mortgagee takes possession of the Property, the Mortgagee will not be responsible for maintaining and preserving the Property or maintaining the use for which the Property is intended, except to the extent required by Applicable Laws, and the Mortgagee need only account to the Mortgagor for any money the Mortgagee actually receives in connection with this Mortgage or the Property while in possession of the Property.
- 7.6 **Notice to Mortgagee.** Any notice by the Mortgagor to the Mortgagee may be delivered at or sent by registered mail to the Mortgagee's Address.
- 7.7 **Notice to Mortgagor.** Any notice by the Mortgagee to the Mortgagor may be delivered at or sent by registered mail to the Mortgagor's Address.
- 7.8 **When Notice Received.** Any notice given by mail in accordance with this Mortgage is considered to have been received five days after the day on which it was mailed.
- 7.9 **Mail Strike or Disruption.** Any notice to be given during a mail strike or disruption must not be sent by mail.
- 7.10 **No Release on Sale.** The Mortgagor is not released from the Obligations because the Mortgagor transfers or otherwise conveys, or purports to transfer or otherwise convey, the Property or any interest therein.
- 7.11 **Other Mortgages.** If the Mortgagor has mortgaged, charged or granted any interest or security in any other property to the Mortgagee to secure payment of any of the Obligations, the Mortgagee may take all proceedings under any of those mortgages, charges, grants of interest or security as the Mortgagee decides and as permitted by Applicable Laws.
- 7.12 **Consolidation with Other Mortgages.** The Mortgagee is entitled to treat this Mortgage as one with any other mortgages given now or in the future by the Mortgagor to the Mortgagee, so that the Mortgagee can require that the requirements of all such mortgages, and this Mortgage, have to be satisfied in full before the Mortgagee will be obligated to give a discharge of any of those mortgages or this Mortgage.
- 7.13 **Mortgagee May Release Part of Property.** Whether or not the Mortgagee receives any value, at all times the Mortgagee may release any part or parts of the Property or any other security or any other Person's promise for payment or performance of all or any part of the Obligations without being accountable to the Mortgagor except for the money the Mortgagee actually receives. Notwithstanding any such release, the Property, security and promises of the Mortgagor and other Persons remaining unreleased will remain in effect for payment and performance of the Obligations.

8. DEFAULTS

- 8.1 **Events of Default.** A Default occurs under this Mortgage if:
 - a. the Mortgagor fails to pay or perform any of the Obligations at the time and in the manner required by the terms of any Agreement or by this Mortgage;
 - b. any statement, certification, representation, covenant or agreement of the Mortgagor or a guarantor given to the Mortgagee in connection with any Obligations is or becomes untrue or misleading;
 - c. the Mortgagor breaches any promise, condition or agreement which the Mortgagor has made to the Mortgagee in this Mortgage or the Mortgagor or any other Person breaches a promise, condition or agreement in any Agreement;
 - d. the Mortgagor ceases to carry on its business, becomes insolvent or bankrupt, becomes subject to insolvency, reorganization, arrangement or similar proceedings affecting the rights of creditors;
 - e. the Property is abandoned or ceases to be used as currently used;
 - f. the Property or any part of it is expropriated or condemned;
 - g. the Mortgagor sells or agrees to sell all or any part of the Property or the Mortgagor leases it or any part of it without the prior written consent of the Mortgagee, which may be refused at the sole discretion of the Mortgagee;
 - h. the Mortgagor gives another Mortgage of the Property to someone other than the Mortgagee without the prior written consent of the Mortgagee;

- i. any type of lien whatsoever, such as a mechanic's, builder's, or construction lien, judgment or any similar encumbrance is registered against the Property or the Mortgagee receives notice that a lien or judgment will be obtained, unless prior written consent is obtained from the Mortgagee for each instance of lien, judgement or encumbrance;
- j. the Property is subject to foreclosure proceedings, judicial sale, or otherwise seized by another mortgagee, encumbrancer, writ holder, receiver, or any agent of one of those, or any other Person performing similar functions;
- k. improvements to the Property remain unfinished and no work has been done for a period of fifteen consecutive days;
- l. the Mortgagor is in default under any lease of the Property; or
- m. an event occurs which is stated to be a Default under this Mortgage.

8.2 Mortgagee Determines Default. The Mortgagee, in its sole discretion, will determine whether any Default has occurred.

9.. CONSEQUENCES OF A DEFAULT

- 9.1 Mortgagor's Rights Cease Upon Default.** Upon a Default occurring, the Mortgagor is not entitled to exercise any rights or entitlements under this Mortgage or any Agreement.
- 9.2 Mortgagee's Rights on Default.** If a Default occurs, the Mortgagee, where and to the extent permitted by Applicable Laws, and then in any order that the Mortgagee chooses, may do any one or more of the following:
- a. demand immediate payment or performance of any or all of the Obligations, in which case such Obligations will become immediately due and payable;
 - b. sue the Mortgagor for money that is due in respect of the Obligations;
 - c. take proceedings and any other legal steps to compel the Mortgagor to satisfy or perform the Obligations;
 - d. enter upon and take possession of the Property;
 - e. sell the Property and any other property mortgaged by the Mortgagor to the Mortgagee by public auction or private sale on terms decided by the Mortgagee, including selling the Property for cash or credit or any combination of the two:
 - (i) on thirty-five days notice to the Mortgagor if the Default has continued for fifteen days (or longer or other period, if required by Applicable Laws); or
 - (ii) without notice to the Mortgagor if the Default has continued for sixty days or more (if and to the extent permitted by Applicable Laws);
 - f. lease the Property on terms decided by the Mortgagee:
 - (i) on fifteen days notice to the Mortgagor if the Default has continued for fifteen days (or longer or other period, if required by Applicable Laws); or
 - (ii) without notice to the Mortgagor if the Default has continued for thirty-one days or more (if and to the extent permitted by Applicable Laws);
 - g. apply to a Court for an order that the Property be sold on terms approved by the Court;
 - h. apply to a Court to foreclose the Mortgagor's interest in the Property so that when the Court makes its final order of foreclosure the Mortgagor's interest in the Property will be absolutely vested in and belong to the Mortgagee;
 - i. apply to a Court to have a receiver or receiver and manager or comparable officer of the Court appointed with respect to the Property or appoint a Receiver of the Property under this Mortgage;
 - j. enter upon and take possession of the Property without the permission of anyone and make any arrangements the Mortgagee considers necessary to:
 - (i) inspect, lease, collect rents or manage the Property;
 - (ii) complete the construction of any building on the Property; or
 - (iii) repair any building on the Property; and
 - k. take whatever action is necessary to take, recover and keep possession of the Property.
- 9.3 Powers of the Court.** Nothing in subsection 9.2 affects the jurisdiction of the Court.
- 9.4 Application of Proceeds.** Any payments made in respect of the Obligations from money or other proceeds realized from the enforcement of the Mortgagee's remedies including proceeds realized under this Mortgage, may be applied and reapplied notwithstanding any previous application on such part or parts of the Obligations as the Mortgagee decides or may be held unappropriated in a separate collateral account for such time as the Mortgagee decides.
- 9.5 Deficiency After Sale.** Subject to Applicable Laws, if the proceeds available from realizing upon the Property pursuant to this Mortgage are not sufficient to pay all the Obligations, the Mortgagor will pay to the Mortgagee on demand the amount of the deficiency.
- 9.6 Mortgagee's Rights After Judgment.** If the Mortgagee obtains judgment against the Mortgagor as a result of a Default, the remedies described in subsection 9.2 may continue to be used by the Mortgagee to compel the Mortgagor to pay and perform the Obligations. The Mortgagee will continue to be entitled to receive interest on the Obligations, in accordance with and in the manner provided for such interest under the terms of an Agreement and this Mortgage, until the judgment is paid in full.
- 9.7 No Waiver of Rights.** If the Mortgagee does not exercise any of the Mortgagee's rights on the happening of a Default or does not ask the Mortgagor to cure such Default, the Mortgagee is not prevented from later compelling the Mortgagor to cure that Default or exercising any of those rights in connection with that Default or any later Default of the same or any other kind.

10. CONSTRUCTION OF BUILDINGS OR IMPROVEMENTS

- 10.1 No Construction, Alteration or Addition Without Consent.** The Mortgagor will not construct, alter or add to any buildings or improvements on the Property without the prior written consent of the Mortgagee, and then, only in accordance with accepted construction standards, building codes and municipal or government requirements and, if provided by any Agreement, plans and specifications approved by the Mortgagee.

11. RENTAL AND ASSIGNMENT OF RENT

- 11.1 Mortgagee to Approve Rental.** If the Property or any part of the Property is currently used as owner-occupied residential premises, the Mortgagor represents that no part of the Property is rented or occupied by a tenant and the Mortgagor promises not to rent, lease or enter into a tenancy agreement of any part of the Property without obtaining the Mortgagee's prior written approval, which approval may be refused at the sole discretion of the Mortgagee.
- 11.2 Assignment.** If the Property or any part of the Property is used or intended to be used as rental premises, the Mortgagor:
- must deliver to the Mortgagee a copy of all leases related to the Property and will provide any and all information related to the rents on the Mortgagee's request;
 - will only lease the Property at a value corresponding to a lease at the fair market value and will not accept payment in advance of more than one month's rent; and
 - assigns, as additional and separate security for the Obligations, all existing and future rents and leases relating to the Property. In particular, the Mortgagor transfers and assigns to the Mortgagee as security:
 - all leases, lease agreements, sub-leases, and offers to lease, and their renewals, whether in writing or not;
 - all rents and other money payable under the terms of all such leases, sub-leases, offers to lease, and agreements; and
 - all the Mortgagor's rights under such leases, sub-leases, offers to lease, and agreements.
- 11.3 Receipt of Rents.** Notwithstanding subsection 11.2, the Mortgagee will allow the Mortgagor to receive the rents as long as the Mortgagor is not in Default. If the Mortgagee withdraws this authorization, the Mortgagee may collect such rents and revenues and will be entitled to a reasonable commission or other remuneration, which it may deduct from any amounts collected. Subsection 9.4 will apply to the proceeds of such collection by the Mortgagee.
- 11.4 Mortgagee Not Responsible.** Nothing done by the Mortgagee under this section 11 will make the Mortgagee a mortgagee in possession or will have the effect of making the Mortgagee responsible for collecting rent or complying with any terms of any lease or agreement.

12. RECEIVER

- 12.1 Mortgagee May Appoint Receiver.** Upon Default, the Mortgagee or the Mortgagee as agent or attorney for the Mortgagor (with no such appointment being revocable by the Mortgagor), with or without entering into possession of the Property or any part thereof, may appoint in writing a Receiver and may remove any such Receiver and appoint a new Receiver in the place and stead of any previously appointed Receiver.
- 12.2 Powers of Receiver.** Subject to Applicable Laws, the Receiver:
- will be deemed to be the Mortgagor's irrevocable agent or attorney, vested with all rights, powers and discretions of the Mortgagor, and the Mortgagor will be solely responsible for the Receiver's acts or omissions;
 - has power, either in the Mortgagor's name or in the name of the Mortgagee, to demand, recover and receive income from the Property and start and carry on any action or court proceeding to collect that income;
 - may lease or sublease the Property or any part of it on terms and conditions that the Receiver chooses;
 - may complete the construction of or repair any improvement on the Property;
 - may take possession of all or part of the Property;
 - may manage the Property and maintain it in good condition;
 - has the power to perform, in whole or in part, the Mortgagor's duties under the terms of the Agreements, this Mortgage and the Obligations; and
 - has the power to do anything that, in the Receiver's opinion, will maintain and preserve the Property or will increase or preserve the value or income potential of the Property.
- 12.3 Use of Income by Receiver.** From income received from the Property, the Receiver may, subject to Applicable Laws, in any order the Receiver chooses, (i) retain enough money to pay or recover the cost to collect the income and to cover other disbursements; (ii) retain its commission, fees and disbursements as receiver; (iii) pay all Taxes and the cost of maintaining the Property in good repair, completing the construction of any building or improvement on the Property, supplying goods, utilities and services to the Property and taking steps to preserve the Property from damage by weather, vandalism or any other cause; (iv) pay any money for matters required to be paid by the Receiver under Applicable Laws, or that might, if not paid, result in a default under any charge or encumbrance having priority over this Mortgage or that might result in the sale of the Property if not paid; (v) pay Taxes in connection with anything the Receiver is entitled to do under this Mortgage; (vi) pay interest to the Mortgagee that is due and payable; (vii) pay all or part of the Obligations to the Mortgagee whether or not it is due and payable; (viii) pay any other money owed by the Mortgagor under this Mortgage; and (ix) pay insurance premiums.
- 12.4 Receiver May Borrow.** The Receiver may borrow money for the purpose of doing anything the Receiver is authorized to do.
- 12.5 Mortgagor Responsible for Borrowing by Receiver.** Any money borrowed by the Receiver from the Mortgagee, and any interest charged on that money and all the costs of borrowing, will form part of the Obligations and will bear interest at the rate and to be paid with the frequency provided under the applicable terms upon which such money was borrowed.
- 12.6 Receiver's Costs and Expenses.** The fees and disbursements of the Receiver, if paid by the Mortgagee, will form part of the Obligations and will bear interest according to the terms of any applicable Agreement and this Mortgage.
- 12.7 Mortgagee Not Responsible.** Nothing done by the Receiver under this section 12 will make the Mortgagee a mortgagee in possession, and the Mortgagor hereby releases and discharges the Mortgagee and every Receiver from every claim of every nature, whether sounding in damages for negligence or trespass or otherwise, which may arise or be caused to the Mortgagor or any Person claiming through or under it by reason or as a result of anything done by the Mortgagee or any Receiver under the provisions of this section 12. The Mortgagor agrees to ratify and confirm all actions of any Receiver taken or made pursuant to this provision and agrees that neither the Receiver nor the Mortgagee will be liable for any loss sustained by the Mortgagor or any other Person resulting from any such action or failure to act.

13. STRATA LOT/CONDOMINIUM PROVISIONS

- 13.1 Strata Lot/Condominium Provisions.** This section 13 applies if the Property is or becomes a strata lot or condominium property under the Applicable Laws. The Mortgagor will comply with this section 13 in addition to all other terms of this Mortgage and Applicable Laws.
- 13.2 Mortgagor Will Obey Strata/Condominium Rules.** The Mortgagor will perform all of the Mortgagor's obligations as a strata lot/condominium owner under the Applicable Laws and the declaration, bylaws, rules and regulations of the strata/condominium corporation (the "Strata/Condominium Documents") and will pay all money owed by the Mortgagor to the strata/condominium corporation.
- 13.3 Insurance.** The Mortgagor will cause the strata/condominium corporation to insure the Property and the common property (or common elements), in accordance with the Applicable Laws. In addition, the Mortgagee agrees that the provisions of the Applicable Laws regarding the insurance proceeds will prevail notwithstanding subsection 6.1(k).
- 13.4 Right to Vote.** The voting rights of the Mortgagor as owner are exercisable by the Mortgagee on written notice to the strata/condominium corporation as provided by the Applicable Laws, but the Mortgagee is not required to attend meetings of the strata/condominium corporation or to exercise such rights, whether or not notice is given. The Mortgagor hereby irrevocably assigns all voting rights to the Mortgagee, provided until the Mortgagee gives written notice of this Mortgage to the strata/condominium corporation, the Mortgagor may exercise voting rights.
- 13.5 Mortgagor to Supply Copies of Documents.** At the request of the Mortgagee, the Mortgagor will give the Mortgagee copies of all notices, financial statements and other documents given by the strata/condominium corporation to the Mortgagor.
- 13.6 Mortgagee is Mortgagor's Agent.** The Mortgagor appoints the Mortgagee to be the Mortgagor's agent to inspect or obtain copies of any records or other documents of the strata/condominium corporation that the Mortgagor is entitled to inspect or obtain, including the amount of any assessments or payments due to the strata/condominium corporation by the Mortgagor. The Mortgagee is entitled to make inquiries as to the status of the Mortgagor's common expense contributions.
- 13.7 Default.** There is a Default if the strata/condominium corporation transfers, charges or adds to the common property (or common elements), or amends its Strata/Condominium Documents without the consent of the Mortgagee, and if, in the Mortgagee's opinion, the value of the Property is reduced.
- 13.8 Mortgagee May Require Payment.** At the option of the Mortgagee, and subject to compliance with Applicable Laws, there is a Default if:
- governance of the property of the strata/condominium corporation under the Applicable Laws is terminated or wound up as described in the Applicable Laws or the Strata/Condominium Documents;
 - a vote of the strata lot/condominium owners authorizes the sale of the property of the strata/condominium corporation or of a part of its common property (or common elements);
 - the strata/condominium corporation fails to comply with the Applicable Laws or the Strata/Condominium Documents;
 - the strata/condominium corporation fails to insure the strata lots/condominium units and common property (or common elements) against destruction or damage by fire and other perils usually insured against for full replacement cost; or
 - the strata/condominium corporation fails, in opinion of the Mortgagee, to manage its property and assets in a careful way or to maintain its assets in good repair.
- 13.9 Strata Lot/Condominium Expense Default.** Where the Mortgagor defaults in the obligation to contribute to the administrative expenses assessed or levied by the strata/condominium corporation, or any authorized agent on its behalf, or any assessment, instalment or payment due to the strata/condominium corporation or upon breach of any covenant or the provisions herein before in this subsection 13.9 contained, regardless of any other action or proceeding taken or to be taken by the strata/condominium corporation, the Mortgagee, may at its sole option and discretion and without notice to the Mortgagor:
- pay such expenses or levies and add any such payments to the Obligations and such amounts will bear interest according to the terms of any applicable Agreement and this Mortgage; or
 - deem such default to be a Default under this Mortgage.
- Upon Default and notwithstanding any other right or action of the strata/condominium corporation or of the Mortgagee, the Mortgagee may distrain for arrears of any assessments, instalments or payments due to the Mortgagee or arising under this provision.
- 13.10 Mortgagee Not Responsible.** Nothing done by the Mortgagee under this section 13 will make the Mortgagee a mortgagee in possession.

14. SUBDIVISION

- 14.1 Effect of Subdivision.** If the Property is subdivided:
- this Mortgage will charge each subdivided lot as security for payment and performance of all of the Obligations; and
 - the Mortgagee is not required to discharge this Mortgage as a charge on any of the subdivided lots unless all the Obligations are paid and performed.

15. SPOUSE OF THE MORTGAGOR

- 15.1 Consent of Spouse.** Unless such affidavits and other documents are separately delivered to the Mortgagee as required under Applicable Laws to release to the Mortgagee any claim or interest of a Spouse in and to the Property, any Spouse who is signing the Mortgage Form consents to the granting of this Mortgage by the Mortgagor and releases to the Mortgagee any claim or interest that the Spouse has or may have in the Property under Applicable Laws as far as such release is necessary to give effect to the Mortgagee's rights under this Mortgage.

16. GENERAL

- 16.1 Who this Mortgage Binds.** This Mortgage binds the Mortgagor, a Spouse (if any Spouse is signing the Mortgage Form) and their respective heirs, personal representatives, successors, executors, administrators and assigns.

