VANCOUVER
AUG 25 2025
REGISTRY

This is the 1st affidavit
of Raymond Ng in this case
and was made on August 25, 2025

No.
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

SHAPE CAPITAL CORP.

PETITIONER

AND:

KELTIC (PRIOR) DEVELOPMENT LIMITED PARTNERSHIP, 1319191 B.C. LTD., KELTIC GROUP EQUITIES (2019) LTD., KELTIC PROJECTS DEVELOPMENT LTD., 1232616 B.C. LTD., KELTIC CANADA DEVELOPMENT CO. LTD., DDAW HOLDINGS LTD., KELTIC (RIVER GARDEN) DEVELOPMENT LTD., 1319188 B.C. LTD., WEI GUO LI AND RUI WANG

RESPONDENTS

AFFIDAVIT

I, Raymond Ng, with an address for service at 2020 One Bentall Centre, 505 Burrard Street, Vancouver, BC V7X 1M6, SWEAR THAT:

1. I am the Managing Partner of Shape Capital Corp. ("**Shape**") and therefore have personal knowledge of the matters herein after deposed, except where stated to be based on information and belief, and where so stated I do verily believe the same to be true.

2. I have read the Petition and the facts therein are true.

The Borrower and the Lands

3. Keltic (Prior) Development Limited Partnership ("**Keltic Prior**") and its general partner, 1319191 B.C. Ltd. ("**1319191**" and together with Keltic Prior, the "**Borrower**") are in the business of real estate development and are the current developers of the lands

municipally known as 220 Prior Street, Vancouver, British Columbia and legally described as PID 031 756 093 (Lot 1 District Lots 196 and 2037 Group 1 New Westminster District Plan EPP111791) (the "**Lands**").

4. 1232616 B.C. Ltd. (formerly, Keltic (Prior) GP Ltd.) (the "**Nominee**") holds legal title to the Lands for and on behalf of Keltic Prior.

5. Upon completion of the development of the Lands, the "Nexus" project will include a 10 storey medical office, manufacturing and retail building and four levels of underground parking (the "**Project**"). The Project is currently 79% complete and is scheduled to be completed in January, 2026.

6. Keltic Prior is a limited partnership formed pursuant to the laws of the Province of British Columbia with a registered office address at 20th Floor, 250 Howe Street, Vancouver, BC V6C 3R8. The general partner of Keltic Prior is 1319191. Attached hereto and marked as **Exhibit "A"** is a copy of BC Limited Partnership Summary for Keltic Prior dated August 18, 2025.

7. 1319191 is a company incorporated pursuant to the laws of the Province of British Columbia with a registered and records address at 20th Floor, 250 Howe Street, Vancouver, BC V6C 3R8. Attached hereto and marked as **Exhibit "B"** is a copy of BC Company Summary for 1319191 dated August 18, 2025.

8. The Nominee is a company incorporated pursuant to the laws of the Province of British Columbia with a registered and records address at 20th Floor, 250 Howe Street, Vancouver, BC V6C 3R8. Attached hereto and marked as **Exhibit "C"** is a copy of BC Company Summary for the Nominee dated August 18, 2025.

9. The directors of each of 1319191 and the Nominee are Wei Guo Li and Rui Wang.

The Mortgage Loan Commitment

10. On or about November 24, 2022, Shape, on behalf of TS Alpha Venture Limited Partnership (the "**Lender**") entered into a mortgage loan commitment with the Borrower (the "**Mortgage Commitment**"). Attached hereto and marked as **Exhibit "D"** is a copy of the Mortgage Commitment.

11. The Mortgage Commitment was amended by letter agreements dated December 20, 2024 and December 31, 2024 and by supplements to commitment dated February 18, 2025, March 31, 2025 and May 2, 2025 (collectively, the "**Amending Agreements**" and together with the Mortgage Commitment, the "**Amended Mortgage Commitment**"). Attached hereto and marked as **Exhibit "E"** are copies of the Amending Agreements.

12. Pursuant to the terms of the Amended Mortgage Commitment, the Lender made the following credit facilities available to the Borrower:

    (a) A construction loan facility in the maximum amount of $62,000,000;

    (b) A letter of credit facility in the maximum amount of $3,000,000; and

    (c) A sub-facility to fund work-in-progress advances on the Project (the "**Work In Progress Facility**").

13. On January 20, 2023, each of (i) Keltic Group Equities (2019) Ltd., Keltic Projects Development Ltd., the Nominee, Keltic Canada Development Co. Ltd. and DDAW Holdings Ltd. (collectively, the "**Corporate Guarantors**") and (ii) Wei Guo Li and Rui Wang (together, the "**Personal Guarantors**") guaranteed all of the obligations of the Borrower to the Lender under the Amended Mortgage Commitment (the "**Guarantees**"). Attached hereto and marked as **Exhibit "F"** are copies of the Corporate Guarantees. Attached hereto and marked as **Exhibit "G"** are copies of the Personal Guarantees.

14. On May 5, 2025, Keltic (River Garden) Development Ltd. ("**River Garden**") and 1319188 B.C. Ltd. ("**1319188**" and together with River Garden, the "**Additional Guarantors**") guaranteed certain obligations of the Borrower to the Lender in respect of the Amended Mortgage Commitment. Attached hereto and marked as **Exhibit "H"** is a copy of the guarantee of the Additional Guarantors.

15. As at August 25, 2025, the total indebtedness owing by the Borrower to the Lender pursuant to the Amended Mortgage Commitment was $61,905,222.01, together with interest and costs accruing thereafter at the rates set out in the Amended Mortgage Commitment (the "**Outstanding Indebtedness**").

The Security

16. As security for the obligations of the Borrower to the Lender under the Amended Mortgage Commitment, the Borrower, the Guarantors and the Additional Guarantors (collectively, the "**Debtors**"), granted, *inter alia*, the following security:

(a) a mortgage and assignment of rents dated January 20, 2023 over the Lands (the "**Prior Street Mortgage**"). Attached hereto and marked as **Exhibit "I"** is a copy of the Prior Street Mortgage;

(b) a beneficial charge and nominee direction dated for reference January 20, 2023 executed by the Borrower and the Nominee (the "**Prior Beneficial Charge**"). Attached hereto and marked as **Exhibit "J"** is a copy of the Prior Beneficial Charge;

(c) a general security agreement dated for reference January 20, 2023 granted by the Borrower (the "**Borrower GSA**"). Attached hereto and marked as **Exhibit "K"** is a copy of the Borrower GSA;

(d) a general security agreement dated for reference January 20, 2023 granted by the Nominee (the "**Nominee GSA**"). Attached hereto and marked as **Exhibit "L"** is a copy of the Nominee GSA;

(e) a specific assignment of cash security dated January 20, 2023 executed by the Borrower, 1319191 and Shape (the "**Cash Security Assignment**"). Attached hereto and marked as **Exhibit "M"** is a copy of the Cash Security Assignment;

(f) a mortgage and assignment of rents dated May 2, 2025 over the lands municipally known as 5900 No. 2 Road; 6191, 6311, 6751 Westminster Highway, Richmond, British Columbia and legally described as (i) PID 004-919-742 (Lot 116 Except: Part Dedicated Road on Plan LMP11314, Section 6 Block 4 North Range 6 West New Westminster District Plan 49857), (ii) PID 004-919-718 (Lot 117 Except: Part Road on Plan LMP11314, Section 6 Block 4 North Range 6 West New Westminster District Plan 52092), (iii) PID 004-919-521 (Lot 119 Section 6 Block 4 North Range 6 West New Westminster District Plan 55678) and (iv) PID 004-919-556 (Lot 120 Except: Parcel 1 (Bylaw Plan LMP11412), Section 6 Block 4 North Range 6 West New Westminster District Plan 55678) (the "**River Garden**

Mortgage"). Attached hereto and marked as **Exhibit "N"** is a copy of the River Garden Mortgage;

(g) a beneficial charge agreement and nominee direction dated for reference May 5, 2025 executed by River Garden and 1319188 (the "**River Garden Beneficial Charge**"). Attached hereto and marked as **Exhibit "O"** is a copy of the River Garden Beneficial Charge; and

(h) a security agreement dated for reference May 5, 2025 granted by River Garden and 131988 (the "**River Garden GSA**"). Attached hereto and marked as **Exhibit "P"** is a copy of the River Garden GSA,

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

17. The Prior Street Mortgage was registered in the New Westminster Land Title Office ("**LTO**") on January 27, 2023 under numbers CB449253 and CB449254. Attached hereto and marked as **Exhibit "Q"** is the LTO search dated August 25, 2025.

18. A financing statement in respect of the Borrower GSA was registered in the British Columbia Personal Property Registry ("**PPR**") on August 27, 2023 under base registration number 324876P. Attached hereto and marked as **Exhibit "R"** is a PPR search for Keltic Prior dated August 25, 2025. Attached hereto and marked as **Exhibit "S"** is a PPR search for 1319191 dated August 25, 2025.

19. A financing statement in respect of the Nominee GSA was registered in the PPR on January 27, 2023 under base registration number 324776P. Attached hereto and marked as **Exhibit "T"** is a PPR search for the Nominee dated August 25, 2025.

20. The River Garden Mortgage was registered in the LTO on May 13, 2025 under numbers CB2038554 and CB2038555. Attached hereto and marked as **Exhibit "U"** is the LTO search dated August 25, 2025.

21. A financing statement in respect of the River Garden GSA was registered in the PPR on August 18, 2025under base registration number 443510R for River Garden and 1319188. Attached hereto and marked as **Exhibit "V"** is a PPR search for River Garden dated August 25, 2025. Attached hereto and marked as **Exhibit "W"** is a PPR search for 1319188 dated August 25, 2025.

22. The Amended Mortgage Commitment and each of the Prior Street Mortgage, the Borrower GSA, the Nominee GSA, the River Garden Mortgage and the River Garden GSA provide that if the security interests become enforceable, the Lender may appoint any qualified person to be a receiver or receiver-manager over the present and after-acquired property, assets and undertakings of the applicable Debtor.

Defaults and Demand

23. In or around February, 2025, the Lender determined that the Borrower was in default of a number of covenants under the Amended Mortgage Commitment and other loan documents, including but not limited to:

    (a) failure to pay the initial equity requirement of $10,000,000 within 30 days of the Lender providing written consent to the termination of the Massimo PSA (as defined in the Amended Mortgage Commitment;

    (b) failure to deliver the executed supplement to the Mortgage Commitment; and

    (c) failure to provide the collateral security required by amending letter dated December 20, 2024.

24. On February 7, 2025, the Lender, through its counsel, sent the Borrower a notice of default outlining the above-noted defaults under the Amended Mortgage Commitment and advising the Borrower that the Lender was entitled to refuse to make any further advances (the "**Notice of Default**"). Attached hereto and marked as **Exhibit "X"** is a copy of the Notice of Default dated February 7, 2025.

25. On February 14, 2025, the Lender became aware that the Borrower had misappropriated $3.2 million (the "**February Misappropriation**") from the holdback account established for the benefit of the contractors on the Project. Attached hereto and marked as **Exhibit "Y"** is a copy of a letter from Syncra Construction Corporation ("**Syncra**") to the Borrower dated February 14, 2025 which provided the details on the February Misappropriation.

26. The defaults noted in the Notice of Default and the full repayment of the February Misappropriation from the holdback account were not completely rectified by the Borrower.

27. On May 26, 2025, the Lender sent a demand letter and, where appropriate, a notice of intention to enforce security in accordance with section 244 of the *Bankruptcy and Insolvency Act* to the Borrower, the Guarantors and the Additional Guarantors in respect of the Outstanding Indebtedness under the Amended Mortgage Commitment (the "**Demand Letters**"). Attached hereto and marked as **Exhibit "Z"** are copies of the Demand Letters.

Interim Forbearance Agreement and Further Defaults

28. On June 2, 2025, the Lender and the Debtors entered into an interim forbearance agreement pursuant to which the Lender agreed, subject to certain conditions, not to take any further enforcement steps until June 13, 2025 (the "**Interim Forbearance Agreement**"). Attached hereto and marked as **Exhibit "AA"** is a copy of the Interim Forbearance Agreement.

29. The Interim Forbearance Agreement facilitated the payment of certain expenses relating to the development of the Project, including payment of amounts owing to the primary contractor for the Project, Syncra. All of the subcontractors working on the Project are paid by Syncra. As a result, if Syncra is not paid by the Borrower, none of the subcontractors are paid.

30. On June 13, 2025, the Interim Forbearance Agreement was amended and the forbearance period thereunder was extended to July 4, 2025 (the "**Amending Agreement**"). The purpose of the extension was to again facilitate payment to Syncra, to allow additional time for the parties to negotiate the repayment of the Outstanding Indebtedness and to determine if there was a collective path which could avoid an insolvency filing by the Borrower concerning the Project. Attached hereto and marked as **Exhibit "BB"** is a copy of the Amending Agreement.

31. The Lender had been forbearing on a day-to-day basis since July 5, 2025, but the Lender and the Debtors were unable to reach an agreement on the further extension of the forbearance period.

32. On July 31, 2025, the Lender became aware that, despite the ramifications of the previous unauthorized withdrawals from the holdback account, while under forbearance, the

Borrower had made another unauthorized withdrawal from that holdback account in addition to the February Misappropriation.

33. On August 15, 2025, Syncra issued a notice of default to the Borrower (the "**Notice of Default**"), which outlined the following defaults under their CCDC-2 agreement in respect of the Project:

    (a) unauthorized withdrawals from the holdback account established for the Project of approximately $3.2 million in February 2025 and $120,000 in July 2025 (the "**Holdback Misappropriations**"); and

    (b) failure to pay the June draw payment amount which had been outstanding since August 1, 2025.

34. Syncra advised the Borrower that failure to remedy the defaults will result in Syncra suspending work on the Project. Attached hereto and marked as **Exhibit "CC"** is a copy of the Notice of Default.

35. The Borrower owed $2,148,892.57 to Syncra for the June draw payment amount, which was due on August 1, 2025. The Borrower also owed $372,075.90 to BC Hydro for work required to provide permanent power to the Project.

36. The payments to Syncra and BC Hydro are critical to the Project and failure to make these payments would have resulted in serious delays to the development of the Project. As a result, on August 18, 2025, the Lender advanced $2,520,968.47 to pay Syncra and BC Hydro, as protective disbursements under the Prior Street Mortgage.

Necessity of the Appointment of a Receiver

37. The Lender has the express ability under the Prior Street Mortgage, the Borrower GSA and the Nominee GSA to appoint a receiver over the assets, undertakings and properties of the Borrower and the Nominee.

38. Given all of the foregoing described events, including the ongoing Holdback Misappropriations, the Lender has lost all trust in the Borrower and its management of the construction of the Project.

39. The Lender is of the view that maintaining momentum on the build out of the Project is critical. The Lender cannot lose Syncra's support or that of Syncra's sub-contractors working on the Project. Under a receivership, the Lender can be confident that the funding of Syncra and the Project will take place on time and the Project will proceed with proper management.

40. Absent the stability and management of a receivership, the Lender is also concerned about its ability to recover on the Outstanding Indebtedness and Security, especially in light of Syncra's stated intention to cease further work on the Project if the Holdback Misappropriations are not restored. The Lender cannot be expected to advance funds for the holdback while the Borrower continues to have access to the holdback account.

41. As a result of the foregoing, my view is that the appointment of a receiver over all of the present and future assets, undertakings and properties of the Borrower and the Nominee is critical to protect the interests of the Lender and to preserve and realize on the security in an orderly fashion.

42. I understand that FTI Consulting Canada Inc. ("**FTI**") is a licensed insolvency trustee and has consented to being appointed as receiver of the Borrower and the Nominee (the "**Receiver**"). Attached hereto and marked as **Exhibit "DD"** is a copy of FTI's consent to act as Receiver of the Borrower and the Nominee.

43. I make this affidavit in support of the Petition to appoint a receiver over the assets, undertakings and properties of the Borrower and the Nominee.

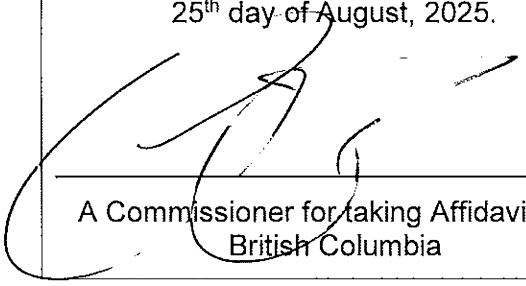
SWORN BEFORE ME at Vancouver, British Columbia, on August 25, 2025)

A Commissioner for taking Affidavits for British Columbia)

RAYMOND NG

Colin Brousson
Barrister & Solicitor
DLA Piper (Canada) LLP
1133 Melville Street, Suite 2700
Vancouver, BC V6E 4E5
604.687.9444

This is **Exhibit "A"** referred to in the 1st Affidavit of Raymond Ng sworn before me at Vancouver, British Columbia, on this 25th day of August, 2025.



A Commissioner for taking Affidavits for British Columbia

Colin Brousson
Barrister & Solicitor
DLA Piper (Canada) LLP
1133 Melville Street, Suite 2700
Vancouver, BC V6E 4E5
604.687.9444

BC Registry Services

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

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

Limited Partnership Summary

For

KELTIC (PRIOR) DEVELOPMENT LIMITED PARTNERSHIP

Date and Time of Search: August 18, 2025 07:54 AM Pacific Daylight Time

Currency Date: August 01, 2025

ACTIVE

Registration Number: LP0793816

Name of Limited Partnership: KELTIC (PRIOR) DEVELOPMENT LIMITED PARTNERSHIP

Registration Date: December 06, 2019

Termination Date:

REGISTERED OFFICE INFORMATION

Registered Office Address:

20th FLOOR, 250 HOWE STREET
VANCOUVER BC
CANADA V6C 3R8

GENERAL PARTNER INFORMATION

Individual or Company Name:

1319191 B.C. LTD.

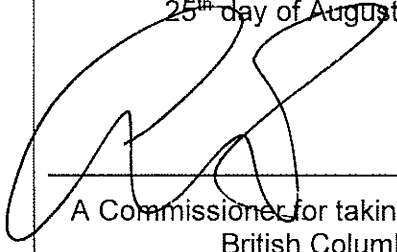
Incorporation or Registration

1319191

Residential or Registered Address:

20th Floor, 250 Howe Street
Vancouver BC
CANADA V6C 3R8

This is **Exhibit "B"** referred to in the 1st Affidavit of Raymond Ng sworn before me at Vancouver, British Columbia, on this 25th day of August, 2025.



A Commissioner for taking Affidavits for British Columbia

Colin Brousson
Barrister & Solicitor
DLA Piper (Canada) LLP
1133 Melville Street, Suite 2700
Vancouver, BC V6E 4E5
604.687.9444

BC Registry Services

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

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

BC Company Summary

For

1319191 B.C. LTD.

Date and Time of Search: **August 18, 2025 07:57 AM Pacific Time**

Currency Date: July 02, 2025

ACTIVE

Incorporation Number: BC1319191

Name of Company: 1319191 B.C. LTD.

Business Number: 783605702 BC0001

Recognition Date and Time: Incorporated on August 10, 2021 03:44 PM Pacific Time

In Liquidation: No

Last Annual Report Filed: August 10, 2024

Receiver: No

REGISTERED OFFICE INFORMATION

Mailing Address:
20TH FLOOR, 250 HOWE STREET
VANCOUVER BC V6C 3R8
CANADA

Delivery Address:
20TH FLOOR, 250 HOWE STREET
VANCOUVER BC V6C 3R8
CANADA

RECORDS OFFICE INFORMATION

Mailing Address:
20TH FLOOR, 250 HOWE STREET
VANCOUVER BC V6C 3R8
CANADA

Delivery Address:
20TH FLOOR, 250 HOWE STREET
VANCOUVER BC V6C 3R8
CANADA

DIRECTOR INFORMATION

Last Name, First Name, Middle Name:
Lei, Li

Mailing Address:
TH-5 5410 SHORTCUT ROAD
VANCOUVER BC V6T 0C8
CANADA

Delivery Address:
TH-5 5410 SHORTCUT ROAD
VANCOUVER BC V6T 0C8
CANADA

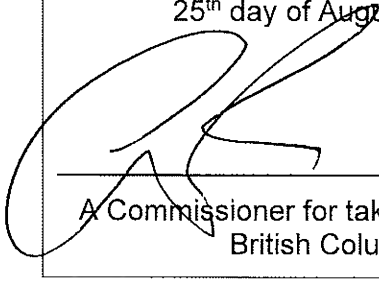
Last Name, First Name, Middle Name:
Wang, Rui

Mailing Address:
3233 CELTIC AVENUE
VANCOUVER BC V6N 4E2
CANADA

Delivery Address:
3233 CELTIC AVENUE
VANCOUVER BC V6N 4E2
CANADA

NO OFFICER INFORMATION FILED AS AT August 10, 2024.

This is **Exhibit "C"** referred to in the 1st Affidavit of Raymond Ng sworn before me at Vancouver, British Columbia, on this 25th day of August, 2025.



A Commissioner for taking Affidavits for British Columbia

Colin Brousson
Barrister & Solicitor
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Vancouver, BC V6E 4E5
604.687.9444

BRITISH COLUMBIA | BC Registry Services

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

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

BC Company Summary

For

1232616 B.C. LTD.

Date and Time of Search: **August 18, 2025 08:01 AM Pacific Time**

Currency Date: July 02, 2025

ACTIVE

Incorporation Number: BC1232616

Name of Company: 1232616 B.C. LTD.

Business Number: 758385876 BC0001

Recognition Date and Time: Incorporated on December 05, 2019 02:35 PM Pacific Time

In Liquidation: No

Last Annual Report Filed: December 05, 2024

Receiver: No

COMPANY NAME INFORMATION

Previous Company Name	Date of Company Name Change
KELTIC (PRIOR) GP LTD.	January 24, 2023

REGISTERED OFFICE INFORMATION

Mailing Address:
20TH FLOOR, 250 HOWE STREET
VANCOUVER BC V6C 3R8
CANADA

Delivery Address:
20TH FLOOR, 250 HOWE STREET
VANCOUVER BC V6C 3R8
CANADA

RECORDS OFFICE INFORMATION

Mailing Address:
20TH FLOOR, 250 HOWE STREET
VANCOUVER BC V6C 3R8
CANADA

Delivery Address:
20TH FLOOR, 250 HOWE STREET
VANCOUVER BC V6C 3R8
CANADA

DIRECTOR INFORMATION

Last Name, First Name, Middle Name:
Lei, Li

Mailing Address:
TH-5 5410 SHORTCUT ROAD
VANCOUVER BC V6T 0C8
CANADA

Delivery Address:
TH-5 5410 SHORTCUT ROAD
VANCOUVER BC V6T 0C8
CANADA

Last Name, First Name, Middle Name:
Wang, Rui

Mailing Address:
3233 CELTIC AVENUE
VANCOUVER BC V6N 4E2
CANADA

Delivery Address:
3233 CELTIC AVENUE
VANCOUVER BC V6N 4E2
CANADA

NO OFFICER INFORMATION FILED AS AT December 05, 2024.

This is **Exhibit "D"** referred to in the 1st Affidavit of Raymond Ng sworn before me at Vancouver, British Columbia, on this 25th day of August, 2025.

A Commissioner for taking Affidavits for British Columbia

Colin Brousson
Barrister & Solicitor
DLA Piper (Canada) LLP
1133 Melville Street, Suite 2700
Vancouver, BC V6E 4E5
604.687.9444

SHAPE CAPITAL CORP.
MORTGAGE LOAN COMMITMENT

November 24, 2022

Keltic (Prior) Development Limited Partnership
2338-666 Burrard Street,
Vancouver, B.C. V6C 2X8

Attention: Rachel Lei and Florence Gomisong

Via Email: rachell@kelticdevelopment.com; florenceg@kelticdevelopment.com

Dear Rachel and Florence,

Re: $85,000,000 loan to Keltic (Prior) Development Limited Partnership secured over real property at 220 Prior Street, Vancouver British Columbia

Shape Capital Corp. is pleased to advise on behalf of TS Alpha Venture Limited Partnership (collectively, the "**Lender"**) that on the basis of information provided in connection with your request for financing, your application for a first mortgage loan has been approved upon and subject to the following terms and conditions:

1. **LOAN TYPE**

Demand, non-revolving loan on the security of a freehold mortgage and security collateral thereto (collectively the "**Loan Documents**") over and with respect to the Property.

2. **BORROWER**

Keltic (Prior) Development Limited Partnership and 1319191 B.C. Ltd., general partner of Keltic (Prior) Development Limited Partnership (collectively, the "**Borrower**")

3. **GUARANTOR**

Keltic (Prior) GP Ltd. (the "**Nominee**"), Keltic Group Equities (2019) Ltd., Keltic Projects Development Ltd., Keltic Canada Development Co. Ltd., DDAW Holdings Ltd. (collectively, including the Nominee, the "**Corporate Guarantor**"), Wei Guo Li and Rui Wang (together, the "**Personal Guarantor**", and together with the Corporate Guarantor, the "**Guarantor**")

4. **MORTGAGEE**

Security for the Loan shall be issued to, held and administered by Shape Capital Corp. on behalf of TS Alpha Venture Limited Partnership. The Borrower acknowledges that Shape Capital Corp. is servicer and trustee of TS Alpha Venture Limited Partnership who is the ultimate source of funds for the Loan.

5. DESCRIPTION OF PROPERTY

Municipal Address: 220 Prior Street, Vancouver, British Columbia
Legal Description: PID 010-813-357, Lot 1 District Lots 196 and 2037 Group 1 New Westminster District Plan EPP111791

(the "**Property**")

Permitted Encumbrances: See Schedule "H" attached hereto

6. LOAN AMOUNT

Maximum $85,000,000 available in two facilities as follows:

(a) up to $82,000,000 (the "**Construction Loan**"), funded on a work in place/cost to complete basis for the construction of the Project; and

(b) up to $3,000,000 (the "**Letter of Credit Facility**") in municipal cash security for the Project in lieu of a letter of credit facility which shall be available in amounts and at times as requested by the Borrower and subject to approval by the Lender in consultation with the Project Monitor,

(together, the "**Loan**").

7. USE OF LOAN FUNDS

Financing to assist the Borrower in construction of the "Nexus" project comprised of a 10-storey medical office, manufacturing, and retail building with a gross leasable area of 103,967 square feet and four levels of underground parking to be constructed on a 20,430 square foot site located on Prior Street adjacent to the new St. Paul's Hospital site in the False Creek Flats neighbourhood of Vancouver (collectively, the "**Project**"). The Project is subject to a sale agreement dated February 11, 2022 (the "**Project PSA**") between the Borrower and Masimo Canada ULC (the "**Purchaser**") which transaction is to complete on the first business day that is the latter of 60 days after: (i) completion of construction of the Building (as defined in the Project PSA); or (ii) a certificate of completion being issued to the Contractor (as defined in the Project PSA) with respect to the Construction Contract (as defined in the Project PSA). The Borrower agrees that the sources and uses of funds for the Project are to be as set out below:

Uses of Funds		**Sources of Funds**	
Land at Cost	$ 27,660,000	Construction Loan	$ 82,000,000
Hard Costs	$ 56,135,000	Borrower's Equity (Cash)	$ 7,572,500
Development & Soft Costs	$ 9,040,000	Purchaser Deposit	$ 21,000,000
Commitment Fee	$ 1,062,500		
Interest Reserve	$ 8,550,000		
Contingency	$ 8,125,000		
Total Project Costs	**$ 110,572,500**	**Total Sources of Funds**	**$110,572,500**

8. TERM OF LOAN

The term for the Loan shall be 36 months (the "**Term of the Loan**") commencing from the First Advance Date. The Loan is payable on demand from the Lender at any time and in any event the Loan shall be repaid in full by no later than January 31, 2026 (the "**Maturity Date**") unless extended pursuant to Section 13 below.

9. FIRST ADVANCE DATE AND DATE OF DRAWDOWNS

(a) The first advance under the Construction Loan shall take place no later than 30 January ~~February 1~~, 2023 (the "**First Advance Date**").

(b) With respect to each advance, funds shall be deemed advanced on the earlier of:

(i) the date the funds are removed from the Lender's account and designated to the Borrower's account or other account the Borrower may direct; and

(ii) the date upon which the Borrower or its authorized representative has requested the funds to be advanced.

10. INTEREST RATE & INTEREST ADJUSTMENT DATE

The interest rate for the financing will be a variable rate that is at all times the greater of 7.70% per annum and 2.50% over the TD Bank Prime Rate per annum (the "**Initial Rate**"), calculated and accruing monthly on the amounts advanced from time to time from the date of each advance of funds, as well after as before maturity, default or judgment. As of the first day of the 31st month after the First Advance Date (the "**Interest Rate Increase Date**"), subject to the provisions of Section 13 below, the interest rate shall increase to the greater of 9.95% per annum or 4.00% over the TD Bank Prime Rate per annum (the "**Increased Rate**") calculated and accruing monthly on the amounts outstanding from the Interest Rate Increase Date until repayment of the Loan in full. The Lender and the Borrower shall work together to determine each date that the interest will be paid.

Interest shall be calculated on a simple interest basis using a 360-day count from the date of advance to the interest adjustment date (the "**Interest Adjustment Date**"), which date shall be the first day of the month next following the date of the first advance of the Loan. From and after the Interest Adjustment Date, interest shall be calculated and accrue monthly, not in advance, based on an Actual/360 day count, and payable monthly.

TD Bank Prime Rate means the rate of interest, expressed as a percentage per annum, published by the Toronto-Dominion Bank at its head office in Toronto as a reference rate for prime rate commercial banks. As of November 21, 2022 the TD Bank Prime Rate was 5.95% per annum.