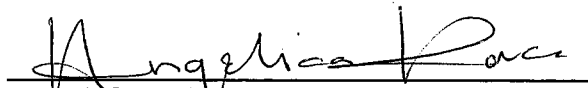
- 16.2 Amendments.** Any agreement to make material changes to this Mortgage will apply to those who agree to the changes in writing.
- 16.3 Joint and Several Obligations.** Each Person who signs this Mortgage as a Mortgagor is jointly and severally liable for the payment and performance of all of the Obligations.
- 16.4 Unenforceable Provisions.** If any part of this Mortgage is not enforceable or invalid, all other parts of this Mortgage will remain in full effect and be enforceable against the Mortgagor.
- 16.5 Mortgagee May Make Changes.** The Mortgagee may, without consent or notice, assign, grant security interests in or otherwise dispose of all or some of the Obligations or this Mortgage.
- 16.6 Responsibility of Mortgagee.** The Mortgagee is only liable to the Mortgagor for the Mortgagee's wilful misconduct or gross negligence.
- 16.7 Mortgagee May Delegate.** The Mortgagee may delegate the exercise of its rights or the performance of its obligations to another Person. In that event, the Mortgagee may furnish that Person with any information it may have concerning the Mortgagor or the Property.
- 16.8 Headings.** Headings in the Mortgage do not form part of this Mortgage but are used only for easy reference.
- 16.9 Interpretation.** In this Mortgage, the singular includes the plural and vice versa.
- 16.10 Conflicts Between Documents.** If there is a conflict between any provision of this Mortgage and any Agreement, the relevant provision in the Agreement will prevail to the extent of the conflict.
- 16.11 Further Assurances of the Mortgagor.** At the request of the Mortgagee, the Mortgagor will execute such further documents as may be required by the Mortgagee to more fully give effect to this Mortgage.
- 16.12 Extent of Estate.** For better securing to the Mortgagee the payment and the performance of the Obligations, the Mortgagor hereby mortgages to the Mortgagee all of the Mortgagor's estate and interest in the Property.
- 16.13 Power of Attorney.** In consideration of the mutual promises of the Mortgagee and the Mortgagor in this Mortgage, the Mortgagor grants to the Mortgagee, with full power of substitution, an irrevocable power of attorney coupled with an interest to perform any action or to sign any document required to allow the Mortgagee to fully exercise the rights granted under this Mortgage or any Agreement and to deal with the Property. The Mortgagor ratifies in advance all actions of the Mortgagee pursuant to such power of attorney and confirms that the Mortgagee is not liable for any loss sustained by the Mortgagor or any other Person resulting from any such action or any failure to act.
- 16.14 Rights and Remedies.** The Mortgagee may exercise all rights and remedies in this Mortgage, any Agreement or under Applicable Laws, concurrently, cumulatively, independently and in such order and combination and at such times as the Mortgagee sees fit. In doing so, the Mortgagee is not obligated to exhaust any one right or remedy before exercising any of its other rights or remedies.
- 16.15 Property Located in Saskatchewan.** If the Property is located in Saskatchewan and the Mortgagor is a corporation:
- The Land Contracts (Actions) Act* of Saskatchewan shall have no application to any "action", as defined in that Act, with respect to this Mortgage; and
 - The Limitation of Civil Rights Act* of Saskatchewan shall have no application to this Mortgage or any Agreement or to the Mortgagee and any other Person who may have rights, powers or remedies under this Mortgage or any Agreement.
- 16.16 Property Located in British Columbia.** If the Property is located in British Columbia:
- The right of consolidation described in subsection 7.12 hereof shall apply to the Mortgage and to any other mortgages and/or charges given by the Mortgagor to the Mortgagee notwithstanding section 31 of the *Property Law Act*, R.S.B.C. 1996, c. 377, as amended or replaced from time to time.
 - Clause 15 of Schedule 6 of the *Land Transfer Form Act*, R.S.B.C. 1996, c. 252, as amended or replaced from time to time, is expressly excluded from this Mortgage.
- 16.17 Property Located in Alberta.** If the Property is located in Alberta:
- Expropriation Act (Alberta):** The Mortgagor acknowledges that it has been fully instructed and advised as to the meaning of sections 49 and 52 of the *Expropriation Act* (Alberta), and hereby waives the provisions of sections 49 and 52 of the *Expropriation Act* (Alberta) and any legislation enacted in place thereof.
 - Waiver of Insurance Statutes:** The Mortgagor hereby irrevocably waives any and all statutory provisions which may require that proceeds of insurance be used, or permit an insurer to use proceeds of insurance, to restore or rebuild, including the *Fires Prevention (Metropolis) Act*, 1774 and the *Insurance Act* (Alberta).
- 16.18 Governing Law.** This Mortgage shall be governed in all respects by the laws of the Province where the Property is situated and the laws of Canada applicable therein.

**SCHEDULE 1
LEASEHOLD MORTGAGE**

1. **Definition.** For the purposes of this Schedule 1, "Lease" means a lease, or any sublease, pursuant to which the Mortgagor has a leasehold interest, if any, in the Property;
2. **Application to Leases.** If all or any part of the Property is held by way of a leasehold interest, this Schedule forms part of this Mortgage and this Mortgage is to be construed as a charge upon the unexpired term of the Lease less the last day of that term.
3. **Mortgagor Promises.** The Mortgagor represents to the Mortgagee that:
 - a. the Mortgagor has provided to the Mortgagee a true and complete copy of the Lease;
 - b. the Lease is held by the Mortgagor subject only to those charges and encumbrances that are registered in the appropriate registry of deeds, land titles or land registration office at the time the Mortgagor signs this Mortgage;
 - c. the Lease is in good standing;
 - d. the Mortgagor has complied with all the Mortgagor's promises and agreements contained in the Lease;
 - e. the Mortgagor has paid all rent that is due and payable under the Lease;
 - f. the Lease is not in default; and
 - g. the Mortgagor has the right to mortgage the Lease to the Mortgagee.
4. **Mortgagor's Obligation.** Where the interest mortgaged is a leasehold interest, the Mortgagor will:
 - a. comply with the Lease and not do anything that would cause the Lease to be terminated;
 - b. immediately give to the Mortgagee a copy of any notice or request received from the landlord;
 - c. maintain the Lease in good standing, and to renew the Lease or enter into a new lease agreement for the Property from time to time, so long as the Mortgage or Obligations are outstanding;
 - d. immediately notify the Mortgagee if the landlord advises the Mortgagor of the landlord's intention to terminate the Lease before the term expires; and
 - e. sign any other document the Mortgagee requires to ensure that any greater interest in the Property that is acquired by the Mortgagor is charged by this Mortgage.
5. **Default Under Lease.** Any default under the Lease is a Default under this Mortgage.
6. **No Changes to Lease.** The Mortgagor promises the Mortgagee that the Mortgagor will not, without first obtaining the written consent of the Mortgagee:
 - a. surrender or terminate the Lease; or
 - b. agree to change the terms of the Lease.
7. **Mortgagee May Perform.** The Mortgagee may perform any promise or agreement of the Mortgagor under the Lease. Any amounts paid by the Mortgagee pursuant to the Lease shall be added to and form part of Costs.
8. **Mortgagee Not Responsible.** Nothing done by the Mortgagee under this Schedule 1 will make the Mortgagee a mortgagee in possession.

END OF SET

This is **Exhibit "R"** referred to in the Affidavit #1 of John Karkoutlian made before me at Vancouver, British Columbia, on this 26th day of September, 2024.


A Commissioner for taking Affidavits
in the Province of British Columbia

PROPERTY TAX CERTIFICATE

kelowna.ca

Printed: Sep 25, 2024

Number: 53606

1435 Water Street

Kelowna, BC V1Y 1J4

P: 250-469-8757

E: revenue@kelowna.ca

This statement is issued in accordance with Community Charter Section 249 - Certificate of Outstanding Taxes. Under 249(3), an error in a statement or certificate given under this section does not subject the municipality to damages. THIS PROPERTY MAY BE SUBJECT TO OTHER CHARGES OR FEES.

For APIC
064093-589575

Owner	Property
375 POTTERTON LTD C/O AVISON YOUNG REMS LP PO BOX 11109 STN ROYAL CENTRE VANCOUVER BC V6E 3P3	Folio: 02095.142 Pid: 023-839-171 LTO No.: CA9768037 MHR No.: Civic: 375 POTTERTON RD Legal: PL KAP59703, LT D, SEC 2, TWP 20, Status: ACTIVE

2024 Assessments					
Value Set	Assessment Class	Value Type	Land	Improvements	Total
GENERAL	Business/Other	NET	16,952,000	5,442,000	22,394,000
SCHOOL	Business/Other	NET	16,952,000	5,442,000	22,394,000
HOSPITAL	Business/Other	NET	16,952,000	5,442,000	22,394,000

2024 Levies, Grants, Deferrals		Property Taxes Owing As At Sep 25, 2024		2025 Instalments	
Total Levy	222,127.03	Delinquent (2022)	0.00	Payments Made	0.00
Grant Available		Arrears (2023)	0.00	Interest Earned	0.00
65 and over	0.00	Interest to Sep 25, 2024	0.00	Adjustments	0.00
Under 65	0.00	Current (2024)	222,127.03	Balance as at	
			222,127.03	Sep 25, 2024	0.00
Grant Claimed	0.00	Penalties	0.00		
Deferred	0.00	Total Taxes Owing	222,127.03		

Local Improvements				
Bylaw	Expires	Type	Levy	Status
8923 WATER PARCEL TAX		FIXED	50.00	Included in Taxes

Utility Account Number 1044136

Utility Billing Customer Care:
email: utilitybilling@kelowna.ca or phone: 250-469-8757 (option 2)

Unpaid Arrears	0.00	Details of Last Bill	
Balance of Last Bill - Due Oct 14, 2024	969.07	Charges on Last Bill	969.07
Account Balance as at Sep 25, 2024	969.07		
Account Type	BEAVER LAKE	Payments Applied	0.00
Number of Unit(s) on Premises	1	Penalties	0.00
		Adjustments	0.00

Bi-Monthly Billing History

Description	Amount	Covers	Days	Consumption
Mar 16, 2024 TO May 15, 2024				
TOTAL CHARGES FOR 2024 PERIOD 3	911.79	16-Mar-24 15-May-24	61	337.00
May 16, 2024 TO Jul 15, 2024				
TOTAL CHARGES FOR 2024 PERIOD 4	1,054.99	16-May-24 15-Jul-24	61	417.00
Jul 16, 2024 TO Sep 15, 2024				
TOTAL CHARGES FOR 2024 PERIOD 5	969.07	16-Jul-24 15-Sep-24	62	369.00

Pre-Authorized Withdrawals

Tax/Utility Account #	Account Holder Name	Withdrawal Amount	Scheduled Dates Start	Stop
UTILITY 1044136	MANNA INDUSTRIAL FUND (375)		May 25, 2022	

Important Property Comments

CURRENT OVERDUE Taxes - Property tax outstanding after the due date will incur a statutory penalty.

PROPERTY TAX CERTIFICATE

kelowna.ca

Printed: Sep 25, 2024

Number: 53605

1435 Water Street

Kelowna, BC V1Y 1J4

P: 250-469-8757

E: revenue@kelowna.ca

This statement is issued in accordance with Community Charter Section 249 - Certificate of Outstanding Taxes.
Under 249(3), an error in a statement or certificate given under this section does not subject the municipality to damages.
THIS PROPERTY MAY BE SUBJECT TO OTHER CHARGES OR FEES.

For APIC
065093-589575

Owner	Property
8826 JIM BAILEY LTD C/O AVISON YOUNG REMS LP PO BOX 11109 STN ROYAL CENTRE VANCOUVER BC V6E 3P3	Folio: 02095.148 Pid: 024-666-947 LTO No.: CA9768036 MHR No.: Civic: 8826 JIM BAILEY CRES Legal: PL KAP65805, LT 6, SEC 2, TWP 20, Status: ACTIVE

2024 Assessments				
Value Set	Assessment Class	Value Type	Land	Improvements
GENERAL	MULTIPLE	NET	13,453,000	6,958,000
SCHOOL	MULTIPLE	NET	13,453,000	6,958,000
HOSPITAL	MULTIPLE	NET	13,453,000	6,958,000
				Total
				20,411,000
				20,411,000
				20,411,000

2024 Levies, Grants, Deferrals		Property Taxes Owning As At Sep 25, 2024		2025 Instalments	
Total Levy	203,311.12	Delinquent (2022)	0.00	Payments Made	0.00
Grant Available		Arrears (2023)	800.00	Interest Earned	0.00
65 and over	0.00	Interest to Sep 25, 2024	59.50	Adjustments	0.00
Under 65	0.00	Current (2024)	203,311.12	Balance as at	
			204,170.62	Sep 25, 2024	0.00
Grant Claimed	0.00	Penalties	0.00		
Deferred	0.00	Total Taxes Owling	204,170.62		

Local Improvements				
Bylaw	Expires	Type	Levy	Status
8923 WATER PARCEL TAX		FIXED	50.00	Included in Taxes

Utility Account Number 1044129

Utility Billing Customer Care:
email: utilitybilling@kelowna.ca or phone: 250-469-8757 (option 2)

Unpaid Arrears	0.00	Details of Last Bill	
Balance of Last Bill - Due Oct 14, 2024	453.55	Charges on Last Bill	453.55
Account Balance as at Sep 25, 2024	453.55		
Account Type	BEAVER LAKE	Payments Applied	0.00
Number of Unit(s) on Premises	1	Penalties	0.00
		Adjustments	0.00

Bi-Monthly Billing History

Description	Amount	Covers	Days	Consumption
Mar 16, 2024 TO May 15, 2024				
TOTAL CHARGES FOR 2024 PERIOD 3	437.44	16-Mar-24 15-May-24	61	72.00
May 16, 2024 TO Jul 15, 2024				
TOTAL CHARGES FOR 2024 PERIOD 4	424.91	16-May-24 15-Jul-24	61	65.00
Jul 16, 2024 TO Sep 15, 2024				
TOTAL CHARGES FOR 2024 PERIOD 5	453.55	16-Jul-24 15-Sep-24	62	81.00

Pre-Authorized Withdrawals				
Tax/Utility Account #	Account Holder Name	Withdrawal Amount	Scheduled Dates Start	Stop

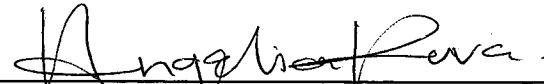
This customer is currently enrolled in the Utility Direct Debit Plan. The amount of each bill is withdrawn from their bank account on the bills due date. The customer must phone to cancel this plan in the event that the property is sold.

UTILITY 1044129 MANNA INDUSTRIAL FUND (8826) May 25, 2022

Important Property Comments

CURRENT OVERDUE Taxes - Property tax outstanding after the due date will incur a statutory penalty.
TAX Daily interest on Arrears and Delinquent taxes is \$ 0.217

This is **Exhibit "S"** referred to in the Affidavit #1 of John Karkoutlian made before me at Vancouver, British Columbia, on this 26th day of September, 2024.

A handwritten signature in black ink, appearing to read "Angela Reva", written over a horizontal line.

A Commissioner for taking Affidavits
in the Province of British Columbia

McCarthy Tétrault LLP
Suite 2400, 745 Thurlow Street
Vancouver BC V6E 0C5
Canada
Tel: 604-643-7100
Fax: 604-643-7900

**mccarthy
tétrault**

Lance Williams*
Partner | Associé
Direct Line: 604-643-7154
Email: lwilliams@mccarthy.ca
*Law Corporation

Assistant: *Katerina Doumakis*
Direct Line: 604-643-7910
Email: kdoumakis@mccarthy.ca

July 12, 2024

Via Registered Mail

375 Potterton Ltd.
#1115 - 8400 West Road
Richmond, BC V6X 0S7

375 Potterton Ltd.
19th Floor
885 West Georgia Street
Vancouver, BC V6C 3H4

Re: Loan Agreement, dated February 17, 2022 (as amended, supplemented, restated, replaced, or otherwise modified from time to time, the "Loan Agreement"), among, National Bank of Canada, as lender (the "Lender"), Manna Industrial Fund (Value-Add) Limited Partnership by its general partner, Manna Industrial Fund (Value-Add) GP Corp. as borrower (the "Borrower") and guaranteed by 8826 Jim Bailey Ltd. ("Jim Bailey"), 375 Potterton Ltd. ("Potterton"), Genesis Manna Holding Ltd. ("Genesis"), Allion Holdings Ltd. ("Allion"), Michael Chiang, and Nancy Wei (together with Jim Bailey, Potterton, Genesis, Allion and Michael Chiang the "Guarantors" and, the Borrower and the Guarantors collectively, the "Obligors" and, each, an "Obligor")

Please be advised that we are counsel to the Lender in this matter. We write further to the Loan Agreement and the other Loan Documents (each as defined below).

As you know, pursuant to the Loan Agreement, the Lender made available to the Borrower a term loan in the maximum principal amount of \$28,700,000 (the "**Credit Facility**").

Multiple defaults have occurred and are continuing under the Loan Agreement. As such, the Obligors are in default under the Loan Agreement, the guarantees and security documents granted by the Obligors to the Lender thereunder, and any other documents, instruments, and agreements in effect between any of the Obligors and the Lender with respect to the Loan Agreement (collectively, the "**Loan Documents**"). Accordingly, the Lender has demanded that the Borrower immediately repay of all of their obligations under the Credit Facility, and we enclose a copy of the demand letter sent today to the Borrower in connection therewith (the "**Demand Letter**").

As you know, Jim Bailey and Potterton granted a joint and several unlimited guarantee with respect to the obligations of the Borrower, dated March 3, 2022(the "**Guarantee**").

In addition to the Guarantee, as general and continuing security for the payment and performance of all obligations of the Borrower to the Lender, Potterton also granted the Lender the following security (collectively, the "**Security Agreements**"):

- (a) a general security agreement, dated March 3, 2022, granting the Lender a security interest in all present and after-acquired personal property of Potterton located on or used in connection with the real property located at:
 - 1. 375 Potterton Road, Kelowna, British Columbia, PID: 023-839-171, Lot D Section 2 Township 20 Osoyoos Division Yale District Plan KAP59703 (the "**Potterton Property**"); and
 - 2. 8826 Jim Bailey Crescent, Kelowna, British Columbia, PID: 024-666-947, Lot 6 Section 2 Township 20 Osoyoos Division Yale District Plan KAP65805;
- (b) a Form B mortgage, dated March 3, 2022, pursuant to which Potterton granted the Lender a fixed and specific mortgage and charge over the Potterton Property;
- (c) a general assignment of rents and leases, dated March 3, 2022, granted by Potterton in respect of the Potterton Property; and
- (d) an assignment of insurance proceeds agreement, dated March 3, 2022.

Further to the Demand Letter, pursuant to the Guarantee, and on behalf of the Lender, we hereby demand immediate payment of all of the Borrower's obligations under the Credit Facility as detailed in the Demand Letter. As at July 9, 2024, the total indebtedness under the Credit Facility is \$27,408,949.36 (the "**Borrower Indebtedness**").

The Borrower Indebtedness is inclusive of interest to July 9, 2024 but does not include interest that will continue to accrue after July 9, 2024, legal fees and expenses, or any other costs and/or amounts recoverable pursuant to the Loan Agreement, related guarantees and security granted by the Obligors to the Lender (including, without limitation, the Guarantee and the Security Agreements), and/or any other Loan Documents (collectively, the "**Additional Indebtedness**").

Payment of the Borrower Indebtedness, together with all Additional Indebtedness incurred to the date of payment (collectively, the "**Total Indebtedness**"), should be made by wire transfer, bank draft or certified cheque within 10 business days of the date of this letter, payable to:

McCarthy Tétrault LLP
Suite 2400, 745 Thurlow Street
Vancouver, BC V6E 0C5
Attention: Sue Danielisz

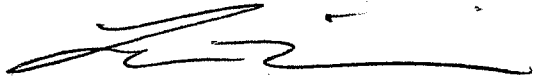
Prior to making payment, please ensure you contact Ms. Danielisz at 604-643-5904 or sdanielisz@mccarthy.ca to confirm the Total Indebtedness on the date payment is to be made.

If payment of the Total Indebtedness is not made on or within 10 business days of this letter, the Lender will take such steps as it considers necessary to protect its rights and security, including, but not limited, to commencing action against the Obligors, without further notice to you.

We hereby enclose a Notice of Intention to Enforce Security pursuant to section 244 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended.

For the avoidance of doubt, the Lender expressly reserves all rights, powers, and privileges available to it under the Loan Documents, applicable law, or otherwise, including, without limitation, the right to appoint an interim receiver over any of the Obligors, and/or their assets and undertaking, prior to the expiry of any applicable notice period.

Yours truly,

A handwritten signature in black ink, appearing to read 'Lance Williams', with a long horizontal flourish extending to the right.

Lance Williams*
Partner | Associé

Enclosures

**NOTICE OF INTENTION TO ENFORCE A SECURITY
UNDER SECTION 244 OF THE *BANKRUPTCY AND INSOLVENCY ACT* (CANADA)**

To: 375 Potterton Ltd.

TAKE NOTICE THAT:

1. National Bank of Canada intends to enforce its security on 375 Potterton Ltd.'s property described below:
 - a. real property in the Province of British Columbia legally described as:
 PID: 023-839-171, Lot D Section 2 Township 20 Osoyoos Division Yale District
 Plan KAP59703 (the "**Mortgaged Property**");
 - b. all leases and rents payable in respect of the Mortgaged Property; and
 - c. all present and after-acquired personal property located on or used in connection with the Mortgaged Property and the real property in the Province of British Columbia located at:
 PID: 024-666-947, Lot 6 Section 2 Township 20 Osoyoos Division Yale District
 Plan KAP65805.
2. The security that is to be enforced is the following:
 - a. mortgage in respect of the Mortgaged Property dated March 3, 2022;
 - b. general assignment of rents and leases in respect of the Mortgaged Property dated March 3, 2022;
 - c. general security agreement dated March 3, 2022;
 - d. unlimited guarantee dated March 3, 2022; and
 - e. assignment of insurance proceeds agreement dated March 3, 2022

(collectively, the "**Security**").
3. The total amount of indebtedness secured by the Security as at June 24, 2024 is \$27,408,949.36 plus interest, costs, and other amounts recoverable and continuing to accrue to the date of payment.
4. National Bank of Canada will not have the right to enforce the Security until after the expiry of the 10-day period after this notice is sent unless 375 Potterton Ltd. consents to an earlier enforcement, by executing the consent and waiver attached hereto as **Schedule "A"** and providing a copy to the undersigned.

NATIONAL BANK OF CANADA, by
its solicitors, McCarthy Tétrault LLP

Per:

A handwritten signature in black ink, appearing to read 'Lance Williams', with a stylized, sweeping underline.

Lance Williams

Dated at Vancouver, British Columbia, this 12th day of July, 2024.

SCHEDULE "A"**CONSENT TO AN EARLIER ENFORCEMENT
UNDER SECTION 244 OF THE *BANKRUPTCY AND INSOLVENCY ACT* (CANADA)****To: National Bank of Canada****TAKE NOTICE THAT:**

The undersigned hereby acknowledges receipt of a Notice of Intention to Enforce Security dated July 12, 2024 pursuant to section 244 of the *Bankruptcy and Insolvency Act* (Canada) with respect to the assets of 375 Potterton Ltd., waives its right to the 10-day notice period to redeem the collateral, and consents to the immediate enforcement of the security held by National Bank of Canada.

DATED at _____, this _____ day of _____, 2024.

375 Potterton Ltd.

Per:

Signature_____
Print Name_____
Title

McCarthy Tétrault LLP
Suite 2400, 745 Thurlow Street
Vancouver BC V6E 0C5
Canada
Tel: 604-643-7100
Fax: 604-643-7900

**mccarthy
tétrault**

Lance Williams*
Partner | Associé
Direct Line: 604-643-7154
Email: lwilliams@mccarthy.ca
*Law Corporation

Assistant: Katerina Doumakis
Direct Line: 604-643-7910
Email: kdoumakis@mccarthy.ca

July 12, 2024

Via Registered Mail

Manna Industrial Fund
#1115 - 8400 West Road
Richmond BC V6X 0S7

Manna Industrial Fund
19th Floor
885 West Georgia Street
Vancouver BC V6C 3H4

Re: Loan Agreement, dated February 17, 2022 (as amended, supplemented, restated, replaced, or otherwise modified from time to time, the "Loan Agreement"), among, National Bank of Canada, as lender (the "Lender"), Manna Industrial Fund (Value-Add) Limited Partnership by its general partner, Manna Industrial Fund (Value-Add) GP Corp. as borrower (the "Borrower") and guaranteed by 8826 Jim Bailey Ltd. ("Jim Bailey"), 375 Potterton Ltd. ("Potterton"), Genesis Manna Holding Ltd. ("Genesis"), Allion Holdings Ltd. ("Allion"), Michael Chiang, and Nancy Wei (together with Jim Bailey, Potterton, Genesis, Allion, and Michael Chiang the "Guarantors" and, the Borrower and the Guarantors collectively, the "Obligors" and, each, an "Obligor")

Please be advised that we are counsel to the Lender in this matter. We write further to the Loan Agreement and the other Loan Documents (each as defined below).

As you know, pursuant to the Loan Agreement, the Lender made available to the Borrower a term loan in the maximum principal amount of \$28,700,000 (the "**Credit Facility**").

The Credit Facility is guaranteed by the Guarantors pursuant to the following guarantees (collectively, the "**Guarantees**"):

- (a) a joint and several unlimited guaranteed granted by Jim Bailey and Potterton, dated March 3, 2022;
- (b) a joint and several corporate guarantee granted by Allion and Genesis limited to the principal sum of \$28,700,000 plus interest and costs, dated March 3, 2022; and
- (c) a joint and several personal guarantee granted by Michael Chiang and Nancy Wei limited to the principal sum of \$28,700,000 plus interests and costs, dated March 3, 2022.

To provide general and continuing security for the payment and performance of all obligations of the Borrower to the Lender, including in relation to the Credit Facility, the Borrower entered into the following security agreements with the Lender (collectively, the **"Security Agreements"**):

- (a) a general security agreement, dated March 3, 2022, granting the Lender a security interest in all present and after-acquired personal property of the Borrower located on or used in connection with the real property located at:
 - 1. 375 Potterton Road, Kelowna, British Columbia, PID: 023-839-171, Lot D Section 2 Township 20 Osoyoos Division Yale District Plan KAP59703 (the **"Potterton Property"**); and
 - 2. 8826 Jim Bailey Crescent, Kelowna, British Columbia, PID: 024-666-947, Lot 6 Section 2 Township 20 Osoyoos Division Yale District Plan KAP65805 (the **"Jim Bailey Property"**) collectively with the Potterton Property, the **"Real Property"**);
- (b) a direction and beneficial charge agreement, dated March 3, 2022, over all right, title, and interest of the Borrower in the Potterton Property;
- (c) a direction and beneficial charge agreement, dated March 3, 2022, over all right, title, and interest of the Borrower in the Jim Bailey Property;
- (d) an assignment of insurance proceeds agreement, dated March 3, 2022; and
- (e) an assignment of security deposits agreement, dated March 3, 2022.

As you are aware, multiple defaults have occurred and are continuing under the Loan Agreement. As such, the Obligors are in default under the Loan Agreement, the Guarantees and security documents granted by the Obligors to the Lender thereunder, and any other documents, instruments, and agreements in effect between any of the Obligors and the Lender with respect to the Loan Agreement (collectively, the **"Loan Documents"**).

Accordingly, on behalf of the Lender, we hereby demand immediate payment of the Borrower's obligations under the Credit Facility. As at July 9, 2024, the total indebtedness under the Credit Facility is \$27,408,949.36 (the **"Borrower Indebtedness"**), calculated as follows:

Principal	Accrued Interest	Penalties and/or Charges	Indemnity	Per Diem	Total
\$27,079,287.75	\$98,273.98	\$45.00	\$231,342.63	\$2,590.97	\$27,408,949.36

The Borrower Indebtedness is inclusive of interest to July 9, 2024, but does not include any interest that will continue to accrue after July 9, 2024, legal fees and expenses, or any other costs and/or amounts recoverable pursuant to the Loan Agreement, related guarantees and security granted by the Obligors to the Lender (including, without limitation, the Guarantees and the Security Agreements), and/or any other Loan Documents (collectively, the **"Additional Indebtedness"**).

Payment of the Borrower Indebtedness, together with all Additional Indebtedness incurred to the date of payment (collectively, the "**Total Indebtedness**"), should be made by wire transfer, bank draft or certified cheque within 10 business days of the date of this letter, payable to:

McCarthy Tétrault LLP
Suite 2400, 745 Thurlow Street
Vancouver, BC V6E 0C5
Attention: Sue Danielisz


Prior to making payment, please ensure you contact Ms. Danielisz at 604-643-5904 or sdanielisz@mccarthy.ca to confirm the Total Indebtedness on the date payment is to be made.

If payment of the Total Indebtedness is not made on or within 10 business days of this letter, the Lender will take such steps as it considers necessary to protect its rights and security, including, but not limited, to commencing action against the Borrower and/or the Guarantors, without further notice to you.

We hereby enclose a Notice of Intention to Enforce Security pursuant to section 244 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended.

For the avoidance of doubt, the Lender expressly reserves all rights, powers, and privileges available to it under the Loan Documents, applicable law, or otherwise, including, without limitation, the right to appoint an interim receiver over any of the Obligors, and/or their assets and undertaking, prior to the expiry of any applicable notice period.

Yours truly,



Lance Williams*
Partner | Associé

Enclosures

**NOTICE OF INTENTION TO ENFORCE A SECURITY
UNDER SECTION 244 OF THE *BANKRUPTCY AND INSOLVENCY ACT* (CANADA)**

To: Manna Industrial Fund (Value-Add) Limited Partnership and Manna Industrial Fund (Value-Add) GP Corp., in its own capacity and its capacity as general partner of Manna Industrial Fund (Value-Add) Limited Partnership (collectively, "Manna")

TAKE NOTICE THAT:

1. National Bank of Canada intends to enforce its security on Manna's property described below:
 - a. real property in the Province of British Columbia legally described as:
 1. PID: 023-839-171, Lot D Section 2 Township 20 Osoyoos Division Yale District Plan KAP59703 (the "**Potterton Property**"); and
 2. PID: 024-666-947, Lot 6 Section 2 Township 20 Osoyoos Division Yale District Plan KAP65805 (the "**Jim Bailey Property**")

(collectively, the "**Real Property**"); and
 - b. all present and after-acquired personal property located on or used in connection with the Real Property.
2. The security that is to be enforced is the following:
 - a. general security agreement dated March 3, 2022;
 - b. direction and beneficial charge agreement dated March 3, 2022 over all future, right, title, and interest of Manna in the Potterton Property;
 - c. direction and beneficial charge agreement dated March 3, 2022 over all future, right, title, and interest of Manna in the Jim Bailey Property;
 - d. assignment of insurance proceeds agreement dated March 3, 2022; and
 - e. assignment of security deposits agreement dated March 3, 2022

(collectively, the "**Security**").
3. The total amount of indebtedness secured by the Security as at July 9, 2024 is \$27,408,949.36 plus interest, costs, and other amounts recoverable and continuing to accrue to the date of payment.
4. National Bank of Canada will not have the right to enforce the Security until after the expiry of the 10-day period after this notice is sent unless Manna consents to an earlier enforcement, by executing the consent and waiver attached hereto as **Schedule "A"** and providing a copy to the undersigned.

**NATIONAL BANK OF CANADA, by
its solicitors, McCarthy Tétrault LLP**

Per:

A handwritten signature in black ink, appearing to read 'Lance Williams', with a stylized, flowing script.

Lance Williams

Dated at Vancouver, British Columbia, this 12th day of July, 2024.

SCHEDULE "A"**CONSENT TO AN EARLIER ENFORCEMENT
UNDER SECTION 244 OF THE *BANKRUPTCY AND INSOLVENCY ACT* (CANADA)****To: National Bank of Canada****TAKE NOTICE THAT:**

The undersigned hereby acknowledges receipt of a Notice of Intention to Enforce Security dated July 12, 2024 pursuant to section 244 of the *Bankruptcy and Insolvency Act* (Canada) with respect to the assets of Manna Industrial Fund (Value-Add) Limited Partnership and Manna Industrial Fund (Value-Add) GP Corp. in its own capacity and its capacity as general partner of Manna Industrial Fund (Value-Add) Limited Partnership, waives its right to the 10-day notice period to redeem the collateral, and consents to the immediate enforcement of the security held by National Bank of Canada.

DATED at _____, this _____ day of _____, 2024.

**Manna Industrial Fund (Value-Add) GP
Corp., in its own capacity and its capacity
as general partner of Manna Industrial
Fund (Value-Add) Limited Partnership**

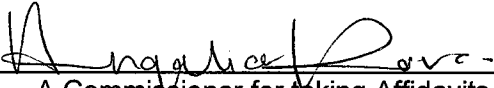
Per:

Signature

Print Name

Title

This is **Exhibit "T"** referred to in the Affidavit #1 of John Karkoutlian made before me at Vancouver, British Columbia, on this 26th day of September, 2024.


 A Commissioner for taking Affidavits
 in the Province of British Columbia

McCarthy Tétrault LLP
Suite 2400, 745 Thurlow Street
Vancouver BC V6E 0C5
Canada
Tel: 604-643-7100
Fax: 604-643-7900

**mccarthy
tétrault**

Lance Williams*
Partner | Associé
Direct Line: 604-643-7154
Email: lwiliams@mccarthy.ca
*Law Corporation

Assistant: Katerina Doumakis
Direct Line: 604-643-7910
Email: kdoumakis@mccarthy.ca

July 12, 2024

Via Registered Mail

8826 Jim Bailey Ltd.
#1115 - 8400 West Road
Richmond, BC V6X 0S7

8826 Jim Bailey Ltd.
19th Floor
885 West Georgia Street
Vancouver, BC V6C 3H4

Re: Loan Agreement, dated February 17, 2022 (as amended, supplemented, restated, replaced, or otherwise modified from time to time, the "Loan Agreement"), among, National Bank of Canada, as lender (the "Lender"), Manna Industrial Fund (Value-Add) Limited Partnership by its general partner, Manna Industrial Fund (Value-Add) GP Corp. as borrower (the "Borrower") and guaranteed by 8826 Jim Bailey Ltd. ("Jim Bailey"), 375 Potterton Ltd. ("Potterton"), Genesis Manna Holding Ltd. ("Genesis"), Allion Holdings Ltd. ("Allion"), Michael Chiang, and Nancy Wei (together with Jim Bailey, Potterton, Genesis, Allion and Michael Chiang the "Guarantors" and, the Borrower and the Guarantors collectively, the "Obligors" and, each, an "Obligor")

Please be advised that we are counsel to the Lender in this matter. We write further to the Loan Agreement and the other Loan Documents (each as defined below).

As you know, pursuant to the Loan Agreement, the Lender made available to the Borrower a term loan in the maximum principal amount of \$28,700,000 (the "**Credit Facility**").

Multiple defaults have occurred and are continuing under the Loan Agreement. As such, the Obligors are in default under the Loan Agreement, the guarantees and security documents granted by the Obligors to the Lender thereunder, and any other documents, instruments, and agreements in effect between any of the Obligors and the Lender with respect to the Loan Agreement (collectively, the "**Loan Documents**"). Accordingly, the Lender has demanded that the Borrower immediately repay of all of their obligations under the Credit Facility, and we enclose a copy of the demand letter sent today to the Borrower in connection therewith (the "**Demand Letter**").

As you know, Jim Bailey and Potterton granted a joint and several unlimited guarantee with respect to the obligations of the Borrower, dated March 3, 2022 (the "**Guarantee**").

In addition to the Guarantee, as general and continuing security for the payment and performance of all obligations of the Borrower to the Lender, Jim Bailey also granted the Lender the following security (collectively, the "**Security Agreements**"):

- (a) a general security agreement, dated March 3, 2022, granting the Lender a security interest in all present and after-acquired personal property of Jim Bailey located on or used in connection with the real property located at:
 - 1. 375 Potterton Road, Kelowna, British Columbia, PID: 023-839-171, Lot D Section 2 Township 20 Osoyoos Division Yale District Plan KAP59703; and
 - 2. 8826 Jim Bailey Crescent, Kelowna, British Columbia, PID: 024-666-947, Lot 6 Section 2 Township 20 Osoyoos Division Yale District Plan KAP65805 (the "**Jim Bailey Property**");
- (b) a Form B mortgage, dated March 3, 2022, pursuant to which Jim Bailey granted the Lender a fixed and specific mortgage and charge over the Jim Bailey Property;
- (c) a general assignment of rents and leases, dated March 3, 2022, granted by Jim Bailey in respect of the Jim Bailey Property; and
- (d) an assignment of insurance proceeds agreement, dated March 3, 2022.

Further to the Demand Letter, pursuant to the Guarantee, and on behalf of the Lender, we hereby demand immediate payment of all of the Borrower's obligations under the Credit Facility as detailed in the Demand Letter. As at July 9, 2024, the total indebtedness under the Credit Facility is \$27,408,949.36 (the "**Borrower Indebtedness**").

The Borrower Indebtedness is inclusive of interest to July 9, 2024 but does not include interest that will continue to accrue after July 9, 2024, legal fees and expenses, or any other costs and/or amounts recoverable pursuant to the Loan Agreement, related guarantees and security granted by the Obligors to the Lender (including, without limitation, the Guarantee and the Security Agreements), and/or any other Loan Documents (collectively, the "**Additional Indebtedness**").

Payment of the Borrower Indebtedness, together with all Additional Indebtedness incurred to the date of payment (collectively, the "**Total Indebtedness**"), should be made by wire transfer, bank draft or certified cheque within 10 business days of the date of this letter, payable to:

McCarthy Tétrault LLP
Suite 2400, 745 Thurlow Street
Vancouver, BC V6E 0C5
Attention: Sue Danielisz

Prior to making payment, please ensure you contact Ms. Danielisz at 604-643-5904 or sdanielisz@mccarthy.ca to confirm the Total Indebtedness on the date payment is to be made.

If payment of the Total Indebtedness is not made on or within 10 business days of this letter, the Lender will take such steps as it considers necessary to protect its rights and security, including, but not limited, to commencing action against the Obligors, without further notice to you.

We hereby enclose a Notice of Intention to Enforce Security pursuant to section 244 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended.

For the avoidance of doubt, the Lender expressly reserves all rights, powers, and privileges available to it under the Loan Documents, applicable law, or otherwise, including, without limitation, the right to appoint an interim receiver over any of the Obligors, and/or their assets and undertaking, prior to the expiry of any applicable notice period.

Yours truly,

A handwritten signature in black ink, appearing to read 'Lance Williams', with a stylized flourish at the end.

Lance Williams*
Partner | Associé

Enclosures

**NOTICE OF INTENTION TO ENFORCE A SECURITY
UNDER SECTION 244 OF THE *BANKRUPTCY AND INSOLVENCY ACT* (CANADA)**

To: 8826 Jim Bailey Ltd.


TAKE NOTICE THAT:

1. National Bank of Canada intends to enforce its security on 8826 Jim Bailey Ltd.'s property described below:
 - a. real property in the Province of British Columbia legally described as:
 PID: 024-666-947, Lot 6 Section 2 Township 20 Osoyoos Division Yale District Plan KAP65805 (the "**Mortgaged Property**");
 - b. all leases and rents payable in respect of the Mortgaged Property; and
 - c. all present and after-acquired personal property located on or used in connection with the Mortgaged Property and the real property in the Province of British Columbia located at:
 PID: 023-839-171, Lot D Section 2 Township 20 Osoyoos Division Yale District Plan KAP59703.
2. The security that is to be enforced is the following:
 - a. mortgage in respect of the Mortgaged Property dated March 3, 2022;
 - b. general assignment of rents and leases in respect of the Mortgaged Property dated March 3, 2022;
 - c. general security agreement dated March 3, 2022;
 - d. unlimited guarantee dated March 3, 2022; and
 - e. assignment of insurance proceeds agreement dated March 3, 2022

(collectively, the "**Security**").
3. The total amount of indebtedness secured by the Security as at June 24, 2024 is \$27,408,949.36 plus interest, costs, and other amounts recoverable and continuing to accrue to the date of payment.
4. National Bank of Canada will not have the right to enforce the Security until after the expiry of the 10-day period after this notice is sent unless 8826 Jim Bailey Ltd. consents to an earlier enforcement, by executing the consent and waiver attached hereto as **Schedule "A"** and providing a copy to the undersigned.

NATIONAL BANK OF CANADA, by
its solicitors, McCarthy Tétrault LLP

Per:

A handwritten signature in black ink, appearing to read 'Lance Williams', written over a horizontal line.

Lance Williams

Dated at Vancouver, British Columbia, this 12th day of July, 2024.

SCHEDULE "A"**CONSENT TO AN EARLIER ENFORCEMENT
UNDER SECTION 244 OF THE *BANKRUPTCY AND INSOLVENCY ACT* (CANADA)****To: National Bank of Canada****TAKE NOTICE THAT:**

The undersigned hereby acknowledges receipt of a Notice of Intention to Enforce Security dated July 12, 2024 pursuant to section 244 of the *Bankruptcy and Insolvency Act* (Canada) with respect to the assets of 8826 Jim Bailey Ltd., waives its right to the 10-day notice period to redeem the collateral, and consents to the immediate enforcement of the security held by National Bank of Canada.

DATED at _____, this _____ day of _____, 2024.