11. FEES

Upon acceptance of this Commitment Letter by the Borrower, a commitment fee payable to Shape Capital Corp. of $1,062,500 (1.25% of the mortgage amount) (the "**Commitment Fee**") shall be fully earned and non-refundable. The Commitment Fee shall be payable **by wire** (wire instructions attached as Schedule "F") as follows:

(i) $150,000.00 which has been paid by the Borrower to the Lender and which is earned and nonrefundable as of the mutual execution of the term sheet between the Lender and Borrower;

(ii) $200,000.00 payable upon acceptance of this Commitment Letter by the Borrower;

(iii) the balance payable on the earlier of the First Advance Date or ~~February 1, 2023~~ 30 January 2023

The Borrower shall also pay **by wire** (wire instructions attached as Schedule "F"):

(iv) the cost of the Lender's insurance consultant's review of the Borrower's insurance shall be for the account of the Borrower and will be deducted from the initial advance. Material changes to insurance coverages during the Term of the Loan, or periodic review of insurance coverages may, at the sole discretion of the Lender, require an additional review by the Lender's insurance consultant. All insurance review costs will be for the account of the Borrower; and

(v) per annum, a Stand-by Fee of 0.25% charged monthly on the undrawn balance of the Construction Loan payable in the same manner as monthly interest payments. Once principal advances of the Construction Loan reach $41,000,000, being 50% of the Construction Loan, the Stand-by Fee shall no longer be charged to the Borrower.

12. REPAYMENT

Interest will be payable monthly on the first day of each month or, at the Lender's option, may be deducted from the advances. The first payment shall be made on the first day of the month following the initial advance of funds under the mortgage. All monthly mortgage payments shall be made by way of automatic debit unless deducted from the applicable advance. All payments shall be made without allowance or deduction for deemed re-investment and interest shall accrue on overdue interest.

Notwithstanding any other term of this Commitment Letter, the full outstanding amount of the Loan and all interest, costs and fees payable under this Commitment Letter and any other amount unpaid under the Loan Documents shall be repaid by the Borrower upon demand by the Lender, that in any event the Loan and all other amounts due under this Commitment Letter shall be fully repaid by the Borrower on the Maturity Date at expiry of the Term of the Loan.

Any amounts received by the Lender in respect of the Loan shall be applied in the discretion of the Lender however, in the event the Lender has taken any enforcement action with respect to the Loan, it may choose to apply such amounts received by enforcement of any security hereunder in the following order:

(a) costs, expenses or fees due under this Commitment Letter or paid by the Lender in respect of the Loan or maintaining the Property or enforcing the Loan;

(b) overdue interest on the Loan;

(c) current interest on the Loan; and

(d) principal of the Loan.

13. MATURITY DATE EXTENSION

The Borrower may extend the Maturity Date by one 6-month extension (the "**Extension Option**") subject to the following conditions:

(a) Written notice delivered to the Lender not later than May 15, 2025;

(b) Confirmation that construction of the Project has progressed to the reasonable satisfaction of the Lender;

(c) Confirmation that the Outside Completion Date as defined in the Project PSA has been extended to a date satisfactory to the Lender and that Project PSA remains in full force;

(d) Payment to the Lender of an extension fee of 0.25% of the maximum amount of the Loan;

(e) Confirmation from the Borrower, satisfactory to the Lender, that there exists no Event of Default or circumstance that would give rise to an Event of Default; and

(f) Delivery to the Lender of any documents, amendments, instruments, certificates or resolutions reasonably required by the Lender in connection with the extension of the Maturity Date to preserve and protect the Security and priority of the Security as required under this Commitment Letter.

Should the Extension Option be exercised, the Maturity Date shall be extended to July 31, 2026 and the period during which the Initial Rate applies will be extended by 6 months to 36 months after the First Advance Date, and the start date for the Increased Rate will be deferred by 6 months to the first day of the 37th month after the First Advance Date. For certainty, should the Extension Option be exercised, the Increased Rate will apply as of the first day of the 37th month after the First Advance Date.

14. CONSTRUCTION

Construction of the improvements shall conform with Provincial and Municipal requirements, applicable law, and be substantially in accordance with the plans and specifications provided to and approved by the Lender. Any subsequent amendments to the final plans and specifications are to be approved by the Lender prior to the implementation of the changes. Construction Contracts will be subject to the approval of the Lender's solicitor, acting reasonably.

Draw sizes shall be a minimum of $500,000.00 and shall not occur more than once a month. For certainty, if a draw size of less than $500,000.00 is permitted by the Lender or no draw occurs during any month during the Term of the Loan, a monthly report from the Project Monitor in compliance with Section 21 will still be required.

15. HOLDBACKS

The Lender shall be at liberty to withhold from any advance such funds as we, in our sole discretion, consider advisable to protect our interest under the provisions of any applicable lien legislation.

Under no circumstances will a final advance be issued until:

(a) construction has been fully completed substantially in accordance with plans and specifications as approved by the Lender; and

(b) the statutory period for registration of Liens has expired.

Notwithstanding anything to the contrary contained herein, the Borrower shall be solely responsible for complying with all applicable lien legislation and maintaining all required lien holdback accounts and records.

16. CONDITIONS PRECEDENT TO FUNDING

The first advance of the Loan is subject to the Lender being satisfied, in its sole discretion, with the following conditions precedent to be satisfied by the Borrower not less than five (5) business days prior to the first advance of the Loan:

(a) Authorizations

The Borrower shall fulfil all its obligations under any laws entitling a creditor to exercise rights against the Property. In this respect, the Borrower shall provide to every government office, utilities provider, and other authority named by the Lender, an authorization by which the Lender or any person authorized by it as its legal counsel, agent or manager, shall be able to obtain, confirmation that all payments, declarations and other filings of the Borrower are up to date, whether the authority concerned has issued or will issue a default notice or demand for payment to the Borrower and whether any such notice concerns arrears. Each such authorization shall remain in effect and will be replaced as required by the Lender from time to time until the Loan has been fully repaid.

(b) Borrower Deliverables

The Borrower shall deliver to the Lender the following documents which shall be in form and content satisfactory to the Lender:

(i) copies of all contracts affecting the Property or relating thereto, including, without limitation, the Project PAS, all construction contracts, management contracts, disclosure statements, executed offers to lease or leases, standard offer and lease agreements and all information related to such leases;

(ii) if recommended by the Project Monitor, evidence of bonding of construction contracts as required in this Commitment Letter;

(iii) constating documents, including, where applicable, central securities registers, unit registers, limited partnership agreements, certified copies of the articles of incorporation and copies of the certificates of incorporation of the Borrower and of each Corporate Guarantor; and

(iv) any other information or document required by the Lender in respect of the Property, the Project or with respect to the Borrower and the Guarantor, including, without limitation, as may be required for any know your client or anti-money laundering requirements of the Lender.

(c) Drawdown Request

The Lender shall have received a drawdown request in the form of Schedule "G" to this Commitment Letter and a report of the Project Monitor as required in Section 21 satisfactory to the Lender.

(d) Report On Title

A report from the Lender's solicitors, acceptable to the Lender, as to ownership of the Property, the structure of such ownership, the state of title to the Property, the execution, delivery and registration of security for the Loan, and all other matters with respect to which they are acting on the Lender's behalf, including, without limitation, receipt and review of any corporate or other documentation of the Borrower and the Guarantor that the Lender and its solicitors may reasonably request.

(e) Loan Documents

The Lender shall have received executed Loan Documents required in this Commitment Letter and all registrations of security or notices required by the Lender shall have been completed. All subordination or priority agreements required by the Lender shall have been executed, delivered and registered as applicable.

(f) Survey

A current survey acceptable to the Lender and its solicitors prepared by a duly licensed surveyor shall be delivered to the Lender showing the boundaries of the lands, any encroachments, easements or rights of way with confirmation that the Lender may rely on the survey. Where the Lender requires title insurance the survey requirement for the initial advance will be waived.

(g) Solicitors Opinion

The Lender's solicitor shall be provided with an opinion from the Borrower's and Guarantor's solicitors, satisfactory in form and content to the Lender and its solicitor, confirming among other things:

(i) all security documents are legal, valid and binding upon the Borrower and the Guarantor, and are enforceable in accordance with their terms (subject to usual and reasonable qualifications);

(ii) all security documents are within the corporate power and authority of the Borrower and Corporate Guarantor, and have been duly authorized, executed and delivered;

(iii) the status of the Borrower and the Corporate Guarantor in their incorporating jurisdiction and the jurisdiction in which the Property is situate, as the case may be; and

(iv) such other matters as are reasonably required to be the subject of such opinion(s).

(h) No Event of Default

No Event of Default has occurred or is continuing.

(i) Credit and Financial Information

Review and approval by the Lender of the financial statements of the Borrower and Guarantor prepared on a notice to reader basis, and personal net worth statements of the Personal Guarantor.

The Borrower and Guarantor hereby consent to the Lender commissioning and receiving credit reports on the Borrower and Guarantor from Equifax Inc., the cost of which will be for the account of the Borrower. The credit reports may include banking information, including without limitation information regarding account balances and other credit-related details.

The Borrower and Guarantor acknowledge that all personal and financial information has been provided to the Lender for the purpose of assessing credit risks associated with the Loan and that the Lender may, in order to fulfill its obligations or enforce its rights (including, without limitation, the enforcement of its security), disclose all such personal and financial information to third parties (including, without limitation, credit rating agencies) in the ordinary course of business.

The Borrower and Guarantor agree to have the attached Client Identification Certification (Schedule "E") completed by its/their solicitors and returned to the Lender and the Lender's solicitors as required herein.

(j) Appraisal

Receipt by the Lender of a new appraisal report on the Property in form and with content acceptable to the Lender from an independent, AACI certified appraiser acceptable to the Lender, establishing a minimum market value of $123,000,000. The appraisal report shall include a separate valuation of the Property "as-is" and a valuation of the Property with the Project "as-if complete" and assuming the Project is fully leased and stabilization of the Property on an income basis, establishing a minimum market value of $125,000,000. The appraisal shall be accompanied by a reliance letter authorizing the Lender to use and rely upon the appraisal. The cost of the appraisal will be for the account of the Borrower.

(k) Environmental Report

Receipt and acceptance by the Lender of environmental report(s) or audit(s) on the Property prepared by an environmental consultant satisfactory to the Lender. The report(s) must authorize the Lender to rely on the report(s) for financing purposes. All costs will be to the account of the Borrower.

(l) Ministry of Environment

Receipt and satisfactory review by the Lender of the approval in principle letter from the Ministry of Environment and related supporting environmental documentation with respect to the remediation plan for contaminations identified on the Property.

(m) Soil Report

Receipt and satisfactory review of a soil test report by a professional engineer demonstrating to the satisfaction of the Lender and the Project Monitor that the proposed construction and site improvements of the Property are feasible under existing soil conditions, together with evidence that the general construction specifications for the Project provide for construction and compliance with such soil conditions and with the recommendations, if any, which may be contained in the soils report. The report must authorize the Lender to rely on the report for financing purposes. All costs will be to the account of the Borrower

(n) Clear Title

Confirmation from the Lender's solicitor that title to the Property is clear and no liens or other encumbrances other than the Permitted Encumbrances are registered prior to any advance.

(o) Permits

Provision of site alteration, development and building permits to improve the lands as described for the Project and other permits necessary or required for the state of work completed at the Property, satisfactory in form and content to the Lender, from the City of Vancouver, shall be required before the first advance.

(p) Construction Budget

A detailed review of the construction budget attached hereto as Schedule "I" (the "**Project Budget**") including soft costs and cash flow all satisfactory to the Project Monitor and the Lender and a satisfactory report from the Project Monitor to the Lender confirming development costs will not exceed $110,572,500, and confirming items (p), (q), (r), (s), (t), (u), (v) and (aa) below, and any other items set out in Section 21. Schedule "I" represents the initial Project Budget and changes shall be subject to approval by the Lender.

(q) Construction Schedule

Receipt and approval by the Lender of a detailed schedule of construction of the Project through to completion to the satisfaction of the Project Monitor.

(r) Borrower's Equity

Evidence satisfactory to the Lender that $7,572,500 of the Borrower's cash equity has been contributed to the Project, confirmed by the Project Monitor and that the Purchaser Deposit has been fully utilized to fund Project costs.

(s) Construction Cost Schedule and Cash Flow Projection

Receipt and approval by the Lender of monthly construction cost schedules and cash flow projection budgets for the Project, which shall forecast the amounts and timing of the draw requests.

(t) Building Plans and Specifications

Final signed and sealed building plans and specifications, upon which the construction costs are based, must be reviewed by the Project Monitor and approved by the Lender.

(u) Rezoning and Redevelopment Plans and Specifications

Receipt and satisfactory review of all applications, plans and documents relating to the rezoning and redevelopment of the Property, where applicable.

(v) Contracts and Change Orders

Copies of all contracts for construction of the Project, including all change orders, amendments to contracts, upgrade costings, etc., shall be delivered to the Lender on a timely basis so as to allow the Project Monitor to review same prior to the Project Monitor submitting a monthly inspection and draw request report to the Lender for approval and administration.

(w) Separate Bank Accounts

Proof provided to the Lender's Solicitor by way of appropriate banking documentation that separate and distinct bank accounts have been opened at a bank acceptable to the Lender exclusively for: (i) the Project (the "**Project Bank Account**"); and (ii) any necessary holdbacks. All advances made by the Lender will be deposited into the Project Bank Account (other than any amounts to be paid to the Borrower's solicitors for purposes previously approved in writing by the Lender). Only trade accounts and expenses for the Project will be paid from the proceeds of mortgage advances for the Project deposited into the Project Bank Account.

(x) Insurance

Evidence of insurance in form and substance satisfactory to the Lender with minimum requirements as set out in the Loan Documents and Schedule "C" hereto. Upon acceptance of this Commitment Letter, all insurance policies must be forwarded to our insurance consultants, at the following address, for their review and approval:

Attention: Shape Capital Corp.

2020 One Bentall Centre, Box 206
505 Burrard Street
Vancouver, B.C. V7X 1M6

The cost of the Lender's insurance consultant for their review of the Borrower's insurance shall be for the account of the Borrower and will be deducted from the initial advance of funds under the mortgage loan.

It shall be the responsibility of the Borrower's insurance broker/agent to notify the Lender of any changes in coverage from the actual binder or certificates issued at or prior to the time the Loan is advanced. All insurance documentation, including evidence of renewals, after the Loan is advanced shall be submitted directly to the Lender as follows:

Attention: Shape Capital Corp.

2020 One Bentall Centre, Box 206
505 Burrard Street
Vancouver, B.C. V7X 1M6

(y) Zoning By-Law & Title

All zoning by-laws and restrictive covenants must be complied with and title to the Project and the registration of a first mortgage must be satisfactory to the Lender and its solicitors prior to the first advance.

(z) Construction Management Agreement

Receipt and approval by the Lender of a fixed price CCDC2 form contract for the construction of the Project with Syncra Construction Corp. as construction manager. All development and construction management fees shall be evenly amortized over the entire term of the construction schedule approved by the Lender. Such contract shall be assigned to the Lender and Syncra Construction Corp. shall have acknowledged the assignment and agreed to allow the Lender to step into the rights of the Borrower under such contract on demand.

(aa) Performance Bonds

If recommended by the Project Monitor, each material contract as identified by the Lender shall be secured satisfactory to the Lender and the Project Monitor and in

any event by a labour and material and performance bond in an amount of not less than 50% of the contract price including a dual obligee rider in favour of the Lender.

(bb) Builders Lien Act

The Borrower has complied with the *Builders Lien Act*, including without limitation, by establishing and maintaining a holdback account in the manner required by such Act. If any claim of a builders' lien is registered against the title to the Property or claimed against such holdback account proceeds, the Borrower shall promptly notify the Lender and pay, discharge and obtain a release of such claim of builders' lien within ten (10) days of becoming aware of such lien and in any event prior to any advance occurring hereunder.

(cc) Corporate Structure

Confirmation satisfactory to the Lender's solicitor that the ownership structure of attached hereto as Schedule J is as represented to the Lender.

(dd) Title Insurance

If required by the Lender, a Commercial lenders' title insurance policy from First Canadian Title, Chicago Title Insurance Company of Canada or Stewart Title Insurance in a form and with content satisfactory to the Lender. The Borrower will be responsible for the insurance policy premiums, which shall be deducted from the first advance of the Loan.

(ee) No Material Change/Misrepresentation

In the sole opinion of the Lender, at any time before or after the First Advance Date, the Property, the financial position of the Borrower, the Guarantor, and the Property, and the representations and warranties of the Borrower and the Guarantor(s), shall not have undergone any material adverse change nor shall there be any material discrepancy or inaccuracy in any written information or representations or warranties made by or furnished by the Borrower. Further, there shall not be any action, suits, or pending proceedings against the Borrower, the Guarantor or the Property, and no event shall have occurred, which materially and adversely affects the value of the Property or the financial position of the Borrower or the Guarantor.

(ff) Property Inspection

An inspection of the Property by an authorized representative of the Lender, with results satisfactory to the Lender.

(gg) Statutory Liens

Evidence that the Borrower has complied with all statutory requirements for deduction at source and remittance to applicable fiscal authorities, including, without limitation, those under the *Income Tax Act* (Canada), the *Excise Tax Act* (Canada), the *Canada Pension Plan Act* (Canada) or the *Employment Insurance Act* (Canada).

(hh) Interviews

Satisfactory interviews with the Borrower and, if requested by the Lender, the Purchaser, have been conducted by the Lender.

(ii) Fees

The Borrower has paid the Lender all fees and costs required to be paid as of the First Advance Date under the terms of this Commitment Letter.

(jj) Project PSA

Satisfactory review by the Lender and its solicitor of the Project PSA demonstrating a sale price of not less than $123,000,000 net of Purchaser upgrades, incentives, taxes and sales commissions to the extent included in the gross purchase price. The Purchaser shall have paid a non-refundable deposit of $21,000,000 (the "**Purchaser Deposit**") which is held in trust by the Borrower's solicitor or has been released in whole or in part to fund Project costs and confirmed by the Project Monitor. The Project PSA shall authorize the release of the Purchaser Deposit to the Borrower to use for servicing, development and construction costs of the Project, subject to satisfactory reporting and documentation provided to the Purchaser and Lender summarizing the amount of the Purchaser Deposit used by the Borrower for construction costs related to the Project and registration of the Purchaser's mortgage interest in the Property in the principal amount of $21,000,000.

(kk) Management Agreement

Any management agreement, co-owners agreement, or trust agreement in effect with respect to the Property is in form acceptable to the Lender and assigned as required by the Lender.

(ll) Independent Legal Advice

If any Guarantor is other than shareholder, beneficial owner, director, officer or controlling mind of the Borrower, or if at the Lender's sole determination, undue influence could be brought to bear upon such Guarantor by the Borrower or any other Guarantor or beneficial owner, any such Guarantor must obtain independent legal advice and deliver to the Lender a Certificate of Independent Legal Advice on the Guarantor's solicitor's letterhead.

(mm) Property Tax Notices

A copy of the Property's current year property tax bill, Notice of Assessment (including interim and final tax bills) and a tax certificate issued by the municipality indicating no tax or utilities arrears or unpaid special levies.

(nn) Specific Priority Agreement

The Purchaser shall have executed and delivered priority and subordination agreements in favour of the Lender with respect to the Purchaser's mortgage

security regarding the Purchaser Deposit and the option to purchase granted to the Purchaser under the Project PSA, granting priority to the Lender and subordination of the Purchaser's security and interests to the security of the Lender and containing a standstill of any enforcement action by the Purchaser until the Lender has commenced enforcement of its security under this Commitment Letter or otherwise consents to the Purchaser commencing enforcement, all in form and content satisfactory to the Lender.

(oo) Other Information

Such other documentation and information as the Lender and our solicitor may reasonably request.

17. FURTHER ADVANCE REQUIREMENTS

Each subsequent advance of the Loan after the First Advance Date, is subject to the Lender being satisfied, in its sole discretion, with the following conditions precedent to be satisfied by the Borrower prior to each requested advance:

(a) each condition and delivery set out in Section 16 of this Commitment Letter is and remains satisfied;

(b) the Lender shall have received a drawdown request in the form in Schedule "G" to this Commitment Letter, the Project Monitor report and other material required under Section 21 of this Commitment Letter;

(c) evidence that the Borrower has complied with its obligations with respect to insurance requirements as more fully set out in the Loan Documents and Schedule "C" to this Commitment Letter, and or bonding required to be delivered or maintained hereunder;

(d) true copies of all construction contracts and other material agreements in respect of the Property or the Project executed by the parties thereto and which have been entered into since the date of the previous advance;

(e) copies of sale agreements leases or offers to lease affecting the Property entered into since the date of the last advance together with a summary of sales, leases and deposits in respect thereof;

(f) after giving effect to the proposed advance, the aggregate of all advances shall not exceed the maximum amount of the Loan;

(g) after giving effect to the proposed advance, the costs to complete the Project as confirmed by the Project Monitor will not exceed the unadvanced portion of the Loan;

(h) the Project Budget has not been amended or altered without the prior written approval of the Lender;

(i) the Lender and its counsel shall have approved all contracts and documents affecting or with respect to the Property;

(j) title search of the Property satisfactory to the Lender showing only Permitted Encumbrances or other liens approved by the Lender affecting the Property;

(k) there shall be no outstanding property taxes or assessments against the Property;

(l) the Lender is satisfied with the priority of its security arising under this Commitment Letter;

(m) satisfactory report of the Project Monitor certifying the information in the draw request submitted by the Borrower and the information required in Section 21;

(n) if required by the Lender or the Project Monitor, a certificate from the Borrower's architect or engineer that certifies that the work to date has been completed substantially in accordance with the approved plans and specifications and any building permits, as applicable, confirmed by the Project Monitor;

(o) within 60 days after the completion of below grade works for the Project, a survey showing the foundations of the Project, Property dimensions and locations of easements and rights of way, performed by a duly licensed surveyor acknowledging that the Lender may rely on such survey; and

(p) all fees due and payable under this Commitment Letter or the Loan Documents have been paid.

18. REPRESENTATIONS AND WARRANTIES

The Borrower and Guarantors represent and warrant to the Lender the following which shall be true and correct for each advance hereunder and the request for and use of proceeds of any advance by the Borrower will constitute an affirmation or re-affirmation by each Borrower and each Guarantor of the representations and warranties contained herein and in any Loan Document, including, without limitation, any security delivered pursuant hereto:

(a) the Borrower and each Guarantor is a corporation duly organized and validly existing and in good standing under the laws of the jurisdiction of formation/incorporation/amalgamation/continuance, as applicable, and registered to do business in each jurisdiction in which it carries on business;

(b) the Borrower and each Guarantor has full corporate power, right and authority to enter into and perform its obligations under each of the documents to which it is a party and has full corporate right, power and authority to own and operate its assets and property and to carry on its business;

(c) the execution and delivery by the Borrower and Guarantor of this Commitment Letter and the applicable security and the performance of their respective obligations thereunder do not and will not conflict with or result in a breach of any of the terms, conditions or provisions of the charter documents or bylaws, as applicable, of the Borrower and Guarantors;

(d) the execution and delivery by the Borrower and each Guarantor of this Commitment Letter and the applicable security and the performance of their

respective obligations thereunder have been duly authorized or will, prior to the First Advance Date, have been ratified by all necessary corporate action, and no authorization under any applicable law and no registration, qualification, approval, designation, declaration or filing with any government body, agency or authority having jurisdiction over any Borrower or any Guarantor is or was necessary therefore, except as contemplated herein;

(e) the Borrower and Guarantors possess all consents, approvals, permits and authorizations under any applicable law which are necessary in connection with the operation of their respective businesses. All such consents, approvals, permits and authorizations are in full force and effect and none of the Borrower or Guarantors is in default in any respect thereunder which default would have a material adverse effect. No action exists, is pending or threatened which has as its object the revocation, amendment or qualification of any such consent or authorization and all applicable appeal periods in respect of such actions have expired;

(f) neither the Borrower or Guarantors is in default in any respect under any material indenture, mortgage, deed of trust, agreement or other instrument to which they are a party or by which they or any of their property may be bound and which default would have a material adverse effect on their property or their prospects;

(g) the Borrower and each Guarantor has filed all tax returns which are required to be filed by each of them and has paid or remitted when due all taxes, assessment and government charges imposed upon them which if unpaid could result in any charge or other encumbrance on their properties except such tax, assessment or charge which is being contested in good faith and for which the applicable Borrower or Guarantor has made adequate reserves; and

(h) with respect to the Project, the Borrower has obtained and is in compliance (i) with all terms and conditions of all authorizations which are required under any environmental law, the non-obtaining of which and the lack of compliance with which would have a material adverse effect, and (ii) with all environmental laws, non-compliance with which would have a material adverse effect. The Borrower does not generate hazardous materials or transport, treat or dispose of any hazardous materials nor is the Borrower aware of any underground storage tanks or surface contaminants located on the Property other than those that have been reported to the Lender. The Borrower, to the best of its knowledge, has not ever caused or permitted (i) a release of any contaminant from or on the Property or (ii) any hazardous materials to be placed, held, located or disposed of on or under the Property the effect of which could reasonably be anticipated to have a material adverse effect. No enforcement action, investigation or outstanding order from any official body in respect of any hazardous materials or release of contaminants is existing, threatened or impending in respect of the Borrower or the Property.

19. GENERAL COVENANTS

(a) Notwithstanding any other provision of this Commitment Letter the Borrower and the Corporate Guarantors covenant and agree:

(i) to preserve and maintain in full force and effect its qualifications to carry on business including, without limitation, all rights, consents and authorizations relating thereto and not cease to conduct its business as conducted at the date of this Commitment Letter;

(ii) to maintain its corporate existence and not make or permit any change in its ownership without the prior written consent of the Lender; and

(iii) to not borrow, take on debt or enter into any commitment, credit agreement or other instrument agreeing to borrower any funds whatsoever or to take on any obligation with respect to the debt of any other person in addition to debt which currently exists as of the date of this Commitment Letter, without the prior written consent of the Lender.

(b) Notwithstanding any other provision of this Commitment Letter, the Borrower and Guarantors covenant and agree:

(i) to use the Loan only for the purpose set out in Section 7;

(ii) to make full and timely payment of all obligations hereunder whether now existing or hereafter arising and duly comply with all the terms and covenants contained in this Commitment Letter or in any other agreements entered into pursuant to this Commitment Letter;

(iii) to diligently construct the Project in accordance with the plans and specifications approved by the Lender;

(iv) upon (i) obtaining knowledge of the occurrence of any default under any agreements to which the Borrower or a Guarantor is a party, (ii) obtaining notice of litigation, arbitration, or proceedings before any official body, (iii) filing or being required to file any amendment to the disclosure statement required under the *Real Estate Development Marketing Act*, or (iv) obtaining information respecting the business, operations or financial condition of the Borrower or a Guarantor as the Lender may from time to time reasonably request, promptly to give the Lender details of such occurrence or other matter including copies of relevant documents;

(v) to comply with all applicable laws and duly observe in all material respects all consents and authorizations and valid requirements of any governmental body, agency or authority having jurisdiction applicable to the Borrower or the Guarantor;

(vi) to maintain all trust deposits for sales or leases of the Property in a trust account with its solicitor except with respect to the Purchaser Deposit as applied to construction costs for the Project;

(vii) to keep the Property or cause the Property to be kept in good repair, working order and condition consistent with all consents, authorizations, and applicable laws and, from time to time, (i) to make and cause to be made all needful and proper repairs, renewals, replacements, additions

and improvements thereto in accordance with prudent management practices;

(viii) to maintain and cause to be maintained and to defend and take all action necessary or advisable at any time and, from time to time, to maintain, defend, exercise, or renew their right, title and interest to their respective properties and assets including, without limitation, the Property;

(ix) to notify the Lender promptly upon obtaining knowledge of the institution or anticipated or threatened institution of any proceedings for the expropriation of any part of the Property. If any such property or assets are taken or damaged in or by any such expropriation proceedings or otherwise, the awards of compensation payable to the Borrower or any Guarantor as a result of such expropriation shall be and are hereby assigned to the Lender;

(x) to maintain the budget and the construction schedule for the Project as approved by the Lender and shall immediately fund from its own resources any cost overruns or debt servicing short falls in respect of the Project;

(xi) the Borrower shall maintain the insurance required in the Loan Documents and Schedule "C" throughout the Term of the Loan;

(xii) to not sell, convey or transfer or lease any portion of the Property or the Project without the prior written consent of the Lender and for prices and on terms approved by the Lender;

(xiii) to not create or permit any encumbrance of the Property other than the Permitted Encumbrances;

(xiv) to not make or permit any changes to any contract or agreement assigned to the Lender without the Lender's prior written consent;

(xv) to not withdraw any equity from the Project or the Borrower, declare any dividends, pay fees (*) to itself or a related corporation or make any distribution of the Borrower's assets to shareholders, officers or other related parties; and

(xvi) at the Borrower's cost and expense, upon request of the Lender, duly execute and deliver, or cause to be duly executed and delivered, such further instruments, including additional security, and do and cause to be done such other acts as may be necessary or proper in the reasonable opinion of the Lender to carry out more effectually the provisions and purposes of this Commitment Letter or any other agreements entered into with the Lender.

Note (*): except for project management fee duely charged by Keltic Members which has been budgeted within the existing proforma.