8826 Jim Bailey Ltd.

Per:

Signature_____
Print Name_____
Title

McCarthy Tétrault LLP
Suite 2400, 745 Thurlow Street
Vancouver BC V6E 0C5
Canada
Tel: 604-643-7100
Fax: 604-643-7900

**mccarthy
tétrault**

Lance Williams*
Partner | Associé
Direct Line: 604-643-7154
Email: williams@mccarthy.ca
*Law Corporation

Assistant: *Katerina Doumakis*
Direct Line: 604-643-7910
Email: kdoumakis@mccarthy.ca

July 12, 2024

Via Registered Mail

Manna Industrial Fund
#1115 - 8400 West Road
Richmond BC V6X 0S7

Manna Industrial Fund
19th Floor
885 West Georgia Street
Vancouver BC V6C 3H4

Re: Loan Agreement, dated February 17, 2022 (as amended, supplemented, restated, replaced, or otherwise modified from time to time, the "Loan Agreement"), among, National Bank of Canada, as lender (the "Lender"), Manna Industrial Fund (Value-Add) Limited Partnership by its general partner, Manna Industrial Fund (Value-Add) GP Corp. as borrower (the "Borrower") and guaranteed by 8826 Jim Bailey Ltd. ("Jim Bailey"), 375 Potterton Ltd. ("Potterton"), Genesis Manna Holding Ltd. ("Genesis"), Allion Holdings Ltd. ("Allion"), Michael Chiang, and Nancy Wei (together with Jim Bailey, Potterton, Genesis, Allion, and Michael Chiang the "Guarantors" and, the Borrower and the Guarantors collectively, the "Obligors" and, each, an "Obligor")

Please be advised that we are counsel to the Lender in this matter. We write further to the Loan Agreement and the other Loan Documents (each as defined below).

As you know, pursuant to the Loan Agreement, the Lender made available to the Borrower a term loan in the maximum principal amount of \$28,700,000 (the "**Credit Facility**").

The Credit Facility is guaranteed by the Guarantors pursuant to the following guarantees (collectively, the "**Guarantees**"):

- (a) a joint and several unlimited guaranteed granted by Jim Bailey and Potterton, dated March 3, 2022;
- (b) a joint and several corporate guarantee granted by Allion and Genesis limited to the principal sum of \$28,700,000 plus interest and costs, dated March 3, 2022; and
- (c) a joint and several personal guarantee granted by Michael Chiang and Nancy Wei limited to the principal sum of \$28,700,000 plus interests and costs, dated March 3, 2022.

To provide general and continuing security for the payment and performance of all obligations of the Borrower to the Lender, including in relation to the Credit Facility, the Borrower entered into the following security agreements with the Lender (collectively, the **"Security Agreements"**):

- (a) a general security agreement, dated March 3, 2022, granting the Lender a security interest in all present and after-acquired personal property of the Borrower located on or used in connection with the real property located at:
 - 1. 375 Potterton Road, Kelowna, British Columbia, PID: 023-839-171, Lot D Section 2 Township 20 Osoyoos Division Yale District Plan KAP59703 (the **"Potterton Property"**); and
 - 2. 8826 Jim Bailey Crescent, Kelowna, British Columbia, PID: 024-666-947, Lot 6 Section 2 Township 20 Osoyoos Division Yale District Plan KAP65805 (the **"Jim Bailey Property"**) collectively with the Potterton Property, the **"Real Property"**);
- (b) a direction and beneficial charge agreement, dated March 3, 2022, over all right, title, and interest of the Borrower in the Potterton Property;
- (c) a direction and beneficial charge agreement, dated March 3, 2022, over all right, title, and interest of the Borrower in the Jim Bailey Property;
- (d) an assignment of insurance proceeds agreement, dated March 3, 2022; and
- (e) an assignment of security deposits agreement, dated March 3, 2022.

As you are aware, multiple defaults have occurred and are continuing under the Loan Agreement. As such, the Obligors are in default under the Loan Agreement, the Guarantees and security documents granted by the Obligors to the Lender thereunder, and any other documents, instruments, and agreements in effect between any of the Obligors and the Lender with respect to the Loan Agreement (collectively, the **"Loan Documents"**).

Accordingly, on behalf of the Lender, we hereby demand immediate payment of the Borrower's obligations under the Credit Facility. As at July 9, 2024, the total indebtedness under the Credit Facility is \$27,408,949.36 (the **"Borrower Indebtedness"**), calculated as follows:

Principal	Accrued Interest	Penalties and/or Charges	Indemnity	Per Diem	Total
\$27,079,287.75	\$98,273.98	\$45.00	\$231,342.63	\$2,590.97	\$27,408,949.36

The Borrower Indebtedness is inclusive of interest to July 9, 2024, but does not include any interest that will continue to accrue after July 9, 2024, legal fees and expenses, or any other costs and/or amounts recoverable pursuant to the Loan Agreement, related guarantees and security granted by the Obligors to the Lender (including, without limitation, the Guarantees and the Security Agreements), and/or any other Loan Documents (collectively, the **"Additional Indebtedness"**).

Payment of the Borrower Indebtedness, together with all Additional Indebtedness incurred to the date of payment (collectively, the "**Total Indebtedness**"), should be made by wire transfer, bank draft or certified cheque within 10 business days of the date of this letter, payable to:

McCarthy Tétrault LLP
Suite 2400, 745 Thurlow Street
Vancouver, BC V6E 0C5
Attention: Sue Danielisz

Prior to making payment, please ensure you contact Ms. Danielisz at 604-643-5904 or sdanielisz@mccarthy.ca to confirm the Total Indebtedness on the date payment is to be made.

If payment of the Total Indebtedness is not made on or within 10 business days of this letter, the Lender will take such steps as it considers necessary to protect its rights and security, including, but not limited, to commencing action against the Borrower and/or the Guarantors, without further notice to you.

We hereby enclose a Notice of Intention to Enforce Security pursuant to section 244 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended.

For the avoidance of doubt, the Lender expressly reserves all rights, powers, and privileges available to it under the Loan Documents, applicable law, or otherwise, including, without limitation, the right to appoint an interim receiver over any of the Obligors, and/or their assets and undertaking, prior to the expiry of any applicable notice period.

Yours truly,



Lance Williams*
Partner | Associé

Enclosures

**NOTICE OF INTENTION TO ENFORCE A SECURITY
UNDER SECTION 244 OF THE *BANKRUPTCY AND INSOLVENCY ACT* (CANADA)**

To: Manna Industrial Fund (Value-Add) Limited Partnership and Manna Industrial Fund (Value-Add) GP Corp., in its own capacity and its capacity as general partner of Manna Industrial Fund (Value-Add) Limited Partnership (collectively, "Manna")

TAKE NOTICE THAT:

1. National Bank of Canada intends to enforce its security on Manna's property described below:
 - a. real property in the Province of British Columbia legally described as:
 1. PID: 023-839-171, Lot D Section 2 Township 20 Osoyoos Division Yale District Plan KAP59703 (the "**Potterton Property**"); and
 2. PID: 024-666-947, Lot 6 Section 2 Township 20 Osoyoos Division Yale District Plan KAP65805 (the "**Jim Bailey Property**")

(collectively, the "**Real Property**"); and
 - b. all present and after-acquired personal property located on or used in connection with the Real Property.
2. The security that is to be enforced is the following:
 - a. general security agreement dated March 3, 2022;
 - b. direction and beneficial charge agreement dated March 3, 2022 over all future, right, title, and interest of Manna in the Potterton Property;
 - c. direction and beneficial charge agreement dated March 3, 2022 over all future, right, title, and interest of Manna in the Jim Bailey Property;
 - d. assignment of insurance proceeds agreement dated March 3, 2022; and
 - e. assignment of security deposits agreement dated March 3, 2022

(collectively, the "**Security**").
3. The total amount of indebtedness secured by the Security as at July 9, 2024 is \$27,408,949.36 plus interest, costs, and other amounts recoverable and continuing to accrue to the date of payment.
4. National Bank of Canada will not have the right to enforce the Security until after the expiry of the 10-day period after this notice is sent unless Manna consents to an earlier enforcement, by executing the consent and waiver attached hereto as **Schedule "A"** and providing a copy to the undersigned.

NATIONAL BANK OF CANADA, by
its solicitors, McCarthy Tétrault LLP

Per:

A handwritten signature in black ink, appearing to read 'Lance Williams', written over a horizontal line.

Lance Williams

Dated at Vancouver, British Columbia, this 12th day of July, 2024.

SCHEDULE "A"

**CONSENT TO AN EARLIER ENFORCEMENT
UNDER SECTION 244 OF THE *BANKRUPTCY AND INSOLVENCY ACT* (CANADA)**

To: National Bank of Canada

TAKE NOTICE THAT:

The undersigned hereby acknowledges receipt of a Notice of Intention to Enforce Security dated July 12, 2024 pursuant to section 244 of the *Bankruptcy and Insolvency Act* (Canada) with respect to the assets of Manna Industrial Fund (Value-Add) Limited Partnership and Manna Industrial Fund (Value-Add) GP Corp. in its own capacity and its capacity as general partner of Manna Industrial Fund (Value-Add) Limited Partnership, waives its right to the 10-day notice period to redeem the collateral, and consents to the immediate enforcement of the security held by National Bank of Canada.

DATED at _____, this _____ day of _____, 2024.

**Manna Industrial Fund (Value-Add) GP
Corp., in its own capacity and its capacity
as general partner of Manna Industrial
Fund (Value-Add) Limited Partnership**

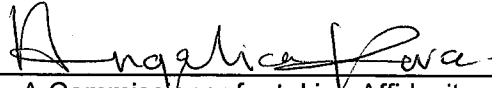
Per:

Signature

Print Name

Title

This is **Exhibit "U"** referred to in the Affidavit #1 of John Karkoutlian made before me at Vancouver, British Columbia, on this 26th day of September, 2024.

A handwritten signature in black ink, appearing to read "Angelica Perera", written over a horizontal line.

A Commissioner for taking Affidavits
in the Province of British Columbia

McCarthy Tétrault LLP
Suite 2400, 745 Thurlow Street
Vancouver BC V6E 0C5
Canada
Tel: 604-643-7100
Fax: 604-643-7900

**mccarthy
tétrault**

Lance Williams*
Partner | Associé
Direct Line: 604-643-7154
Email: lwilliams@mccarthy.ca
*Law Corporation

Assistant: Katerina Doumakis
Direct Line: 604-643-7910
Email: kdoumakis@mccarthy.ca

July 12, 2024

Via Registered Mail

Allion Holdings Ltd.
#1115 - 8400 West Road
Richmond, BC V6X 0S7

Allion Holdings Ltd.
PO Box 308
26th Floor, Bentall 6
1090 West Pender Street
Vancouver, BC V6E 0E3

Re: Loan Agreement, dated February 17, 2022 (as amended, supplemented, restated, replaced, or otherwise modified from time to time, the "Loan Agreement"), among, National Bank of Canada, as lender (the "Lender"), Manna Industrial Fund (Value-Add) Limited Partnership by its general partner, Manna Industrial Fund (Value-Add) GP Corp. as borrower (the "Borrower") and guaranteed by 8826 Jim Bailey Ltd. ("Jim Bailey"), 375 Potterton Ltd. ("Potterton"), Genesis Manna Holding Ltd. ("Genesis"), Allion Holdings Ltd. ("Allion"), Michael Chiang, and Nancy Wei (together with Jim Bailey, Potterton, Genesis, Allion and Michael Chiang the "Guarantors" and, the Borrower and the Guarantors collectively, the "Obligors" and, each, an "Obligor")

Please be advised that we are counsel to the Lender in this matter. We write further to the Loan Agreement and the other Loan Documents (each as defined below).

As you know, pursuant to the Loan Agreement, the Lender made available to the Borrower a term loan in the maximum principal amount of \$28,700,000 (the "**Credit Facility**").

Multiple defaults have occurred and are continuing under the Loan Agreement. As such, the Obligors are in default under the Loan Agreement, the guarantees and security documents granted by the Obligors to the Lender thereunder, and any other documents, instruments, and agreements in effect between any of the Obligors and the Lender with respect to the Loan Agreement (collectively, the "**Loan Documents**"). Accordingly, the Lender has demanded that the Borrower immediately repay of all of their obligations under the Credit Facility, and we enclose a copy of the demand letter sent today to the Borrower in connection therewith (the "**Demand Letter**").

As you know, Allion and Genesis granted a joint and several guarantee limited to the principal sum of \$28,700,000 plus interests and costs, with respect to the obligations of the Borrower, dated March 3, 2022 (the "**Guarantee**").

In addition to the Guarantee, as general and continuing security for the payment and performance of all obligations of the Borrower to the Lender, Allion also granted the Lender a general security agreement, dated March 3, 2022 (the "**Security Agreement**"), granting the Lender a security interest in all present and after-acquired personal property of Allion located on or used in connection with the real property located at:

1. 375 Potterton Road, Kelowna, British Columbia, PID: 023-839-171, Lot D Section 2 Township 20 Osoyoos Division Yale District Plan KAP59703; and
2. 8826 Jim Bailey Crescent, Kelowna, British Columbia, PID: 024-666-947, Lot 6 Section 2 Township 20 Osoyoos Division Yale District Plan KAP65805.

Further to the Demand Letter, pursuant to the Guarantee, and on behalf of the Lender, we hereby demand immediate payment of all of the Borrower's obligations under the Credit Facility as detailed in the Demand Letter. As at July 9, 2024, the total indebtedness under the Credit Facility is \$27,408,949.36 (the "**Borrower Indebtedness**").

The Borrower Indebtedness is inclusive of interest to July 9, 2024 but does not include interest that will continue to accrue after July 9, 2024, legal fees and expenses, or any other costs and/or amounts recoverable pursuant to the Loan Agreement, related guarantees and security granted by the Obligors to the Lender (including, without limitation, the Guarantee and the Security Agreement), and/or any other Loan Documents (collectively, the "**Additional Indebtedness**").

Payment of the Borrower Indebtedness, together with all Additional Indebtedness incurred to the date of payment (collectively, the "**Total Indebtedness**"), should be made by wire transfer, bank draft or certified cheque within 10 business days of the date of this letter, payable to:

McCarthy Tétrault LLP
Suite 2400, 745 Thurlow Street
Vancouver, BC V6E 0C5
Attention: Sue Danielisz

Prior to making payment, please ensure you contact Ms. Danielisz at 604-643-5904 or sdanielisz@mccarthy.ca to confirm the Total Indebtedness on the date payment is to be made.

If payment of the Total Indebtedness is not made on or within 10 business days of this letter, the Lender will take such steps as it considers necessary to protect its rights and security, including, but not limited, to commencing action against the Obligors, without further notice to you.

We hereby enclose a Notice of Intention to Enforce Security pursuant to section 244 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended.

For the avoidance of doubt, the Lender expressly reserves all rights, powers, and privileges available to it under the Loan Documents, applicable law, or otherwise, including, without limitation, the right to appoint an interim receiver over any of the Obligors, and/or their assets and undertaking, prior to the expiry of any applicable notice period.

Yours truly,

A handwritten signature in black ink, appearing to read 'Lance Williams', with a stylized flourish at the end.

Lance Williams*
Partner | Associé

Enclosures

**NOTICE OF INTENTION TO ENFORCE A SECURITY
UNDER SECTION 244 OF THE BANKRUPTCY AND INSOLVENCY ACT (CANADA)**

To: Allion Holdings Ltd.

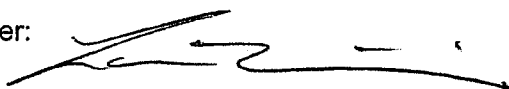
TAKE NOTICE THAT:

1. National Bank of Canada intends to enforce its security on Allion Holdings Ltd.'s property described below:
 - a. all present and after-acquired personal property located on or used in connection with the real property in the Province of British Columbia located at:
 1. PID: 023-839-171, Lot D Section 2 Township 20 Osoyoos Division Yale District Plan KAP59703; and
 2. PID: 024-666-947, Lot 6 Section 2 Township 20 Osoyoos Division Yale District Plan KAP65805.
2. The security that is to be enforced is the following:
 - a. general security agreement dated March 3, 2022; and
 - b. unlimited guarantee dated March 3, 2022.

(collectively, the "**Security**").
3. The total amount of indebtedness secured by the Security as at June 24, 2024 is \$27,408,949.36 plus interest, costs, and other amounts recoverable and continuing to accrue to the date of payment.
4. National Bank of Canada will not have the right to enforce the Security until after the expiry of the 10-day period after this notice is sent unless Allion Holdings Ltd. consents to an earlier enforcement, by executing the consent and waiver attached hereto as **Schedule "A"** and providing a copy to the undersigned.

NATIONAL BANK OF CANADA, by
its solicitors, McCarthy Tétrault LLP

Per:



Lance Williams

Dated at Vancouver, British Columbia, this 12th day of July, 2024.

SCHEDULE "A"**CONSENT TO AN EARLIER ENFORCEMENT
UNDER SECTION 244 OF THE *BANKRUPTCY AND INSOLVENCY ACT* (CANADA)****To: National Bank of Canada****TAKE NOTICE THAT:**

The undersigned hereby acknowledges receipt of a Notice of Intention to Enforce Security dated July 12, 2024 pursuant to section 244 of the *Bankruptcy and Insolvency Act* (Canada) with respect to the assets of Allion Holdings Ltd., waives its right to the 10-day notice period to redeem the collateral, and consents to the immediate enforcement of the security held by National Bank of Canada.

DATED at _____, this _____ day of _____, 2024.

Allion Holdings Ltd.

Per:

Signature_____
Print Name_____
Title

McCarthy Tétrault LLP
Suite 2400, 745 Thurlow Street
Vancouver BC V6E 0C5
Canada
Tel: 604-643-7100
Fax: 604-643-7900

**mccarthy
tétrault**

Lance Williams*
Partner | Associé
Direct Line: 604-643-7154
Email: lwilliams@mccarthy.ca
*Law Corporation

Assistant: Katerina Doumakis
Direct Line: 604-643-7910
Email: kdoumakis@mccarthy.ca

July 12, 2024

Via Registered Mail

Manna Industrial Fund
#1115 - 8400 West Road
Richmond BC V6X 0S7

Manna Industrial Fund
19th Floor
885 West Georgia Street
Vancouver BC V6C 3H4

Re: Loan Agreement, dated February 17, 2022 (as amended, supplemented, restated, replaced, or otherwise modified from time to time, the "Loan Agreement"), among, National Bank of Canada, as lender (the "Lender"), Manna Industrial Fund (Value-Add) Limited Partnership by its general partner, Manna Industrial Fund (Value-Add) GP Corp. as borrower (the "Borrower") and guaranteed by 8826 Jim Bailey Ltd. ("Jim Bailey"), 375 Potterton Ltd. ("Potterton"), Genesis Manna Holding Ltd. ("Genesis"), Allion Holdings Ltd. ("Allion"), Michael Chiang, and Nancy Wei (together with Jim Bailey, Potterton, Genesis, Allion, and Michael Chiang the "Guarantors" and, the Borrower and the Guarantors collectively, the "Obligors" and, each, an "Obligor")

Please be advised that we are counsel to the Lender in this matter. We write further to the Loan Agreement and the other Loan Documents (each as defined below).

As you know, pursuant to the Loan Agreement, the Lender made available to the Borrower a term loan in the maximum principal amount of \$28,700,000 (the "**Credit Facility**").

The Credit Facility is guaranteed by the Guarantors pursuant to the following guarantees (collectively, the "**Guarantees**"): :

- (a) a joint and several unlimited guaranteed granted by Jim Bailey and Potterton, dated March 3, 2022;
- (b) a joint and several corporate guarantee granted by Allion and Genesis limited to the principal sum of \$28,700,000 plus interest and costs, dated March 3, 2022; and
- (c) a joint and several personal guarantee granted by Michael Chiang and Nancy Wei limited to the principal sum of \$28,700,000 plus interests and costs, dated March 3, 2022.

To provide general and continuing security for the payment and performance of all obligations of the Borrower to the Lender, including in relation to the Credit Facility, the Borrower entered into the following security agreements with the Lender (collectively, the **"Security Agreements"**):

- (a) a general security agreement, dated March 3, 2022, granting the Lender a security interest in all present and after-acquired personal property of the Borrower located on or used in connection with the real property located at:
 - 1. 375 Potterton Road, Kelowna, British Columbia, PID: 023-839-171, Lot D Section 2 Township 20 Osoyoos Division Yale District Plan KAP59703 (the **"Potterton Property"**); and
 - 2. 8826 Jim Bailey Crescent, Kelowna, British Columbia, PID: 024-666-947, Lot 6 Section 2 Township 20 Osoyoos Division Yale District Plan KAP65805 (the **"Jim Bailey Property"**) collectively with the Potterton Property, the **"Real Property"**);
- (b) a direction and beneficial charge agreement, dated March 3, 2022, over all right, title, and interest of the Borrower in the Potterton Property;
- (c) a direction and beneficial charge agreement, dated March 3, 2022, over all right, title, and interest of the Borrower in the Jim Bailey Property;
- (d) an assignment of insurance proceeds agreement, dated March 3, 2022; and
- (e) an assignment of security deposits agreement, dated March 3, 2022.

As you are aware, multiple defaults have occurred and are continuing under the Loan Agreement. As such, the Obligors are in default under the Loan Agreement, the Guarantees and security documents granted by the Obligors to the Lender thereunder, and any other documents, instruments, and agreements in effect between any of the Obligors and the Lender with respect to the Loan Agreement (collectively, the **"Loan Documents"**).

Accordingly, on behalf of the Lender, we hereby demand immediate payment of the Borrower's obligations under the Credit Facility. As at July 9, 2024, the total indebtedness under the Credit Facility is \$27,408,949.36 (the **"Borrower Indebtedness"**), calculated as follows:

Principal	Accrued Interest	Penalties and/or Charges	Indemnity	Per Diem	Total
\$27,079,287.75	\$98,273.98	\$45.00	\$231,342.63	\$2,590.97	\$27,408,949.36

The Borrower Indebtedness is inclusive of interest to July 9, 2024, but does not include any interest that will continue to accrue after July 9, 2024, legal fees and expenses, or any other costs and/or amounts recoverable pursuant to the Loan Agreement, related guarantees and security granted by the Obligors to the Lender (including, without limitation, the Guarantees and the Security Agreements), and/or any other Loan Documents (collectively, the **"Additional Indebtedness"**).

Payment of the Borrower Indebtedness, together with all Additional Indebtedness incurred to the date of payment (collectively, the "**Total Indebtedness**"), should be made by wire transfer, bank draft or certified cheque within 10 business days of the date of this letter, payable to:

McCarthy Tétrault LLP
Suite 2400, 745 Thurlow Street
Vancouver, BC V6E 0C5
Attention: Sue Danielisz

Prior to making payment, please ensure you contact Ms. Danielisz at 604-643-5904 or sdanielisz@mccarthy.ca to confirm the Total Indebtedness on the date payment is to be made.

If payment of the Total Indebtedness is not made on or within 10 business days of this letter, the Lender will take such steps as it considers necessary to protect its rights and security, including, but not limited, to commencing action against the Borrower and/or the Guarantors, without further notice to you.

We hereby enclose a Notice of Intention to Enforce Security pursuant to section 244 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended.

For the avoidance of doubt, the Lender expressly reserves all rights, powers, and privileges available to it under the Loan Documents, applicable law, or otherwise, including, without limitation, the right to appoint an interim receiver over any of the Obligors, and/or their assets and undertaking, prior to the expiry of any applicable notice period.

Yours truly,



Lance Williams*
Partner | Associé

Enclosures

**NOTICE OF INTENTION TO ENFORCE A SECURITY
UNDER SECTION 244 OF THE *BANKRUPTCY AND INSOLVENCY ACT* (CANADA)**

To: Manna Industrial Fund (Value-Add) Limited Partnership and Manna Industrial Fund (Value-Add) GP Corp., in its own capacity and its capacity as general partner of Manna Industrial Fund (Value-Add) Limited Partnership (collectively, "Manna")

TAKE NOTICE THAT:

1. National Bank of Canada intends to enforce its security on Manna's property described below:
 - a. real property in the Province of British Columbia legally described as:
 1. PID: 023-839-171, Lot D Section 2 Township 20 Osoyoos Division Yale District Plan KAP59703 (the "**Potterton Property**"); and
 2. PID: 024-666-947, Lot 6 Section 2 Township 20 Osoyoos Division Yale District Plan KAP65805 (the "**Jim Bailey Property**")

(collectively, the "**Real Property**"); and
 - b. all present and after-acquired personal property located on or used in connection with the Real Property.
2. The security that is to be enforced is the following:
 - a. general security agreement dated March 3, 2022;
 - b. direction and beneficial charge agreement dated March 3, 2022 over all future, right, title, and interest of Manna in the Potterton Property;
 - c. direction and beneficial charge agreement dated March 3, 2022 over all future, right, title, and interest of Manna in the Jim Bailey Property;
 - d. assignment of insurance proceeds agreement dated March 3, 2022; and
 - e. assignment of security deposits agreement dated March 3, 2022

(collectively, the "**Security**").
3. The total amount of indebtedness secured by the Security as at July 9, 2024 is \$27,408,949.36 plus interest, costs, and other amounts recoverable and continuing to accrue to the date of payment.
4. National Bank of Canada will not have the right to enforce the Security until after the expiry of the 10-day period after this notice is sent unless Manna consents to an earlier enforcement, by executing the consent and waiver attached hereto as **Schedule "A"** and providing a copy to the undersigned.

**NATIONAL BANK OF CANADA, by
its solicitors, McCarthy Tétrault LLP**

Per:

A handwritten signature in black ink, appearing to read 'Lance Williams', written over a horizontal line.

Lance Williams

Dated at Vancouver, British Columbia, this 12th day of July, 2024.

SCHEDULE "A"**CONSENT TO AN EARLIER ENFORCEMENT
UNDER SECTION 244 OF THE *BANKRUPTCY AND INSOLVENCY ACT* (CANADA)****To: National Bank of Canada****TAKE NOTICE THAT:**

The undersigned hereby acknowledges receipt of a Notice of Intention to Enforce Security dated July 12, 2024 pursuant to section 244 of the *Bankruptcy and Insolvency Act* (Canada) with respect to the assets of Manna Industrial Fund (Value-Add) Limited Partnership and Manna Industrial Fund (Value-Add) GP Corp. in its own capacity and its capacity as general partner of Manna Industrial Fund (Value-Add) Limited Partnership, waives its right to the 10-day notice period to redeem the collateral, and consents to the immediate enforcement of the security held by National Bank of Canada.

DATED at _____, this _____ day of _____, 2024.

**Manna Industrial Fund (Value-Add) GP
Corp., in its own capacity and its capacity
as general partner of Manna Industrial
Fund (Value-Add) Limited Partnership**

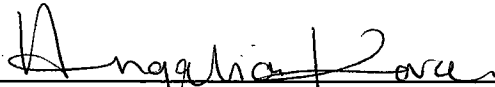
Per:

Signature

Print Name

Title

This is **Exhibit "V"** referred to in the Affidavit #1 of John Karkoutlian made before me at Vancouver, British Columbia, on this 26th day of September, 2024.

A handwritten signature in black ink, appearing to read "Angelica Zava", written over a horizontal line.

A Commissioner for taking Affidavits
in the Province of British Columbia

McCarthy Tétrault LLP
Suite 2400, 745 Thurlow Street
Vancouver BC V6E 0C5
Canada
Tel: 604-643-7100
Fax: 604-643-7900

**mccarthy
tétrault**

Lance Williams*
Partner | Associé
Direct Line: 604-643-7154
Email: williams@mccarthy.ca
*Law Corporation

Assistant: Katerina Doumakis
Direct Line: 604-643-7910
Email: kdoumakis@mccarthy.ca

July 12, 2024

Via Registered Mail

Genesis Manna Holding Ltd.
#1115 - 8400 West Road
Richmond, BC V6X 0S7

Genesis Manna Holding Ltd.
25 – 7288 Heather Street
Richmond, BC V6Y 4L4

Re: Loan Agreement, dated February 17, 2022 (as amended, supplemented, restated, replaced, or otherwise modified from time to time, the "Loan Agreement"), among, National Bank of Canada, as lender (the "Lender"), Manna Industrial Fund (Value-Add) Limited Partnership by its general partner, Manna Industrial Fund (Value-Add) GP Corp. as borrower (the "Borrower") and guaranteed by 8826 Jim Bailey Ltd. ("Jim Bailey"), 375 Potterton Ltd. ("Potterton"), Genesis Manna Holding Ltd. ("Genesis"), Allion Holdings Ltd. ("Allion"), Michael Chiang, and Nancy Wei (together with Jim Bailey, Potterton, Genesis, Allion and Michael Chiang the "Guarantors" and, the Borrower and the Guarantors collectively, the "Obligors" and, each, an "Obligor")

Please be advised that we are counsel to the Lender in this matter. We write further to the Loan Agreement and the other Loan Documents (each as defined below).

As you know, pursuant to the Loan Agreement, the Lender made available to the Borrower a term loan in the maximum principal amount of \$28,700,000 (the "**Credit Facility**").

Multiple defaults have occurred and are continuing under the Loan Agreement. As such, the Obligors are in default under the Loan Agreement, the guarantees and security documents granted by the Obligors to the Lender thereunder, and any other documents, instruments, and agreements in effect between any of the Obligors and the Lender with respect to the Loan Agreement (collectively, the "**Loan Documents**"). Accordingly, the Lender has demanded that the Borrower immediately repay of all of their obligations under the Credit Facility, and we enclose a copy of the demand letter sent today to the Borrower in connection therewith (the "**Demand Letter**").

As you know, Allion and Genesis granted a joint and several guarantee limited to the principal sum of \$28,700,000 plus interests and costs, with respect to the obligations of the Borrower, dated March 3, 2022 (the "**Guarantee**").

In addition to the Guarantee, as general and continuing security for the payment and performance of all obligations of the Borrower to the Lender, Allion also granted the Lender a general security agreement, dated March 3, 2022 (the "**Security Agreement**"), granting the Lender a security interest in all present and after-acquired personal property of Allion located on or used in connection with the real property located at:

1. 375 Potterton Road, Kelowna, British Columbia, PID: 023-839-171, Lot D Section 2 Township 20 Osoyoos Division Yale District Plan KAP59703; and
2. 8826 Jim Bailey Crescent, Kelowna, British Columbia, PID: 024-666-947, Lot 6 Section 2 Township 20 Osoyoos Division Yale District Plan KAP65805.

Further to the Demand Letter, pursuant to the Guarantee, and on behalf of the Lender, we hereby demand immediate payment of all of the Borrower's obligations under the Credit Facility as detailed in the Demand Letter. As at July 9, 2024, the total indebtedness under the Credit Facility is \$27,408,949.36 (the "**Borrower Indebtedness**").

The Borrower Indebtedness is inclusive of interest to July 9, 2024 but does not include interest that will continue to accrue after July 9, 2024, legal fees and expenses, or any other costs and/or amounts recoverable pursuant to the Loan Agreement, related guarantees and security granted by the Obligors to the Lender (including, without limitation, the Guarantee and the Security Agreement), and/or any other Loan Documents (collectively, the "**Additional Indebtedness**").

Payment of the Borrower Indebtedness, together with all Additional Indebtedness incurred to the date of payment (collectively, the "**Total Indebtedness**"), should be made by wire transfer, bank draft or certified cheque within 10 business days of the date of this letter, payable to:

McCarthy Tétrault LLP
Suite 2400, 745 Thurlow Street
Vancouver, BC V6E 0C5
Attention: Sue Danielisz

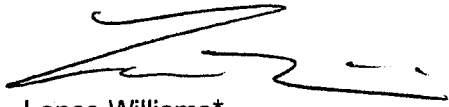
Prior to making payment, please ensure you contact Ms. Danielisz at 604-643-5904 or sdanielisz@mccarthy.ca to confirm the Total Indebtedness on the date payment is to be made.

If payment of the Total Indebtedness is not made on or within 10 business days of this letter, the Lender will take such steps as it considers necessary to protect its rights and security, including, but not limited, to commencing action against the Obligors, without further notice to you.

We hereby enclose a Notice of Intention to Enforce Security pursuant to section 244 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended.

For the avoidance of doubt, the Lender expressly reserves all rights, powers, and privileges available to it under the Loan Documents, applicable law, or otherwise, including, without limitation, the right to appoint an interim receiver over any of the Obligors, and/or their assets and undertaking, prior to the expiry of any applicable notice period.

Yours truly,

A handwritten signature in black ink, appearing to read 'Lance Williams', with a stylized, sweeping flourish at the end.

Lance Williams*
Partner | Associé

Enclosures

**NOTICE OF INTENTION TO ENFORCE A SECURITY
UNDER SECTION 244 OF THE *BANKRUPTCY AND INSOLVENCY ACT* (CANADA)**

To: Genesis Manna Holding Ltd.

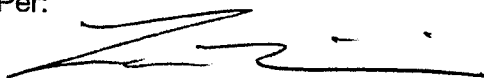
TAKE NOTICE THAT:

1. National Bank of Canada intends to enforce its security on Genesis Manna Holding Ltd.'s property described below:
 - a. all present and after-acquired personal property located on or used in connection with the real property in the Province of British Columbia located at:
 1. PID: 023-839-171, Lot D Section 2 Township 20 Osoyoos Division Yale District Plan KAP59703; and
 2. PID: 024-666-947, Lot 6 Section 2 Township 20 Osoyoos Division Yale District Plan KAP65805.
2. The security that is to be enforced is the following:
 - a. general security agreement dated March 3, 2022; and
 - b. unlimited guarantee dated March 3, 2022.

(collectively, the "**Security**").
3. The total amount of indebtedness secured by the Security as at June 24, 2024 is \$27,408,949.36 plus interest, costs, and other amounts recoverable and continuing to accrue to the date of payment.
4. National Bank of Canada will not have the right to enforce the Security until after the expiry of the 10-day period after this notice is sent unless Genesis Manna Holding Ltd. consents to an earlier enforcement, by executing the consent and waiver attached hereto as **Schedule "A"** and providing a copy to the undersigned.

NATIONAL BANK OF CANADA, by
its solicitors, McCarthy Tétrault LLP

Per:



Lance Williams

Dated at Vancouver, British Columbia, this 12th day of July, 2024.

SCHEDULE "A"**CONSENT TO AN EARLIER ENFORCEMENT
UNDER SECTION 244 OF THE *BANKRUPTCY AND INSOLVENCY ACT* (CANADA)****To: National Bank of Canada****TAKE NOTICE THAT:**

The undersigned hereby acknowledges receipt of a Notice of Intention to Enforce Security dated July 12, 2024 pursuant to section 244 of the *Bankruptcy and Insolvency Act* (Canada) with respect to the assets of Genesis Manna Holding Ltd., waives its right to the 10-day notice period to redeem the collateral, and consents to the immediate enforcement of the security held by National Bank of Canada.

DATED at _____, this _____ day of _____, 2024.

Genesis Manna Holding Ltd.**Per:**_____
Signature_____
Print Name_____
Title

McCarthy Tétrault LLP
Suite 2400, 745 Thurlow Street
Vancouver BC V6E 0C5
Canada
Tel: 604-643-7100
Fax: 604-643-7900

**mccarthy
tetrault**

Lance Williams*
Partner | Associé
Direct Line: 604-643-7154
Email: lwilliams@mccarthy.ca
*Law Corporation

Assistant: Katerina Dournakis
Direct Line: 604-643-7910
Email: kdournakis@mccarthy.ca

July 12, 2024

Via Registered Mail

Manna Industrial Fund
#1115 - 8400 West Road
Richmond BC V6X 0S7

Manna Industrial Fund
19th Floor
885 West Georgia Street
Vancouver BC V6C 3H4

Re: Loan Agreement, dated February 17, 2022 (as amended, supplemented, restated, replaced, or otherwise modified from time to time, the "Loan Agreement"), among, National Bank of Canada, as lender (the "Lender"), Manna Industrial Fund (Value-Add) Limited Partnership by its general partner, Manna Industrial Fund (Value-Add) GP Corp. as borrower (the "Borrower") and guaranteed by 8826 Jim Bailey Ltd. ("Jim Bailey"), 375 Potterton Ltd. ("Potterton"), Genesis Manna Holding Ltd. ("Genesis"), Allion Holdings Ltd. ("Allion"), Michael Chiang, and Nancy Wei (together with Jim Bailey, Potterton, Genesis, Allion, and Michael Chiang the "Guarantors" and, the Borrower and the Guarantors collectively, the "Obligors" and, each, an "Obligor")

Please be advised that we are counsel to the Lender in this matter. We write further to the Loan Agreement and the other Loan Documents (each as defined below).

As you know, pursuant to the Loan Agreement, the Lender made available to the Borrower a term loan in the maximum principal amount of \$28,700,000 (the "**Credit Facility**").

The Credit Facility is guaranteed by the Guarantors pursuant to the following guarantees (collectively, the "**Guarantees**"):

- (a) a joint and several unlimited guaranteed granted by Jim Bailey and Potterton, dated March 3, 2022;
- (b) a joint and several corporate guarantee granted by Allion and Genesis limited to the principal sum of \$28,700,000 plus interest and costs, dated March 3, 2022; and
- (c) a joint and several personal guarantee granted by Michael Chiang and Nancy Wei limited to the principal sum of \$28,700,000 plus interests and costs, dated March 3, 2022.

To provide general and continuing security for the payment and performance of all obligations of the Borrower to the Lender, including in relation to the Credit Facility, the Borrower entered into the following security agreements with the Lender (collectively, the **"Security Agreements"**):

- (a) a general security agreement, dated March 3, 2022, granting the Lender a security interest in all present and after-acquired personal property of the Borrower located on or used in connection with the real property located at:
 - 1. 375 Potterton Road, Kelowna, British Columbia, PID: 023-839-171, Lot D Section 2 Township 20 Osoyoos Division Yale District Plan KAP59703 (the **"Potterton Property"**); and
 - 2. 8826 Jim Bailey Crescent, Kelowna, British Columbia, PID: 024-666-947, Lot 6 Section 2 Township 20 Osoyoos Division Yale District Plan KAP65805 (the **"Jim Bailey Property"**) collectively with the Potterton Property, the **"Real Property"**);
- (b) a direction and beneficial charge agreement, dated March 3, 2022, over all right, title, and interest of the Borrower in the Potterton Property;
- (c) a direction and beneficial charge agreement, dated March 3, 2022, over all right, title, and interest of the Borrower in the Jim Bailey Property;
- (d) an assignment of insurance proceeds agreement, dated March 3, 2022; and
- (e) an assignment of security deposits agreement, dated March 3, 2022.

As you are aware, multiple defaults have occurred and are continuing under the Loan Agreement. As such, the Obligors are in default under the Loan Agreement, the Guarantees and security documents granted by the Obligors to the Lender thereunder, and any other documents, instruments, and agreements in effect between any of the Obligors and the Lender with respect to the Loan Agreement (collectively, the **"Loan Documents"**).

Accordingly, on behalf of the Lender, we hereby demand immediate payment of the Borrower's obligations under the Credit Facility. As at July 9, 2024, the total indebtedness under the Credit Facility is \$27,408,949.36 (the **"Borrower Indebtedness"**), calculated as follows:

Principal	Accrued Interest	Penalties and/or Charges	Indemnity	Per Diem	Total
\$27,079,287.75	\$98,273.98	\$45.00	\$231,342.63	\$2,590.97	\$27,408,949.36

The Borrower Indebtedness is inclusive of interest to July 9, 2024, but does not include any interest that will continue to accrue after July 9, 2024, legal fees and expenses, or any other costs and/or amounts recoverable pursuant to the Loan Agreement, related guarantees and security granted by the Obligors to the Lender (including, without limitation, the Guarantees and the Security Agreements), and/or any other Loan Documents (collectively, the **"Additional Indebtedness"**).

Payment of the Borrower Indebtedness, together with all Additional Indebtedness incurred to the date of payment (collectively, the "**Total Indebtedness**"), should be made by wire transfer, bank draft or certified cheque within 10 business days of the date of this letter, payable to:

McCarthy Tétrault LLP
Suite 2400, 745 Thurlow Street
Vancouver, BC V6E 0C5
Attention: Sue Danielisz

Prior to making payment, please ensure you contact Ms. Danielisz at 604-643-5904 or sdanielisz@mccarthy.ca to confirm the Total Indebtedness on the date payment is to be made.

If payment of the Total Indebtedness is not made on or within 10 business days of this letter, the Lender will take such steps as it considers necessary to protect its rights and security, including, but not limited, to commencing action against the Borrower and/or the Guarantors, without further notice to you.

We hereby enclose a Notice of Intention to Enforce Security pursuant to section 244 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended.

For the avoidance of doubt, the Lender expressly reserves all rights, powers, and privileges available to it under the Loan Documents, applicable law, or otherwise, including, without limitation, the right to appoint an interim receiver over any of the Obligors, and/or their assets and undertaking, prior to the expiry of any applicable notice period.