20. SECURITY

Security for the Loan shall be granted to the Lender in form and content satisfactory to the Lender, including but not limited to:

(a) a first priority mortgage charge (subject to Permitted Encumbrances approved by the Lender) granted by the Nominee and registered against all lands and improvements of the Property for $85,000,000 plus all interest, costs and fees payable to the Lender under the Loan;

(b) a beneficial charge agreement and nominee direction charging the beneficial interest in all the lands and improvements of the Property;

(c) an unlimited joint and several guarantee, assignment and postponement of claim from each of the Guarantor, for the full loan amount and cost overruns, construction liens, and completion of the Project;

(d) a first priority ranking registered general assignment of present and future rents and leases;

(e) a first priority ranking, registered, general security agreement from the Borrower over all present and after-acquired personal property (including Project bank accounts) located on or used in connection with the Property, together with a financing statement in respect of the security interest created by the general security agreement and the other assignments referred to in this Commitment Letter in favour of the Lender;

(f) a first priority ranking, registered, site specific general security agreement from the Nominee over all present and after-acquired personal property (including Project bank accounts) located on or used in connection with the Property, together with a financing statement in respect of the security interest created by the general security agreement and the other assignments referred to in this Commitment Letter in favour of the Lender;

(g) a first priority ranking registered assignment of agreements affecting the Property including, without limitation, the Project PSA, the Project construction contract, present and future leases, partnership agreements, management agreements, options to purchase, plans, specifications, rights to the architectural plans, permits, contracts, construction contracts and/or major sub-trade contracts and other documentations pertaining to the Property, as the case may be the assignments will provide the Lender the ability to assume the Borrower's position and include any voting rights the Borrower may have if the Property is a strata property within the meaning of the *Strata Property Act* (B.C.);

(h) a consent and acknowledgement from the contract counterparties of the Project PSA and the Project construction contract specifically and any other agreement assigned to the Lender as security as requested by the Lender;

(i) an unlimited joint and several debt service, cost over-run and completion guarantee from the Borrower and Guarantor to promptly complete the construction of the Project in accordance with approved plans and specifications, pay all realty taxes when due, and to keep the Property free from all liens, executions and work orders, and fund all cost overruns from their own resources as and when determined by the Lender and/or the Project Monitor;

(j) an assignment of builder's public liability and all risk insurance policies naming the Lender as loss payee and mortgagee;

(k) title insurance;

(l) a joint and several environmental indemnity from the Borrower and Guarantor in favour of the Lender;

(m) an assignment, postponement and subordination of claims from the shareholders of the Borrower;

(n) an indemnity for misrepresentation and fraud in favour of the Lender from the Borrower and Guarantor;

(o) specific assignment and security over all cash, term deposits or GIC's securing any letters of credit issued for the Project;

(p) a subordination and priority agreement with any party having a prior or subsequent registered mortgage, charge or security interest, permitted by the Lender, in form and content acceptable to the Lender;

(q) such other security, acknowledgments and agreements as the Lender may reasonably require as a result of its due diligence in respect of the Loan; and

(r) such other security, resolutions, certificates and documents as may be reasonably deemed necessary by the Lender's solicitors.

All security documentation shall include Lender's standard forms, including default provisions and are Loan Documents.

21. PROJECT MONITOR

The Lender shall select and employ, at the Borrower's expense, the services of an independent engineer or quantity surveyor (the "**Project Monitor**") to act on the Lender's behalf during the construction of the Project to complete an initial review and report on the Project Budget and monthly inspections for the purposes of certifying each monthly draw information and monitoring the Project Budget and construction schedule for the Project and submitting a monthly report. The costs of the Project Monitor may be deducted from advances of the Loan, at the Lender's option. The Project Monitor shall be selected by the Lender. The report of the Project Monitor shall be delivered every month during the Term regardless of whether any advance occurs under the Loan. Duties of the Project Monitor and report of the Project Monitor shall include but are not limited to the following:

Reviewing and reporting to the Lender on:

(a) payment of the Purchaser Deposit and the Borrower's uses of the Purchaser Deposit;

(b) completeness of the plans and specifications;

(c) compliance with building codes and zoning regulations;

(d) review of design criteria;

(e) adequacy of the structural, electrical and mechanical systems;

(f) review and approve the Project Budget submitted by the Borrower and confirming that the Project Budget is in compliance and appears to be adequate to complete the Project;

(g) evidence of material contracts covering the cost of all trades and suppliers;

(h) review and approve the survey (including follow up on the survey required at completion of foundations and below grade construction), construction schedule and soil report;

(i) confirmation that the construction schedule is reasonable and attainable and any deviations from the construction schedule;

(j) confirmation that the soft costs, contingency and interest reserve appears to be adequate, based on the construction schedule;

(k) review actual cancelled cheques every month for costs paid on previous draws, or more frequently at the Lender's or Project Monitor's discretion;

(l) with each advance, the Project Monitor shall make a site inspection, and will submit a report to the Lender commenting upon:

(i) an evaluation of the progress of construction;

(ii) any deficiencies noted during the inspection;

(iii) an evaluation of conformance with the plans and specifications for work in place;

(iv) adherence to the construction schedule and the Project Budget and the adequacy of the budget and remaining contingency;

(v) certify the value of the work completed to date, the amount to be held back pursuant to any applicable construction lien legislation, the costs incurred to that date compared to the Construction Budget and the estimated costs of any uncompleted work; and

(vi) other pertinent aspects of the Project which, in the Project Monitor's opinion, should be known to the Lender all of which must be satisfactory to the Lender prior to any advance or progress draw.

22. PROGRESS CLAIMS, CONDITIONS AND PROCEDURES

Each progress draw request for an advance of the Loan will be made on a cost to complete basis not more frequently than once per month and upon all conditions precedent to funding being satisfied and upon receipt by the Lender at least five (5) business days prior to any advance the following documents all in form and substance satisfactory to the Lender:

(a) a written draw request from the Borrower using the form set out in Schedule "G", indicating the amount and to whom funds are to be disbursed and including certificates by the Borrower (or by the president or secretary or other authorized signing officer, if a corporate Borrower) to the effect that:

(i) advances do not exceed the aggregate of the cost of work performed and in place, as required by the Project Monitor;

(ii) based upon the latest estimates, the unused portion of the Loan is sufficient to complete the Project and to retire all payables relating to the Project; and

(iii) the costs with respect to which advances pertain are properly incurred in accordance with the Project Budget and are in a form consistent with the original budget, as required by the Project Monitor.

(b) a Project expense summary prepared by the Borrower outlining budget items, invoiced costs to date as they pertain to each budget item, application of proceeds from the specific progress draw request, and the cost to complete the Project;

(c) a certificate from the Project Monitor certifying the matters in Section 21;

(d) copies of billing statements and invoices from suppliers, architects and all others to support non-general contract items are to be provided, as required by the Project Monitor;

(e) inspection reports of soil, structural, mechanical or electrical engineers or consultants showing no material change to any risk evaluation to the property; and

(f) a statutory declaration under the *Canada Evidence Act* or Officer's Certificate signed by an authorized officer of the Borrower stating that all amounts payable with respect to the Project and all persons entitled to file a claim of lien under the *Builders Lien Act* have been paid or will be paid from the subject draw except for holdbacks listed in the statutory declaration relating thereto and not then payable, and that the Borrower is not aware of any default under its obligation pursuant to this Commitment Letter.

23. ADVANCE CLAUSE

Advances under the Construction Loan will be processed monthly on the basis of:

(a) work-in-place and subject to cost-to-complete parameters stipulated by the Lender;

(b) appropriate searches to confirm that the Property is unencumbered by liens; and

(c) the Project Monitor providing its substantiation of the Borrower's progress claim and confirmation that the balance of the undrawn Loan is adequate to complete the Project as planned.

24. OTHER OBLIGATIONS OF THE BORROWER

(a) During the Term of the Loan, the Borrower will:

(i) request the Lender's approval to: a) each and every change notice or any variation from plans and Project Budget line item in excess of $250,000 or as may be otherwise referred to the Lender by the Project Monitor and b) to any change whatsoever which may have the effect of changing the use or purpose of the development approved by the Lender pursuant hereto;

(ii) promptly remove any encumbrance, lien or charge against the Project and in any event within fifteen (15) days of written notice by the Lender;

(iii) request funds solely for the Project;

(iv) allow the Lender, its agents and its Project Monitor to have access to the Project at all times; and

(v) not become a guarantor or endorser or otherwise become liable for any obligation other than in the normal course of business for the Borrower.

(b) Subject to applicable provincial regulation, upon substantial performance, the Borrower will obtain a certificate of substantial performance/completion in prescribed form (if any) from the payment certifier for the Project as designated under the *Builders Lien Act* and shall supply the Project Monitor and the Lender with copies of the certificate;

Advances in respect of substantial completion of the Project will occur upon the following conditions, provided the Loan has not been previously repaid in full:

(i) not less than forty-five (45) days after a certificate or declaration of substantial performance/completion has been published. If the Project is phased, such advances shall occur not less than forty-five (45) days after substantial performance/completion of the entire Project (all phases) unless the Borrower has separate contracts for each phase;

(ii) provided no liens are registered on title or notified to the Lender;

(iii) provided final as-built drawings are confirmed by the authority having jurisdiction to be in compliance in all respects;

(iv) provided a completed "as built" survey of the Project approved by the requisite regulatory authority is delivered to the Lender;

(v) provided, if applicable, final tenant estoppel certificates from all tenants for whom estoppel certificates are required pursuant to this Commitment Letter, acknowledging that the tenant is in possession and paying rent and confirming landlord's compliance with all terms of the lease, are delivered to the Lender; and

(vi) provided evidence of "all risk" permanent insurance in form and content satisfactory to the Lender and its insurance consultant is delivered to the Lender.

25. DECISION TO ADVANCE

Each and every obligation contained in this Commitment Letter and to be performed, satisfied, or furnished by the Borrower, is a condition precedent to the Lender's obligation to advance or to continue to make advances. In the case of any advance, all conditions precedent pertaining to the advance must be performed or satisfied to the Lender's satisfaction not less than **[five]** (**[5]**) business days prior to the scheduled date of the advance or the Lender shall be under no obligation to make the advance or any further advances.

26. PREPAYMENT PRIVILEGES

The loan is closed for pre-payment prior to the maturity of the Loan for 12 months from the First Advance Date provided that, after 12 months from the First Advance Date the Loan may be repaid in full (but not in part) further provided that a minimum of $2,000,000 in interest payments has been paid by the Borrower as of the proposed date of repayment.

27. TAXES

The Borrower covenants to maintain all tax accounts current. The Lender reserves the right to deduct the Loan advance proceeds to pay all property taxes (including penalties, interest and unpaid utilities if applicable) due or coming due within 60 days of the advance of the Loan proceeds or pursuant to the terms of Article 14 of the Lender's mortgage terms. The Lender may permit the Borrower to pay the property taxes directly to the municipal authority, in which case the Lender will waive the requirements for monthly tax installments on the condition that the Borrower:

(a) pays each Loan payment and all other monies due from time to time under the Loan Documents when due;

(b) submits copies of the tax receipts to the Lender within 30 days of each due date to confirm payment of property taxes. If the Borrower does not submit such tax receipts all costs incurred by the Lender in obtaining the receipts and other information concerning property taxes will be for the Borrower's account;

(c) is not otherwise in default under the Loan Documents; and

(d) authorizes the taxing authority to release all information relevant to property taxes to the Lender as required.

28. TIME OF PAYMENTS

The Loan Documents will provide that in the event that any payment permitted or required to be made hereunder is made after 12:00 p.m. Vancouver time, on any payment date, that payment will be deemed to have been made on the next following business day.

29. AUTHORIZATION AND DIRECTION OF MORTGAGE PROCEEDS

If at the time of any advance of the Loan, there is a mortgage, security interest, or other financial encumbrance (each a "**Charge**") registered or existing against title to the Property or in the Personal Property Registry relating solely to the Property, which is not permitted by the Lender, acting reasonably, the Borrower shall have 5 business days to procure the discharge of such charge, failing which the Lender may require that its solicitors apply any or all of the proceeds of the advance to pay out such Charge on behalf of the Borrower by payment directly to the holder thereof. The Borrower irrevocably directs and authorizes the Lender and its solicitors to make such pay-out and agrees to obtain and register discharges of any such Charge as soon as possible after such pay-out. In signing this Commitment Letter, the Borrower authorizes the Lender to pay the balance of the mortgage proceeds directly to the Borrower's solicitor.

30. BENEFIT OF LOAN FUNDS

The Borrower represents, warrants and covenants that all advances (or re-advances if applicable) under this Loan will be for the sole account, benefit and use of the Borrower for the purpose stipulated in this Commitment Letter, unless the Lender provides its approval, in writing, that advances (or re-advances if applicable) may be for the account, benefit and use of a third party other than the Borrower, the giving of which approval shall be in the sole discretion of the Lender.

31. SHARE CAPITAL OF THE BORROWER

The Borrower declares and represents that the organization chart attached hereto as Schedule "J" is correct and complete as of the date of this Commitment Letter and illustrates the current ownership of the Borrower.

32. CROSS-DEFAULT

The Borrower and Guarantor(s) hereby acknowledge that any default with respect to this Loan will constitute a default with respect to any other debt owing by any of them to the Lender and a default in paying any other debt of the Borrower or a Guarantor owing to the Lender will constitute a default with respect to this Loan.

33. ESCROW FUNDS

Should the Lender collect escrow funds or retain a holdback from any advance, such funds will be held by the Lender without benefit of interest to the Borrower.

34. NO FURTHER ENCUMBRANCES

No further liens, charges or encumbrances as security for other debt or obligations of the Borrower or the Guarantor subsequent to the Lender's security for the Loan shall be permitted, nor shall the Borrower or anyone on its behalf accept an advance provided for in such further lien, charge or encumbrance, without the prior written consent of the Lender, acting reasonably. Registered security in support of Letters of Credit required for municipal requirements related to the Property, will be a permitted encumbrance provided a subordination agreement acceptable in form and content to the Lender is obtained from any such security holder.

35. ADVERTISING BY LENDER

The Lender may, in its advertising, describe and/or picture the Property without identifying the Borrower and erect advertising materials and signage on the Property. The cost of any such advertising shall be paid by the Lender.

The Borrower agrees that Lender and its affiliates or agents may advertise the availability of the within mortgage investment to its potential investors by providing details of the Loan by any means whatsoever including but not limited to, letter, fax, e-mail and posting on the Lender's website.

36. AMENDMENTS TO COMMITMENT LETTER

The terms or requirements of this Commitment Letter or any security may not be waived or varied orally, or by any course of conduct of any officer, employee or agent of the Lender. Any amendment to this Commitment Letter must be in writing and signed by a duly authorized officer of the Lender and the Borrower; provided, however, that the Lender may unilaterally extend the date for return of this Commitment Letter or receipt of any documentation upon written notice to the Borrower.

37. SECURITY REGISTRATION

Neither the preparation nor the registration of any of the Loan Documents contemplated by this Commitment Letter shall bind the Lender to advance the Loan.

38. NON-MERGER

The provisions of this Commitment Letter not incorporated in the Loan Documents and other security documentation shall survive the execution of said documents and there shall be no merger of these undertakings in the Loan Documents or other security. The Loan Documents and other security documents shall include the standard mortgage clauses typical for such a loan, as well as the terms and conditions outlined in this Commitment Letter. In the event of a conflict in interpretation between the registered Loan Documents and the Commitment Letter, the Commitment Letter shall prevail.

39. INFORMATION AND MATERIALS

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

40. UNDERLYING CONDITIONS

During the Term of the Loan, the Borrower shall:

(a) provide the Lender with the right, but not the obligation, to pay any liens, claims or expenses and to provide the Lender with the right to consider such payment as a debt of the Borrower, subject to Section 29 Authorization and Direction of Mortgage Proceeds;

(b) perform all necessary acts to maintain the Property in a manner satisfactory to the Lender, as reasonably required by the Lender;

(c) authorize and consent to such credit investigations as the Lender may deem necessary;

(d) provide such financial information on the Property or the Borrower as the Lender may reasonably require and

(e) where the Lender, in its sole discretion determines that the progress of the Project is not sufficient to meet the obligations of the Borrower under the Project PSA or to complete the Project prior to the Maturity Date (as such may be extended hereunder), then the Borrower agrees that the Lender shall have the right, not the obligation, for increased monitoring of the Borrower's execution of the construction of the Project as follows:

(i) the Lender may require increased frequency and detail of reporting required under this Commitment Letter;

(ii) the Lender may require the Borrower to permit a representative of the Lender to attend all Project meetings and to have access to all Project reports and information regarding the Project and the Borrower shall permit such Lender representative to provide feedback on the Project progress, construction issues and decisions and the Borrower shall give due consideration to such feedback to incorporate into the Project construction;

(iii) the Lender may, on demand require the Borrower to permit the Lender to exercise its rights under the assignment of the construction contract for the Project and give instructions to Syncra Construction Corp. and all other contractors for the Project under the assignment agreement in favour of the Lender.

41. SURVIVAL OF REPRESENTATIONS, WARRANTIES AND COVENANTS

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

42. CONDITIONS

All conditions of the obligation of the Lender to make advances of the Loan are imposed solely for the benefit of the Lender and its assigns, and any or all of such conditions of the obligation of the Lender to make such advances, may be waived in whole or in part at any time in its discretion.

43. COMMITMENT EXPIRY

The first advance under the Loan must occur by ~~February 1~~ 30 January 2023 (the "**Commitment Expiry Date**"), unless an extension is mutually agreed in writing between the Lender, the Guarantor, and the Lender. If the terms and conditions of this Commitment Letter are not satisfied or waived by the Commitment Expiry Date, the Lender at its option may cancel this Commitment Letter, retain the Lender Fee and Commitment Fee, and as the case may be, seek further compensation as above provided. If the Lender extends the Commitment Expiry Date, the Borrower will pay, at the option of the Lender, a late disbursement fee. The late disbursement fee will be based on the amount of the Loan and the difference between the interest rate set pursuant to this Commitment Letter and the interest rate available to the Lender on short-term investments, for a period of time equal to the time from the Commitment Expiry Date to the actual funding date

44. CANCELLATION CLAUSE

This Commitment Letter may be cancelled at the Lender's option if any of the conditions set out herein are not complied with or if any of the requirements of the Lender's solicitors are not satisfactorily fulfilled by the Commitment Expiry Date.

45. MATERIAL ADVERSE CHANGE

Material adverse change for the purpose of this Commitment Letter means a material adverse change in:

(a) the financial condition of the Borrower or a Guarantor or any lessee at the Property on which the Lender relied in making advances;

(b) the ability of the Borrower or any Guarantor to observe and perform the obligations under the Commitment Letter or other Loan Documents;

(c) the status of any subordination or priority agreement in favour of the Lender; or

(d) the Property, the Project, the business, liabilities or capitalization of the Borrower.

In the event of a material adverse change as defined above, the Lender shall be entitled to decline any advance and, in its discretion, terminate this Commitment Letter or in the event that any funds have already been advanced, to declare any and all amounts advanced together with interest and any costs incurred by the Lender to be immediately due and payable.

46. FINANCIAL AND OTHER REPORTING; PERIODIC INSPECTIONS

During the Term of the Loan, the Borrower and Guarantor will have financial statements in form and content satisfactory to the Lender prepared in accordance with GAAP and on a notice to reader basis that include information with respect to the property portfolio of the Borrower and Guarantors and other financial information as requested by the Lender. The financial statements shall be certified by an accountant acceptable to the Lender within 120 days of each fiscal year-end of the Borrower and Guarantor. Financial statements shall be accompanied by a current rent roll, balance sheet and a detailed income and expenditure statement with supporting notes and schedules. If the Borrower or Guarantor are individual(s), personal net worth statements shall be provided within 120 days of the end of each calendar year.

The Borrower shall also provide the Lender with such other financial reports and information with respect to the Property as the Lender may from time to time require, including reports with respect to the costs of repair, maintenance, utilities, insurance and management fees. The Lender shall, upon reasonable prior notice, have the right to inspect the Property, and if such inspections identify deficiencies requiring remedial action, whether with respect to operation, management, repair or maintenance of the Property, the Lender may also cause a consultant or monitor to be appointed for the purpose of observing and reporting upon such remedial measures.

47. PARTIAL DISCHARGES

The Borrower shall have no right to obtain a partial discharge(s) of the security herender.

48. EXPROPRIATION

In the event that any material part of the Property is expropriated during the Term of the Loan all proceeds payable with respect to such expropriation shall be paid directly to the Lender to be applied to the Loan amount. Provided, however, in the event that any portion of the property is expropriated with the result that, in the Lender's reasonable opinion, the Security is materially and adversely affected, the Lender may, at its option, require that the Loan, including accrued interest and all of the Lender's costs and expenses be repaid in full.

49. DUE ON SALE/CHANGE OF CONTROL

The Borrower covenants and agrees with the Lender that if the Borrower or a beneficial owner of an interest in the Property sells, conveys, transfers or enters into an agreement for sale or transfer of the legal or any beneficial ownership interest in the Property without the prior written consent of the Lender, all monies hereby secured with accrued interest thereon, shall be forthwith due and payable at the option of the Lender. The transfer of, modification to or change in voting control of the Borrower or beneficial owner of an interest in the Property as such control exists at the date of this Commitment Letter shall constitute a transfer of the legal or beneficial interest in the Property and require the full repayment of the Loan.

50. BANKRUPTCY/INSOLVENCY

This Commitment Letter may be terminated at the option of the Lender if the Borrower:

(a) shall make an assignment for the benefit of its creditors;

(b) shall admit in writing its inability to pay its debts as they become due;

(c) shall file a petition in bankruptcy;

(d) shall be adjudicated as bankrupt or insolvent, or shall file an answer admitting or not contesting the material allegation of a petition filed against it in any such proceedings;

(e) shall file a petition seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation, or shall not within 30 days after the commencement of any proceedings against the Borrower by a party seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation have such proceedings dismissed; or

(f) shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of such party of the Borrower or any material part of its properties, or shall not within 30 days after the appointment without the consent or acquiescence of the Borrower(s), of any trustee, receiver or liquidator of the Borrower or any material part of its properties have such appointment vacated.

Delay in the exercise of the Lender's right to terminate shall not be construed as a waiver of such right to terminate or accelerate with regard to the occurrence of any specific event referred to above. The failure of the Lender to act as to any event shall not be construed as a waiver of its right to any subsequent event of a similar nature.

51. EVENTS OF DEFAULT

Without limiting the right of the Lender to demand repayment at any time and further without limiting the events of default to be incorporated into the security documents, the following events of default ("**Event of Default**") entitle the Lender to exercise its remedies under the Loan Documents, including its right, at its option, to require the Borrower to immediately pay the entire amount of principal and accrued interest then outstanding:

(a) failure to comply with the financial obligations and conditions of this Commitment Letter and/or the Loan and all other related security documents;

(b) failure to comply with the non-monetary terms and conditions of this Commitment Letter and/or the Loan and all other related security documents within 10 business days of receiving notice of such failure (provided that, if in the case of non-monetary defaults, rectification cannot reasonably be expected to be made within such 10 business day period, then within a reasonable period of time thereafter provided that the Borrower commences such rectification within the said 10 business days and thereafter diligently pursues such rectification);

(c) the occurrence of any of the events of bankruptcy or insolvency set out in Section 50;

(d) without the prior written consent of the Lender:

(i) there occurs a change of ownership (beneficial or otherwise) or control of the Borrower; or

(ii) the Borrower sells, conveys, transfers or enters into an agreement for sale or transfer of title of the Property.

(e) failure by the Borrower to perform and do all such things as are necessary to reasonably maintain the Property and the improvements thereon;

(f) the creation of any other encumbrances (other than Permitted Encumbrances) charging the Property without the prior written consent of the Lender, acting reasonably;

(g) if there is a material adverse change as set out in this Commitment Letter;

(h) the occurrence of any default or event of default under any Loan Document other than this Commitment Letter; and

(i) if any of the representations or warranties made by the Borrower and/or the Guarantor in the application for the Loan or in any document or certificate delivered pursuant hereto is incorrect in a material respect.

In the Event of Default, the Lender may, without precluding the exercise of any other remedies which may be available, take any or all of the following actions:

(j) demand payment of the Loan in full together with all interest, fees and other costs and amounts payable in this Commitment Letter or the Loan Documents;

(k) commence foreclosure proceedings and/or commence sale proceedings;

(l) commence any other action or proceeding permitted at law or in equity;

(m) appoint any person to be a receiver of the Property and the rents, income and profits derived therefrom. The term "**Receiver**" means and includes a receiver and manager. Such Receiver shall be the agent of the Borrower, and the Lender shall not be responsible for any misconduct or negligence on the part of such Receiver. The appointment of a Receiver shall not render the Lender a mortgagee-in-possession, but nevertheless the Receiver shall have the power to take possession of the Property, collect rents, realize upon the Lender's security, carry on or concur in the carrying on of the business of the Borrower at the Property, borrow money for such purpose, and lease all or any portion of the Property, which borrowings and leases shall be binding upon the Borrower;

(n) cease further funding under this Commitment Letter; and

(o) terminate this Commitment Letter.

The rights and remedies of the Lender hereunder or under any of the Loan Documents are cumulative and are in addition to and not in substitution for any rights or remedies

provided by law or by equity and any single or partial exercise by the Lender of any right or remedy for any Event of Default shall not be deemed to be a waiver of or to alter, affect or prejudice any other right or remedy or other rights or remedies which the Lender may be lawfully entitled to.

52. WAIVER

The Lender's failure to insist upon strict performance of any obligation or covenant of this Commitment Letter by the Borrower or the Guarantor, or to exercise any option or right herein shall not be a waiver of the Lender's right to take action in the future for such event nor shall it be a waiver for the future of such obligations or covenant, but the same shall remain in effect and the Lender shall have the right to insist upon strict performance by the Borrower and the Guarantor of any and all of the terms of this Commitment Letter and the Loan Documents

53. INDEMNITY

The Borrower shall indemnify and hold harmless the Lender, its affiliates and agents, officers, directors, employees and representatives of each of them against any liability, obligations, loss or expense that may be suffered by or asserted against any of them as a result of or by reason of the Lender entering into the transaction contemplated by this Commitment Letter.

54. ASSIGNMENT OF COMMITMENT

This Commitment Letter may not be transferred or assigned by the Borrower or the Guarantor without the Lender's express written consent, the giving of which consent shall be in the sole discretion of the Lender. Any such request shall be accompanied by such information and documentation as may be required by the Lender. The Lender (and its successors and assigns), at its cost may, at its sole discretion and without notice to or the consent of the Borrower or any Guarantor, syndicate, assign, sell or transfer the Loan, this Commitment Letter and the Loan Documents, in whole or in part, and the Borrower and Guarantor hereby consent to the disclosure by the Lender to any such assignee, transferee or participant of all information and documentation regarding the Loan, the Property, the Borrower and the Guarantor within the possession and control of the Lender and the Borrower and Guarantor will execute and deliver any document requested by the Lender, acting reasonably, to complete any transaction to syndicate, assign, sell or transfer the Loan.

55. PROCEEDS OF CRIME (MONEY LAUNDERING) AND TERRORIST FINANCING ACT (CANADA) REGULATIONS

The Borrower agrees and consents to provide the Lender with such documentation and information, including identification, as the Lender may require to ensure compliance with the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada), the *Mortgage Brokers Act* (British Columbia), any similar statute requiring the Lender to obtain information on the structure and financial details of the Borrower and any regulations thereunder or required by the current policies of the Lender.

56. PERSONAL INFORMATION

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

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

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

57. CONFIDENTIALITY

The Borrower and Guarantor acknowledge and agree that the terms and conditions recited herein are confidential between the Borrower, the Guarantor and the Lender. The Borrower and Guarantor agree not to disclose the information contained herein to a third party without the express consent of the Lender.

58. NOTICE

Any notice which is required to be given or which may be given hereunder shall be in writing, and may be given by electronic (facsimile or pdf) transmission to the last published facsimile number or email address of the party to whom notice is given, or by delivery or by prepaid registered mail as follows:

If to Shape Capital Corp.:

2020 One Bentall Centre, Box 206
505 Burrard Street
Vancouver, B.C. V7X 1M6

Attention: Connor Grosskopf
Tel No.: 604-694-7690
Email address: cgrosskopf@shapecapital.ca

If to the Borrower:

2338 - 666 Burrard St.
Vancouver BC V6C 2X8
Attention: Rachel Lei
rachel@kelticdevelopment.com

Every such notice shall, in the case of delivery, be deemed to have been given upon the day of delivery, and in the case of mailing, on the third business day after mailing, and in the case of electronic transmission, on the first business day following such transmission. Either party may designate in writing a substitute address and thereafter notice shall be directed to such substituted address. In the event of a postal strike or other interruption of mail service, then all notices must be by delivery or electronic transmission.

59. LEGAL AND OTHER COSTS

All third party costs and expenses incurred by or on behalf of the Lender in connection with the Loan, including, without limitation, all appraisal and consultant costs, expenses attributable to the Lender's inspections/site visits, legal fees and disbursements, whether directly or indirectly, whether or not specifically provided for herein, and whether or not the loan transaction herein contemplated is completed, are payable by the Borrower and may be deducted from the proceeds of the Loan. The Borrower shall pay all reasonable costs and expenses imposed by the Lender in connection with any advance, amendments to the Loan or the Loan Documents, the discharge or assumption of the Loan Documents, the preparation of any mortgage statement, the matter of dishonoured payments, or other similar activities, documents or events during the Term of the Loan.

In the event of any default, the Lender shall be entitled to a fee for each and every incident of default on account of administration and costs incurred.

Without limiting the preceding, the Borrower shall pay the following fees:

(a) drawdown fee of $750 for each advance;

(b) discharge fee of $100 per unit or discharge document whichever is greater;

(c) document fee of $250 for each document required of the Lender or to be executed by the Lender other than a discharge;

(d) late payment fee - $500;

(e) dishonoured cheque or other payment - $1,000; and

(f) any legal proceeding instituted - $2,500 plus all reasonable legal fees and disbursements, and other reasonable costs incurred.

60. APPLICABLE LAW

The terms and conditions of this Commitment Letter as well as all other documents relating to the execution of the transactions provided for by this Commitment Letter shall be governed by and interpreted in accordance with the laws of the Province of British Columbia and the Borrower and any and all Guarantor(s) hereby irrevocably attorn to the jurisdiction of the courts of the Province of British Columbia.

61. COUNTERPARTS

This Commitment Letter may be executed in several counterparts, each of which shall be deemed to be an original and all counterparts, taken together, shall constitute one and the

same instrument. It shall not be necessary in proving of this Commitment Letter to produce or account for more than one such counterpart signed manually or by facsimile or pdf copy thereof.

62. ELECTRONIC TRANSMISSION

A version of this Commitment Letter signed by the Lender or by the Borrower or by a Guarantor, as the case may be, and transmitted by facsimile copier or pdf transmission may be relied upon by the party or parties receiving such transmitted version in the same manner and to the same extent as if it were an original, manually signed version.

63. TIME

Time shall be of the essence of this Commitment Letter.

64. SEVERABILITY

Any provision of this Commitment Letter which is prohibited or unenforceable shall not invalidate the remaining provisions of this Commitment Letter and any such prohibition or unenforceability shall not invalidate or render unenforceable the balance of this Commitment Letter

65. ENTIRE AGREEMENT

This Commitment Letter, together with its schedules and any agreements, instruments and other documents herein contemplated to be entered into between, by or including the parties hereto constitute the entire agreement between the parties hereto pertaining to the subject matter of this Commitment Letter and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, with respect thereto. There are no other warranties or representations and no other agreements between the parties hereto in connection with the Loan provided for herein except as specifically set forth in this Commitment Letter and the Borrower's application relating thereto.

66. JOINT AND SEVERAL OBLIGATIONS

If there is more than one Borrower, all payment and performance obligations of the Borrower existing from time to time under this Commitment Letter, the security and all other documents related or entered into pursuant hereto and thereto (collectively, the "**Obligations**"), shall constitute joint and several obligations of the all the Borrowers and each of them. Each Borrower expressly represents and acknowledges that it is part of a common enterprise with the other Borrowers and that any advances of the Loan made by the Lender to one or more persons who is a Borrower hereunder are and will be of direct and indirect interest, benefit and advantage to each of the Borrowers. Each Borrower acknowledges that any draw request or other notice or request given by one Borrower to the Lender shall bind each Borrower, and that any notice given by the Lender or its agent to any Borrower shall be effective with respect to all Borrowers. Each Borrower acknowledges and agrees that each Borrower shall be liable, on a joint and several basis, for the Loan and all covenants and agreements in this Commitment Letter, regardless of whether the Borrower actually may have received the proceeds of the Loan or other extensions of credit or the amount of such loan.

67. BINDING EFFECT

Acceptance of this Commitment Letter shall constitute a binding contract from the date of acceptance and shall enure to the benefit of and be binding upon the successors and assigns of the parties hereto respectively and shall continue in full force and effect notwithstanding the execution, delivery or registration of any Loan Document.

The approval of this Commitment Letter is subject to cancellation if the signed acceptance, as provided below is not conveyed to the Lender by November 30, 2022.

Yours truly,

SHAPE CAPITAL CORP.

Raymond Ng
Managing Partner

Maleah Meakin
Manager, Loan Administration + Compliance

ACCEPTED by the Borrower this 30th day of November, 2022.

BORROWER:

KELTIC (PRIOR) DEVELOPMENT LIMITED PARTNERSHIP,
by its general partner, 1319191 B.C. LTD.

Per: _____
Name:
Title: LI LEI

Per: _____
Name:
Title:

I/We have the authority to bind the corporation

ACCEPTED by the Guarantor this 30th day of November, 2022.

GUARANTOR

KELTIC (PRIOR) GP LTD.

Per: _____
Name:
Title: LI LEI

Per: _____
Name:
Title:

I/We have the authority to bind the corporation

KELTIC GROUP EQUITIES (2019) LTD.

Per: _____
Name:
Title: LI LEI

Per: _____
Name:
Title:

I/We have the authority to bind the corporation

KELTIC PROJECTS DEVELOPMENT LTD.

Per: _____
Name:
Title: LI LEI

Per: _____
Name:
Title:

I/We have the authority to bind the corporation

KELTIC CANADA DEVELOPMENT CO. LTD.

Per: _____
Name:
Title:

Per: _____
Name:
Title:

I/We have the authority to bind the corporation

DDAW HOLDINGS LTD.

Per: _____
Name: Rui Wang
Title: Director

Per: _____
Name:
Title:

I/We have the authority to bind the corporation

_____
WEI GUO LI

_____
RUI WANG

DDAW HOLDINGS LTD.

Per: _____
Name:
Title:

Per: _____
Name:
Title:

I/We have the authority to bind the corporation

_____
WEI GUO LI

_____
RUI WANG

SOLICITORS

The solicitor acting solely for the Lender in this transaction will be:

Attention: Greg Umbach
Blake, Cassels & Graydon LLP
2600-595 Burrard Street
Vancouver, British Columbia V7X 1L3

Phone: 604-631-3378

Email: greg.umbach@blakes.com

The Borrower's solicitor is:

Name: Patrick J. Julian

Address: Koffman Kalef LLP 19th F-885 W. Georgia St. Vancouver BC V6C 3H4

Phone: 604 891 3605 Fax: _____

Email: pjj@kkbl.com

SCHEDULE "A"

BORROWER INFORMATION

Loan **#[LOAN NUMBER]:**

Borrower Name

Keltic (Prior) Development LP & 1319191 B.C. Ltd.

COMPLETE THE FOLLOWING (or attach a business card):

Name of Contact: Li Lei

Telephone # of Contact: 604 900 9418

Email: rachel@kelticdevelopment.com

Company Telephone #: 604 210 5412

Company FAX #: _____

Borrower Year End January 31

Guarantor Year End Dec 31 except DDAW Feb 28

SCHEDULE "B"

Consumer Consent – Credit Bureaus (Individuals)

I hereby consent to Shape Capital Corp. obtaining a credit report about me in respect of my application as a borrower/guarantor for a mortgage with Shape Capital Corp. I further consent to the use of such credit report by Shape Capital Corp. in evaluating my suitability with respect to my application as borrower/guarantor for the mortgage. I further agree that this is an appropriate purpose for which Shape Capital Corp. may collect and use such credit report taking into account the nature of the business of Shape Capital Corp. This credit report will be used for the limited purpose of servicing as a factor in evaluation a prospective borrowers (guarantor) suitability with respect to the granting of the mortgage by Shape Capital Corp. Unless required by law, Shape Capital Corp. will not disclose the content of the credit report to any third party without express prior consent.

Date: _____

Signature: _____

Name: LI LEI

Address: _____

City/Province/Postal Code: _____

Phone Number: 604 728 8362

Social Insurance Number (optional): 762-121-325

SCHEDULE "C"

INSURANCE REQUIREMENTS

Construction

The insurance requirements contained herein are a minimum guide and, although must be adhered to throughout the life of the Mortgage, do not represent the Lender's opinion or advice as to the scope of insurance coverage a prudent Borrower would arrange to adequately protect its interest.

If the Borrower fails to take out or to keep in force or provide the Lender with evidence of such minimum insurance as is required hereunder, the Lender may, but shall not be obligated to, take out and keep in force such insurance for the benefit of the Lender, at the sole cost and expense of the Borrower.

A. GENERAL CONDITIONS:

1. All policies of insurance required hereunder shall be in a form and with insurers reasonably acceptable to the Lender. To be eligible to provide insurance, an Insurer must have a minimum current financial rating of not less than "A- VII" from A.M. Best or an equivalent rating from another rating agency approved by the Lender.

2. Deductibles, where used, will be allowed only as they may be reasonably acceptable to the Lender.

3. The Borrower will provide the Lender with satisfactory evidence that the required insurances are in place prior to closing and not less than 5 days prior to the expiration of each policy for the life of the Mortgage.

4. The Lender retains the right to update and change the requirements at any time during the term of the mortgage agreement.

5. The Borrower and all beneficial owners must be Named Insured(s) on all policies of insurance required hereunder.

6. All property policies, including Equipment Breakdown and Business Interruption, will be payable to the Lender as Loss Payee and the policies will include an Insurance Bureau of Canada or equivalent Standard Mortgage Clause in favour of the Lender.

7. If there is currently a First Lender on the Property, the Lender must be shown as Lender and Loss Payee "as their interests may appear", until the insurer has received a release of interest from the prior Lender at which time the policies will be endorsed to the Lender.

8. The Borrower shall not materially alter any insurance policy required hereunder without the prior written approval of the Lender.

9. All policies of insurance must provide the Lender with thirty (30) days prior written notice of cancellation, with the exception of notice for non-payment, whereby the statutory notice period applies. The Borrower(s) will immediately act to replace any terminated policy providing similar coverage with no cessation in coverage.

B. BUILDERS RISK INSURANCE:

From the date of the first advance until substantial completion, the Borrower will maintain or cause to be maintained All Risks Builders Risk insurance in an amount not less than one hundred percent (100%) of total project Hard Costs and twenty-five percent (25%) of total project soft costs, or such other amounts as the Lender may reasonably require. Such insurance shall include:

1. Coverage against the perils of:

   a. Flood
   b. Earth Movement, including but not limited to earthquake, landslide, mudflow, and subsidence
   c. Sewer Backup
   d. Blanket By-Laws
   e. Debris Removal

2. A "Permission to Occupy" clause allowing full or partial occupancy prior to substantial completion

3. Coverage for Expediting Expense

4. Coverage for Property stored Off-Site and In-Transit

5. Coverage for Hot and Cold testing and commissioning of Equipment. This requirement may be satisfied through the placement of Equipment Breakdown Insurance.

C. DELAYED STARTUP INSURANCE:

The Borrower will effect and maintain Business Interruption insurance covering not less than one hundred percent (100%) of the anticipated gross annual rents as detailed in the rent roll for a minimum period of 24 months, or such other period as the Lender may reasonably require. This insurance must apply to both the Property and Equipment Breakdown policies as required in Section B.

D. WRAP-UP LIABILITY INSURANCE:

From the date of the first advance until substantial completion, the Borrower will maintain or cause to be maintained Wrap-up liability insurance in an amount not less than $10,000,000 or such greater amount as the Lender may reasonably require. The required limit may be achieved through a combination of Primary and Excess policies provided the Excess policy follows the form of the Primary policy. Such policies must also:

1. Include coverage for bodily injury and property damage arising from:

a. Premises and operations liability
b. Contractual liability
c. Products and completed operations
d. Non-owned automobiles

2. Include cross-liability and severability of interests clauses

3. Evidence the Lender as an Additional Insured

4. Include additional coverages as would ordinarily be placed by a reasonably prudent owner of a similar project

E. PROFESSIONAL LIABILITY INSURANCE:

The Borrower must maintain, or cause to be maintained, Professional Liability insurance covering all consultants, including Architects, Engineers and Development or Construction Managers, in an amount not less than $1,000,000 or such other limit as the Borrower may reasonably require.

SCHEDULE "D"

(To be placed on Consultant's Letterhead)

TRANSMITTAL LETTER EXAMPLE

TO: Shape Capital Corp. on behalf of TS Alpha Ventures Limited Partnership and such persons for whom they act as agent or trustee from time to time, and in each case, their respective successors and assigns

RE: **[Describe agreement in respect of which reliance is being permitted]** dated **[insert date]**, prepared by **[Insert name of consultant]** and addressed to **[name addresses of report]** (the "**Report**")

For good and valuable consideration in the amount of $10.00, the receipt and sufficiency of which is hereby acknowledged, the undersigned hereby certifies, agrees and confirms that the addressees herein, and its/their (respective) successors and assigns, shall be entitled to rely on the Report to the same extent and with such effect as if such Report were prepared for and addressed to them.

Dated this _____ day of _____, 20___.

By: _____
Name:
Title:

SCHEDULE "E"

Identification Verification Requirements

AGENT EXAMINATION OF IDENTIFICATION FORM

BORROWER NAME(S): _____

I, _____ certify that I have personally met with each applicant and examined original copies of at least **two valid and current** identification documents from the list in **Appendix "A"**, one of which includes a picture and was issued by a federal, territorial or provincial government, and I **attach a photocopy of both sides of each ID hereto**. I have recorded below the following information for each borrower, guarantor, consenting spouse and/or signing officer:

Borrower #1

LAST NAME FIRST NAME SECOND NAME	**DATE OF BIRTH**	**OCCUPATION**
IDENTIFICATION TAKEN (specify ID type and number)	**EXPIRY**	**PLACE OF ISSUANCE**
IDENTIFICATION TAKEN (specify ID type and number)	**EXPIRY**	**PLACE OF ISSUANCE**
THIRD PARTY CERTIFICATION (initial appropriate box) I hereby certify that I will be the one (or one of the) registered owner(s) of the property on closing and: ☐ the property will not be used by, or on behalf of, or is for the benefit of, a third party. OR ☐ the property will not be used by, or on behalf of, or is for the benefit of, a third party*		
POLITICALLY EXPOSED FOREIGN PERSON (PEFP) OFFICIAL CERTIFICATION (initial appropriate box) I hereby certify that I or members of my family are: ☐ a Politically Exposed Foreign Person as defined in Appendix "A". OR ☐ NOT a Politically Exposed Foreign Person as defined in Appendix "A".		
BORROWER SIGNATURE:		

Borrower #2

LAST NAME FIRST NAME SECOND NAME	**DATE OF BIRTH**	**OCCUPATION**
IDENTIFICATION TAKEN (specify ID type and number)	**EXPIRY**	**PLACE OF ISSUANCE**
IDENTIFICATION TAKEN (specify ID type and number)	**EXPIRY**	**PLACE OF ISSUANCE**
THIRD PARTY CERTIFICATION (initial appropriate box) I hereby certify that I will be the one (or one of the) registered owner(s) of the property on closing and: ☐ the property will not be used by, or on behalf of, or is for the benefit of, a third party. OR ☐ the property will not be used by, or on behalf of, or is for the benefit of, a third party*		

POLITICALLY EXPOSED FOREIGN PERSON (PEFP) OFFICIAL CERTIFICATION (initial appropriate box) I hereby certify that I or members of my family are:		
☐ a Politically Exposed Foreign Person as defined in Appendix "A".	OR	☐ NOT a Politically Exposed Foreign Person as defined in Appendix "A".
BORROWER SIGNATURE:		

*If the Borrower(s) will be the registered owner of the property on closing which will be used by, on behalf of or is for the benefit of, a third party other than the Borrower(s) named above, particulars of any third party are included in the attached **Appendix "B"** Third Party Information Form.

The identification provided from the above individuals is current and valid and has been verified by me in accordance with the Proceeds of Crime (Money Laundering) Regulations of Canada.

Signature of Solicitor _____

Name (please print)_____ **Date:** _____

AGENT EXAMINATION OF IDENTIFICATION FORM
List of Acceptable Identification Documents - Appendix A

Obtain two pieces of identification, at least one of which contains a photograph and is from List A and one piece of identification may be provided from List B.

NOTE: ***all personal ID taken must be current and original documents to be valid.***

List A:

1. Drivers License
2. Passport
3. Valid foreign ID, if equivalent to an acceptable type of Canadian identification document (for example, a valid foreign passport is acceptable). Note: if Foreign ID is taken from someone here in Canada, also look for an Immigration Canada stamp on their passport, a Landed Immigrant form or a non-expired Student Visa.
4. Record of Landing
5. Permanent Resident Card
6. Unexpired Firearms Acquisition Certificate (FAC) or a license — either a Possession Only or a Possession and Acquisition License (PAL) — issued by the Canadian Federal government under the *Firearms Act*.
7. Armed Forces ID issued by the Government of Canada
8. FAST Express Card. The card, issued by the Canadian Border Agency, is used to expedite the delivery of goods back and forth between Canada and the U.S. It includes the borrower's name, date of birth, gender, citizenship, a photo, expiry date and a unique identifier number, and are issued for a five year period.
9. Other similar documents such as an Old Age Security Card or a card with the individual's signature and photograph on it issued by the following:
   - The Insurance Corporation of B.C.
   - Alberta Registries
   - Sask. Government Insurance
   - The Dept. of Service Nova Scotia and Municipal Relations
   - The Dept. of Trans.and Public Works of the Province of P.E.I.
   - The Dept. of Gov.Services and Lands of the Province of Nfld. Labrador
   - The Dept. of Transportation of the NWT.
   - The Dept. of Community Government and Transportation of the Territory of Nunavut

List B:

1. Birth Certificate (must be issued by a provincial, territorial or federal government. For example, a Birth or Baptismal certificate issued by a church would not be acceptable).
2. Employee identity card with a photograph from an employer well known in the community
3. Signed automated banking machine (ABM) card or client card issued by a member of the Canadian Payments Association *
4. Signed credit card issued by a member of the Canadian Payments Association *
5. Signed Canadian Institute for the Blind (CNIB) client card with a photograph
6. Certificate of Indian Status

* For a list of CPA members, refer to www.cdnpay.ca/membership/member.asp

Notes:

i) We can use an individual's Provincial Health Card but only if not prohibited by provincial or territorial legislation.

ii) **Currently Ontario, Manitoba and P.E.I. prohibit use of this card. In Quebec, we can not request to see a client's Health Card, but we may accept it if the client wants to use the Health Card for ID.**

iii) A Social Insurance Card can be used to verify the ID of the client, but we cannot provide this number to FINTRAC.

Non-Residents Offering Identification:

In these cases, we need to see the original ID or a Notarial Certificate certified by the local Canadian Consulate / Embassy of the applicant's country.

Politically Exposed Foreign Person (PEFP):

A PEFP is a person who is a "senior political figure" any member of a senior political figure's "immediate family", and any "close associate" of a senior political figure.

A **senior political figure** is an individual who holds or has ever held in the past, one of the following offices or positions in or behalf of Canada or a **foreign** country:

- a head of state or government;
- a member of the executive council of government or member of a legislature;
- a deputy minister (or equivalent);
- an ambassador or an ambassador's attaché or counselor;
- a military general (or higher rank);
- a president of a state owned company or bank;
- a head of government agency;
- a judge; or
- a leader or president of a political party in a legislature.

PEFP's also include the **immediate family members** of any individual described below:

- spouse or common law partner;
- child; brother, sister, half-brother or half-sister;
- mother or father; or
- spouse's or common-law partner's mother or father.

AGENT EXAMINATION OF IDENTIFICATION FORM
Third Party Information Form – Appendix B

INFORMATION ABOUT THE THIRD PARTY:

Personal Information (if applicable):

Full Name: _____

Address: _____

City: _____ **Province:** _____

Country: _____ **Postal Code:** _____

Occupation: _____ **Date of Birth:** _____

Business Information (if applicable):

Name of Business: _____ **Nature of Business:** _____

Incorporation Number and Place of Issue: _____

Address: _____ **City:** _____

Country: _____ **Postal Code:** _____

Signature of Individual and Name of Firm completing this declaration:

What is the relationship between the registered owner of the property on closing and the Third Party?

☐ Agent ☐ Borrower ☐ Employee ☐ Friend

☐ Relative ☐ Trustee ☐ Power of Attorney ☐ Other (specify)

Additional Comments:

_____

_____

_____

_____

SCHEDULE "F"

Wire Transfer Instructions

Please notify us by email once the wire has been sent so we can monitor and confirm receipt of funds.

Please note our daily cutoff time for receiving funds is 12:00 p.m. Vancouver time.

Thank you!

SCHEDULE "G"

DRAW REQUEST

TO:	Shape Capital Corp. **(the "Lender")**
PROJECT:	**[•]**
LOCATION:	**[•]**
FILE:	**[•]**
ADVANCE NO.:	**[•]**

The undersigned **[•]** (the "**Borrower**") hereby requests from the Lender an advance in the amount of **[•]** Dollars ($**[•]**) on the **[•]** (**[•]**) day of **[•]** pursuant to the terms of the charge/mortgage dated the **[•]** (**[•]**) day of **[•]** between the Borrower and the Lender (the "**Mortgage Loan Agreement**"). Unless the context otherwise requires, the capitalized terms used herein shall have the same meaning as such terms are defined by the Commitment Letter.

The Borrower hereby represents, certifies and guarantees to the Lender as follows:

1. the contents of this certificate and each appendix hereto are accurate and complete in all respects;

2. no Event of Default has occurred or will result from the advance requested by the Borrower pursuant to this request (or would occur but for the requirement that time elapse or notice be given or both);

3. Appendix "A" hereto contains an accurate representation in respect of the Project expenses referred to therein (paid and unpaid), of the amount budgeted for each such expense in the Project Budget, its costs to date, including a breakdown between hard and soft costs, as compared to the Project Budget, the amount to be advanced pursuant to this request which is to be applied to such expense, the holdback related to each such expense and the cost to complete the Project with respect to such expense;

4. the full amount requested hereunder is required by the Borrower to pay, and shall be used by the Borrower, to pay for services actually rendered and for materials actually required and affixed to and incorporated into the Project in connection with the construction of the Project pursuant to the Commitment Letter, the costs of which services and materials are reflected in the billing statements, vouchers and/or invoices from each supplier, contractor or subcontractor which has billed the Borrower in respect of the Project (copies of which statements, vouchers and/or invoices are attached hereto) and each contractor has executed the form of certificate annexed as Appendix "C";

5. the aggregate amount of this advance and the costs of completion of all items of expenses set out in Appendix "A" are sufficient to effect completion of the Project pursuant to the plans approved by the Lender and to pay for all labour, material and other expenses in connection therewith;

6. all contractors, sub-contractors, suppliers of material, suppliers of services and other persons participating in the construction of the Project are in good standing and the Borrower is not in default in the payment of any sums to such parties or fulfilment of any of its obligations with respect thereto;

7. as of the date hereof, there remain sufficient funds undrawn under the Loan of the Lender to defray all costs required to complete the Project in accordance with the approved plans and the Project Budget;

8. all funds previously advanced by the Lender to the Borrower under the Loan have been utilized by the Borrower to pay for all costs incurred with respect to the development and construction of the Project **[OPTION: other than the sum of [•] Dollars ($[•]) which was used to finance the purchase of the Property]**;

9. the work of construction of the Project is being effected in accordance with the construction schedule approved by the Lender; and

10. there has occurred no change in any part of the Project Budget, except those set forth in Appendix "B" annexed hereto.

DATED the _____ (_____) day of _____, 20___.

BORROWER(S)

_____

Per: _____
Name:
Title:

Per: _____
Name:
Title:

I/We have the authority to bind the corporation.

APPENDIX "A": DRAW REQUEST

Expenses (hard/soft cost)	Budget (as may be revised)	Paid	Invoiced/ Not Paid	Holdback to Date	Costs to Date	Application of Proceeds from this Request	Cost to Complete

[Name of Borrower]

Per: _____
[Senior Officer]

APPENDIX "B": DRAW REQUEST

CHANGES IN BUDGET

APPENDIX "C": DRAW REQUEST

CONTRACTOR'S CERTIFICATE

TO:

RE:

In accordance with our construction contract with **[•]**, we confirm we are entitled to receive payment of the sum of **[•]** Dollars ($**[•]**) and certify that our invoice and summary of construction items attached hereto is true, complete and accurate and that the work and services covered by this certificate have been completed in accordance with our construction contract, that all items shown on previous requests for advances, if any, and on which payments have been received from the Borrower to ourselves have now been paid to all applicable parties and that in respect thereof, there is no outstanding indebtedness to ourselves or to any of our subcontractors and suppliers of material or other persons engaged by ourselves, save and except **[•]**.

_____

Per: _____

SCHEDULE "H"

PERMITTED ENCUMBRANCES

1. Provided it is fully subordinated to the Lender, the Purchaser may register a third charge on title to the Property in a maximum amount of $21,000,000 pursuant to the Project PSA for the Borrower's utilization of the Purchaser Deposit for Project-related development and construction costs,.

2. Reservation 749M registered on 1935-10-10 in favour of the City of Vancouver;

3. Reservation 1118M registered on 1935-12-17 in favour of the City of Vancouver;

4. Easement 15517M registered on 1939-11-28 in favour of the City of Vancouver;

5. Easement and Indemnity Agreement E48127 registered on 1977-07-07 in favour of the City of Vancouver;

6. Easement CA9850092 registered on 2022-04-11;

7. Statutory Right of Way CB128453 registered on 2022-08-03 in favour of the City of Vancouver;

8. Covenant CB128455 registered on 2022-08-03 in favour of the City of Vancouver;

9. Covenant B128457 registered on 2022-08-03 in favour of the City of Vancouver;

10. Equitable Charge CB128459 registered on 2022-08-03 in favour of the City of Vancouver;

11. Statutory Right of Way CB128461 registered on 2022-08-03 in favour of the City of Vancouver;

12. Covenant CB128463 registered on 2022-08-03 in favour of the City of Vancouver;

13. Covenant CB128465 registered on 2022-08-03 in favour of the City of Vancouver;

14. Covenant CB128467 registered on 2022-08-03 in favour of the City of Vancouver;

15. Statutory Right of Way CB128469 registered on 2022-08-03 in favour of the City of Vancouver;

16. Statutory Right of Way CB128471 registered on 2022-08-03 in favour of the City of Vancouver;

17. Covenant CB128473 registered on 2022-08-03 in favour of the City of Vancouver; and

18. Equitable Charge CB128475 registered on 2022-08-03 in favour of the City of Vancouver.

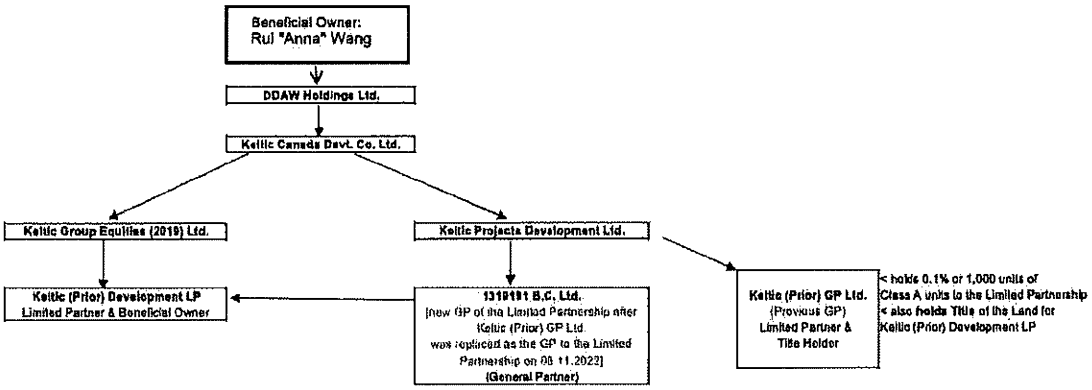
SCHEDULE "I"

PROJECT BUDGET

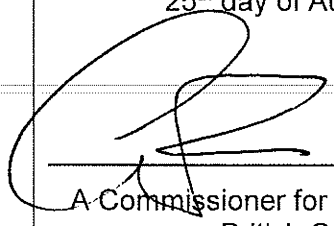
Project Budget	
Land at Cost	$ 27,660,000
Hard Costs	$ 56,135,000
Development & Soft Costs	$ 7,165,000
Specific Project Management	$ 1,875,000
Commitment Fee	$ 1,062,500
Interest Reserve	$ 8,550,000
Hard Cost Contingency	$ 2,787,000
Soft Cost Contingency	$ 338,000
Additional Contingency	$ 5,000,000
Total Project Budget	**$ 110,572,500**

SCHEDULE "J"

BORROWER AND CORPORATE GUARANTOR ORGANIZATION



This is **Exhibit "E"** referred to in the 1st Affidavit of Raymond Ng sworn before me at Vancouver, British Columbia, on this 25th day of August, 2025.



A Commissioner for taking Affidavits for British Columbia

Colin Brousson
Barrister & Solicitor
DLA Piper (Canada) LLP
1133 Melville Street, Suite 2700
Vancouver, BC V6E 4E5
604.687.9444

Blake, Cassels & Graydon LLP
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Tel: 604-631-3300 Fax: 604-631-3309

Greg Umbach
Partner
Dir: 604-631-3378
greg.umbach@blakes.com

Reference: 26009/12

December 20, 2024

VIA E-MAIL

McCarthy Tetrault LLP
Suite 2400, 745 Thurlow Street
Vancouver BC V6E 0C5

Attention: Gillian Piggot

Keltic (Prior) Development Limited Partnership
2388 – 666 Burrard Street
Vancouver BC V6C 2X8

Attention: Rachel Lei

RE: **Commitment Letter dated November 24, 2022 (the "Commitment") issued by Shape Capital Corp. on behalf of TS Alpha Venture Limited Partnership (collectively, the "Lender") to Keltic (Prior) Development Limited Partnership (the "Borrower") in respect of a loan secured by real property at 220 Prior Street, Vancouver, British Columbia, (the "Property")**

Dear Sirs/Mesdames:

Further to recent discussions, we write as solicitors for the Lender. The Lender has indicated that it is willing to consent to the termination of the Purchase and Sale Agreement made the 11th day of February, 2022 (the "**Masimo PSA**") between Masimo Canada ULC ("**Masimo**") and the Borrower on certain terms and conditions as set out in this letter. These terms and conditions include amendments to the Commitment which will be documented separately in a supplement or amending agreement and ancillary documents required by the Lender. This letter does not grant consent to the termination of the Masimo PSA.

All capitalized terms not defined in this letter shall have the meaning given them in the Commitment.

The Borrower, by signing a copy of this letter, agrees that the consent of the Lender to the termination of the Masimo PSA is subject to the terms and conditions in this letter and that the Borrower will execute such amendments to the Commitment and other documents required by the Lender to give effect to the terms and conditions below:

The Commitment shall be amended as follows:

1. Loan Amount: The Borrower agrees that the maximum amount of the Loan is amended and reduced to $65,000,000 comprised of a $62,000,000 Construction Loan and a $3,000,000 Letter

of Credit Facility. For clarity, the new maximum Loan is $20,000,000 less than the original maximum Loan under the Commitment. In no event will the maximum amount of the Loan or the outstanding, advanced amount of the Loan exceed 75% of the appraised value of the Project as determined by the Lender.

2. Funding and Borrower's Equity: In connection with the reduced maximum amount of the Loan the Borrower agrees that it will invest additional equity from its own reserves equal to $20,000,000. This additional equity ("**Borrower's Equity**") is in addition to the equity requirement set out in Section 16(r) of the Commitment and shall be comprised of the following:

   a. first, the Borrower shall inject into the Project not less than $10,000,000 cash to be applied against the existing principal balance currently outstanding under the Loan. This amount will consist of (i) all of the proceeds payable by Masimo to the Borrower on the terms of the Masimo PSA termination which shall be not less than $3,600,000 and is to be paid directly from Masimo to the Lender within 30 days of the Lender providing the written consent to the termination of the Masimo PSA; and (ii) $6,400,000 paid by the Borrower to the Lender within 30 days of the Lender providing written consent to the termination of the Masimo PSA. Any payments the Borrower makes towards construction progress draws on the Project in December 2024 prior to the Lender delivering written consent to the Masimo PSA termination, will be credited towards the $6,400,000 payment required to be made by the Borrower. For clarity, the full amount of this portion of the Borrower's Equity shall be applied to reduce the principal balance of the Loan;

   b. second, the Borrower shall pay $10,000,000 ("**Deferred Equity**") into the Project by the payment of monthly work-in-place costs as confirmed by the Lender's Project Monitor. The Deferred Equity payment will be secured by additional collateral security ("**Collateral Security**") over real property owned by the Guarantor which is satisfactory to the Lender and which Collateral Security will be discharged when the full amount of the Deferred Equity is injected into the Project by the Borrower. The Deferred Equity shall be fully paid into the Project by no later than May 1, 2025 failing which the Lender may enforce over the Collateral Security for any amount remaining unpaid of the Deferred Equity; and

   c. third, any increase to the Project Budget as approved by the Lender (currently at $112,719,501) in addition to any other requirements under the Commitment, shall require the Borrower to pay additional equity into the Project in addition to the $20,000,000 described in a. and b. above all on terms satisfactory to the Lender.