Yours truly,



Lance Williams*
Partner | Associé

Enclosures

**NOTICE OF INTENTION TO ENFORCE A SECURITY
UNDER SECTION 244 OF THE *BANKRUPTCY AND INSOLVENCY ACT* (CANADA)**

To: Manna Industrial Fund (Value-Add) Limited Partnership and Manna Industrial Fund (Value-Add) GP Corp., in its own capacity and its capacity as general partner of Manna Industrial Fund (Value-Add) Limited Partnership (collectively, "Manna")

TAKE NOTICE THAT:

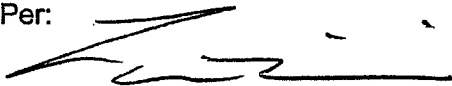
1. National Bank of Canada intends to enforce its security on Manna's property described below:
 - a. real property in the Province of British Columbia legally described as:
 1. PID: 023-839-171, Lot D Section 2 Township 20 Osoyoos Division Yale District Plan KAP59703 (the "**Potterton Property**"); and
 2. PID: 024-666-947, Lot 6 Section 2 Township 20 Osoyoos Division Yale District Plan KAP65805 (the "**Jim Bailey Property**")

(collectively, the "**Real Property**"); and
 - b. all present and after-acquired personal property located on or used in connection with the Real Property.
2. The security that is to be enforced is the following:
 - a. general security agreement dated March 3, 2022;
 - b. direction and beneficial charge agreement dated March 3, 2022 over all future, right, title, and interest of Manna in the Potterton Property;
 - c. direction and beneficial charge agreement dated March 3, 2022 over all future, right, title, and interest of Manna in the Jim Bailey Property;
 - d. assignment of insurance proceeds agreement dated March 3, 2022; and
 - e. assignment of security deposits agreement dated March 3, 2022

(collectively, the "**Security**").
3. The total amount of indebtedness secured by the Security as at July 9, 2024 is \$27,408,949.36 plus interest, costs, and other amounts recoverable and continuing to accrue to the date of payment.
4. National Bank of Canada will not have the right to enforce the Security until after the expiry of the 10-day period after this notice is sent unless Manna consents to an earlier enforcement, by executing the consent and waiver attached hereto as **Schedule "A"** and providing a copy to the undersigned.

**NATIONAL BANK OF CANADA, by
its solicitors, McCarthy Tétrault LLP**

Per:



Lance Williams

Dated at Vancouver, British Columbia, this 12th day of July, 2024.

SCHEDULE "A"

**CONSENT TO AN EARLIER ENFORCEMENT
UNDER SECTION 244 OF THE *BANKRUPTCY AND INSOLVENCY ACT* (CANADA)**

To: National Bank of Canada

TAKE NOTICE THAT:

The undersigned hereby acknowledges receipt of a Notice of Intention to Enforce Security dated July 12, 2024 pursuant to section 244 of the *Bankruptcy and Insolvency Act* (Canada) with respect to the assets of Manna Industrial Fund (Value-Add) Limited Partnership and Manna Industrial Fund (Value-Add) GP Corp. in its own capacity and its capacity as general partner of Manna Industrial Fund (Value-Add) Limited Partnership, waives its right to the 10-day notice period to redeem the collateral, and consents to the immediate enforcement of the security held by National Bank of Canada.

DATED at _____, this _____ day of _____, 2024.

**Manna Industrial Fund (Value-Add) GP
Corp., in its own capacity and its capacity
as general partner of Manna Industrial
Fund (Value-Add) Limited Partnership**

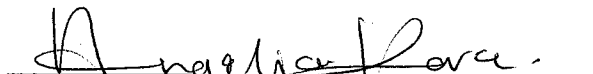
Per:

Signature

Print Name

Title

This is **Exhibit "W"** referred to in the Affidavit #1 of John Karkoutlian made before me at Vancouver, British Columbia, on this 26th day of September, 2024.


A Commissioner for taking Affidavits
in the Province of British Columbia

McCarthy Tétrault LLP
Suite 2400, 745 Thurlow Street
Vancouver BC V6E 0C5
Canada
Tel: 604-643-7100
Fax: 604-643-7900

**mccarthy
tétrault**

Lance Williams*
Partner | Associé
Direct Line: 604-643-7154
Email: lwilliams@mccarthy.ca
*Law Corporation

Assistant: Katerina Doumakis
Direct Line: 604-643-7910
Email: kdoumakis@mccarthy.ca

July 12, 2024

Via Registered Mail

Manna Industrial Fund
#1115 - 8400 West Road
Richmond BC V6X 0S7

Manna Industrial Fund
19th Floor
885 West Georgia Street
Vancouver BC V6C 3H4

Re: Loan Agreement, dated February 17, 2022 (as amended, supplemented, restated, replaced, or otherwise modified from time to time, the "Loan Agreement"), among, National Bank of Canada, as lender (the "Lender"), Manna Industrial Fund (Value-Add) Limited Partnership by its general partner, Manna Industrial Fund (Value-Add) GP Corp. as borrower (the "Borrower") and guaranteed by 8826 Jim Bailey Ltd. ("Jim Bailey"), 375 Potterton Ltd. ("Potterton"), Genesis Manna Holding Ltd. ("Genesis"), Allion Holdings Ltd. ("Allion"), Michael Chiang, and Nancy Wei (together with Jim Bailey, Potterton, Genesis, Allion, and Michael Chiang the "Guarantors" and, the Borrower and the Guarantors collectively, the "Obligors" and, each, an "Obligor")

Please be advised that we are counsel to the Lender in this matter. We write further to the Loan Agreement and the other Loan Documents (each as defined below).

As you know, pursuant to the Loan Agreement, the Lender made available to the Borrower a term loan in the maximum principal amount of \$28,700,000 (the "**Credit Facility**").

The Credit Facility is guaranteed by the Guarantors pursuant to the following guarantees (collectively, the "**Guarantees**"):

- (a) a joint and several unlimited guaranteed granted by Jim Bailey and Potterton, dated March 3, 2022;
- (b) a joint and several corporate guarantee granted by Allion and Genesis limited to the principal sum of \$28,700,000 plus interest and costs, dated March 3, 2022; and
- (c) a joint and several personal guarantee granted by Michael Chiang and Nancy Wei limited to the principal sum of \$28,700,000 plus interests and costs, dated March 3, 2022.

To provide general and continuing security for the payment and performance of all obligations of the Borrower to the Lender, including in relation to the Credit Facility, the Borrower entered into the following security agreements with the Lender (collectively, the **"Security Agreements"**):

- (a) a general security agreement, dated March 3, 2022, granting the Lender a security interest in all present and after-acquired personal property of the Borrower located on or used in connection with the real property located at:
 - 1. 375 Potterton Road, Kelowna, British Columbia, PID: 023-839-171, Lot D Section 2 Township 20 Osoyoos Division Yale District Plan KAP59703 (the **"Potterton Property"**); and
 - 2. 8826 Jim Bailey Crescent, Kelowna, British Columbia, PID: 024-666-947, Lot 6 Section 2 Township 20 Osoyoos Division Yale District Plan KAP65805 (the **"Jim Bailey Property"**) collectively with the Potterton Property, the **"Real Property"**);
- (b) a direction and beneficial charge agreement, dated March 3, 2022, over all right, title, and interest of the Borrower in the Potterton Property;
- (c) a direction and beneficial charge agreement, dated March 3, 2022, over all right, title, and interest of the Borrower in the Jim Bailey Property;
- (d) an assignment of insurance proceeds agreement, dated March 3, 2022; and
- (e) an assignment of security deposits agreement, dated March 3, 2022.

As you are aware, multiple defaults have occurred and are continuing under the Loan Agreement. As such, the Obligors are in default under the Loan Agreement, the Guarantees and security documents granted by the Obligors to the Lender thereunder, and any other documents, instruments, and agreements in effect between any of the Obligors and the Lender with respect to the Loan Agreement (collectively, the **"Loan Documents"**).

Accordingly, on behalf of the Lender, we hereby demand immediate payment of the Borrower's obligations under the Credit Facility. As at July 9, 2024, the total indebtedness under the Credit Facility is \$27,408,949.36 (the **"Borrower Indebtedness"**), calculated as follows:

Principal	Accrued Interest	Penalties and/or Charges	Indemnity	Per Diem	Total
\$27,079,287.75	\$98,273.98	\$45.00	\$231,342.63	\$2,590.97	\$27,408,949.36

The Borrower Indebtedness is inclusive of interest to July 9, 2024, but does not include any interest that will continue to accrue after July 9, 2024, legal fees and expenses, or any other costs and/or amounts recoverable pursuant to the Loan Agreement, related guarantees and security granted by the Obligors to the Lender (including, without limitation, the Guarantees and the Security Agreements), and/or any other Loan Documents (collectively, the **"Additional Indebtedness"**).

Payment of the Borrower Indebtedness, together with all Additional Indebtedness incurred to the date of payment (collectively, the "**Total Indebtedness**"), should be made by wire transfer, bank draft or certified cheque within 10 business days of the date of this letter, payable to:

McCarthy Tétrault LLP
Suite 2400, 745 Thurlow Street
Vancouver, BC V6E 0C5
Attention: Sue Danielisz

Prior to making payment, please ensure you contact Ms. Danielisz at 604-643-5904 or sdanielisz@mccarthy.ca to confirm the Total Indebtedness on the date payment is to be made.

If payment of the Total Indebtedness is not made on or within 10 business days of this letter, the Lender will take such steps as it considers necessary to protect its rights and security, including, but not limited, to commencing action against the Borrower and/or the Guarantors, without further notice to you.

We hereby enclose a Notice of Intention to Enforce Security pursuant to section 244 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended.

For the avoidance of doubt, the Lender expressly reserves all rights, powers, and privileges available to it under the Loan Documents, applicable law, or otherwise, including, without limitation, the right to appoint an interim receiver over any of the Obligors, and/or their assets and undertaking, prior to the expiry of any applicable notice period.

Yours truly,



Lance Williams*
Partner | Associé

Enclosures

**NOTICE OF INTENTION TO ENFORCE A SECURITY
UNDER SECTION 244 OF THE *BANKRUPTCY AND INSOLVENCY ACT* (CANADA)**

To: Manna Industrial Fund (Value-Add) Limited Partnership and Manna Industrial Fund (Value-Add) GP Corp., in its own capacity and its capacity as general partner of Manna Industrial Fund (Value-Add) Limited Partnership (collectively, "Manna")

TAKE NOTICE THAT:

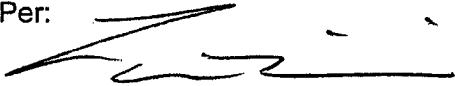
1. National Bank of Canada intends to enforce its security on Manna's property described below:
 - a. real property in the Province of British Columbia legally described as:
 1. PID: 023-839-171, Lot D Section 2 Township 20 Osoyoos Division Yale District Plan KAP59703 (the "**Potterton Property**"); and
 2. PID: 024-666-947, Lot 6 Section 2 Township 20 Osoyoos Division Yale District Plan KAP65805 (the "**Jim Bailey Property**")

(collectively, the "**Real Property**"); and
 - b. all present and after-acquired personal property located on or used in connection with the Real Property.
2. The security that is to be enforced is the following:
 - a. general security agreement dated March 3, 2022;
 - b. direction and beneficial charge agreement dated March 3, 2022 over all future, right, title, and interest of Manna in the Potterton Property;
 - c. direction and beneficial charge agreement dated March 3, 2022 over all future, right, title, and interest of Manna in the Jim Bailey Property;
 - d. assignment of insurance proceeds agreement dated March 3, 2022; and
 - e. assignment of security deposits agreement dated March 3, 2022

(collectively, the "**Security**").
3. The total amount of indebtedness secured by the Security as at July 9, 2024 is \$27,408,949.36 plus interest, costs, and other amounts recoverable and continuing to accrue to the date of payment.
4. National Bank of Canada will not have the right to enforce the Security until after the expiry of the 10-day period after this notice is sent unless Manna consents to an earlier enforcement, by executing the consent and waiver attached hereto as **Schedule "A"** and providing a copy to the undersigned.

NATIONAL BANK OF CANADA, by
its solicitors, McCarthy Tétrault LLP

Per:

A handwritten signature in black ink, appearing to read 'Lance Williams', written over a horizontal line.

Lance Williams

Dated at Vancouver, British Columbia, this 12th day of July, 2024.

SCHEDULE "A"

**CONSENT TO AN EARLIER ENFORCEMENT
UNDER SECTION 244 OF THE *BANKRUPTCY AND INSOLVENCY ACT* (CANADA)**

To: National Bank of Canada

TAKE NOTICE THAT:

The undersigned hereby acknowledges receipt of a Notice of Intention to Enforce Security dated July 12, 2024 pursuant to section 244 of the *Bankruptcy and Insolvency Act* (Canada) with respect to the assets of Manna Industrial Fund (Value-Add) Limited Partnership and Manna Industrial Fund (Value-Add) GP Corp. in its own capacity and its capacity as general partner of Manna Industrial Fund (Value-Add) Limited Partnership, waives its right to the 10-day notice period to redeem the collateral, and consents to the immediate enforcement of the security held by National Bank of Canada.

DATED at _____, this _____ day of _____, 2024.

**Manna Industrial Fund (Value-Add) GP
Corp., in its own capacity and its capacity
as general partner of Manna Industrial
Fund (Value-Add) Limited Partnership**

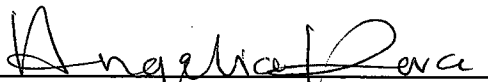
Per:

Signature

Print Name

Title

This is **Exhibit "X"** referred to in the Affidavit #1 of John Karkoutlian made before me at Vancouver, British Columbia, on this 26th day of September, 2024.

A handwritten signature in black ink, appearing to read "Angelica Pena", written over a horizontal line.

A Commissioner for taking Affidavits
in the Province of British Columbia

McCarthy Tétrault LLP
Suite 2400, 745 Thurlow Street
Vancouver BC V6E 0C5
Canada
Tel: 604-643-7100
Fax: 604-643-7900

**mccarthy
tétrault**

Lance Williams*
Partner | Associé
Direct Line: 604-643-7154
Email: lwilliams@mccarthy.ca
*Law Corporation

Assistant: Katerina Doumakis
Direct Line: 604-643-7910
Email: kdoumakis@mccarthy.ca

July 12, 2024

Via Registered Mail

Michael Chiang
#1115 - 8400 West Road
Richmond, BC V6X 0S7

Michael Chiang
19th Floor
885 West Georgia Street
Vancouver, BC V6C 3H4

Michael Chiang
9611 Deagle Road
Richmond, BC V7A 1P7

Michael Chiang
PO Box 308
26th Floor, Bentall 6
1090 West Pender Street
Vancouver, BC V6E 0E3

Michael Chiang
#202 – 6611 Pearson Way
Richmond, BC V7C 0C3

Re: Loan Agreement, dated February 17, 2022 (as amended, supplemented, restated, replaced, or otherwise modified from time to time, the “Loan Agreement”), among, National Bank of Canada, as lender (the “Lender”), Manna Industrial Fund (Value-Add) Limited Partnership by its general partner, Manna Industrial Fund (Value-Add) GP Corp. as borrower (the “Borrower”) and guaranteed by 8826 Jim Bailey Ltd. (“Jim Bailey”), 375 Potterton Ltd. (“Potterton”), Genesis Manna Holding Ltd. (“Genesis”), Allion Holdings Ltd. (“Allion”), Michael Chiang, and Nancy Wei (together with Jim Bailey, Potterton, Genesis, Allion and Michael Chiang the “Guarantors” and, the Borrower and the Guarantors collectively, the “Obligors” and, each, an “Obligor”)

Please be advised that we are counsel to the Lender in this matter. We write further to the Loan Agreement and the other Loan Documents (each as defined below).

As you know, pursuant to the Loan Agreement, the Lender made available to the Borrower a term loan in the maximum principal amount of \$28,700,000 (the “**Credit Facility**”).

Multiple defaults have occurred and are continuing under the Loan Agreement. As such, the Obligors are in default under the Loan Agreement, the guarantees and security documents granted by the Obligors to the Lender thereunder, and any other documents, instruments, and agreements in effect between any of the Obligors and the Lender with respect to the Loan Agreement (collectively, the "**Loan Documents**"). Accordingly, the Lender has demanded that the Borrower immediately repay of all of their obligations under the Credit Facility, and we enclose a copy of the demand letter sent today to the Borrower in connection therewith (the "**Demand Letter**").

As you know, Nancy Wei and you granted a joint and several guarantee limited to the principal sum of \$28,700,000, plus interests and costs, with respect to the obligations of the Borrower, dated March 3, 2022 (the "**Guarantee**").

Demand is hereby made pursuant to the Guarantee for the full \$28,700,00, with interest, legal fees and expenses, and any other costs and/or amounts recoverable pursuant to the Guarantee continuing to accrue. Payment of the amounts owing pursuant to the guarantee, should be made by wire transfer, bank draft, or certified cheque within 10 business days of the date of this letter, payable to:

McCarthy Tétrault LLP
Suite 2400, 745 Thurlow Street
Vancouver, BC V6E 0C5
Attention: Sue Danielisz

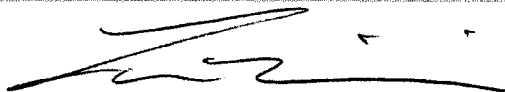
Prior to making payment, please ensure you contact Ms. Danielisz at 604-643-5904 or sdanielisz@mccarthy.ca to confirm the total amount owing pursuant to the Guarantee on the date payment is to be made.

If payment is not made on or within 10 business days of this letter, the Lender will take such steps as it considers necessary to protect its rights and security, including, but not limited, to commencing action against the Obligors, without further notice to you.

We hereby enclose a Notice of Intention to Enforce Security pursuant to section 244 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended.

For the avoidance of doubt, the Lender expressly reserves all rights, powers, and privileges available to it under the Loan Documents, applicable law, or otherwise, including, without limitation, the right to appoint an interim receiver over any of the Obligors, and/or their assets and undertaking, prior to the expiry of any applicable notice period.

Yours truly,



Lance Williams*
Partner | Associé

Enclosures

McCarthy Tétrault LLP
Suite 2400, 745 Thurlow Street
Vancouver BC V6E 0C5
Canada
Tel: 604-643-7100
Fax: 604-643-7900

**mccarthy
tetrault**

Lance Williams*
Partner | Associé
Direct Line: 604-643-7154
Email: lwilliams@mccarthy.ca
*Law Corporation

Assistant: Katerina Doumakis
Direct Line: 604-643-7910
Email: kdoumakis@mccarthy.ca

July 12, 2024

Via Registered Mail

Manna Industrial Fund
#1115 - 8400 West Road
Richmond BC V6X 0S7

Manna Industrial Fund
19th Floor
885 West Georgia Street
Vancouver BC V6C 3H4

Re: Loan Agreement, dated February 17, 2022 (as amended, supplemented, restated, replaced, or otherwise modified from time to time, the "Loan Agreement"), among, National Bank of Canada, as lender (the "Lender"), Manna Industrial Fund (Value-Add) Limited Partnership by its general partner, Manna Industrial Fund (Value-Add) GP Corp. as borrower (the "Borrower") and guaranteed by 8826 Jim Bailey Ltd. ("Jim Bailey"), 375 Potterton Ltd. ("Potterton"), Genesis Manna Holding Ltd. ("Genesis"), Allion Holdings Ltd. ("Allion"), Michael Chiang, and Nancy Wei (together with Jim Bailey, Potterton, Genesis, Allion, and Michael Chiang the "Guarantors" and, the Borrower and the Guarantors collectively, the "Obligors" and, each, an "Obligor")

Please be advised that we are counsel to the Lender in this matter. We write further to the Loan Agreement and the other Loan Documents (each as defined below).

As you know, pursuant to the Loan Agreement, the Lender made available to the Borrower a term loan in the maximum principal amount of \$28,700,000 (the "**Credit Facility**").

The Credit Facility is guaranteed by the Guarantors pursuant to the following guarantees (collectively, the "**Guarantees**"):

- (a) a joint and several unlimited guaranteed granted by Jim Bailey and Potterton, dated March 3, 2022;
- (b) a joint and several corporate guarantee granted by Allion and Genesis limited to the principal sum of \$28,700,000 plus interest and costs, dated March 3, 2022; and
- (c) a joint and several personal guarantee granted by Michael Chiang and Nancy Wei limited to the principal sum of \$28,700,000 plus interests and costs, dated March 3, 2022.

To provide general and continuing security for the payment and performance of all obligations of the Borrower to the Lender, including in relation to the Credit Facility, the Borrower entered into the following security agreements with the Lender (collectively, the **"Security Agreements"**):

- (a) a general security agreement, dated March 3, 2022, granting the Lender a security interest in all present and after-acquired personal property of the Borrower located on or used in connection with the real property located at:
 - 1. 375 Potterton Road, Kelowna, British Columbia, PID: 023-839-171, Lot D Section 2 Township 20 Osoyoos Division Yale District Plan KAP59703 (the **"Potterton Property"**); and
 - 2. 8826 Jim Bailey Crescent, Kelowna, British Columbia, PID: 024-666-947, Lot 6 Section 2 Township 20 Osoyoos Division Yale District Plan KAP65805 (the **"Jim Bailey Property"**) collectively with the Potterton Property, the **"Real Property"**);
- (b) a direction and beneficial charge agreement, dated March 3, 2022, over all right, title, and interest of the Borrower in the Potterton Property;
- (c) a direction and beneficial charge agreement, dated March 3, 2022, over all right, title, and interest of the Borrower in the Jim Bailey Property;
- (d) an assignment of insurance proceeds agreement, dated March 3, 2022; and
- (e) an assignment of security deposits agreement, dated March 3, 2022.