   Upon full payment into the Project of the Borrower's Equity described in this letter, the Lender will, subject to all the applicable terms and conditions of the Commitment, resume funding the Loan on a work-in-place and cost-to-complete basis, to the maximum amount of the Loan ($65,000,000).

3. Interest Rate:

   a. Initial Rate: The Initial Rate for the Loan shall be amended to the greater of 8.7% per annum and 3.5% over the TD Bank Prime Rate per annum. Upon the Pre-Sale Condition Trigger occurring as described below, the Initial Rate shall reduce to the greater of 7.7% per annum and 2.5% over the TD Bank Prime Rate per annum.

   b. Increased Rate: No change from the Commitment.

4. Pre-Sale Condition for Equity Redemption. The Borrower will seek a single buyer for the Project or seek to stratify the Project and sell strata units subject to the Lender's approval of the marketing plans and the terms of any purchase and sale agreement for such pre-sales. Once the Borrower achieves an aggregate amount of qualified pre-sales so that the net pre-sale revenues will provide full repayment of the Loan in the Lender's determination (such occurrence known as the "**Pre-Sale Condition Trigger**"), the Borrower will be permitted to utilize Purchaser Deposits (defined hereafter) from pre-sales to redeem Borrower's Equity up to a maximum of $20,000,000. The Borrower agrees that any use of Purchaser Deposits above $20,000,000 will reduce the maximum Loan available on a dollar-for-dollar basis.

   Qualified pre-sales are defined as no more than two sales to an unrelated third party with a minimum of 5% deposit paid and an additional minimum 5% deposit more to be paid within 90 days of execution of the pre-sale agreement, all recission periods expired and at a minimum price approved by the Lender prior to the Borrower executing any pre-sale agreement.

   The Lender will determine whether net pre-sale revenues are sufficient to repay the Loan based on the formula of aggregate net pre-sale revenues divided by the maximum Loan amount net of any Purchaser Deposits which reduce the maximum Loan amount on the terms hereof.

   Net pre-sale revenues are the aggregate revenue of all qualified pre-sales net of any taxes (GST or other taxes) and net of closing adjustments and less 2.5% of such pre-sale price for sales commissions and other closing costs and less any applicable Purchaser Deposit used to pay costs of the Project or for redemption of Borrower's Equity (for clarity excluding the $21,000,000 deposit from Masimo which is forfeit to the Borrower by Masimo).

5. Purchaser Deposits. Prior to the Pre-Sale Condition Trigger occurring, the Borrower may use deposits from sales of the Project or strata units in the Project ("**Purchaser Deposits**") to pay costs of constructing the Project provided that any application of Purchaser Deposits to costs of the Project will reduce the maximum Loan available on a dollar-for-dollar basis. Any pre-sale agreement of the Project or strata units in the Project must be approved by the Lender prior to execution and must include authorization and acknowledgement from the purchaser that the Borrower will use the Purchaser Deposits to pay costs of construction of the Project. Any deposit protection insurer security required with respect to Purchaser Deposits shall be subject to a subordination and standstill agreement satisfactory to the Lender.

6. Other Conditions.

a. The following shall be provided to the Lender and the Lender shall be satisfied with respect to the following prior to the Lender granting consent to the termination of the Masimo PSA:

   i. satisfactory review and approval of the termination agreement between the Borrower and Masimo;

   ii. executed supplement to the Commitment and ancillary documents required by the Lender giving effect to the terms and conditions set out in this letter;

   iii. satisfactory review of the preliminary marketing and sales strategy for the sale of the Project to one purchaser or by strata sale of strata units in the Project which must include a price schedule, target prospect list and other supporting materials required by the Lender;

   iv. satisfactory review of the Borrower's revised Project Budget for the completion of the Project on a strata basis, which must include:

      1. summary of work in progress relating to change orders initiated by Masimo and the change to costs (if any) related to the Masimo change orders that are to be included in the revised Project Budget;

      2. consulting and development costs incurred due to changes to the Project (i.e. revised project plans, consultants, etc.);

      3. marketing costs (i.e. fees payable to Avison Young for the marketing & sales campaign, marketing costs incurred related to updated marketing materials, etc.);

      4. any increased legal costs related to standard form purchase and sale agreements, conveyancing costs, etc.;

      5. sales commissions or other fees to be paid to Avison Young prior to closing, and confirmation of the percentage of sales commissions to be deducted on closing of any sales; and

      6. interest reserve sufficient for coverage of all required payments under the Commitment until the completion of the Project.

b. Within 45 days after the consent of the Lender to the termination of the Masimo PSA is given, the Lender shall receive and be satisfied with the following:

   i. copy of the executed final marketing and sales agreement with Avison Young;

ii. copy of all finalized marketing and sales materials for the Project on an entire building and strata unit sales basis which shall include a price schedule, floorplans, brochures, marketing strategy, target prospect list and other materials required by the Lender;

iii. a standard form purchase and sale agreement for use with the sale of strata units;

iv. information statement (similar in form to a *Real Estate Development Marketing Act* disclosure statement) to be delivered to all purchasers of strata units;

v. Project Monitor's review of the revised Project Budget, cash flow forecast and construction schedule for the Project.

c. Commencement of an advances by the Lender on the Construction Loan shall be subject to the Lender being satisfied in its discretion, that the Borrower's Equity requirements have been met including, without limitation, the Deferred Equity.

d. In the event a letter of intent or term sheet is issued for a sale of the entire Project, the Lender shall review a copy of such letter of intent or term sheet prior to acceptance by the Borrower and in no event shall any purchase and sale agreement be executed prior to the Lender's satisfactory review and written consent.

e. The Borrower shall ensure the Lender continues to receive monthly progress reports from the Project Monitor confirming construction status, work in place, cost to complete, construction schedule, status of Borrower's Equity in the Project.

f. The Borrower shall provide monthly sales reports to the Lender updating on sales progress to date.

The terms and conditions above are in addition to and not in substitution to the terms of the Commitment or the security arising under the Commitment and all the terms and conditions of the Commitment and all security arising under the Commitment continue unamended and in full force except as specifically amended by the terms and conditions in this letter and the formal supplement to be executed by the Borrower and the Guarantor. Any breach of the terms and conditions in this letter will be an Event of Default under the Commitment and the Lender will have recourse to all its remedies under the Commitment and at law including, without limitation withholding consent to the termination of the Masimo PSA and refusing to advance any money under the Commitment.

The Borrower and Guarantors under the Commitment will indicate their agreement to these terms and conditions by signing below and returning a copy of this letter.

Yours truly,

Greg Umbach

1380-5554-6385.2

ACCEPTED by the Borrower this 20th day of December, 2024.

KELTIC (PRIOR) DEVELOPMENT LIMITED PARTNERSHIP,

by its general partner, 1319191 B.C. LTD.

Per: _____
Name:
Title: Rui Wang, Director

Per: _____
Name:
Title: LI LEI, Director

I/We have the authority to bind the corporation

1319191 B.C. LTD.

Per: _____
Name:
Title:

Per: _____
Name:
Title:

I/We have the authority to bind the corporation

ACCEPTED by the Guarantor this 20th day of December, 2024.

KELTIC (PRIOR) GP LTD.

Per: _____
Name:
Title:

Per: _____
Name:
Title:

I/We have the authority to bind the corporation

KELTIC GROUP EQUITIES (2019) LTD.

Per: _____
Name:
Title:

Per: _____
Name:
Title:

I/We have the authority to bind the corporation

KELTIC PROJECTS DEVELOPMENT LTD.

Per: _____
Name:
Title:

Per: _____
Name:
Title:

I/We have the authority to bind the corporation

KELTIC CANADA DEVELOPMENT CO. LTD.

Per: _____
Name:
Title:

Per: _____
Name:
Title:

I/We have the authority to bind the corporation

DDAW HOLDINGS LTD.

Per: _____
Name:
Title:

Per: _____
Name:
Title:

I/We have the authority to bind the corporation

Blakes

WEI GUO LI

RUI WANG

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Blakes

Blake, Cassels & Graydon LLP
Barristers & Solicitors
Patent & Trademark Agents
1133 Melville Street
Suite 3500, The Stack
Vancouver, B.C. V6E 4E5 Canada
Tel: 604-631-3300 Fax: 604-631-3309

Greg Umbach
Partner
Dir: 604-631-3378
greg.umbach@blakes.com

December 31, 2024

Reference: 26009/12

VIA E-MAIL

McCarthy Tetrault LLP
Suite 2400, 745 Thurlow Street
Vancouver BC V6E 0C5

Attention: Gillian Piggot

RE: Commitment Letter dated November 24, 2022 (the "Commitment") issued by Shape Capital Corp. on behalf of TS Alpha Venture Limited Partnership (collectively, the "Lender") to Keltic (Prior) Development Limited Partnership (the "Borrower") in respect of a loan secured by real property at 220 Prior Street, Vancouver, British Columbia, (the "Property")

Dear Sirs/Mesdames:

Further to our letter dated December 20, 2024 and accepted by execution of the Borrower on December 20, 2024 (the "**December 20 Letter Agreement**") we write to confirm that on the terms of the December 20 Letter Agreement as modified and supplemented by this letter, the Lender consents to the termination of the Purchase and Sale Agreement made the 11th day of February, 2022 (the "**Masimo PSA**") between Masimo Canada ULC ("**Masimo**").

Amendments to the December 20 Letter Agreement:

1. Section 4 of the December Letter Agreement is amended by adding the condition that in no event shall the existing Borrower's Equity in the Commitment Letter or the additional Borrower's Equity required in the December 20 Letter Agreement, be redeemed until the additional Borrower's Equity required under the December 20 Letter Agreement is paid into the Project.

2. The opening paragraph of Section 6(a) of the December 20 Letter Agreement is amended by incorporating the strike out and underlined changes as follows:

   "a. The following shall be provided to the Lender and the Lender shall be satisfied with respect to the following within 30 days after the date that the Lender grants ~~prior to the Lender granting~~ consent to the termination of the Masimo PSA, failing which there shall occur an Event of Default:"

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Consent of the Lender:

The consent of the Lender herein is subject to the amendments to the Commitment set out in the December 20 Letter Agreement and the Borrower satisfying all the terms and conditions of the December 20 Letter Agreement within the time required in the December 20 Letter Agreement all as amended by this letter.

The Lender confirms its consent to the termination of the Masimo PSA on the terms of the December 20 Letter Agreement and this letter by signing below.

The Borrower and Guarantors under the Commitment indicate their agreement to these terms and conditions by signing below and returning a copy of this letter.

Yours truly,

DocuSigned by:
D9C00ACF2BBF49B...

Greg Umbach

The Lender confirms its consent effective as of 12/31/2024 | 7:42 PM EST

SHAPE CAPITAL CORP. by its authorized signatories

Per: Signed by:
8E2463A28C3147C...
Ian Cullen

Per: _____

ACCEPTED by the Borrower this 2nd day of January, 2025.

KELTIC (PRIOR) DEVELOPMENT LIMITED PARTNERSHIP,

by its general partner, 1319191 B.C. LTD.

Per: _____
Name:
Title:

Per: _____
Name:
Title: Rachel Lei, Director

I/We have the authority to bind the corporation

1319191 B.C. LTD.

Per: _____
Name:
Title:

Per: _____
Name:
Title: Rachel LEi, Director

I/We have the authority to bind the corporation

ACCEPTED by the Guarantor this 2nd day of January, 2025.

KELTIC (PRIOR) GP LTD.

Per: _____
Name:
Title:

Per: _____
Name: Rachel Lei, Director
Title:

I/We have the authority to bind the corporation

KELTIC GROUP EQUITIES (2019) LTD.

Per: _____
Name:
Title:

Per: _____
Name:
Title: Rachel Lei, Director

I/We have the authority to bind the corporation

KELTIC PROJECTS DEVELOPMENT LTD.

Per: _____
Name:
Title:

Per: _____
Name: Rachel LEI, Director
Title:

I/We have the authority to bind the corporation

KELTIC CANADA DEVELOPMENT CO. LTD.

Per: _____
Name:
Title:

Per: _____
Name:
Title: Rachel LEI, Director

I/We have the authority to bind the corporation

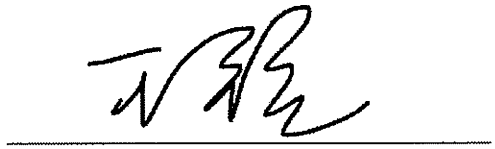
DDAW HOLDINGS LTD.

Per: _____
Name:
Title:

Per: _____
Name:
Title:

I/We have the authority to bind the corporation

WEI GUO LI



RUI WANG

SUPPLEMENT TO COMMITMENT

Re: Commitment Letter dated November 24, 2022 (the "Commitment") issued by Shape Capital Corp. on behalf of TS Alpha Venture Limited Partnership (collectively, the "Lender") to Keltic (Prior) Development Limited Partnership (the "Borrower") in respect of a loan secured by real property at 220 Prior Street, Vancouver, British Columbia

Dated: February 18, 2025

Reference is made to the Commitment between the Lender, the Borrower and those parties collectively listed as "Guarantors" in the Commitment (collectively, the "**Guarantor**").

WHEREAS:

A. The Borrower entered into a purchase and sale agreement made the 11th day of February, 2022 (as amended, supplemented or restated, the "**Project PSA**") between Masimo Canada ULC ("**Masimo**") and the Borrower.

B. The Borrower and Masimo agreed to terminate the Project PSA effective as of January 3, 2025.

C. The Lender provided its consent to the termination of the Project PSA effective as of December 31, 2024

D. The Lender provided the Loan under the Commitment, in part, based on the existence of the Project PSA and in connection with the termination of the Project PSA, the Lender requires the terms of the Commitment to be amended on the terms set forth herein.

THERFORE, the parties hereto wish to amend the Commitment on the terms and conditions herein provided and in consideration of the covenants and agreements between the parties contained in this Supplement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. <u>Definitions</u>

(a) All capitalized words used herein, unless otherwise defined herein, shall have the meaning ascribed to them in the Commitment, as amended by this Supplement;

(b) "**Supplement**" means this Supplement to Commitment and all schedules and exhibits attached hereto.

2. <u>Amendments</u>

The Commitment is hereby amended as follows:

(a) Section 6 "Loan Amount" is hereby deleted in its entirety and replaced with the following:

"6. LOAN AMOUNT

Maximum $65,000,000 available in two facilities as follows:

(a) up to $62,000,000 (the "**Construction Loan**"), funded on a work in place/cost to complete basis for the construction of the Project; and

(b) up to $3,000,000 (the "**Letter of Credit Facility**") in municipal cash security for the Project in lieu of a letter of credit facility which shall be available in amounts and at times as requested by the Borrower and subject to approval by the Lender in consultation with the Project Monitor,

(together, the "**Loan**").

In no event will the maximum amount of the Loan or the outstanding, advanced amount of the Loan exceed 75% of the value of the Project as determined by the Lender from time to time.";

(b) In connection with Section 7 "Use of Loan Funds" the Lender acknowledges that the Project PSA is terminated, and the description of the Project no longer includes the Project PSA. The Lender further acknowledges that the sources and uses of funds included in the Commitment will be altered once the Project Budget is revised and accepted by the Lender.

(c) Section 10 "Interest Rate & Interest Adjustment Date" is amended by deleting the first sentence in its entirety and replacing it with the following:

"The interest rate for the financing will be a variable rate that is at all times the greater of 8.70% per annum and 3.50% over the TD Bank Prime Rate per annum (the "**Initial Rate**"), calculated and accruing monthly on the amounts advanced from time to time from the date of each advance of funds, as well after as before maturity, default or judgment.";

(d) Section 13 "Maturity Date Extension" is deleted in its entirety and replaced with "[Intentionally Deleted]";

(e) Section 40(e) "Underlying Conditions" is amended by deleting the words "under the Project PSA or" in the second line of the first paragraph thereof; and

(f) Schedule "H" "Permitted Encumbrances is amended by deleting the contents of paragraph 1 in its entirety and replacing it with "[Intentionally Deleted]";

3. Supplemental Terms

The following terms are added to the Commitment:

(a) Funding and Additional Borrower's Equity

The Borrower agrees that it will invest additional equity into the Project from its own reserves equal to $20,000,000 (the "**Additional Borrower's Equity**"), which

is in addition to the Borrower's Equity as set out in Section 16(r), and shall be comprised of the following:

i. first, the Borrower shall inject into the Project not less than $10,000,000 cash to be applied against the existing principal balance currently outstanding under the Loan. This amount will consist of (i) all of the proceeds payable by the Purchaser to the Borrower on the terms of the Project PSA termination which is in the amount of $3,696,155.00 and which as of the date hereof is acknowledged by the Lender to have been paid to the Lender; (ii) $2,128,109 paid by the Borrower to cover the November 2024 progress claim; and (iii) the remaining balance of up to $4,175,736.00 paid by the Borrower to the Lender within 30 days of the Lender providing written consent to the termination of the Project PSA. Any payments the Borrower makes towards construction progress draws on the Project in December 2024 prior to the Lender delivering written consent to the Project PSA termination, will be credited towards the remaining $6,303,845.00 payment required to be made by the Borrower. For clarity, the amount of the principal reduction to the Construction Loan balance will be $7,871,891, being $10,000,000 less $2,128,109 injected by the Borrower in December 2024. This will result in the outstanding principal being reduced from $48,951,728 to $41,079,837;

ii. second, the Borrower shall pay $10,000,000 (the "**Deferred Equity**") into the Project by the payment of monthly work-in-place costs as confirmed by the Lender's Project Monitor. The Deferred Equity payment will be secured by additional collateral security, including a mortgage and an assignment of proceeds of sale (the "**Collateral Security**") over real property owned by the Guarantor or a related entity which is satisfactory to the Lender and which Collateral Security will be in registrable form and the Lender shall release and discharge the Collateral Security when the full amount of the Deferred Equity is injected into the Project by the Borrower. The Deferred Equity injection will commence in January 2025 (for payment of the December 2024 progress claim), and shall be fully paid into the Project by no later than May 31, 2025 failing which the Lender may enforce the Collateral Security for any amount of the Deferred Equity remaining unpaid; and

iii. third, any increase to the Project Budget as be approved by the Lender in addition to any other requirements under the Commitment, shall require the Borrower to pay equity into the Project in addition to the Additional Borrower's Equity all on terms satisfactory to the Lender.

Upon full payment into the Project of the Additional Borrower's Equity, the Lender will, subject to all the applicable terms and conditions of the Commitment, resume funding the Loan on a work-in-place and cost-to-complete basis, to the maximum amount of the Loan ($65,000,000 comprised of the Construction Loan and the Letter of Credit Facility).

(b) Pre-Sale Condition for Equity Redemption

The Borrower shall use commercially reasonable efforts to seek a single buyer for the Project or seek to stratify the Project and sell strata units subject to the Lender's approval of the marketing plans and the terms of any purchase and sale agreement for such pre-sales. Once the Borrower achieves an aggregate amount of Qualified Pre-Sales (as defined below) so that the net pre-sale revenues will provide full repayment of the Loan in the Lender's determination (such occurrence known as the "**Pre-Sale Condition Trigger**"), the Borrower will be permitted to utilize Project Deposits (defined hereafter) from pre-sales to redeem a portion of the aggregate Borrower's Equity and Additional Borrower's Equity up to a maximum of $20,000,000. The Borrower agrees that any utilization of the Project Deposits above $20,000,000 will concurrently reduce the maximum principal amount of the Loan available to the Borrower on a dollar-for-dollar basis.

Qualified Pre-Sales are defined as no more than two sales to an unrelated individual third party (excluding institutional investors such as pension funds or other institutions approved by the Lender) with a minimum of 5% deposit paid and an additional minimum 5% deposit more to be paid within 90 days of execution of the pre-sale agreement, all recission periods expired and at a minimum price no less than the amounts set out in Schedule "A" Minimum Priced or as otherwise approved by the Lender prior to the Borrower executing any pre-sale agreement.

The Lender shall determine from time to time whether net pre-sale revenues are sufficient to repay the Loan based on the formula of aggregate net pre-sale revenues divided by the maximum principal amount of the Loan (net of any Project Deposits which reduce the maximum Loan amount on the terms hereof).

The total net pre-sale revenues shall be comprised of the sum of all revenues from Qualified Pre-Sales, deducting therefrom any applicable taxes (inclusive of GST or other relevant taxes). This sum will also be adjusted for any final settlement adjustments which are customary in a similar real property closing and reduced by the outstanding balances of reasonable, market rate sales commissions to independent real estate brokers, other settlement-related expenses customary in similar real property closings, and any portion of the applicable Project Deposit that was utilized for covering costs of the Project or for the reimbursement of the Borrower's Equity and the Additional Borrower's Equity. It should be noted that the $21,000,000 deposit made by the Purchaser and which was subsequently forfeited to the Borrower is expressly excluded from these calculations.

Upon the Pre-Sale Condition Trigger occurring as described above, the Initial Rate, as set forth in Section 10, shall reduce to the greater of 7.7% per annum and 2.5% over the TD Bank Prime Rate per annum.

(c) Project Deposits

Prior to the Pre-Sale Condition Trigger occurring, the Borrower may use deposits from sales of the Project or strata units in the Project (the "**Project Deposits**") to

pay costs of constructing the Project provided that any application of Project Deposits to costs of the Project will reduce the maximum Loan available on a dollar-for-dollar basis. Any pre-sale agreement of the Project or strata units in the Project must be based on a template form of agreement approved by the Lender prior to execution and must include authorization and acknowledgement from the purchaser that the Borrower will use the Project Deposits to pay costs of construction of the Project and be for a purchase price no less than the minimum amounts set out in Schedule "A". Any deposit protection insurer security required with respect to Project Deposits shall be subject to a subordination and standstill agreement satisfactory to the Lender.

(d) Conditions to Further Advances

i. In addition to any other conditions for advances under the Loan required under this Commitment, within 45 days after the effective date of the consent of the Lender to the termination of the Project PSA, the Lender shall receive and be satisfied with the following:

(1) a copy of the executed final marketing and sales agreement with Avison Young, or other commercial real estate brokerage acceptable to the Lender;

(2) a copy of all finalized marketing and sales materials for the Project on an entire building and strata unit sales basis which shall include a price schedule, floorplans, brochures, marketing strategy, target prospect list and other materials required by the Lender;

(3) a standard form purchase and sale agreement for use with the sale of strata units;

(4) an information statement (similar in form to a *Real Estate Development Marketing Act* disclosure statement) to be delivered to all purchasers of strata units; and

(5) the Project Monitor's review of the revised Project Budget, cash flow forecast and construction schedule for the Project.

ii. Commencement of advances by the Lender on the Construction Loan shall be subject to the Lender being satisfied in its discretion, that the Additional Borrower's Equity requirements have been met including, without limitation, the Deferred Equity.

iii. In the event a letter of intent or term sheet is issued for a sale of the entire Project, the Lender shall review a copy of such letter of intent or term sheet prior to acceptance by the Borrower and in no event shall any purchase and sale agreement be executed prior to the Lender's satisfactory review and written consent.

iv. The Borrower shall ensure the Lender continues to receive monthly progress reports from the Project Monitor confirming construction status,

work in place, cost to complete, construction schedule and status of Additional Borrower's Equity in the Project.

v. The Borrower shall provide monthly sales reports to the Lender updating on sales progress to date.

(e) Conditions to Lender's Consent to Termination of the Project PSA

The following shall be provided to the Lender and the Lender shall be satisfied with respect to the following within 45 days after the effective date of the Lender's consent to the termination of the Project PSA:

i. satisfactory review and approval of the termination agreement between the Borrower and the Purchaser (*satisfied*);

ii. execution of this Supplement and ancillary documents required by the Lender;

iii. execution of an additional amendment to the Commitment, setting out specifics of the Collateral Security and execution and registration as applicable of all related documents required by the Lender and its counsel, including, without limitation, the Collateral Security;

iv. satisfactory review of the preliminary marketing and sales strategy for the sale of the Project to one purchaser or by strata sale of strata units in the Project which must include a price schedule, target prospect list and other supporting materials required by the Lender;

v. satisfactory review of the Borrower's revised Project Budget for the completion of the Project on a strata basis, which must include:

(1) summary of work in progress relating to change orders initiated by the Purchaser and the change to costs (if any) related to the Purchaser change orders that are to be included in the revised Project Budget;

(2) consulting and development costs incurred due to changes to the Project (i.e. revised project plans, consultants, etc.);

(3) marketing costs (i.e. fees payable to Avison Young for the marketing & sales campaign, marketing costs incurred related to updated marketing materials, etc.);

(4) any increased legal costs related to standard form purchase and sale agreements, conveyancing costs, etc.;

(5) sales commissions or other fees to be paid to Avison Young prior to closing, and confirmation of the percentage of sales commissions to be deducted on closing of any sales; and

(6) interest budget is confirmed by the Project Monitor as sufficient for coverage of all required interest payments under the Commitment until the completion of the Project.

If any of the conditions above are not satisfied within the time set out above it shall be an Event of Default under the Commitment and the Lender may refuse to make any further advance under the Commitment.

4. Reaffirmation of Security

Each of the undersigned hereby confirms, acknowledges, reaffirms, agrees and consents to the changes contained in this Supplement and that all security and guarantees arising under the Commitment or which the undersigned have otherwise pledged to the Lender continues in full force and effect and all covenants and obligations under such security and guarantees continue to bind each of the undersigned as applicable.

5. References

Each of the parties hereto acknowledges that all references to "this Commitment" in the Commitment shall mean the Commitment as the case may be, as amended by this Supplement.

6. Miscellaneous

Nothing in this Supplement shall be construed or interpreted as novating any obligations, terms or conditions of the Commitment, the security arising thereunder or any other document entered into pursuant thereto or contemplated thereby, all of which obligations, terms and conditions remain in full force and effect, without any amendment or modification thereto, save and except only as expressly amended or supplemented by this Supplement. Any breach of the terms and conditions in this Supplement will be an Event of Default under the Commitment and the Lender will have recourse to all its remedies under the Commitment and at law including, without limitation withholding consent to the termination of the Project PSA and refusing to advance any money under the Commitment.

The terms and conditions of this Supplement shall be governed by and interpreted in accordance with the laws of the Province of British Columbia and each of the Lender, Borrower and Guarantor hereby irrevocably attorn to the jurisdiction of the courts of the Province of British Columbia.

In the event of any inconsistency between the terms and conditions of this Supplement and the terms and conditions of the Commitment, this Supplement shall prevail.

This Supplement may be executed in one or more counterparts, each of which so executed will constitute an original and all of which will constitute one and the same agreement. This Supplement may be executed by the parties and transmitted by facsimile or other electronic means and if so executed and transmitted this Supplement will be for all purposes as effective as if the parties had delivered an executed original agreement.

[*Signature page follows*]

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

Lender: **SHAPE CAPITAL CORP.**

Per: _____
Name: Raymond Ng
Title: Managing Partner

Per: _____
Name: Maleah Meakin
Title: ~~Senior Manager~~, Mortgage Investments & Operations Director

I/We have the authority to bind the corporation.

Borrower: **KELTIC (PRIOR) DEVELOPMENT LIMITED PARTNERSHIP,** by way of its general partner, **1319191 B.C. LTD.**

Per: _____
Name: Li Lei
Title:

Per: _____
Name:
Title:

I/We have the authority to bind the corporation.

Guarantor: **1232616 B.C. LTD.**

Per: _____
Name: Li Lei
Title:

Per: _____
Name:
Title:

I/We have the authority to bind the corporation.

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

Lender: **SHAPE CAPITAL CORP.**

Per: _____
Name: Raymond Ng
Title: Managing Partner

Per: _____
Name: Maleah Meakin
Title: Senior Manager, Mortgage Investments & Operations

I/We have the authority to bind the corporation.

Borrower: **KELTIC (PRIOR) DEVELOPMENT LIMITED PARTNERSHIP,** by way of its general partner, **1319191 B.C. LTD.**

Per: _____
Name: Li Lei
Title:

Per: _____
Name:
Title:

I/We have the authority to bind the corporation.

Guarantor: **1232616 B.C. LTD.**

Per: _____
Name: Li Lei
Title:

Per: _____
Name:
Title:

I/We have the authority to bind the corporation.

KELTIC GROUP EQUITIES (2019) LTD.

Per: _____
Name:
Title:

Per: _____
Name:
Title:

I/We have the authority to bind the corporation.

KELTIC PROJECTS DEVELOPMENT LTD.

Per: _____
Name:
Title:

Per: _____
Name:
Title:

I/We have the authority to bind the corporation.

KELTIC CANADA PROJECTS DEVELOPMENT LTD.

Per: _____
Name:
Title:

Per: _____
Name:
Title:

I/We have the authority to bind the corporation.

DDAW HOLDINGS LTD

Per: _____
Name:
Title:

Per: _____
Name:
Title:

I/We have the authority to bind the corporation.

_____
WEI GUO LI

_____
RUI WANG

SCHEDULE "A"

Minimum Price Schedule

SL	Unit	Area (Sq.ft.)	Minimum Discharge $/Sq.ft.	Minimum Discharge $/Unit
1	Retail	1,548	$ 1,500	$ 2,321,773
2	Industrial	1,497	$ 1,200	$ 1,796,710
Level 1 Total	**2**	**3,045**	**$ 1,352**	**$ 4,118,483**
3	201	5,371	$ 850	$ 4,565,508
4	202	7,955	$ 850	$ 6,761,344
Level 2 Total	**2**	**13,326**	**$ 850**	**$ 11,326,852**
5	301	1,340	$ 1,110	$ 1,487,517
6	302	910	$ 1,100	$ 1,000,505
7	303	1,116	$ 1,100	$ 1,227,838
8	304	821	$ 1,090	$ 895,201
9	305	928	$ 1,090	$ 1,011,355
10	306	947	$ 1,070	$ 1,013,529
11	307	827	$ 1,070	$ 884,534
12	308	1,025	$ 1,070	$ 1,096,454
13	309	1,181	$ 1,110	$ 1,310,688
14	310	1,170	$ 1,110	$ 1,298,740
Level 3 Total	**10**	**10,264**	**$ 1,094**	**$ 11,226,360**
15	401	1,340	$ 1,160	$ 1,554,522
16	402	910	$ 1,150	$ 1,045,982
17	403	1,116	$ 1,150	$ 1,283,649
18	404	821	$ 1,140	$ 936,266
19	405	928	$ 1,140	$ 1,057,747
20	406	947	$ 1,125	$ 1,065,626
21	407	827	$ 1,125	$ 930,001
22	408	1,025	$ 1,125	$ 1,152,814
23	409	1,181	$ 1,160	$ 1,369,728
24	410	1,170	$ 1,160	$ 1,357,242
Level 4 Total	**10**	**10,264**	**$ 1,145**	**$ 11,753,576**
25	501	987	$ 1,210	$ 1,194,330
26	502	830	$ 1,200	$ 995,876
27	503	898	$ 1,200	$ 1,077,251
28	504	778	$ 1,190	$ 926,094
29	505	921	$ 1,190	$ 1,096,454
30	506	863	$ 1,170	$ 1,010,020
31	507	771	$ 1,170	$ 901,713
32	508	879	$ 1,210	$ 1,064,087
33	509	1,024	$ 1,210	$ 1,238,613
34	510	972	$ 1,210	$ 1,176,096
Level 5 Total	**10**	**8,923**	**$ 1,197**	**$ 10,680,534**

35	601	982	$	1,310	$	1,285,985
36	602	771	$	1,300	$	1,001,904
37	603	976	$	1,300	$	1,269,171
38	604	821	$	1,290	$	1,059,458
39	605	927	$	1,290	$	1,195,536
40	606	947	$	1,290	$	1,221,918
41	607	827	$	1,270	$	1,049,868
42	608	879	$	1,270	$	1,116,852
43	609	1,024	$	1,310	$	1,340,977
44	610	1,037	$	1,310	$	1,357,898
Level 6 Total	**10**	**9,190**	**$**	**1,295**	**$**	**11,899,567**
45	701	982	$	1,360	$	1,335,068
46	702	771	$	1,350	$	1,040,439
47	703	976	$	1,350	$	1,317,986
48	704	821	$	1,340	$	1,100,523
49	705	927	$	1,340	$	1,241,874
50	706	947	$	1,340	$	1,269,279
51	707	827	$	1,320	$	1,091,201
52	708	879	$	1,320	$	1,160,822
53	709	1,024	$	1,360	$	1,392,160
54	710	1,037	$	1,360	$	1,409,726
Level 7 Total	**10**	**9,190**	**$**	**1,345**	**$**	**12,359,078**
55	801	1,176	$	1,460	$	1,717,682
56	802	919	$	1,450	$	1,332,894
57	803	804	$	1,450	$	1,165,892
58	804	972	$	1,440	$	1,399,651
59	805	771	$	1,440	$	1,109,801
60	806	1,027	$	1,440	$	1,478,702
61	807	1,075	$	1,460	$	1,569,958
Level 8 Total	**7**	**6,745**	**$**	**1,449**	**$**	**9,774,579**
62	901	1,176	$	1,650	$	1,941,216
63	902	988	$	1,640	$	1,620,527
64	903	804	$	1,640	$	1,318,664
65	904	972	$	1,600	$	1,555,168
66	905	771	$	1,600	$	1,233,112
67	906	1,027	$	1,600	$	1,643,002
68	907	1,075	$	1,650	$	1,774,267
Level 9 Total	**7**	**6,814**	**$**	**1,627**	**$**	**11,085,956**
TOTAL	**68**	**77,762**	**$**	**1,212**	**$**	**94,224,985**

SECOND SUPPLEMENT TO COMMITMENT

Re: Commitment Letter dated November 24, 2022, amended by letter agreements dated December 20, 2024 and December 31, 2024 and a Supplement to Commitment dated February 18, 2025 (collectively, the "Commitment") issued by Shape Capital Corp. on behalf of TS Alpha Venture Limited Partnership (collectively, the "Lender") to Keltic (Prior) Development Limited Partnership (the "Borrower") in respect of a loan secured by real property at 220 Prior Street, Vancouver, British Columbia

Dated: March 31, 2025

Reference is made to the Commitment between the Lender, the Borrower and those parties collectively listed as "Guarantors" in the Commitment (collectively, the "**Guarantor**").

WHEREAS:

A. The Borrower entered in a Supplement to Commitment dated February 18, 2025 (the "**Supplement**") agreeing to take certain steps in respect of the Loan under the Commitment prior to the Lender making further advances under the Loan.

B. The Borrower requires funding to meet its obligations in respect of the Project and to continue work on the Project.

C. The Lender has agreed to make advances available to the Borrower in respect of work in progress and other project costs which are to be payable by the Borrower out of its own resources on account of its equity ("**Work In Progress Advances**") on the terms and conditions of this Second Supplement to Commitment.

THERFORE, the parties hereto wish to amend the Commitment on the terms and conditions herein provided and in consideration of the covenants and agreements between the parties contained in this Supplement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Definitions

(a) All capitalized words used herein, unless otherwise defined herein, shall have the meaning ascribed to them in the Commitment, as amended by this Second Supplement;

(b) "**Additional Equity**" means the Additional Borrower's Equity defined in the Supplement

(c) "**Second Supplement**" means this Second Supplement to Commitment and all schedules and exhibits attached hereto.

2. Supplemental Terms

The following terms are added to the Commitment:

(1) The Lender hereby establishes a new sub-facility (the "**Work In Progress Facility**") under the Commitment to fund Work In Progress Advances in the sole discretion of the Lender. In no event will the Lender be obligated to make any advance under the Work In Progress Facility and every advance will only be made in the Lender's sole discretion;

(2) The Borrower agrees that the Work In Progress Advances are made as a supplemental facility under the Loan which is included within the maximum loan amount of the Loan and the availability of any advances to the Borrower under the Loan will be reduced dollar for dollar in proportion to any Work In Progress Advance.

(3) The Borrower agrees that the Lender has previously advanced $2,217,570.80 (the "**Initial WIP Advance**") as a Work In Progress Advance on March 7, 2025 and the Borrower agrees that notwithstanding the date of such advance, the Initial WIP Advance is considered and shall be an advance under the Work In Progress Facility and all terms of this Second Supplement shall apply to the Initial WIP Advance, including, without limitation, the interest rate applicable to Work In Progress Advances as set out herein.

(4) The Lender may, in its sole discretion, make Work In Progress Advances upon the Borrower complying with and the Lender being satisfied with, the following conditions:

a. At the discretion of the Lender, registration of the Collateral Security satisfactory to the Lender. Notwithstanding the terms of the Supplement the Collateral Security, as it may be amended pursuant to Section 6 herein, will remain registered until the Loan is fully repaid by the Borrower including without limitation, the Deferred Equity and the Work In Progress Facility;

b. Delivering executed collateral documents and instruments required under this Second Supplement including, without limitation, the direction to pay described in Section (5) and if applicable the Amended Collateral Security or the Additional Collateral Security.

c. The Borrower delivering a Drawdown Request modified to refer to a "Work In Progress Advance" as applicable;

d. Project Monitor's review and prior approval of invoices, costs and other items related to each Work In Progress Advance;

e. The state of title of the Project and the real property which is the subject of the Collateral Security has not changed since the date of the Supplement;

f. No Event of Default having occurred after the date of this Second Supplement;

g. The Borrower providing access for the Lender's representative to all records, accounts, reports, and documents relating to the progress of the Project, the Project Budget, status of payment of invoices, instructions to contractors, inspections and all other information with respect to the Project immediately upon request by such representative who may be an employee of the Lender or a third party professional engaged by the Lender to review such information. The Borrower shall be responsible for the costs of such representative, including, without limitation, time charges and out of pocket expenses; and

(5) The Borrower confirms to the Lender that it's affiliate has received a commitment for financing from Realtech Capital for a mezzanine loan over the affiliate's project known as O2 Metrotown under which the net funded amount is expected to be approximately $8,575,000 (after fees and closing costs, the "**Realtech Loan**"). Upon successful closing and funding of the Realtech Loan the Borrower agrees that it will cause $3,100,000 to be used by the borrower under the Realtech Loan and otherwise the Borrower will cause that $4,175,751 of the Realtech Loan will be paid to the Lender which shall be applied to the first $10,0000,000 of Additional Equity required to be paid under the Supplement. The Borrower is permitted to retain $1,299,249.00 from the Realtech Loan proceeds for interim working capital requirements. In any event, the Borrower will inject not less than $1,299,249 from its own resources towards work in place costs for the Project by no later than May 31, 2025, which amount when injected into the Project shall be credited towards the required second $10,000,000 of Additional Equity referred to as Deferred Equity under the Supplement then outstanding. The Borrower agrees it will cause its affiliate to provide regular updates to the Lender with respect to the Realtech Loan including copies of draft or final versions of term sheets and loan agreements that become available. The Borrower further agrees that it will cause its affiliate, the borrower under the Realtech loan, to execute a direction addressed to the Borrower's solicitors who are receiving the Realtech loan proceeds, directing the payment of $4,175,751 of the Realtech Loan proceeds to the Lender or as the Lender may otherwise direct in writing.

In the event that the Realtech Loan is not advanced by March 31, 2025, the Lender may, in its discretion choose to make an advance under the Work In Progress Facility, the amount required to pay Syncra Construction Corporation in respect of current costs at the Project which is represented by the Borrower to be $2,392,358.24 (the "**Syncra March Advance**").

(6) If the Realtech Loan is not finalized and funded by April 15, 2025, the Borrower will at the discretion of the Lender provide an amendment to the Collateral Security (the "**Amended Collateral Security**") to secure the Loan and the Work In Progress Facility and remaining Additional Equity, as applicable, which Amended Collateral Security will be in a principal amount required by the Lender, at a minimum to secure the estimated aggregate amount of the Work In Progress Facility and the Additional Equity unpaid at that time (in no event less than $10,000,000), and will be in registrable form and registered against title to the real property which is the subject of

the Collateral Security as a subordinate ranking charge subject only to the existing senior mortgage registered as of the date of this Second Supplement. If the Borrower is unable to obtain consent of the existing senior mortgagee for registration of the Amended Collateral Security, the Lender may, in its discretion require the Borrower to provide additional collateral security (the "**Additional Collateral Security**") over real property acceptable to the Lender to secure such amounts and to be registered over such additional real property as described above in respect of the Amended Collateral Security.

(7) In consideration of the increased risk to the Lender for the Work In Progress Advances which are necessary for a shortfall of funding the Project which the Borrower is responsible for, and in consideration of the establishment of the separate Work In Progress Facility, the Borrower agrees that all Work In Progress Advances made shall accrue interest at the rate of 15% per annum from the date of advance. For clarity, all advances made under the Construction Facility or the Letter of Credit Facility prior to the date of this Second Supplement shall continue to accrue interest at the rate set out in Section 10 of the Commitment (as amended by the Supplement) and the Work In Progress Advances shall be considered a separate tranche of advances under the Loan with its own set of conditions precedent and terms pursuant to this Second Supplement. For clarity, advances made under the Construction Facility and the Letter of Credit Facility shall accrue interest at the rate set out in Section 10 of the Commitment (as amended by the Supplement) unless otherwise amended hereafter.

(8) The Borrower agrees that all security arising under the Commitment shall also secure the Work In Progress Advances including, without limitation, all security agreements, mortgages, guarantees and other instruments and the Borrower will execute and deliver any amendments to such security or other agreements or instruments required by the Lender to better secure the Work In Progress Advances.

(9) The Work In Progress Facility, including all principal and applicable interest and fees, must be fully repaid by the Borrower to the Lender on or before June 30, 2025 and the remaining balance of any Additional Equity required by the Supplement must be fully contributed to the Project as required in the Supplement on or before July 31, 2025. The Borrower and Lender agree to re-assess (i) the interest rate applicable to the Work in Progress Facility, and (ii) the date upon which the Work in Progress Facility is to be fully paid, both to be agreed upon prior to June 30, 2025, subject to the Lender's satisfactory receipt and review of the Borrower's updated Project Budget, capital stack, marketing program and pre-sale progress, provided that such commitment to re-assess does not amend any obligations of the Borrower in this Second Supplement unless such amendment is in writing and agreed by both the Lender and the Borrower.

(10) Any Event of Default occurring after the date of this Second Supplement shall be an Event of Default under the Commitment and this Second Supplement and entitle the Lender to enforce the security granted to it

under the Commitment and take all actions and seek all remedies to which it is entitled in the Commitment and at law.

(11) By making any Work In Progress Advance, the Lender is not obligated to make any other advance under this Second Supplement or under the Commitment and any further advance under the Commitment is subject to the Borrower satisfying all the conditions as applicable under the Commitment, including without limitation, those conditions and requirements set out in the Supplement.

(12) The Lender agrees that the Borrower may, subject to its obligations in contract, market the Project on its own, provided that, if the Lender, in its sole discretion, determines that the Borrower's marketing program is not achieving positive results for the Project, then the Lender may require the Borrower to engage a real estate brokerage approved by the Lender for marketing the Project. The Borrower agrees to provide the Lender with a draft marketing plan for the Project within 30 days of the date of this Second Supplement, which shall include the following key deliverables: strata plan for the Project including floorplans of each floor showing the individual strata units available for sale, price list for the individual strata units, strata fee schedule on a per square foot basis, tenant inducement ("**TI**") budget, TI execution plan and preferred contractor to complete TI works, an assessment of the mortgageability and carrying costs of individual strata lots compared to triple net rent for the individual strata lots to help prospective purchasers understand the lease vs. buy decision, amenity package for the building, parking allocation to each strata unit and/or parking stalls available for purchase, target market and list of prospective purchasers, an overview of the medical office market in Vancouver, and a summary of recent medical office comparable sales transactions and lease transactions in the Greater Vancouver office market.

(13) The Borrower agrees to provide the Lender and its Cost Consultant with updates to the Project Budget within 30 days of the date of this Second Supplement, which shall include but are not limited to, the following: updated marketing budget required for the Borrower to manage the marketing and sales in-house, commission budget for the sale of the individual strata units, TI budget, construction budget which shall take into account completion of the lobby area, amenity area, demising walls, hallways, and mechanical and electrical systems in the Project.

(14) The Borrower agrees that if any of the terms or conditions above are not complied with or not satisfied within the time set out above (or if no times is set out above, within ten days' notice of a breach of such covenant) it shall be an Event of Default under the Commitment and the Lender may refuse to make any further advance under this Second Supplement or under the Commitment.

3. Reaffirmation of Security

Each of the undersigned hereby confirms, acknowledges, reaffirms, agrees and consents to the changes contained in this Second Supplement and that all security and guarantees arising under the Commitment or which the undersigned have otherwise pledged to the Lender continues in full force and effect and all covenants and obligations under such security and guarantees continue to bind each of the undersigned as applicable.

4. References

Each of the parties hereto acknowledges that all references to "this Commitment" in the Commitment shall mean the Commitment as the case may be, as amended by this Second Supplement.

5. Miscellaneous

Nothing in this Second Supplement shall be construed or interpreted as novating any obligations, terms or conditions of the Commitment, the security arising thereunder or any other document entered into pursuant thereto or contemplated thereby, all of which obligations, terms and conditions remain in full force and effect, without any amendment or modification thereto, save and except only as expressly amended or supplemented by this Second Supplement. Any breach of the terms and conditions in this Second Supplement will be an Event of Default under the Commitment and the Lender will have recourse to all its remedies under the Commitment and at law including, without limitation, refusing to advance any money under the Commitment and this Second Supplement.

The terms and conditions of this Second Supplement shall be governed by and interpreted in accordance with the laws of the Province of British Columbia and each of the Lender, Borrower and Guarantor hereby irrevocably attorn to the jurisdiction of the courts of the Province of British Columbia.

In the event of any inconsistency between the terms and conditions of this Second Supplement and the terms and conditions of the Commitment, this Second Supplement shall prevail.

This Second Supplement may be executed in one or more counterparts, each of which so executed will constitute an original and all of which will constitute one and the same agreement. This Second Supplement may be executed by the parties and transmitted by facsimile or other electronic means and if so executed and transmitted this Second Supplement will be for all purposes as effective as if the parties had delivered an executed original agreement.

[*Signature page follows*]

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

Lender: **SHAPE CAPITAL CORP.**

Per: _____

Name: Raymond Ng
Title: Managing Partner

Per: _____

Name: Maleah Meakin
Title: Director, Mortgage Investments & Operations

I/We have the authority to bind the corporation.

Borrower: **KELTIC (PRIOR) DEVELOPMENT LIMITED PARTNERSHIP,** by way of its general partner, **1319191 B.C. LTD.**

Per: _____
Name: Li Lei
Title:

Per: _____
Name:
Title:

I/We have the authority to bind the corporation.

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

Lender: **SHAPE CAPITAL CORP.**

Per: _____
Name: Raymond Ng
Title: Managing Partner

Per: _____
Name: Maleah Meakin
Title: Senior Manager, Mortgage Investments & Operations

I/We have the authority to bind the corporation.

Borrower: **KELTIC (PRIOR) DEVELOPMENT LIMITED PARTNERSHIP,** by way of its general partner, **1319191 B.C. LTD.**

Per: _____
Name: Li Lei
Title:

Per: _____
Name:
Title:

I/We have the authority to bind the corporation.

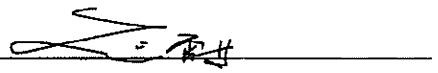
Guarantor: **1232616 B.C. LTD.**

Per: _____
Name: Li Lei
Title:

Per: _____
Name:
Title:

I/We have the authority to bind the corporation.

KELTIC GROUP EQUITIES (2019) LTD.

Per: 
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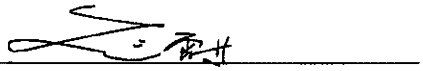
I/We have the authority to bind the corporation.

KELTIC PROJECTS DEVELOPMENT LTD.

Per: 
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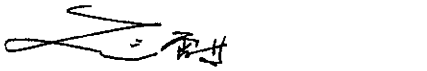
I/We have the authority to bind the corporation.

KELTIC CANADA PROJECTS DEVELOPMENT LTD.

Per: 
Name:
Title:

Per: _____
Name:
Title:

I/We have the authority to bind the corporation.

DDAW HOLDINGS LTD

Per: _____
Name: Rui Wang
Title: Director

Per: _____
Name:
Title:

I/We have the authority to bind the corporation.

_____
WEI GUO LI

_____
RUI WANG

THIRD SUPPLEMENT TO COMMITMENT

Re: Commitment Letter dated November 24, 2022, amended by letter agreements dated December 20, 2024 and December 31, 2024 and a Supplement to Commitment dated February 18, 2025 and a Second Supplement to Commitment dated March 31, 2025 (collectively, the "Commitment") issued by Shape Capital Corp. on behalf of TS Alpha Venture Limited Partnership (collectively, the "Lender") to Keltic (Prior) Development Limited Partnership (the "Borrower") in respect of a loan secured by real property at 220 Prior Street, Vancouver, British Columbia

Dated: May 2, 2025

Reference is made to the Commitment between the Lender, the Borrower and those parties collectively listed as "Guarantors" in the Commitment (collectively, the "**Guarantor**").

WHEREAS:

A. The Borrower entered in a Supplement to Commitment dated February 18, 2025 (the "**Supplement**") and a Second Supplement to Commitment dated March 31, 2025 (the "**Second Supplement**") agreeing to take certain steps in respect of the Loan under the Commitment prior to the Lender making further advances under the Loan.

B. The Lender has made Work In Progress Advances under the Commitment and the parties wish to set out the state of the Work In Progress Advances and further describe the obligations of the Borrower in respect thereof.

THERFORE, the parties hereto wish to supplement and amend the Commitment on the terms and conditions herein provided and in consideration of the covenants and agreements between the parties contained in this Supplement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Definitions

All capitalized words used herein, unless otherwise defined herein, shall have the meaning ascribed to them in the Commitment, as amended by this Third Supplement;

2. Supplemental Terms

The following terms are added to the Commitment:

(1) The Borrower confirms and agrees that the Lender has made the following Work In Progress Advances under the Work in Progress Facility:

a. $2,217,570.80 on or about March 7, 2025;

b. $2,392,358.24 on or about April 3, 2025;

(2) The Borrower agrees that the uses and sources table ("**Sources and Uses**") in Section 7 Use of Loan Funds in the Commitment is deleted and replaced with the following as of the date of this Third Supplement:

Sources of Funds	Post Masimo Termination
Construction Loan	$ 62,000,000
Purchaser Deposit (Masimo)	$ 21,000,000
Masimo Settlement Agreement	$ 3,696,140
Borrower's Equity - Injected	$ 19,404,428
Borrower's Equity - Shortfall	$ 22,118,932
Total Sources of Funds	**$ 128,219,500**

Uses of Funds	Post Masimo Termination
Land at Cost	$ 27,660,000
Hard Costs	$ 66,767,206
Development & Soft Costs	$ 14,861,893
Commitment Fee	$ 1,062,500
Other Financing Costs	$ 315,000
Interest Budget	$ 10,286,317
Hard Cost Contingency	$ 936,941
Masimo Change Orders	$ 6,329,643
Total Uses of Funds	**$ 128,219,500**

The Sources and Uses have been updated in accordance with the Lender's Project Monitor review of the updated Project Budget provided by the Borrower.

(3) The Borrower confirms and agrees that:

a. it has not injected the full Additional Borrower's Equity as of the date of this Third Supplement and that based on the Sources and Uses table in 2(2) above, the Borrower currently has a shortfall of $22,118,932.00 in equity it is required to inject into the Project;

b. it withdrew approximately $3,500,000 from the builders' lien holdback account for the Project (the "**Holdback Shortfall**");

and therefore, based on the obligations of the Borrower in the Commitment and the Sources and Uses table herein, the Borrower is required to inject and aggregate of $25,618,932.00 into the Project as equity to fund all costs of the Project ("**Borrower's May Aggregate Equity**").

(4) The Borrower agrees that the Lender may, in its sole discretion, make Work In Progress Advances to fund costs of the Project upon the Borrower complying with the conditions set out in the Third Supplement with the additional condition that:

a. The Borrower fund $300,000 into costs of the Project by no later than May 5, 2025.

(5) The Borrower acknowledges and confirms that the Lender intends to make payment for the following costs of the Project by May 5, 2025 consisting of:

a. $2,027,334.96 payable to Syncra Construction Corporation, plus;

b. $687,958.42 payable to the Lender for March and April interest arrears under the Commitment, plus;

c. $397,605.54 payable to the Lender for current interest payable as of May 5, 2025 under the Commitment;

to be paid by a combination of a Work In Progress Advance of $2,812,898.92, and an equity injection made by the Borrower of $300,000. The Borrower's equity injection of $300,000 shall be made directly to the Lender and the Lender will remit payment for the above noted costs of the Project. The Work In Progress Advance is subject to all conditions under the Second Supplement and this Third Supplement which are required for a Work In Progress Advance having been met and the Lender being satisfied in its sole discretion that such advance should be made.

(6) The Borrower agrees that the Collateral Security delivered by the Borrower under the Commitment shall be replaced with security in registrable form over the same property as covered by the Collateral Security, updated to correctly describe the Commitment, as amended, and to increase the principal amount of the mortgage included in the Collateral Security to $25,000,000.00 as security for the Borrower's obligation to inject the Borrower's May Aggregate Equity (securing repayment to the Lender for having to pay such costs of the Project after the failure of the Borrower to inject such amount) and to repay the Lender for the Work In Progress Facility (such replacement security herein known as, the "**Replacement Collateral Security**"). For clarity, the condition in the Second Supplement permitting the Lender, in its discretion, to require registration of the Collateral Security shall continue to apply to the Replacement Collateral Security. For greater certainty, the Replacement Collateral Security shall be subordinate in rank to all other mortgages registered over the same property as of the date of this Third Supplement. The Replacement Collateral Security may be enforced by the Lender, in the Lender's discretion, where the Borrower fails to inject the Borrower's May Aggregate Equity into the Project by August 31, 2025 or repay the Work In Progress Facility by June 30, 2025, and subject to

the Lender's acknowledgement to re-assess the Work In Progress Facility pursuant to Section 2 (10) herein;

(7) The Borrower confirms that the Realtech Loan has been amended to a maximum initial principal amount of $6,000,000.00 to be funded on or about May 9, 2024 with the balance of of the principal amount of $4,000,000.00 to be funded at a later date. The Borrower agrees that upon successful closing and funding of the initial principal amount of the Realtech Loan it will cause $3,100,000.00 to be used by the borrower under the Realtech Loan for working capital and payment of debts and otherwise the Borrower will cause that $1,900,000.00 of the Realtech Loan to be paid to the Lender which shall be applied to replenish the builders' lien account for the Holdback Shortfall. The Borrower agrees it will cause its affiliate to provide regular updates to the Lender with respect to the Realtech Loan.

(8) If the Realtech Loan is not finalized and funded by May 15, 2025, the Borrower will at the discretion of the Lender provide additional collateral security (the "**Additional Collateral Security**") over real property acceptable to the Lender to secure the Loan, the Borrower's May Aggregate Equity and the Work In Progress Facility to be registered over such additional real property as described above.

(9) The Borrower acknowledges that all Work In Place Advances shall accrue interest at the rate of 15% per annum from the date of advance.

(10) The Work In Progress Facility, including all principal and applicable interest and fees, must be fully repaid by the Borrower to the Lender on or before June 30, 2025 and the remaining balance of any Borrower's May Aggregate Equity required in this Third Supplement must be fully contributed to the Project on or before August 31, 2025. The Borrower and Lender agree to re-assess (i) the interest rate applicable to the Work in Progress Facility, and (ii) the date upon which the Work in Progress Facility is to be fully paid, both to be agreed upon prior to June 30, 2025, subject to the Lender's satisfactory receipt and review of the Borrower's updated pre-sale progress, provided that such commitment to re-assess does not amend any obligations of the Borrower in this Second Supplement unless such amendment is in writing and agreed by both the Lender and the Borrower.

(11) By making any Work In Progress Advance, the Lender is not obligated to make any other advance under this Third Supplement or under the Commitment and any further advance under the Commitment is subject to the Borrower satisfying all the conditions as applicable under the Commitment, including without limitation, those conditions and requirements set out in the Supplement, the Second Supplement and the Third Supplement as applicable.

3. Reaffirmation of Security

Subject to Section 4 herein, each of the undersigned hereby confirms, acknowledges, reaffirms, agrees and consents to the changes contained in this Third Supplement and that all security and guarantees arising under the Commitment or which the undersigned have otherwise pledged to the Lender continues in full force and effect and all covenants and obligations under such security and guarantees continue to bind each of the undersigned as applicable.

4. Replacement and Release of Collateral Security

Effective immediately upon receipt by the Lender of the Replacement Collateral Security in the form delivered by the Lender to the Borrower, fully executed by the parties thereto, the Borrower agrees that the Replacement Collateral Security replaces the Collateral Security for all purposes under the Commitment and the Lender hereby releases each guarantor under the Collateral Security from all obligations pursuant to its respective guarantee under the Collateral Security; and, other than as encumbered by the Replacement Collateral Security, the Lender grants, releases, remises, reconveys, transfers, assigns, discharges and forever quitclaims and surrenders to the parties under the Collateral Security, all of the assets of whatsoever nature and kind now covered or intended to be covered by the Collateral Security, to have and to hold the said property and assets with all and singular the appurtenances thereto to the guarantors under the Collateral Security forever and absolutely freed, acquitted, discharged and released of and from the Collateral Security and from the obligations, principal money, interest and other money thereby secured and every trust, proviso, covenant, matter and thing therein contained which are replaced by the obligations under the Replacement Collateral Security. All agreements, documents or other instruments evidencing or comprising the Collateral Security or the indebtedness, liabilities and obligations thereby secured are hereby cancelled and terminated and are of no further force and effect and are replaced by the Replacement Collateral Security and any reference to Collateral Security in the Commitment shall from the date hereof be read to refer to the Replacement Collateral Security.

5. References

Each of the parties hereto acknowledges that all references to "this Commitment" in the Commitment shall mean the Commitment as the case may be, as amended by this Third Supplement.

6. Miscellaneous

Nothing in this Third Supplement shall be construed or interpreted as novating any obligations, terms or conditions of the Commitment, the security arising thereunder or any other document entered into pursuant thereto or contemplated thereby, all of which obligations, terms and conditions remain in full force and effect, without any amendment or modification thereto, save and except only as expressly amended or supplemented by this Third Supplement. Any breach of the terms and conditions in this Third Supplement will be an Event of Default under the Commitment and this Third Supplement and the Lender will have recourse to all its remedies under the Commitment and this Third Supplement and at law including, without limitation, refusing to advance any money under the Commitment and this Third Supplement.

The terms and conditions of this Third Supplement shall be governed by and interpreted in accordance with the laws of the Province of British Columbia and each of the Lender, Borrower

and Guarantor hereby irrevocably attorn to the jurisdiction of the courts of the Province of British Columbia.

In the event of any inconsistency between the terms and conditions of this Third Supplement and the terms and conditions of the Commitment, this Third Supplement shall prevail.

This Third Supplement may be executed in one or more counterparts, each of which so executed will constitute an original and all of which will constitute one and the same agreement. This Third Supplement may be executed by the parties and transmitted by facsimile or other electronic means and if so executed and transmitted this Third Supplement will be for all purposes as effective as if the parties had delivered an executed original agreement.

[*Signature page follows*]

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IN WITNESS WHEREOF the parties have duly executed this Third Supplement as of the date first above written.

Lender:

SHAPE CAPITAL CORP.

Signed by:
Per: Raymond Ng
38640359CB92403...
Name: Raymond Ng
Title: Managing Partner

Per: _____
Name: Maleah Meakin
Title: Director, Mortgage Investments & Operations

I/We have the authority to bind the corporation.

Borrower:

KELTIC (PRIOR) DEVELOPMENT LIMITED PARTNERSHIP, by way of its general partner, **1319191 B.C. LTD.**

Per: _____
Name: Li Lei
Title:

Per: _____
Name:
Title:

I/We have the authority to bind the corporation.

Guarantor:

1232616 B.C. LTD.

Per: _____
Name: Li Lei
Title:

Per: _____
Name:
Title:

I/We have the authority to bind the corporation.