As you are aware, multiple defaults have occurred and are continuing under the Loan Agreement. As such, the Obligors are in default under the Loan Agreement, the Guarantees and security documents granted by the Obligors to the Lender thereunder, and any other documents, instruments, and agreements in effect between any of the Obligors and the Lender with respect to the Loan Agreement (collectively, the **"Loan Documents"**).

Accordingly, on behalf of the Lender, we hereby demand immediate payment of the Borrower's obligations under the Credit Facility. As at July 9, 2024, the total indebtedness under the Credit Facility is \$27,408,949.36 (the **"Borrower Indebtedness"**), calculated as follows:

Principal	Accrued Interest	Penalties and/or Charges	Indemnity	Per Diem	Total
\$27,079,287.75	\$98,273.98	\$45.00	\$231,342.63	\$2,590.97	\$27,408,949.36

The Borrower Indebtedness is inclusive of interest to July 9, 2024, but does not include any interest that will continue to accrue after July 9, 2024, legal fees and expenses, or any other costs and/or amounts recoverable pursuant to the Loan Agreement, related guarantees and security granted by the Obligors to the Lender (including, without limitation, the Guarantees and the Security Agreements), and/or any other Loan Documents (collectively, the **"Additional Indebtedness"**).

Payment of the Borrower Indebtedness, together with all Additional Indebtedness incurred to the date of payment (collectively, the "**Total Indebtedness**"), should be made by wire transfer, bank draft or certified cheque within 10 business days of the date of this letter, payable to:

McCarthy Tétrault LLP
Suite 2400, 745 Thurlow Street
Vancouver, BC V6E 0C5
Attention: Sue Danielisz

Prior to making payment, please ensure you contact Ms. Danielisz at 604-643-5904 or sdanielisz@mccarthy.ca to confirm the Total Indebtedness on the date payment is to be made.

If payment of the Total Indebtedness is not made on or within 10 business days of this letter, the Lender will take such steps as it considers necessary to protect its rights and security, including, but not limited, to commencing action against the Borrower and/or the Guarantors, without further notice to you.

We hereby enclose a Notice of Intention to Enforce Security pursuant to section 244 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended.

For the avoidance of doubt, the Lender expressly reserves all rights, powers, and privileges available to it under the Loan Documents, applicable law, or otherwise, including, without limitation, the right to appoint an interim receiver over any of the Obligor's, and/or their assets and undertaking, prior to the expiry of any applicable notice period.

Yours truly,



Lance Williams*
Partner | Associé

Enclosures

**NOTICE OF INTENTION TO ENFORCE A SECURITY
UNDER SECTION 244 OF THE *BANKRUPTCY AND INSOLVENCY ACT* (CANADA)**

To: Manna Industrial Fund (Value-Add) Limited Partnership and Manna Industrial Fund (Value-Add) GP Corp., in its own capacity and its capacity as general partner of Manna Industrial Fund (Value-Add) Limited Partnership (collectively, "Manna")

TAKE NOTICE THAT:

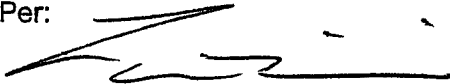
1. National Bank of Canada intends to enforce its security on Manna's property described below:
 - a. real property in the Province of British Columbia legally described as:
 1. PID: 023-839-171, Lot D Section 2 Township 20 Osoyoos Division Yale District Plan KAP59703 (the "**Potterton Property**"); and
 2. PID: 024-666-947, Lot 6 Section 2 Township 20 Osoyoos Division Yale District Plan KAP65805 (the "**Jim Bailey Property**")

(collectively, the "**Real Property**"); and
 - b. all present and after-acquired personal property located on or used in connection with the Real Property.
2. The security that is to be enforced is the following:
 - a. general security agreement dated March 3, 2022;
 - b. direction and beneficial charge agreement dated March 3, 2022 over all future, right, title, and interest of Manna in the Potterton Property;
 - c. direction and beneficial charge agreement dated March 3, 2022 over all future, right, title, and interest of Manna in the Jim Bailey Property;
 - d. assignment of insurance proceeds agreement dated March 3, 2022; and
 - e. assignment of security deposits agreement dated March 3, 2022

(collectively, the "**Security**").
3. The total amount of indebtedness secured by the Security as at July 9, 2024 is \$27,408,949.36 plus interest, costs, and other amounts recoverable and continuing to accrue to the date of payment.
4. National Bank of Canada will not have the right to enforce the Security until after the expiry of the 10-day period after this notice is sent unless Manna consents to an earlier enforcement, by executing the consent and waiver attached hereto as **Schedule "A"** and providing a copy to the undersigned.

NATIONAL BANK OF CANADA, by
its solicitors, McCarthy Tétrault LLP

Per:

A handwritten signature in black ink, appearing to read 'Lance Williams', written over a horizontal line.

Lance Williams

Dated at Vancouver, British Columbia, this 12th day of July, 2024.

SCHEDULE "A"**CONSENT TO AN EARLIER ENFORCEMENT
UNDER SECTION 244 OF THE *BANKRUPTCY AND INSOLVENCY ACT* (CANADA)****To: National Bank of Canada****TAKE NOTICE THAT:**

The undersigned hereby acknowledges receipt of a Notice of Intention to Enforce Security dated July 12, 2024 pursuant to section 244 of the *Bankruptcy and Insolvency Act* (Canada) with respect to the assets of Manna Industrial Fund (Value-Add) Limited Partnership and Manna Industrial Fund (Value-Add) GP Corp. in its own capacity and its capacity as general partner of Manna Industrial Fund (Value-Add) Limited Partnership, waives its right to the 10-day notice period to redeem the collateral, and consents to the immediate enforcement of the security held by National Bank of Canada.

DATED at _____, this _____ day of _____, 2024.

**Manna Industrial Fund (Value-Add) GP
Corp., in its own capacity and its capacity
as general partner of Manna Industrial
Fund (Value-Add) Limited Partnership**

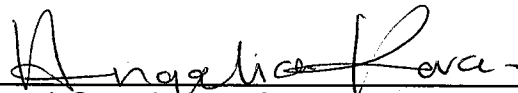
Per:

Signature

Print Name

Title

This is **Exhibit "Y"** referred to in the Affidavit #1 of John Karkoutlian made before me at Vancouver, British Columbia, on this 26th day of September, 2024.


A Commissioner for taking Affidavits
in the Province of British Columbia

McCarthy Tétrault LLP
Suite 2400, 745 Thurlow Street
Vancouver BC V6E 0C5
Canada
Tel: 604-643-7100
Fax: 604-643-7900

**mccarthy
tétrault**

Lance Williams*
Partner | Associé
Direct Line: 604-643-7154
Email: lwilliams@mccarthy.ca
*Law Corporation

Assistant: Katerina Doumakis
Direct Line: 604-643-7910
Email: kdoumakis@mccarthy.ca

July 12, 2024

Via Registered Mail

Nancy Wei
#1115 - 8400 West Road
Richmond, BC V6X 0S7

Nancy Wei
South 207 - 5811 Cooney Road
Richmond, BC V6X 3M1

Nancy Wei
19th Floor
885 West Georgia Street
Vancouver, BC V6C 3H4

Nancy Wei
25 - 7288 Heather Street
Richmond, BC V6Y 4L4

Re: Loan Agreement, dated February 17, 2022 (as amended, supplemented, restated, replaced, or otherwise modified from time to time, the "Loan Agreement"), among, National Bank of Canada, as lender (the "Lender"), Manna Industrial Fund (Value-Add) Limited Partnership by its general partner, Manna Industrial Fund (Value-Add) GP Corp. as borrower (the "Borrower") and guaranteed by 8826 Jim Bailey Ltd. ("Jim Bailey"), 375 Potterton Ltd. ("Potterton"), Genesis Manna Holding Ltd. ("Genesis"), Allion Holdings Ltd. ("Allion"), Michael Chiang, and Nancy Wei (together with Jim Bailey, Potterton, Genesis, Allion and Michael Chiang the "Guarantors" and, the Borrower and the Guarantors collectively, the "Obligors" and, each, an "Obligor")

Please be advised that we are counsel to the Lender in this matter. We write further to the Loan Agreement and the other Loan Documents (each as defined below).

As you know, pursuant to the Loan Agreement, the Lender made available to the Borrower a term loan in the maximum principal amount of \$28,700,000 (the "**Credit Facility**").

Multiple defaults have occurred and are continuing under the Loan Agreement. As such, the Obligors are in default under the Loan Agreement, the guarantees and security documents granted by the Obligors to the Lender thereunder, and any other documents, instruments, and agreements in effect between any of the Obligors and the Lender with respect to the Loan Agreement (collectively, the "**Loan Documents**"). Accordingly, the Lender has demanded that

the Borrower immediately repay of all of their obligations under the Credit Facility, and we enclose a copy of the demand letter sent today to the Borrower in connection therewith (the "**Demand Letter**").

As you know, Michael Chiang and you granted a joint and several guarantee limited to the principal sum of \$28,700,000, plus interests and costs, with respect to the obligations of the Borrower, dated March 3, 2022 (the "**Guarantee**").

Demand is hereby made pursuant to the Guarantee for the full \$28,700,00, with interest, legal fees and expenses, and any other costs and/or amounts recoverable pursuant to the Guarantee continuing to accrue. Payment of the amounts owing pursuant to the guarantee, should be made by wire transfer, bank draft, or certified cheque within 10 business days of the date of this letter, payable to:

McCarthy Tétrault LLP
Suite 2400, 745 Thurlow Street
Vancouver, BC V6E 0C5
Attention: Sue Danielisz

Prior to making payment, please ensure you contact Ms. Danielisz at 604-643-5904 or sdanielisz@mccarthy.ca to confirm the total amount owing pursuant to the Guarantee on the date payment is to be made.

If payment is not made on or within 10 business days of this letter, the Lender will take such steps as it considers necessary to protect its rights and security, including, but not limited, to commencing action against the Obligors, without further notice to you.

We hereby enclose a Notice of Intention to Enforce Security pursuant to section 244 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended.

For the avoidance of doubt, the Lender expressly reserves all rights, powers, and privileges available to it under the Loan Documents, applicable law, or otherwise, including, without limitation, the right to appoint an interim receiver over any of the Obligors, and/or their assets and undertaking, prior to the expiry of any applicable notice period.

Yours truly,



Lance Williams*
Partner | Associé

Enclosures

McCarthy Tétrault LLP
Suite 2400, 745 Thurlow Street
Vancouver BC V6E 0C5
Canada
Tel: 604-643-7100
Fax: 604-643-7900

**mccarthy
tétrault**

Lance Williams*
Partner | Associé
Direct Line: 604-643-7154
Email: lwilliams@mccarthy.ca
*Law Corporation

Assistant: Katerina Doumakis
Direct Line: 604-643-7910
Email: kdoumakis@mccarthy.ca

July 12, 2024

Via Registered Mail

Manna Industrial Fund
#1115 - 8400 West Road
Richmond BC V6X 0S7

Manna Industrial Fund
19th Floor
885 West Georgia Street
Vancouver BC V6C 3H4

Re: Loan Agreement, dated February 17, 2022 (as amended, supplemented, restated, replaced, or otherwise modified from time to time, the "Loan Agreement"), among, National Bank of Canada, as lender (the "Lender"), Manna Industrial Fund (Value-Add) Limited Partnership by its general partner, Manna Industrial Fund (Value-Add) GP Corp. as borrower (the "Borrower") and guaranteed by 8826 Jim Bailey Ltd. ("Jim Bailey"), 375 Potterton Ltd. ("Potterton"), Genesis Manna Holding Ltd. ("Genesis"), Allion Holdings Ltd. ("Allion"), Michael Chiang, and Nancy Wei (together with Jim Bailey, Potterton, Genesis, Allion, and Michael Chiang the "Guarantors" and, the Borrower and the Guarantors collectively, the "Obligors" and, each, an "Obligor")

Please be advised that we are counsel to the Lender in this matter. We write further to the Loan Agreement and the other Loan Documents (each as defined below).

As you know, pursuant to the Loan Agreement, the Lender made available to the Borrower a term loan in the maximum principal amount of \$28,700,000 (the "**Credit Facility**").

The Credit Facility is guaranteed by the Guarantors pursuant to the following guarantees (collectively, the "**Guarantees**"):

- (a) a joint and several unlimited guaranteed granted by Jim Bailey and Potterton, dated March 3, 2022;
- (b) a joint and several corporate guarantee granted by Allion and Genesis limited to the principal sum of \$28,700,000 plus interest and costs, dated March 3, 2022; and
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To provide general and continuing security for the payment and performance of all obligations of the Borrower to the Lender, including in relation to the Credit Facility, the Borrower entered into the following security agreements with the Lender (collectively, the **"Security Agreements"**):

- (a) a general security agreement, dated March 3, 2022, granting the Lender a security interest in all present and after-acquired personal property of the Borrower located on or used in connection with the real property located at:
 1. 375 Potterton Road, Kelowna, British Columbia, PID: 023-839-171, Lot D Section 2 Township 20 Osoyoos Division Yale District Plan KAP59703 (the **"Potterton Property"**); and
 2. 8826 Jim Bailey Crescent, Kelowna, British Columbia, PID: 024-666-947, Lot 6 Section 2 Township 20 Osoyoos Division Yale District Plan KAP65805 (the **"Jim Bailey Property"**) collectively with the Potterton Property, the **"Real Property"**);
- (b) a direction and beneficial charge agreement, dated March 3, 2022, over all right, title, and interest of the Borrower in the Potterton Property;
- (c) a direction and beneficial charge agreement, dated March 3, 2022, over all right, title, and interest of the Borrower in the Jim Bailey Property;
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- (e) an assignment of security deposits agreement, dated March 3, 2022.

As you are aware, multiple defaults have occurred and are continuing under the Loan Agreement. As such, the Obligors are in default under the Loan Agreement, the Guarantees and security documents granted by the Obligors to the Lender thereunder, and any other documents, instruments, and agreements in effect between any of the Obligors and the Lender with respect to the Loan Agreement (collectively, the **"Loan Documents"**).

Accordingly, on behalf of the Lender, we hereby demand immediate payment of the Borrower's obligations under the Credit Facility. As at July 9, 2024, the total indebtedness under the Credit Facility is \$27,408,949.36 (the **"Borrower Indebtedness"**), calculated as follows:

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The Borrower Indebtedness is inclusive of interest to July 9, 2024, but does not include any interest that will continue to accrue after July 9, 2024, legal fees and expenses, or any other costs and/or amounts recoverable pursuant to the Loan Agreement, related guarantees and security granted by the Obligors to the Lender (including, without limitation, the Guarantees and the Security Agreements), and/or any other Loan Documents (collectively, the **"Additional Indebtedness"**).

Payment of the Borrower Indebtedness, together with all Additional Indebtedness incurred to the date of payment (collectively, the "**Total Indebtedness**"), should be made by wire transfer, bank draft or certified cheque within 10 business days of the date of this letter, payable to:

McCarthy Tétrault LLP
Suite 2400, 745 Thurlow Street
Vancouver, BC V6E 0C5
Attention: Sue Danielisz

Prior to making payment, please ensure you contact Ms. Danielisz at 604-643-5904 or sdanielisz@mccarthy.ca to confirm the Total Indebtedness on the date payment is to be made.

If payment of the Total Indebtedness is not made on or within 10 business days of this letter, the Lender will take such steps as it considers necessary to protect its rights and security, including, but not limited, to commencing action against the Borrower and/or the Guarantors, without further notice to you.

We hereby enclose a Notice of Intention to Enforce Security pursuant to section 244 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended.

For the avoidance of doubt, the Lender expressly reserves all rights, powers, and privileges available to it under the Loan Documents, applicable law, or otherwise, including, without limitation, the right to appoint an interim receiver over any of the Obligor's, and/or their assets and undertaking, prior to the expiry of any applicable notice period.

Yours truly,



Lance Williams*
Partner | Associé

Enclosures

**NOTICE OF INTENTION TO ENFORCE A SECURITY
UNDER SECTION 244 OF THE *BANKRUPTCY AND INSOLVENCY ACT* (CANADA)**

To: Manna Industrial Fund (Value-Add) Limited Partnership and Manna Industrial Fund (Value-Add) GP Corp., in its own capacity and its capacity as general partner of Manna Industrial Fund (Value-Add) Limited Partnership (collectively, "Manna")

TAKE NOTICE THAT:

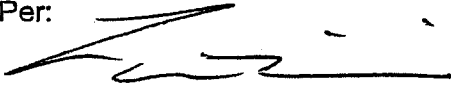
1. National Bank of Canada intends to enforce its security on Manna's property described below:
 - a. real property in the Province of British Columbia legally described as:
 1. PID: 023-839-171, Lot D Section 2 Township 20 Osoyoos Division Yale District Plan KAP59703 (the "**Potterton Property**"); and
 2. PID: 024-666-947, Lot 6 Section 2 Township 20 Osoyoos Division Yale District Plan KAP65805 (the "**Jim Bailey Property**")

(collectively, the "**Real Property**"); and
 - b. all present and after-acquired personal property located on or used in connection with the Real Property.
2. The security that is to be enforced is the following:
 - a. general security agreement dated March 3, 2022;
 - b. direction and beneficial charge agreement dated March 3, 2022 over all future, right, title, and interest of Manna in the Potterton Property;
 - c. direction and beneficial charge agreement dated March 3, 2022 over all future, right, title, and interest of Manna in the Jim Bailey Property;
 - d. assignment of insurance proceeds agreement dated March 3, 2022; and
 - e. assignment of security deposits agreement dated March 3, 2022

(collectively, the "**Security**").
3. The total amount of indebtedness secured by the Security as at July 9, 2024 is \$27,408,949.36 plus interest, costs, and other amounts recoverable and continuing to accrue to the date of payment.
4. National Bank of Canada will not have the right to enforce the Security until after the expiry of the 10-day period after this notice is sent unless Manna consents to an earlier enforcement, by executing the consent and waiver attached hereto as **Schedule "A"** and providing a copy to the undersigned.

NATIONAL BANK OF CANADA, by
its solicitors, McCarthy Tétrault LLP

Per:

A handwritten signature in black ink, appearing to read 'Lance Williams', written over a horizontal line.

Lance Williams

Dated at Vancouver, British Columbia, this 12th day of July, 2024.

SCHEDULE "A"

**CONSENT TO AN EARLIER ENFORCEMENT
UNDER SECTION 244 OF THE *BANKRUPTCY AND INSOLVENCY ACT* (CANADA)**

To: National Bank of Canada

TAKE NOTICE THAT:

The undersigned hereby acknowledges receipt of a Notice of Intention to Enforce Security dated July 12, 2024 pursuant to section 244 of the *Bankruptcy and Insolvency Act* (Canada) with respect to the assets of Manna Industrial Fund (Value-Add) Limited Partnership and Manna Industrial Fund (Value-Add) GP Corp. in its own capacity and its capacity as general partner of Manna Industrial Fund (Value-Add) Limited Partnership, waives its right to the 10-day notice period to redeem the collateral, and consents to the immediate enforcement of the security held by National Bank of Canada.

DATED at _____, this _____ day of _____, 2024.

**Manna Industrial Fund (Value-Add) GP
Corp., in its own capacity and its capacity
as general partner of Manna Industrial
Fund (Value-Add) Limited Partnership**

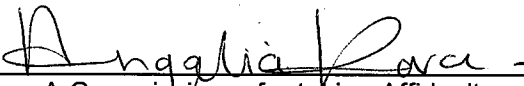
Per:

Signature

Print Name

Title

This is **Exhibit "Z"** referred to in the Affidavit #1 of John Karkoutlian made before me at Vancouver, British Columbia, on this 26th day of September, 2024.