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IN WITNESS WHEREOF the parties have duly executed this Third Supplement as of the date first above written.

Lender: **SHAPE CAPITAL CORP.**

Per: _____
Name: Raymond Ng
Title: Managing Partner

Per: DocuSigned by: Maleah Meakin 438368D4FE4E468... _____
Name: Maleah Meakin
Title: Director, Mortgage Investments & Operations

I/We have the authority to bind the corporation.

Borrower: **KELTIC (PRIOR) DEVELOPMENT LIMITED PARTNERSHIP,** by way of its general partner, **1319191 B.C. LTD.**

Per: _____
Name: Li Lei
Title:

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Title:

I/We have the authority to bind the corporation.

Guarantor: **1232616 B.C. LTD.**

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Name: Li Lei
Title:

Per: _____
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Title:

I/We have the authority to bind the corporation.

IN WITNESS WHEREOF the parties have duly executed this Third Supplement as of the date first above written.

Lender:

SHAPE CAPITAL CORP.

Per: _____
Name: Raymond Ng
Title: Managing Partner

Per: _____
Name: Maleah Meakin
Title: Director, Mortgage Investments & Operations

I/We have the authority to bind the corporation.

Borrower:

KELTIC (PRIOR) DEVELOPMENT LIMITED PARTNERSHIP, by way of its general partner, **1319191 B.C. LTD.**

Per: _____
Name: Li Lei
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Guarantor:

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Per: _____
Name: Li Lei
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Per: _____
Name:
Title:

I/We have the authority to bind the corporation.

KELTIC GROUP EQUITIES (2019) LTD.

Per: _____
Name:
Title:

Per: _____
Name:
Title:

I/We have the authority to bind the corporation.

KELTIC PROJECTS DEVELOPMENT LTD.

Per: _____
Name:
Title:

Per: _____
Name:
Title:

I/We have the authority to bind the corporation.

KELTIC CANADA PROJECTS DEVELOPMENT LTD.

Per: _____
Name:
Title:

Per: _____
Name:
Title:

I/We have the authority to bind the corporation.

DDAW HOLDINGS LTD

Per: _____
Name:
Title:

Per: _____
Name:
Title:

I/We have the authority to bind the corporation.

_____
WEI GUO LI

_____
RUI WANG

This is **Exhibit** " F " referred to in the 1st Affidavit of Raymond Ng sworn before me at Vancouver, British Columbia, on this 25th day of August, 2025.

A Commissioner for taking Affidavits for British Columbia

Colin Brousson
Barrister & Solicitor
DLA Piper (Canada) LLP
1133 Melville Street, Suite 2700
Vancouver, BC V6E 4E5
604.687.9444

DocuSign Envelope ID: 539E9DCB-E545-4D15-BC55-ED7EAB90A118

GUARANTEE
(this "Guarantee")

1/20/2023 | 6:55 下午 PST

This Guarantee dated for reference January ___, 2023 made by Keltic Group Equities (2019) Ltd. (the "**Guarantor**"), to and in favour of Shape Capital Corp. on behalf of TS Alpha Venture Limited Partnership (collectively, the "**Lender**"), as lender under the Commitment hereinafter referred to.

WHEREAS:

A. Keltic (Prior) GP Ltd. (the "**Nominee**") and Keltic (Prior) Development Limited Partnership (the "**Beneficial Owner**", or, together with 1319191 B.C. Ltd., the "**Borrower**"), *inter alios*, have entered into a commitment letter with the Lender dated November 24, 2022 (as such agreement may at any time or from time to time be amended, supplemented, extended or otherwise modified or restated, the "**Commitment**"), wherein the Lender has agreed to advance certain credit facilities (the "**Credit Facilities**") to the Borrower.

B. It is a condition of the advance of the Credit Facilities under the Commitment by the Lender to the Borrower that, in addition to other security being taken, the Guarantor execute and deliver this Guarantee to and in favour of the Lender as collateral security for the payment and performance of the Guaranteed Obligations (as hereinafter defined).

C. The Credit Facilities are essential to the operation of the business of the Borrower and the proceeds of advance to be made by the Lender will result in direct or indirect material economic benefits to the Guarantor and it is, therefore, in the best interest of the Guarantor that it enter into this Guarantee and such other security documents as set out in the Commitment.

NOW THEREFORE WITNESSETH that in consideration of the payment of the sum of $1.00 in lawful money of Canada by the Lender to the Guarantor and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Guarantor hereby covenants, declares and agrees as follows:

1. **Guarantee**

The Guarantor hereby irrevocably and unconditionally guarantees the due and punctual performance and payment to the Lender, whether at stated maturity, by acceleration or otherwise, of all obligations of the Borrower to the Lender, now or hereafter existing under or pursuant to the Commitment or any other Credit Documents (as such term is defined in the mortgage in favour of the Lender dated as of the date hereof granted by the Nominee in its capacity as nominee for the Beneficial Owner, as authorized and directed by the Beneficial Owner pursuant to that certain beneficial charge agreement dated as of the date hereof granted by the Beneficial Owner (collectively, the "**Mortgage**")), whether for principal, interest, bonus, fees, expenses, indemnity or otherwise, and any and all out-of-pocket expenses (including counsel fees and disbursements on a solicitor and own client full indemnity basis) incurred by the Lender in enforcing any of its rights under this Guarantee (such obligations being herein called the "**Guaranteed Obligations**").

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2. **Absolute Liability**

The Guarantor guarantees that the Guaranteed Obligations will be paid and performed strictly in accordance with the terms of the Credit Documents. The liability of the Guarantor under this Guarantee shall be absolute and unconditional irrespective of:

(a) the lack of validity or enforceability of any terms of the Commitment, the Mortgage or any security granted to the Lender by the Borrower or any other person or persons pursuant to the terms of the Commitment, the Mortgage or any other security and supporting agreements of the Borrower or of such other persons (such security and supporting agreements being collectively the "**Security and Supporting Agreements**") or otherwise;

(b) any contest by the Borrower or any other person as to the amount of the Guaranteed Obligations or the validity or enforceability of any terms of the Commitment, the Mortgage or the Security and Supporting Agreements or the priority of any security granted to the Lender by the Borrower or any other person or persons pursuant to the terms of the Commitment, the Mortgage, the Security and Supporting Agreements or otherwise;

(c) any defence, counter-claim or right of set-off available to the Borrower;

(d) any extension of the time or times for payment of the Guaranteed Obligations or any other indulgences the Lender may grant to the Borrower;

(e) any dealings with the security which the Lender holds or may hold pursuant to the terms and conditions of the Commitment, the Mortgage, the Security and Supporting Agreements or otherwise, including the taking and giving up of securities, the accepting of compositions and the granting of releases and discharges;

(f) the assignment of all or any part of the benefits of this Guarantee;

(g) any modification or amendment of or supplement to the Guaranteed Obligations, the Commitment or the Mortgage, including, without limitation, any assignment or assumption of the commitment of the Lender under the Commitment or the Mortgage and any increase or decrease in the principal, the rates of interest or other amounts payable under the Commitment or under the Mortgage; or

(h) any other circumstance which might otherwise constitute a defence available to or a discharge of a guarantor, the Borrower or any other person in respect of the Guaranteed Obligations, or of the Guarantor in respect of this Guarantee.

3. **Remedies**

The Guarantor agrees that the Lender shall not be bound to seek or exhaust its recourses against the Borrower or any other person or to realize on any security it may hold in respect of the Guaranteed Obligations before being entitled to payment hereunder. Should the Lender elect to realize on any security it may hold, either before,

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concurrently with or after demand for payment under this Guarantee, the Guarantor shall have no right of discussion or division.

4. **Impairment of Security**

Any loss or impairment of any security received by the Lender from the Borrower or any other person pursuant to the provisions of the Commitment, the Mortgage or the Security and Supporting Agreements shall not discharge *pro tanto* or limit or lessen the liability of the Guarantor under this Guarantee.

5. **Amount of Guaranteed Obligations**

Any account settled or stated by or between the Lender and the Borrower or, if any such account has not been so settled or stated immediately before demand for payment under this Guarantee, any account thereafter stated by the Lender shall, in the absence of demonstrated error, be accepted by the Guarantor as conclusive evidence of the amount of the Guaranteed Obligations which at the date of the account so settled or stated is due by the Borrower to the Lender or remains unpaid by the Borrower to the Lender.

6. **Payment on Demand**

The Guarantor shall, in accordance with the terms of the Commitment and the Mortgage, make payment to the Lender of the amount of the Guaranteed Obligations forthwith after demand therefor is made in writing to it, and such demand shall be deemed to have been effectively made when an envelope containing such demand addressed to the Guarantor at: 2338-666 Burrard Street, Vancouver, BC V6C 2X8, is personally delivered to such address or is deposited, postage prepaid and registered, in any post office within or outside Canada. The indebtedness of the Guarantor hereunder shall bear interest from the date of such demand to the date of payment thereof in full at the rate or rates of interest applicable to the Guaranteed Obligations under and calculated in the manner provided in the Commitment and the Mortgage.

7. **Subrogation and Repayment**

Upon receipt by the Lender of any payments on account of liability under this Guarantee, whether by realization on security or otherwise, the Guarantor shall not be entitled to claim repayment against the Borrower until the Lender's claims against the Borrower in respect of the Guaranteed Obligations have been repaid in full. In the case of the liquidation, winding-up or bankruptcy of the Borrower (whether voluntary or compulsory) or in the event that the Borrower shall make a bulk sale of any of the Borrower's assets within the provisions of any bulk sales legislation or any composition with creditors or scheme of arrangement, the Lender shall have the right to rank in priority to the Guarantor for its full claims in respect of the Guaranteed Obligations and receive all dividends or other payments in respect thereof until its claims in respect of the Guaranteed Obligations have been paid in full, and the Guarantor shall continue to be liable, less any payments made by or on behalf of the Guarantor, for any balance which may be owing to the Lender by the Borrower. In the event of the valuation by the Lender of any of its security or the retention thereof by the Lender or both, such valuation or retention, or both, shall not, as between the Lender and the Guarantor, be considered as

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a purchase of such security, or as payment or satisfaction or reduction of the Guaranteed Obligations or any part thereof. If any amount shall be paid to the Guarantor on account of any subrogation rights at any time when all the Guaranteed Obligations shall not have been paid in full, such amount shall be held in trust for the benefit of the Lender and shall forthwith be paid to the Lender to be credited and applied upon the Guaranteed Obligations, whether matured or unmatured.

8. **Assignment and Postponement**

(1) All obligations, liabilities and indebtedness of the Borrower to the Guarantor of any nature whatsoever, and all security therefor, (the "**Subject Indebtedness**") are hereby assigned and transferred to the Lender as continuing and collateral security for the obligations of the Guarantor hereunder. The Guarantor shall not assign the Subject Indebtedness or any part thereof to any person or entity other than the Lender.

(2) From and after demand by the Lender pursuant to Section 6 hereof, the Subject Indebtedness shall be held in trust by the Guarantor for the Lender and shall be collected, enforced or proved subject to and for the purposes of this Guarantee, and any payments received by the Guarantor in respect thereof shall be segregated from other funds and property held by the Guarantor and forthwith paid over to the Lender on account of the Guaranteed Obligations.

(3) From and after demand by the Lender pursuant to Section 6 hereof, the Lender shall be entitled to receive payment of the Guaranteed Obligations in full before the Guarantor shall be entitled to receive any payment on account of the Subject Indebtedness. The Subject Indebtedness shall not be released or withdrawn by the Guarantor unless the Lender's written consent to such release or withdrawal is first obtained, and the Guarantor shall not permit the prescription of the Subject Indebtedness by any statute of limitations or ask for or obtain any security or negotiable paper for or other evidence of the Subject Indebtedness except for the purpose of delivering the same to the Lender.

9. **No Prejudice to the Lender**

The Lender shall not be prejudiced in any way in the right to enforce any provision of this Guarantee by any act or failure to act on the part of the Borrower. The Lender may, at any time and from time to time, without any consent of or notice to the Guarantor and without impairing or releasing the Guarantor from its obligations hereunder:

(a) change the manner, place or terms of payment or change or extend time of payment of, or renew or alter, the Guaranteed Obligations;

(b) release anyone liable in any manner under or in respect of the Guaranteed Obligations;

(c) exercise or refrain from exercising any rights against the Borrower or the Guarantor or any other person; and

(d) apply to the Guaranteed Obligations any sums from time to time received.

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10. **Rights of Set-Off**

To the fullest extent permitted by law, the Guarantor shall make all payments hereunder without regard to any defence, counter-claim or right of set-off available to it. Upon the making of a demand for payment hereunder, the Lender is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set-off and apply any deposits (general or special, time or demand, provisional or final) at any time held or other indebtedness at any time owing by the Lender to or for the credit or the account of the Guarantor against the Guaranteed Obligations and other amounts due to the Lender hereunder irrespective of whether or not the Lender shall have made any demand under this Guarantee and although such Guaranteed Obligations and other amounts may be contingent and unmatured. The rights of the Lender under this Section 10 are in addition, without prejudice and supplemental to any other rights and remedies (including, without limitation, other rights of set-off) which the Lender may have.

11. **No Recourse**

Any right of subrogation acquired by the Guarantor by reason of payment under or pursuant to this Guarantee shall not be exercised until the Guaranteed Obligations and other amounts due to the Lender hereunder have been paid or repaid in full to the Lender, and shall be no greater than the right held by the Lender and the Guarantor shall have no recourse against the Lender for any invalidity, non-perfection or unenforceability of any security held by the Lender or any irregularity or defect in the manner or procedure by which the Lender realizes on such security.

12. **Continuing Guarantee**

This Guarantee shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Guaranteed Obligations is rescinded or must otherwise be returned by the Lender upon the insolvency, bankruptcy or reorganization of the Borrower or otherwise, all as though such payment had not been made.

13. **Supplemental Security**

This Guarantee is in addition, without prejudice and supplemental to all other guarantees and securities held, or which may hereafter be held, by or for the Lender.

14. **Representations**

(1) The Guarantor represents and warrants to the Lender that it:

(a) is a corporation duly incorporated and organized and is validly subsisting and in good standing under the laws of the Province of British Columbia and is in good standing, in all jurisdictions where the Guarantor carries on business;

(b) has full corporate right, power and authority to enter into and perform its obligations under this Guarantee and any security given in respect hereof, and has full corporate right, power and authority to own and operate its properties and to carry on its business as now conducted by it; and

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(c) is not prohibited or restricted by applicable law in the giving of this Guarantee and it is in the best interests of the Guarantor to provide same.

(2) The execution and delivery of this Guarantee has been duly authorized by all necessary action by the Guarantor and this Guarantee constitutes a legal, valid and binding obligation of the Guarantor enforceable against it in accordance with its terms, subject only to:

(a) the effect of any bankruptcy, insolvency, moratorium or similar laws affecting the enforceability of creditors' rights generally;

(b) the discretion that a court of competent jurisdiction may exercise in the granting of equitable remedies; and

(c) the statutory powers of a court of competent jurisdiction to stay proceedings and stay the execution of judgment in proceedings before it,

and the execution, delivery and performance by the Guarantor of this Guarantee and the performance by the Guarantor of its obligations hereunder, do not and will not:

(d) conflict with or result in a breach of any of the terms, conditions or provisions of:

(i) the constating documents of the Guarantor;

(ii) any law applicable or binding on the Guarantor; or

(iii) any contractual restriction binding on or affecting the Guarantor or its properties the breach of which would have a material adverse effect on the business or assets of the Guarantor, on the ability of the Guarantor to perform any of its obligations under this Guarantee or on the priority, effectiveness or enforceability of this Guarantee; or

(e) result in, or require or permit:

(i) the imposition of any lien, charge, mortgage, pledge, security interest or other encumbrance whatsoever, in or with respect to the property, assets or undertaking of the Guarantor; or

(ii) the acceleration of the maturity of any indebtedness of the Guarantor or any of its subsidiaries, under any contractual provision binding on or affecting the Guarantor or such subsidiary.

15. ***Interest Act* (Canada)**

For the purposes of the *Interest Act* (Canada), as the same may be amended, replaced or re-enacted from time to time, whenever any interest is calculated using a rate based

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on a year of 360 days or 365 days, as the case may be, such rate determined pursuant to such calculation, when expressed as an annual rate is equivalent to:

(a) the applicable rate based on a year of 360 days or 365 days, as the case may be,

(b) multiplied by the actual number of days in a calendar year in which the period for such interest is payable (or compounded), and

(c) divided by 360 days or 365 days, as the case may be.

16. ***Criminal Code* (Canada)**

If any provision of this Guarantee would oblige the Guarantor to make any payment of interest or other amount payable to the Lender in an amount or calculated at a rate which would be prohibited by law or would result in a receipt by the Lender of "interest" at a "criminal rate" (as such terms are construed under the *Criminal Code* (Canada)), then, notwithstanding such provision, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law or so result in a receipt by the Lender of "interest" at a "criminal rate", such adjustment to be effected, to the extent necessary (but only to the extent necessary), as follows:

(a) first, by reducing the amount or rate of interest required to be paid to the Lender; and

(b) thereafter, by reducing any fees, commissions, premiums and other amounts required to be paid to the Agent which would constitute interest for purposes of Section 347 of the *Criminal Code* (Canada).

17. **Liability**

The liability of the Guarantor hereunder shall bear interest from the date written demand for payment is deemed to have been given by the Lender to the Guarantor at the applicable rate or rates set out in the Commitment and the Mortgage.

18. **Headings, etc.**

The division of this Guarantee into sections and the insertion of headings are for convenience of reference only and shall not affect the interpretation hereof.

19. **Governing Law**

This Guarantee shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein and shall be treated in all respects as a British Columbia contract.

20. **Successors, etc.**

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This Guarantee shall extend to and enure to the benefit of the Lender and their successors and assigns and shall be binding upon the Guarantor and his permitted assigns. This Guarantee shall not be assigned by the Guarantor without the Lender's prior written consent. All rights of the Lender hereunder shall be assignable in accordance with the terms of the Commitment.

21. **Notices**

Subject to Section 6, all notices, requests, demands, directions and communications ("**Notices**") hereunder shall be sent by fax or similar means of recorded communication or hand delivery or registered mail, and shall be effective when hand delivered or, in the case of fax or similar means of recorded communication, when received. All Notices shall be given to the Lender at its principal office as shown in the Commitment and to the Guarantor at the address referred to in Section 6 hereof, or otherwise in accordance with any unrevoked written direction of the Guarantor to the Lender at its principal office as to a change of address, given in accordance with this Section 21.

22. **Attornment/Service**

The Guarantor hereby irrevocably submits to the jurisdiction of any British Columbia court in any action or proceeding arising out of or relating to this Guarantee, and hereby irrevocably agrees that all claims in respect of any such action or proceeding may be heard and determined in such British Columbia court. The Guarantor hereby irrevocably waives, to the fullest extent it may effectively do so, the defence of an inconvenient forum to the maintenance of such action or proceeding. The Guarantor hereby irrevocably appoints the Borrower at its principal office and to the attention of the officer shown on the signature pages of the Commitment as its agent to receive on behalf of the Guarantor service of copies of the summons and complaint and any other process which may be served in any such action or proceeding. Such service may be made by delivering a copy of such process to the Guarantor in care of such agent and the Guarantor hereby irrevocably authorizes and directs such agent to accept such service on its behalf. As an alternative method of service, the Guarantor also irrevocably consents to the service of any process in any such action or proceeding by the mailing of copies of such process to the Guarantor at the address referred to in Section 6 hereof, or at such other address as it on its own behalf may direct. The Guarantor agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Section shall affect the right of the Lender to serve legal process in any other manner permitted by law or affect the right of the Lender to bring any action or proceeding against the Guarantor or his property in the courts of other jurisdictions.

23. **Judgment Currency**

(1) If, for the purposes of obtaining judgment in any court, it is necessary to convert a sum due hereunder to the Lender from the currency in respect of which any Guaranteed Obligations are owed to the Lender (the "**Original Currency**") into the currency which a court of competent jurisdiction may render judgment in connection with any litigation relating to the payment of the Guaranteed Obligations under this Guarantee (the "**Judgment Currency**"), the Guarantor agrees, to the fullest extent that it may effectively do so, that the rate of exchange

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used shall be that at which in accordance with normal banking procedures the Lender could purchase the Original Currency with the Judgment Currency on the business day preceding that on which final judgment is paid or satisfied.

(2) The obligations of the Guarantor in respect of any sum due in the Original Currency from itself to the Lender hereunder shall, notwithstanding any judgment in any Judgment Currency, be discharged only to the extent that on the business day following receipt by the Lender of any sum adjudged to be so due in such Judgment Currency, the Lender may in accordance with normal banking procedures purchase the Original Currency with such Judgment Currency. If the amount of the Original Currency so purchased is less than the sum originally due to the Lender, the Guarantor agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Lender against such loss and if the amount of the Original Currency so purchased exceeds the sum originally due to the Lender in the Original Currency, the Lender agrees to remit such excess to the Guarantor.

24. **Acknowledgement of Receipt/Waiver**

The Guarantor acknowledges receipt of an executed copy of this Guarantee, the Commitment, the Mortgage and the other Credit Documents to which it is a party. The Guarantor waives, to the extent permitted by law, the right to receive a copy of any financing statement, financing change statement or verification statement registered with or issued by any personal property registry or other official body in connection with this Guarantee.

25. **Conflict**

In the event of a conflict or inconsistency between the provisions of this Guarantee and the provisions of the Commitment or the Mortgage, the provisions of the Commitment shall govern (to the maximum extent permitted by applicable law), it being understood that the purpose of this Guarantee, the Commitment, the Mortgage, or any other Credit Document is to add to, and not detract from, the rights granted to the Lender under the Credit Documents; provided that, subject to the foregoing, in the case of any irreconcilable conflict between this Guarantee, the Mortgage, and the Commitment with respect to the guarantee granted by the Guarantor to the Lender and the rights and remedies of the Lender relative thereto, the Commitment shall govern with respect to such conflict.

[*Signature page follows*]

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IN WITNESS WHEREOF the Guarantor has duly executed this Guarantee as of the date first above written.

KELTIC GROUP EQUITIES (2019) LTD.

DocuSigned by:

Per: _____

31D5937AD5B5443...

Name: Li Lei

Title:

Per: _____

Name:

Title:

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GUARANTEE
(this "Guarantee")

1/20/2023 | 6:55 下午 PST

This Guarantee dated for reference January ____, 2023 made by Keltic Projects Development Ltd. (the "**Guarantor**"), to and in favour of Shape Capital Corp. on behalf of TS Alpha Venture Limited Partnership (collectively, the "**Lender**"), as lender under the Commitment hereinafter referred to.

WHEREAS:

A. Keltic (Prior) GP Ltd. (the "**Nominee**") and Keltic (Prior) Development Limited Partnership (the "**Beneficial Owner**", or, together with 1319191 B.C. Ltd., the "**Borrower**"), *inter alios*, have entered into a commitment letter with the Lender dated November 24, 2022 (as such agreement may at any time or from time to time be amended, supplemented, extended or otherwise modified or restated, the "**Commitment**"), wherein the Lender has agreed to advance certain credit facilities (the "**Credit Facilities**") to the Borrower.

B. It is a condition of the advance of the Credit Facilities under the Commitment by the Lender to the Borrower that, in addition to other security being taken, the Guarantor execute and deliver this Guarantee to and in favour of the Lender as collateral security for the payment and performance of the Guaranteed Obligations (as hereinafter defined).

C. The Credit Facilities are essential to the operation of the business of the Borrower and the proceeds of advance to be made by the Lender will result in direct or indirect material economic benefits to the Guarantor and it is, therefore, in the best interest of the Guarantor that it enter into this Guarantee and such other security documents as set out in the Commitment.

NOW THEREFORE WITNESSETH that in consideration of the payment of the sum of $1.00 in lawful money of Canada by the Lender to the Guarantor and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Guarantor hereby covenants, declares and agrees as follows:

1. **Guarantee**

The Guarantor hereby irrevocably and unconditionally guarantees the due and punctual performance and payment to the Lender, whether at stated maturity, by acceleration or otherwise, of all obligations of the Borrower to the Lender, now or hereafter existing under or pursuant to the Commitment or any other Credit Documents (as such term is defined in the mortgage in favour of the Lender dated as of the date hereof granted by the Nominee in its capacity as nominee for the Beneficial Owner, as authorized and directed by the Beneficial Owner pursuant to that certain beneficial charge agreement dated as of the date hereof granted by the Beneficial Owner (collectively, the "**Mortgage**")), whether for principal, interest, bonus, fees, expenses, indemnity or otherwise, and any and all out-of-pocket expenses (including counsel fees and disbursements on a solicitor and own client full indemnity basis) incurred by the Lender in enforcing any of its rights under this Guarantee (such obligations being herein called the "**Guaranteed Obligations**").

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2. **Absolute Liability**

The Guarantor guarantees that the Guaranteed Obligations will be paid and performed strictly in accordance with the terms of the Credit Documents. The liability of the Guarantor under this Guarantee shall be absolute and unconditional irrespective of:

(a) the lack of validity or enforceability of any terms of the Commitment, the Mortgage or any security granted to the Lender by the Borrower or any other person or persons pursuant to the terms of the Commitment, the Mortgage or any other security and supporting agreements of the Borrower or of such other persons (such security and supporting agreements being collectively the "**Security and Supporting Agreements**") or otherwise;

(b) any contest by the Borrower or any other person as to the amount of the Guaranteed Obligations or the validity or enforceability of any terms of the Commitment, the Mortgage or the Security and Supporting Agreements or the priority of any security granted to the Lender by the Borrower or any other person or persons pursuant to the terms of the Commitment, the Mortgage, the Security and Supporting Agreements or otherwise;

(c) any defence, counter-claim or right of set-off available to the Borrower;

(d) any extension of the time or times for payment of the Guaranteed Obligations or any other indulgences the Lender may grant to the Borrower;

(e) any dealings with the security which the Lender holds or may hold pursuant to the terms and conditions of the Commitment, the Mortgage, the Security and Supporting Agreements or otherwise, including the taking and giving up of securities, the accepting of compositions and the granting of releases and discharges;

(f) the assignment of all or any part of the benefits of this Guarantee;

(g) any modification or amendment of or supplement to the Guaranteed Obligations, the Commitment or the Mortgage, including, without limitation, any assignment or assumption of the commitment of the Lender under the Commitment or the Mortgage and any increase or decrease in the principal, the rates of interest or other amounts payable under the Commitment or under the Mortgage; or

(h) any other circumstance which might otherwise constitute a defence available to or a discharge of a guarantor, the Borrower or any other person in respect of the Guaranteed Obligations, or of the Guarantor in respect of this Guarantee.

3. **Remedies**

The Guarantor agrees that the Lender shall not be bound to seek or exhaust its recourses against the Borrower or any other person or to realize on any security it may hold in respect of the Guaranteed Obligations before being entitled to payment hereunder. Should the Lender elect to realize on any security it may hold, either before,

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concurrently with or after demand for payment under this Guarantee, the Guarantor shall have no right of discussion or division.

4. **Impairment of Security**

Any loss or impairment of any security received by the Lender from the Borrower or any other person pursuant to the provisions of the Commitment, the Mortgage or the Security and Supporting Agreements shall not discharge *pro tanto* or limit or lessen the liability of the Guarantor under this Guarantee.

5. **Amount of Guaranteed Obligations**

Any account settled or stated by or between the Lender and the Borrower or, if any such account has not been so settled or stated immediately before demand for payment under this Guarantee, any account thereafter stated by the Lender shall, in the absence of demonstrated error, be accepted by the Guarantor as conclusive evidence of the amount of the Guaranteed Obligations which at the date of the account so settled or stated is due by the Borrower to the Lender or remains unpaid by the Borrower to the Lender.

6. **Payment on Demand**

The Guarantor shall, in accordance with the terms of the Commitment and the Mortgage, make payment to the Lender of the amount of the Guaranteed Obligations forthwith after demand therefor is made in writing to it, and such demand shall be deemed to have been effectively made when an envelope containing such demand addressed to the Guarantor at: 2338-666 Burrard Street, Vancouver, BC V6C 2X8, is personally delivered to such address or is deposited, postage prepaid and registered, in any post office within or outside Canada. The indebtedness of the Guarantor hereunder shall bear interest from the date of such demand to the date of payment thereof in full at the rate or rates of interest applicable to the Guaranteed Obligations under and calculated in the manner provided in the Commitment and the Mortgage.

7. **Subrogation and Repayment**

Upon receipt by the Lender of any payments on account of liability under this Guarantee, whether by realization on security or otherwise, the Guarantor shall not be entitled to claim repayment against the Borrower until the Lender's claims against the Borrower in respect of the Guaranteed Obligations have been repaid in full. In the case of the liquidation, winding-up or bankruptcy of the Borrower (whether voluntary or compulsory) or in the event that the Borrower shall make a bulk sale of any of the Borrower's assets within the provisions of any bulk sales legislation or any composition with creditors or scheme of arrangement, the Lender shall have the right to rank in priority to the Guarantor for its full claims in respect of the Guaranteed Obligations and receive all dividends or other payments in respect thereof until its claims in respect of the Guaranteed Obligations have been paid in full, and the Guarantor shall continue to be liable, less any payments made by or on behalf of the Guarantor, for any balance which may be owing to the Lender by the Borrower. In the event of the valuation by the Lender of any of its security or the retention thereof by the Lender or both, such valuation or retention, or both, shall not, as between the Lender and the Guarantor, be considered as

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a purchase of such security, or as payment or satisfaction or reduction of the Guaranteed Obligations or any part thereof. If any amount shall be paid to the Guarantor on account of any subrogation rights at any time when all the Guaranteed Obligations shall not have been paid in full, such amount shall be held in trust for the benefit of the Lender and shall forthwith be paid to the Lender to be credited and applied upon the Guaranteed Obligations, whether matured or unmatured.

8. **Assignment and Postponement**

(1) All obligations, liabilities and indebtedness of the Borrower to the Guarantor of any nature whatsoever, and all security therefor, (the "**Subject Indebtedness**") are hereby assigned and transferred to the Lender as continuing and collateral security for the obligations of the Guarantor hereunder. The Guarantor shall not assign the Subject Indebtedness or any part thereof to any person or entity other than the Lender.