A Commissioner for taking Affidavits
in the Province of British Columbia



Land Title Act

Charge, Notation or Filing

NEW WESTMINSTER LAND TITLE OFFICE

AUG 19 2024 13:21:19.001

CB1536802

1. Application

Deduct LTO Fees: Yes

Document Fees: \$81.27

BC Securities Commission
9th Floor, 701 West Georgia Street
Vancouver BC V7Y 1L2
604-899-6500

2. Description of Land

PID/Plan Number	Legal Description
017-374-782	LOT "B" SECTION 5 BLOCK 4 NORTH RANGE 5 WEST AND SECTION 32 BLOCK 5 NORTH RANGE 5 WEST NEW WESTMINSTER DISTRICT PLAN LMP572
003-506-801	LOT 5 EXCEPT: FIRSTLY: PART SUBDIVIDED BY PLAN 39059 AND SECONDLY: PART DEDICATED ROAD ON PLAN LMP35391, SECTIONS 18 AND 19 BLOCK 5 NORTH RANGE 5 WEST NEW WESTMINSTER DISTRICT PLAN 16213
023-839-171	LOT D SECTION 2 TOWNSHIP 20 OSOYOOS DIVISION YALE DISTRICT PLAN KAP59703
024-666-947	LOT 6 SECTION 2 TOWNSHIP 20 OSOYOOS DIVISION YALE DISTRICT PLAN KAP65805

3. Nature of Charge, Notation, or Filing

Type	Affected Number	Additional Information
SECURITIES ACT CHARGE		

4. Person Entitled to be Registered as Charge Owner

BRITISH COLUMBIA SECURITIES COMMISSION
9TH FLOOR, 701 WEST GEORGIA STREET
VANCOUVER BC V7Y 1L2

Electronic Signature

Your electronic signature is a representation that

(a) you are a subscriber under section 168.6 of the *Land Title Act*, RSBC 1996 c.250, and that you are authorized to electronically sign this application by an e-filing direction made under section 168.22(2) of the act, and

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

Garry Gracey
H6WP19

Digitally signed by
Garry Gracey H6WP19
Date: 2024-08-19
12:42:46 -07:00

SCHEDULE

FORM 15-905

(section 164.18 of the Securities Act)

Nature of interest: charge

Notice of order/commencement of proceeding that may affect real property of the whole or a portion of an interest in real property.

Legal description and parcel identifier no(s).:

PID: 017-374-782

LOT "B" SECTION 5 BLOCK 4 NORTH RANGE 5 WEST AND SECTION 32 BLOCK 5 NORTH RANGE 5 WEST NEW WESTMINSTER DISTRICT PLAN LMP572

PID: 003-506-801

LOT 5 EXCEPT: FIRSTLY: PART SUBDIVIDED BY PLAN 39059 AND SECONDLY: PART DEDICATED ROAD ON PLAN LMP35391, SECTIONS 18 AND 19 BLOCK 5 NORTH RANGE 5 WEST NEW WESTMINSTER DISTRICT PLAN 16213

PID: 023-839-171

LOT D SECTION 2 TOWNSHIP 20 OSOYOOS DIVISION YALE DISTRICT PLAN KAP59703

PID: 024-666-947

LOT 6 SECTION 2 TOWNSHIP 20 OSOYOOS DIVISION YALE DISTRICT PLAN KAP65805

Registered owner(s):

13799 Commerce Parkway Holdings Ltd.

Vulcanrich Nominee Ltd.

375 Potterton Ltd.

8826 Jim Bailey Ltd.

Property address(es):

13799 Commerce Parkway, Richmond, BC V6V 2N9

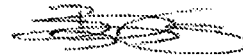
12511 Vulcan Way, Richmond, BC V6V 1J7

375 Potterton Road, Kelowna, BC V4V 2K8

8826 Jim Bailey Crescent, Kelowna, BC V4V 2L7

British Columbia Securities Commission contact information:

Luke Morassut
Investigative Counsel
Litigation Branch - Enforcement Division
British Columbia Securities Commission
P.O. Box 10142, Pacific Centre, Vancouver, B.C. V7Y 1L2
Phone: (604) 899-6987, Fax: (604) 899-6633



British Columbia Securities Commission
Brenda M. Leong, Chair

August 19, 2024
Date



1200-701 West Georgia Street
Vancouver, BC V7Y 1L2
www.bcsc.bc.ca

Phone 604 699 6500
Toll-free 1 800 373 6333
inquiries@bcsc.bc.ca

COR #2024/076

Preservation Order

Manna Industrial Fund (Value-Add) Limited Partnership

Section 164.04 of the *Securities Act*, R.S.B.C. 1996, c. 418 (the Act)

Background

- ¶ 1 The Executive Director applied for a preservation order based on the following facts established in the first affidavit of Hermia Law affirmed July 23, 2024, the second affidavit of Hermia Law affirmed August 14, 2024, and the Executive Director's written submissions dated August 15, 2024.
- ¶ 2 The British Columbia Securities Commission (the Commission) ordered an investigation of Manna Industrial Fund (Value-Add) Limited Partnership (Manna), amongst others, under section 142 of the Act on June 26, 2024.
- ¶ 3 Manna is the beneficial owner of the following four properties (together, the Manna Properties):
1. 13799 Commerce Parkway, Richmond, BC V6V 2N9 (the Commerce Property);
 2. 12511 Vulcan Way, Richmond, BC V6V 1J7 (the Vulcan Property);
 3. 375 Potterton Road, Kelowna, BC V4V 2K8 (the Potterton Property); and
 4. 8826 Jim Bailey Crescent, Kelowna, BC V4V 2L7 (the Jim Bailey Property).
- ¶ 4 The Manna Properties are legally owned by four nominee companies (the Manna Nominees) for and on behalf of Manna, as follows:
1. 13799 Commerce Parkway Holdings Ltd. is the registered owner of the Commerce Property;
 2. Vulcanrich Nominee Ltd. is the registered owner of the Vulcan Property;
 3. 375 Potterton Ltd. is the registered owner of the Potterton Property; and
 4. 8826 Jim Bailey Ltd. is the registered owner of the Jim Bailey Property.



**BC Securities
Commission**
Invest Right

¶ 5 The legal description of the Commerce Property is:

PID: 017-374-782
LOT "B" SECTION 5 BLOCK 4 NORTH RANGE 5 WEST AND SECTION 32
BLOCK 5 NORTH RANGE 5 WEST NEW WESTMINSTER DISTRICT PLAN
LMP572

¶ 6 The legal description of the Vulcan Property is:

PID: 003-506-801
LOT 5 EXCEPT: FIRSTLY: PART SUBDIVIDED BY PLAN 39059 AND
SECONDLY: PART DEDICATED ROAD ON PLAN LMP35391, SECTIONS 18
AND 19 BLOCK 5 NORTH RANGE 5 WEST NEW WESTMINSTER DISTRICT
PLAN 16213

¶ 7 The legal description of the Potterton Property is:

PID: 023-839-171
LOT D SECTION 2 TOWNSHIP 20 OSOYOOS DIVISION YALE DISTRICT
PLAN KAP59703

¶ 8 The legal description of the Jim Bailey Property is:

PID: 024-666-947
LOT 6 SECTION 2 TOWNSHIP 20 OSOYOOS DIVISION YALE DISTRICT
PLAN KAP65805

The Order

¶ 9 Having reviewed the materials filed in respect of this application, the Commission, considering it to be in the public interest, orders under section 164.04(4)(a) of the Act that:

1. Manna is restrained from disposing or transmitting its interest in the Manna Properties;
2. 13799 Commerce Parkway Holdings Ltd. is restrained from disposing or transmitting its interest in the Commerce Property;
3. Vulcanrich Nominee Ltd. is restrained from disposing or transmitting its interest in the Vulcan Property;
4. 375 Potterton Ltd. is restrained from disposing or transmitting its interest in the Potterton Property; and



5. 8826 Jim Bailey Ltd. is restrained from disposing or transmitting its interest in the Jim Bailey Property.

¶ 10 August 19, 2024

A handwritten signature in black ink, appearing to be "B. Leong", written over a horizontal line.

¶ 11 Brenda M. Leong
Chair

TITLE SEARCH PRINT

File Reference: 065093-589575

257
2024-09-24, 20:44:31
Requestor: Angelica Kovac****CURRENT INFORMATION ONLY - NO CANCELLED INFORMATION SHOWN****

Land Title District	KAMLOOPS
Land Title Office	KAMLOOPS
Title Number	CA9768036
From Title Number	CA4717352
Application Received	2022-03-07
Application Entered	2022-03-21
Registered Owner in Fee Simple	
Registered Owner/Mailing Address:	8826 JIM BAILEY LTD., INC.NO. BC1045505 #1115 - 8400 WEST ROAD RICHMOND, BC V6X 0S7
Taxation Authority	Kelowna, City of
Description of Land	
Parcel Identifier:	024-666-947
Legal Description:	LOT 6 SECTION 2 TOWNSHIP 20 OSOYOOS DIVISION YALE DISTRICT PLAN KAP65805
Legal Notations	
	HERETO IS ANNEXED EASEMENT D25277 OVER LOTS 43, 94, 95, 96, 108, 130, 143 & 144, PLAN 521 PARTIALLY CANCELLED AS TO LOT 43 PLAN 521 EXCEPT PLAN 26304 BY LB214351 BENEFIT CANCELLED AS TO LOT B PLAN KAP83086 BY CA4258495 NOTICE OF INTEREST, BUILDERS LIEN ACT (S.3(2)), SEE CA4717353 FILED 2015-10-01 HERETO IS ANNEXED EASEMENT D28100 OVER LOT 140, PLAN 521 HERETO IS ANNEXED EASEMENT F28660 OVER PART OF LOT 3, PLAN 500 OUT- LINED RED ON PLAN A9476 HERETO IS ANNEXED EASEMENT K45926 OVER PARTS OF LOTS 4, 5 & 6, PLAN 25775 SHOWN ON PLAN A11773

TITLE SEARCH PRINT

File Reference: 065093-589575

258
2024-09-24, 20:44:31

Requestor: Angelica Kovac

HERETO IS ANNEXED EASEMENT K45927 OVER PART OF LOT 6, PLAN 25775 SHOWN
OUTLINED RED ON PLAN A11762

HERETO IS ANNEXED EASEMENT K45928 OVER PART OF LOT 12, PLAN 25775
SHOWN OUTLINED RED ON PLAN A11762

HERETO IS ANNEXED EASEMENT K45929 OVER PART OF LOTS 10 & 11, PLAN
25775 SHOWN ON PLAN A11782

HERETO IS ANNEXED EASEMENT KE86079 OVER PART OF LOT 146 PLAN 521
SHOWN ON PLAN KPA46015

HERETO IS RESTRICTIVE COVENANT KH10335 OVER LOT B PLAN 19644

HERETO IS ANNEXED RESTRICTIVE COVENANT KJ67523 OVER LOT A PLAN
KAP55339

HERETO IS ANNEXED RESTRICTIVE COVENANT KL97119 OVER LOT C,
PLAN KAP59703

HERETO IS ANNEXED RESTRICTIVE COVENANT KP15319 OVER LOT 1 PLAN
KAP65805

Charges, Liens and Interests

Nature:	COVENANT
Registration Number:	KN113684
Registration Date and Time:	1999-12-07 11:20
Registered Owner:	CITY OF KELOWNA THE CROWN IN RIGHT OF BRITISH COLUMBIA C/O MINISTRY OF ENVIRONMENT, LANDS AND PARKS
Remarks:	INTER ALIA

Nature:	COVENANT
Registration Number:	KN113686
Registration Date and Time:	1999-12-07 11:20
Registered Owner:	CITY OF KELOWNA
Remarks:	INTER ALIA

Nature:	EASEMENT
Registration Number:	KT109471
Registration Date and Time:	2002-10-04 10:47
Remarks:	PART ON PLAN KAP71969 APPURTEANT TO LOT 1 PLAN KAP71932

TITLE SEARCH PRINT

File Reference: 065093-589575

259
2024-09-24, 20:44:31
Requestor: Angelica Kovac

Nature: STATUTORY RIGHT OF WAY
Registration Number: CA7072838
Registration Date and Time: 2018-09-18 15:31
Registered Owner: CITY OF KELOWNA

Nature: MORTGAGE
Registration Number: CA9768038
Registration Date and Time: 2022-03-07 14:33
Registered Owner: NATIONAL BANK OF CANADA
Remarks: INTER ALIA

Nature: ASSIGNMENT OF RENTS
Registration Number: CA9768039
Registration Date and Time: 2022-03-07 14:33
Registered Owner: NATIONAL BANK OF CANADA
Remarks: INTER ALIA

Nature: MORTGAGE
Registration Number: CA9768040
Registration Date and Time: 2022-03-07 14:33
Registered Owner: INSTITUTIONAL MORTGAGE CAPITAL CANADA INC.
INCORPORATION NO. A0081339
CHANGE OF ADDRESS FILED, SEE CB103243
Remarks: INTER ALIA

Nature: ASSIGNMENT OF RENTS
Registration Number: CA9768041
Registration Date and Time: 2022-03-07 14:33
Registered Owner: INSTITUTIONAL MORTGAGE CAPITAL CANADA INC.
INCORPORATION NO. A0081339
CHANGE OF ADDRESS FILED, SEE CB103244
Remarks: INTER ALIA

Nature: PRIORITY AGREEMENT
Registration Number: CA9768143
Registration Date and Time: 2022-03-07 14:58
Remarks: INTER ALIA
GRANTING CA9768038 PRIORITY OVER CA9768040 AND CA9768041

Nature: PRIORITY AGREEMENT
Registration Number: CA9768144
Registration Date and Time: 2022-03-07 14:58
Remarks: INTER ALIA
GRANTING CA9768039 PRIORITY OVER CA9768040 AND CA9768041

TITLE SEARCH PRINT

File Reference: 065093-589575

260
2024-09-24, 20:44:31
Requestor: Angelica Kovac

Nature:	SECURITIES ACT CHARGE
Registration Number:	CB1536802
Registration Date and Time:	2024-08-19 13:21
Remarks:	INTER ALIA RESTRICTS DEALINGS

Duplicate Indefeasible Title	NONE OUTSTANDING
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Transfers	NONE
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Pending Applications	NONE
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TITLE SEARCH PRINT

File Reference: 065093-589575

261
2024-09-24, 20:45:40
Requestor: Angelica Kovac****CURRENT INFORMATION ONLY - NO CANCELLED INFORMATION SHOWN******Land Title District**
Land Title OfficeKAMLOOPS
KAMLOOPS**Title Number**
From Title NumberCA9768037
CA4717354**Application Received**

2022-03-07

Application Entered

2022-03-21

Registered Owner in Fee Simple

Registered Owner/Mailing Address:

375 POTTERTON LTD., INC.NO. BC1045502
#1115 - 8400 WEST ROAD
RICHMOND, BC
V6X 0S7**Taxation Authority**

Kelowna, City of

Description of Land

Parcel Identifier:

023-839-171

Legal Description:

LOT D SECTION 2 TOWNSHIP 20 OSOYOOS DIVISION YALE DISTRICT PLAN
KAP59703**Legal Notations**HERETO IS ANNEXED EASEMENT D25277 OVER LOTS 43, 94, 95, 96, 108, 130,
143 & 144, PLAN 521
PARTIALLY CANCELLED AS TO LOT 43 PLAN 521 EXCEPT PLAN 26304
BY LB214351
BENEFIT CANCELLED AS TO LOT B PLAN KAP83086 BY CA4258495NOTICE OF INTEREST, BUILDERS LIEN ACT (S.3(2)), SEE CA4717355
FILED 2015-10-01

HERETO IS ANNEXED EASEMENT D16650 OVER LOT 53, PLAN 521 SEE 282957

HERETO IS ANNEXED EASEMENT D28100 OVER LOT 140, PLAN 521

HERETO IS ANNEXED EASEMENT F28660 OVER PART OF LOT 3, PLAN 500 OUT-
LINED RED ON PLAN A9476

TITLE SEARCH PRINT

File Reference: 065093-589575

262
2024-09-24, 20:45:40

Requestor: Angelica Kovac

HERETO IS ANNEXED EASEMENT K45926 OVER PARTS OF LOTS 4, 5 & 6, PLAN
25775 SHOWN ON PLAN A11773

HERETO IS ANNEXED EASEMENT K45927 OVER PART OF LOT 6, PLAN 25775 SHOWN
OUTLINED RED ON PLAN A11762

HERETO IS ANNEXED EASEMENT K45928 OVER PART OF LOT 12, PLAN 25775
SHOWN OUTLINED RED ON PLAN A11762

HERETO IS ANNEXED EASEMENT K45929 OVER PART OF LOTS 10 & 11, PLAN
25775 SHOWN ON PLAN A11782

HERETO IS ANNEXED EASEMENT KE86079 OVER PART OF LOT 146 PLAN 521
SHOWN ON PLAN KPA46015

HERETO IS RESTRICTIVE COVENANT KH10335 OVER LOT B PLAN 19644

HERETO IS ANNEXED RESTRICTIVE COVENANT KJ67523 OVER LOT A PLAN
KAP55339

Charges, Liens and Interests

Nature: RIGHT OF WAY
Registration Number: 68926E
Registration Date and Time: 1957-04-09 12:49
Registered Owner: BC GAS UTILITY LTD.
INCORPORATION NO. 368681
Transfer Number: KR104763
Remarks: INTER ALIA
PART FORMERLY WITHIN EAST 1/2 AND THE EAST 1/2 OF
WEST 1/2 OF SEC 2 EXCEPT PLAN B1048
SEE ALSO 90736E, 101710E, F39048, H19707, K31231

Nature: STATUTORY RIGHT OF WAY
Registration Number: KH114936
Registration Date and Time: 1994-11-28 14:18
Registered Owner: WEST KOOTENAY POWER LTD.
Remarks: INTER ALIA

Nature: COVENANT
Registration Number: KL79064
Registration Date and Time: 1997-07-29 12:10
Registered Owner: CITY OF KELOWNA
Remarks: INTER ALIA

TITLE SEARCH PRINT

File Reference: 065093-589575

263
2024-09-24, 20:45:40
Requestor: Angelica Kovac

Nature: COVENANT
Registration Number: KL79067
Registration Date and Time: 1997-07-29 12:11
Registered Owner: CITY OF KELOWNA

Nature: STATUTORY RIGHT OF WAY
Registration Number: CA8765255
Registration Date and Time: 2021-02-10 12:38
Registered Owner: FORTISBC INC.
INCORPORATION NO. PA-0000087
Remarks: PART IN PLAN EPP108431

Nature: STATUTORY RIGHT OF WAY
Registration Number: CA8765257
Registration Date and Time: 2021-02-10 12:38
Registered Owner: FORTISBC INC.
INCORPORATION NO. PA-0000087

Nature: MORTGAGE
Registration Number: CA9768038
Registration Date and Time: 2022-03-07 14:33
Registered Owner: NATIONAL BANK OF CANADA
Remarks: INTER ALIA

Nature: ASSIGNMENT OF RENTS
Registration Number: CA9768039
Registration Date and Time: 2022-03-07 14:33
Registered Owner: NATIONAL BANK OF CANADA
Remarks: INTER ALIA

Nature: MORTGAGE
Registration Number: CA9768040
Registration Date and Time: 2022-03-07 14:33
Registered Owner: INSTITUTIONAL MORTGAGE CAPITAL CANADA INC.
INCORPORATION NO. A0081339
CHANGE OF ADDRESS FILED, SEE CB103243
Remarks: INTER ALIA

Nature: ASSIGNMENT OF RENTS
Registration Number: CA9768041
Registration Date and Time: 2022-03-07 14:33
Registered Owner: INSTITUTIONAL MORTGAGE CAPITAL CANADA INC.
INCORPORATION NO. A0081339
CHANGE OF ADDRESS FILED, SEE CB103244
Remarks: INTER ALIA

TITLE SEARCH PRINT

File Reference: 065093-589575

264
2024-09-24, 20:45:40
Requestor: Angelica Kovac

Nature: PRIORITY AGREEMENT
Registration Number: CA9768143
Registration Date and Time: 2022-03-07 14:58
Remarks: INTER ALIA
GRANTING CA9768038 PRIORITY OVER CA9768040 AND
CA9768041

Nature: PRIORITY AGREEMENT
Registration Number: CA9768144
Registration Date and Time: 2022-03-07 14:58
Remarks: INTER ALIA
GRANTING CA9768039 PRIORITY OVER CA9768040 AND
CA9768041

Nature: SECURITIES ACT CHARGE
Registration Number: CB1536802
Registration Date and Time: 2024-08-19 13:21
Remarks: INTER ALIA
RESTRICTS DEALINGS

Duplicate Infeasible Title NONE OUTSTANDING

Transfers NONE

Pending Applications NONE