(2) From and after demand by the Lender pursuant to Section 6 hereof, the Subject Indebtedness shall be held in trust by the Guarantor for the Lender and shall be collected, enforced or proved subject to and for the purposes of this Guarantee, and any payments received by the Guarantor in respect thereof shall be segregated from other funds and property held by the Guarantor and forthwith paid over to the Lender on account of the Guaranteed Obligations.

(3) From and after demand by the Lender pursuant to Section 6 hereof, the Lender shall be entitled to receive payment of the Guaranteed Obligations in full before the Guarantor shall be entitled to receive any payment on account of the Subject Indebtedness. The Subject Indebtedness shall not be released or withdrawn by the Guarantor unless the Lender's written consent to such release or withdrawal is first obtained, and the Guarantor shall not permit the prescription of the Subject Indebtedness by any statute of limitations or ask for or obtain any security or negotiable paper for or other evidence of the Subject Indebtedness except for the purpose of delivering the same to the Lender.

9. **No Prejudice to the Lender**

The Lender shall not be prejudiced in any way in the right to enforce any provision of this Guarantee by any act or failure to act on the part of the Borrower. The Lender may, at any time and from time to time, without any consent of or notice to the Guarantor and without impairing or releasing the Guarantor from its obligations hereunder:

(a) change the manner, place or terms of payment or change or extend time of payment of, or renew or alter, the Guaranteed Obligations;

(b) release anyone liable in any manner under or in respect of the Guaranteed Obligations;

(c) exercise or refrain from exercising any rights against the Borrower or the Guarantor or any other person; and

(d) apply to the Guaranteed Obligations any sums from time to time received.

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10. **Rights of Set-Off**

To the fullest extent permitted by law, the Guarantor shall make all payments hereunder without regard to any defence, counter-claim or right of set-off available to it. Upon the making of a demand for payment hereunder, the Lender is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set-off and apply any deposits (general or special, time or demand, provisional or final) at any time held or other indebtedness at any time owing by the Lender to or for the credit or the account of the Guarantor against the Guaranteed Obligations and other amounts due to the Lender hereunder irrespective of whether or not the Lender shall have made any demand under this Guarantee and although such Guaranteed Obligations and other amounts may be contingent and unmatured. The rights of the Lender under this Section 10 are in addition, without prejudice and supplemental to any other rights and remedies (including, without limitation, other rights of set-off) which the Lender may have.

11. **No Recourse**

Any right of subrogation acquired by the Guarantor by reason of payment under or pursuant to this Guarantee shall not be exercised until the Guaranteed Obligations and other amounts due to the Lender hereunder have been paid or repaid in full to the Lender, and shall be no greater than the right held by the Lender and the Guarantor shall have no recourse against the Lender for any invalidity, non-perfection or unenforceability of any security held by the Lender or any irregularity or defect in the manner or procedure by which the Lender realizes on such security.

12. **Continuing Guarantee**

This Guarantee shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Guaranteed Obligations is rescinded or must otherwise be returned by the Lender upon the insolvency, bankruptcy or reorganization of the Borrower or otherwise, all as though such payment had not been made.

13. **Supplemental Security**

This Guarantee is in addition, without prejudice and supplemental to all other guarantees and securities held, or which may hereafter be held, by or for the Lender.

14. **Representations**

(1) The Guarantor represents and warrants to the Lender that it:

(a) is a corporation duly incorporated and organized and is validly subsisting and in good standing under the laws of the Province of British Columbia and is in good standing, in all jurisdictions where the Guarantor carries on business;

(b) has full corporate right, power and authority to enter into and perform its obligations under this Guarantee and any security given in respect hereof, and has full corporate right, power and authority to own and operate its properties and to carry on its business as now conducted by it; and

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(c) is not prohibited or restricted by applicable law in the giving of this Guarantee and it is in the best interests of the Guarantor to provide same.

(2) The execution and delivery of this Guarantee has been duly authorized by all necessary action by the Guarantor and this Guarantee constitutes a legal, valid and binding obligation of the Guarantor enforceable against it in accordance with its terms, subject only to:

(a) the effect of any bankruptcy, insolvency, moratorium or similar laws affecting the enforceability of creditors' rights generally;

(b) the discretion that a court of competent jurisdiction may exercise in the granting of equitable remedies; and

(c) the statutory powers of a court of competent jurisdiction to stay proceedings and stay the execution of judgment in proceedings before it,

and the execution, delivery and performance by the Guarantor of this Guarantee and the performance by the Guarantor of its obligations hereunder, do not and will not:

(d) conflict with or result in a breach of any of the terms, conditions or provisions of:

(i) the constating documents of the Guarantor;

(ii) any law applicable or binding on the Guarantor; or

(iii) any contractual restriction binding on or affecting the Guarantor or its properties the breach of which would have a material adverse effect on the business or assets of the Guarantor, on the ability of the Guarantor to perform any of its obligations under this Guarantee or on the priority, effectiveness or enforceability of this Guarantee; or

(e) result in, or require or permit:

(i) the imposition of any lien, charge, mortgage, pledge, security interest or other encumbrance whatsoever, in or with respect to the property, assets or undertaking of the Guarantor; or

(ii) the acceleration of the maturity of any indebtedness of the Guarantor or any of its subsidiaries, under any contractual provision binding on or affecting the Guarantor or such subsidiary.

15. ***Interest Act* (Canada)**

For the purposes of the *Interest Act* (Canada), as the same may be amended, replaced or re-enacted from time to time, whenever any interest is calculated using a rate based

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on a year of 360 days or 365 days, as the case may be, such rate determined pursuant to such calculation, when expressed as an annual rate is equivalent to:

(a) the applicable rate based on a year of 360 days or 365 days, as the case may be,

(b) multiplied by the actual number of days in a calendar year in which the period for such interest is payable (or compounded), and

(c) divided by 360 days or 365 days, as the case may be.

16. ***Criminal Code* (Canada)**

If any provision of this Guarantee would oblige the Guarantor to make any payment of interest or other amount payable to the Lender in an amount or calculated at a rate which would be prohibited by law or would result in a receipt by the Lender of "interest" at a "criminal rate" (as such terms are construed under the *Criminal Code* (Canada)), then, notwithstanding such provision, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law or so result in a receipt by the Lender of "interest" at a "criminal rate", such adjustment to be effected, to the extent necessary (but only to the extent necessary), as follows:

(a) first, by reducing the amount or rate of interest required to be paid to the Lender; and

(b) thereafter, by reducing any fees, commissions, premiums and other amounts required to be paid to the Agent which would constitute interest for purposes of Section 347 of the *Criminal Code* (Canada).

17. **Liability**

The liability of the Guarantor hereunder shall bear interest from the date written demand for payment is deemed to have been given by the Lender to the Guarantor at the applicable rate or rates set out in the Commitment and the Mortgage.

18. **Headings, etc.**

The division of this Guarantee into sections and the insertion of headings are for convenience of reference only and shall not affect the interpretation hereof.

19. **Governing Law**

This Guarantee shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein and shall be treated in all respects as a British Columbia contract.

20. **Successors, etc.**

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This Guarantee shall extend to and enure to the benefit of the Lender and their successors and assigns and shall be binding upon the Guarantor and his permitted assigns. This Guarantee shall not be assigned by the Guarantor without the Lender's prior written consent. All rights of the Lender hereunder shall be assignable in accordance with the terms of the Commitment.

21. **Notices**

Subject to Section 6, all notices, requests, demands, directions and communications ("**Notices**") hereunder shall be sent by fax or similar means of recorded communication or hand delivery or registered mail, and shall be effective when hand delivered or, in the case of fax or similar means of recorded communication, when received. All Notices shall be given to the Lender at its principal office as shown in the Commitment and to the Guarantor at the address referred to in Section 6 hereof, or otherwise in accordance with any unrevoked written direction of the Guarantor to the Lender at its principal office as to a change of address, given in accordance with this Section 21.

22. **Attornment/Service**

The Guarantor hereby irrevocably submits to the jurisdiction of any British Columbia court in any action or proceeding arising out of or relating to this Guarantee, and hereby irrevocably agrees that all claims in respect of any such action or proceeding may be heard and determined in such British Columbia court. The Guarantor hereby irrevocably waives, to the fullest extent it may effectively do so, the defence of an inconvenient forum to the maintenance of such action or proceeding. The Guarantor hereby irrevocably appoints the Borrower at its principal office and to the attention of the officer shown on the signature pages of the Commitment as its agent to receive on behalf of the Guarantor service of copies of the summons and complaint and any other process which may be served in any such action or proceeding. Such service may be made by delivering a copy of such process to the Guarantor in care of such agent and the Guarantor hereby irrevocably authorizes and directs such agent to accept such service on its behalf. As an alternative method of service, the Guarantor also irrevocably consents to the service of any process in any such action or proceeding by the mailing of copies of such process to the Guarantor at the address referred to in Section 6 hereof, or at such other address as it on its own behalf may direct. The Guarantor agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Section shall affect the right of the Lender to serve legal process in any other manner permitted by law or affect the right of the Lender to bring any action or proceeding against the Guarantor or his property in the courts of other jurisdictions.

23. **Judgment Currency**

(1) If, for the purposes of obtaining judgment in any court, it is necessary to convert a sum due hereunder to the Lender from the currency in respect of which any Guaranteed Obligations are owed to the Lender (the "**Original Currency**") into the currency which a court of competent jurisdiction may render judgment in connection with any litigation relating to the payment of the Guaranteed Obligations under this Guarantee (the "**Judgment Currency**"), the Guarantor agrees, to the fullest extent that it may effectively do so, that the rate of exchange

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used shall be that at which in accordance with normal banking procedures the Lender could purchase the Original Currency with the Judgment Currency on the business day preceding that on which final judgment is paid or satisfied.

(2) The obligations of the Guarantor in respect of any sum due in the Original Currency from itself to the Lender hereunder shall, notwithstanding any judgment in any Judgment Currency, be discharged only to the extent that on the business day following receipt by the Lender of any sum adjudged to be so due in such Judgment Currency, the Lender may in accordance with normal banking procedures purchase the Original Currency with such Judgment Currency. If the amount of the Original Currency so purchased is less than the sum originally due to the Lender, the Guarantor agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Lender against such loss and if the amount of the Original Currency so purchased exceeds the sum originally due to the Lender in the Original Currency, the Lender agrees to remit such excess to the Guarantor.

24. **Acknowledgement of Receipt/Waiver**

The Guarantor acknowledges receipt of an executed copy of this Guarantee, the Commitment, the Mortgage and the other Credit Documents to which it is a party. The Guarantor waives, to the extent permitted by law, the right to receive a copy of any financing statement, financing change statement or verification statement registered with or issued by any personal property registry or other official body in connection with this Guarantee.

25. **Conflict**

In the event of a conflict or inconsistency between the provisions of this Guarantee and the provisions of the Commitment or the Mortgage, the provisions of the Commitment shall govern (to the maximum extent permitted by applicable law), it being understood that the purpose of this Guarantee, the Commitment, the Mortgage, or any other Credit Document is to add to, and not detract from, the rights granted to the Lender under the Credit Documents; provided that, subject to the foregoing, in the case of any irreconcilable conflict between this Guarantee, the Mortgage, and the Commitment with respect to the guarantee granted by the Guarantor to the Lender and the rights and remedies of the Lender relative thereto, the Commitment shall govern with respect to such conflict.

[*Signature page follows*]

IN WITNESS WHEREOF the Guarantor has duly executed this Guarantee as of the date first above written.

KELTIC PROJECTS DEVELOPMENT LTD.

DocuSigned by:

Per: _____
Name: L1 Le1 31D5937AD5B5443...
Title:

Per: _____
Name:
Title:

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GUARANTEE
(this "Guarantee")

1/20/2023 | 6:55 下午 PST

This Guarantee dated for reference January ___, 2023 made by Keltic Canada Development Co. Ltd. (the "**Guarantor**"), to and in favour of Shape Capital Corp. on behalf of TS Alpha Venture Limited Partnership (collectively, the "**Lender**"), as lender under the Commitment hereinafter referred to.

WHEREAS:

A. Keltic (Prior) GP Ltd. (the "**Nominee**") and Keltic (Prior) Development Limited Partnership (the "**Beneficial Owner**", or, together with 1319191 B.C. Ltd., the "**Borrower**"), *inter alios*, have entered into a commitment letter with the Lender dated November 24, 2022 (as such agreement may at any time or from time to time be amended, supplemented, extended or otherwise modified or restated, the "**Commitment**"), wherein the Lender has agreed to advance certain credit facilities (the "**Credit Facilities**") to the Borrower.

B. It is a condition of the advance of the Credit Facilities under the Commitment by the Lender to the Borrower that, in addition to other security being taken, the Guarantor execute and deliver this Guarantee to and in favour of the Lender as collateral security for the payment and performance of the Guaranteed Obligations (as hereinafter defined).

C. The Credit Facilities are essential to the operation of the business of the Borrower and the proceeds of advance to be made by the Lender will result in direct or indirect material economic benefits to the Guarantor and it is, therefore, in the best interest of the Guarantor that it enter into this Guarantee and such other security documents as set out in the Commitment.

NOW THEREFORE WITNESSETH that in consideration of the payment of the sum of $1.00 in lawful money of Canada by the Lender to the Guarantor and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Guarantor hereby covenants, declares and agrees as follows:

1. **Guarantee**

The Guarantor hereby irrevocably and unconditionally guarantees the due and punctual performance and payment to the Lender, whether at stated maturity, by acceleration or otherwise, of all obligations of the Borrower to the Lender, now or hereafter existing under or pursuant to the Commitment or any other Credit Documents (as such term is defined in the mortgage in favour of the Lender dated as of the date hereof granted by the Nominee in its capacity as nominee for the Beneficial Owner, as authorized and directed by the Beneficial Owner pursuant to that certain beneficial charge agreement dated as of the date hereof granted by the Beneficial Owner (collectively, the "**Mortgage**")), whether for principal, interest, bonus, fees, expenses, indemnity or otherwise, and any and all out-of-pocket expenses (including counsel fees and disbursements on a solicitor and own client full indemnity basis) incurred by the Lender in enforcing any of its rights under this Guarantee (such obligations being herein called the "**Guaranteed Obligations**").

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2. **Absolute Liability**

The Guarantor guarantees that the Guaranteed Obligations will be paid and performed strictly in accordance with the terms of the Credit Documents. The liability of the Guarantor under this Guarantee shall be absolute and unconditional irrespective of:

(a) the lack of validity or enforceability of any terms of the Commitment, the Mortgage or any security granted to the Lender by the Borrower or any other person or persons pursuant to the terms of the Commitment, the Mortgage or any other security and supporting agreements of the Borrower or of such other persons (such security and supporting agreements being collectively the "**Security and Supporting Agreements**") or otherwise;

(b) any contest by the Borrower or any other person as to the amount of the Guaranteed Obligations or the validity or enforceability of any terms of the Commitment, the Mortgage or the Security and Supporting Agreements or the priority of any security granted to the Lender by the Borrower or any other person or persons pursuant to the terms of the Commitment, the Mortgage, the Security and Supporting Agreements or otherwise;

(c) any defence, counter-claim or right of set-off available to the Borrower;

(d) any extension of the time or times for payment of the Guaranteed Obligations or any other indulgences the Lender may grant to the Borrower;

(e) any dealings with the security which the Lender holds or may hold pursuant to the terms and conditions of the Commitment, the Mortgage, the Security and Supporting Agreements or otherwise, including the taking and giving up of securities, the accepting of compositions and the granting of releases and discharges;

(f) the assignment of all or any part of the benefits of this Guarantee;

(g) any modification or amendment of or supplement to the Guaranteed Obligations, the Commitment or the Mortgage, including, without limitation, any assignment or assumption of the commitment of the Lender under the Commitment or the Mortgage and any increase or decrease in the principal, the rates of interest or other amounts payable under the Commitment or under the Mortgage; or

(h) any other circumstance which might otherwise constitute a defence available to or a discharge of a guarantor, the Borrower or any other person in respect of the Guaranteed Obligations, or of the Guarantor in respect of this Guarantee.

3. **Remedies**

The Guarantor agrees that the Lender shall not be bound to seek or exhaust its recourses against the Borrower or any other person or to realize on any security it may hold in respect of the Guaranteed Obligations before being entitled to payment hereunder. Should the Lender elect to realize on any security it may hold, either before,

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concurrently with or after demand for payment under this Guarantee, the Guarantor shall have no right of discussion or division.

4. **Impairment of Security**

Any loss or impairment of any security received by the Lender from the Borrower or any other person pursuant to the provisions of the Commitment, the Mortgage or the Security and Supporting Agreements shall not discharge *pro tanto* or limit or lessen the liability of the Guarantor under this Guarantee.

5. **Amount of Guaranteed Obligations**

Any account settled or stated by or between the Lender and the Borrower or, if any such account has not been so settled or stated immediately before demand for payment under this Guarantee, any account thereafter stated by the Lender shall, in the absence of demonstrated error, be accepted by the Guarantor as conclusive evidence of the amount of the Guaranteed Obligations which at the date of the account so settled or stated is due by the Borrower to the Lender or remains unpaid by the Borrower to the Lender.

6. **Payment on Demand**

The Guarantor shall, in accordance with the terms of the Commitment and the Mortgage, make payment to the Lender of the amount of the Guaranteed Obligations forthwith after demand therefor is made in writing to it, and such demand shall be deemed to have been effectively made when an envelope containing such demand addressed to the Guarantor at: 2338-666 Burrard Street, Vancouver, BC V6C 2X8, is personally delivered to such address or is deposited, postage prepaid and registered, in any post office within or outside Canada. The indebtedness of the Guarantor hereunder shall bear interest from the date of such demand to the date of payment thereof in full at the rate or rates of interest applicable to the Guaranteed Obligations under and calculated in the manner provided in the Commitment and the Mortgage.

7. **Subrogation and Repayment**

Upon receipt by the Lender of any payments on account of liability under this Guarantee, whether by realization on security or otherwise, the Guarantor shall not be entitled to claim repayment against the Borrower until the Lender's claims against the Borrower in respect of the Guaranteed Obligations have been repaid in full. In the case of the liquidation, winding-up or bankruptcy of the Borrower (whether voluntary or compulsory) or in the event that the Borrower shall make a bulk sale of any of the Borrower's assets within the provisions of any bulk sales legislation or any composition with creditors or scheme of arrangement, the Lender shall have the right to rank in priority to the Guarantor for its full claims in respect of the Guaranteed Obligations and receive all dividends or other payments in respect thereof until its claims in respect of the Guaranteed Obligations have been paid in full, and the Guarantor shall continue to be liable, less any payments made by or on behalf of the Guarantor, for any balance which may be owing to the Lender by the Borrower. In the event of the valuation by the Lender of any of its security or the retention thereof by the Lender or both, such valuation or retention, or both, shall not, as between the Lender and the Guarantor, be considered as

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a purchase of such security, or as payment or satisfaction or reduction of the Guaranteed Obligations or any part thereof. If any amount shall be paid to the Guarantor on account of any subrogation rights at any time when all the Guaranteed Obligations shall not have been paid in full, such amount shall be held in trust for the benefit of the Lender and shall forthwith be paid to the Lender to be credited and applied upon the Guaranteed Obligations, whether matured or unmatured.

8. **Assignment and Postponement**

(1) All obligations, liabilities and indebtedness of the Borrower to the Guarantor of any nature whatsoever, and all security therefor, (the "**Subject Indebtedness**") are hereby assigned and transferred to the Lender as continuing and collateral security for the obligations of the Guarantor hereunder. The Guarantor shall not assign the Subject Indebtedness or any part thereof to any person or entity other than the Lender.

(2) From and after demand by the Lender pursuant to Section 6 hereof, the Subject Indebtedness shall be held in trust by the Guarantor for the Lender and shall be collected, enforced or proved subject to and for the purposes of this Guarantee, and any payments received by the Guarantor in respect thereof shall be segregated from other funds and property held by the Guarantor and forthwith paid over to the Lender on account of the Guaranteed Obligations.

(3) From and after demand by the Lender pursuant to Section 6 hereof, the Lender shall be entitled to receive payment of the Guaranteed Obligations in full before the Guarantor shall be entitled to receive any payment on account of the Subject Indebtedness. The Subject Indebtedness shall not be released or withdrawn by the Guarantor unless the Lender's written consent to such release or withdrawal is first obtained, and the Guarantor shall not permit the prescription of the Subject Indebtedness by any statute of limitations or ask for or obtain any security or negotiable paper for or other evidence of the Subject Indebtedness except for the purpose of delivering the same to the Lender.

9. **No Prejudice to the Lender**

The Lender shall not be prejudiced in any way in the right to enforce any provision of this Guarantee by any act or failure to act on the part of the Borrower. The Lender may, at any time and from time to time, without any consent of or notice to the Guarantor and without impairing or releasing the Guarantor from its obligations hereunder:

(a) change the manner, place or terms of payment or change or extend time of payment of, or renew or alter, the Guaranteed Obligations;

(b) release anyone liable in any manner under or in respect of the Guaranteed Obligations;

(c) exercise or refrain from exercising any rights against the Borrower or the Guarantor or any other person; and

(d) apply to the Guaranteed Obligations any sums from time to time received.

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10. **Rights of Set-Off**

To the fullest extent permitted by law, the Guarantor shall make all payments hereunder without regard to any defence, counter-claim or right of set-off available to it. Upon the making of a demand for payment hereunder, the Lender is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set-off and apply any deposits (general or special, time or demand, provisional or final) at any time held or other indebtedness at any time owing by the Lender to or for the credit or the account of the Guarantor against the Guaranteed Obligations and other amounts due to the Lender hereunder irrespective of whether or not the Lender shall have made any demand under this Guarantee and although such Guaranteed Obligations and other amounts may be contingent and unmatured. The rights of the Lender under this Section 10 are in addition, without prejudice and supplemental to any other rights and remedies (including, without limitation, other rights of set-off) which the Lender may have.

11. **No Recourse**

Any right of subrogation acquired by the Guarantor by reason of payment under or pursuant to this Guarantee shall not be exercised until the Guaranteed Obligations and other amounts due to the Lender hereunder have been paid or repaid in full to the Lender, and shall be no greater than the right held by the Lender and the Guarantor shall have no recourse against the Lender for any invalidity, non-perfection or unenforceability of any security held by the Lender or any irregularity or defect in the manner or procedure by which the Lender realizes on such security.

12. **Continuing Guarantee**

This Guarantee shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Guaranteed Obligations is rescinded or must otherwise be returned by the Lender upon the insolvency, bankruptcy or reorganization of the Borrower or otherwise, all as though such payment had not been made.

13. **Supplemental Security**

This Guarantee is in addition, without prejudice and supplemental to all other guarantees and securities held, or which may hereafter be held, by or for the Lender.

14. **Representations**

(1) The Guarantor represents and warrants to the Lender that it:

(a) is a corporation duly incorporated and organized and is validly subsisting and in good standing under the laws of the Province of British Columbia and is in good standing, in all jurisdictions where the Guarantor carries on business;

(b) has full corporate right, power and authority to enter into and perform its obligations under this Guarantee and any security given in respect hereof, and has full corporate right, power and authority to own and operate its properties and to carry on its business as now conducted by it; and

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(c) is not prohibited or restricted by applicable law in the giving of this Guarantee and it is in the best interests of the Guarantor to provide same.

(2) The execution and delivery of this Guarantee has been duly authorized by all necessary action by the Guarantor and this Guarantee constitutes a legal, valid and binding obligation of the Guarantor enforceable against it in accordance with its terms, subject only to:

(a) the effect of any bankruptcy, insolvency, moratorium or similar laws affecting the enforceability of creditors' rights generally;

(b) the discretion that a court of competent jurisdiction may exercise in the granting of equitable remedies; and

(c) the statutory powers of a court of competent jurisdiction to stay proceedings and stay the execution of judgment in proceedings before it,

and the execution, delivery and performance by the Guarantor of this Guarantee and the performance by the Guarantor of its obligations hereunder, do not and will not:

(d) conflict with or result in a breach of any of the terms, conditions or provisions of:

(i) the constating documents of the Guarantor;

(ii) any law applicable or binding on the Guarantor; or

(iii) any contractual restriction binding on or affecting the Guarantor or its properties the breach of which would have a material adverse effect on the business or assets of the Guarantor, on the ability of the Guarantor to perform any of its obligations under this Guarantee or on the priority, effectiveness or enforceability of this Guarantee; or

(e) result in, or require or permit:

(i) the imposition of any lien, charge, mortgage, pledge, security interest or other encumbrance whatsoever, in or with respect to the property, assets or undertaking of the Guarantor; or

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on a year of 360 days or 365 days, as the case may be, such rate determined pursuant to such calculation, when expressed as an annual rate is equivalent to:

(a) the applicable rate based on a year of 360 days or 365 days, as the case may be,

(b) multiplied by the actual number of days in a calendar year in which the period for such interest is payable (or compounded), and

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(a) first, by reducing the amount or rate of interest required to be paid to the Lender; and

(b) thereafter, by reducing any fees, commissions, premiums and other amounts required to be paid to the Agent which would constitute interest for purposes of Section 347 of the *Criminal Code* (Canada).

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The liability of the Guarantor hereunder shall bear interest from the date written demand for payment is deemed to have been given by the Lender to the Guarantor at the applicable rate or rates set out in the Commitment and the Mortgage.

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Subject to Section 6, all notices, requests, demands, directions and communications ("**Notices**") hereunder shall be sent by fax or similar means of recorded communication or hand delivery or registered mail, and shall be effective when hand delivered or, in the case of fax or similar means of recorded communication, when received. All Notices shall be given to the Lender at its principal office as shown in the Commitment and to the Guarantor at the address referred to in Section 6 hereof, or otherwise in accordance with any unrevoked written direction of the Guarantor to the Lender at its principal office as to a change of address, given in accordance with this Section 21.

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The Guarantor hereby irrevocably submits to the jurisdiction of any British Columbia court in any action or proceeding arising out of or relating to this Guarantee, and hereby irrevocably agrees that all claims in respect of any such action or proceeding may be heard and determined in such British Columbia court. The Guarantor hereby irrevocably waives, to the fullest extent it may effectively do so, the defence of an inconvenient forum to the maintenance of such action or proceeding. The Guarantor hereby irrevocably appoints the Borrower at its principal office and to the attention of the officer shown on the signature pages of the Commitment as its agent to receive on behalf of the Guarantor service of copies of the summons and complaint and any other process which may be served in any such action or proceeding. Such service may be made by delivering a copy of such process to the Guarantor in care of such agent and the Guarantor hereby irrevocably authorizes and directs such agent to accept such service on its behalf. As an alternative method of service, the Guarantor also irrevocably consents to the service of any process in any such action or proceeding by the mailing of copies of such process to the Guarantor at the address referred to in Section 6 hereof, or at such other address as it on its own behalf may direct. The Guarantor agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Section shall affect the right of the Lender to serve legal process in any other manner permitted by law or affect the right of the Lender to bring any action or proceeding against the Guarantor or his property in the courts of other jurisdictions.

23. **Judgment Currency**

(1) If, for the purposes of obtaining judgment in any court, it is necessary to convert a sum due hereunder to the Lender from the currency in respect of which any Guaranteed Obligations are owed to the Lender (the "**Original Currency**") into the currency which a court of competent jurisdiction may render judgment in connection with any litigation relating to the payment of the Guaranteed Obligations under this Guarantee (the "**Judgment Currency**"), the Guarantor agrees, to the fullest extent that it may effectively do so, that the rate of exchange

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used shall be that at which in accordance with normal banking procedures the Lender could purchase the Original Currency with the Judgment Currency on the business day preceding that on which final judgment is paid or satisfied.

(2) The obligations of the Guarantor in respect of any sum due in the Original Currency from itself to the Lender hereunder shall, notwithstanding any judgment in any Judgment Currency, be discharged only to the extent that on the business day following receipt by the Lender of any sum adjudged to be so due in such Judgment Currency, the Lender may in accordance with normal banking procedures purchase the Original Currency with such Judgment Currency. If the amount of the Original Currency so purchased is less than the sum originally due to the Lender, the Guarantor agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Lender against such loss and if the amount of the Original Currency so purchased exceeds the sum originally due to the Lender in the Original Currency, the Lender agrees to remit such excess to the Guarantor.

24. **Acknowledgement of Receipt/Waiver**

The Guarantor acknowledges receipt of an executed copy of this Guarantee, the Commitment, the Mortgage and the other Credit Documents to which it is a party. The Guarantor waives, to the extent permitted by law, the right to receive a copy of any financing statement, financing change statement or verification statement registered with or issued by any personal property registry or other official body in connection with this Guarantee.

25. **Conflict**

In the event of a conflict or inconsistency between the provisions of this Guarantee and the provisions of the Commitment or the Mortgage, the provisions of the Commitment shall govern (to the maximum extent permitted by applicable law), it being understood that the purpose of this Guarantee, the Commitment, the Mortgage, or any other Credit Document is to add to, and not detract from, the rights granted to the Lender under the Credit Documents; provided that, subject to the foregoing, in the case of any irreconcilable conflict between this Guarantee, the Mortgage, and the Commitment with respect to the guarantee granted by the Guarantor to the Lender and the rights and remedies of the Lender relative thereto, the Commitment shall govern with respect to such conflict.

[*Signature page follows*]

IN WITNESS WHEREOF the Guarantor has duly executed this Guarantee as of the date first above written.

KELTIC CANADA DEVELOPMENT CO. LTD.

DocuSigned by:

Per: _____
51D3937AD3B5443...
Name: Li Lei
Title:

Per: _____
Name:
Title:

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GUARANTEE
(this "Guarantee")

1/20/2023 | 9:25 上午 PST

This Guarantee dated for reference January ___, 2023 made by DDAW Holdings Ltd. (the "**Guarantor**"), to and in favour of Shape Capital Corp. on behalf of TS Alpha Venture Limited Partnership (collectively, the "**Lender**"), as lender under the Commitment hereinafter referred to.

WHEREAS:

A. Keltic (Prior) GP Ltd. (the "**Nominee**") and Keltic (Prior) Development Limited Partnership (the "**Beneficial Owner**", or, together with 1319191 B.C. Ltd., the "**Borrower**"), *inter alios*, have entered into a commitment letter with the Lender dated November 24, 2022 (as such agreement may at any time or from time to time be amended, supplemented, extended or otherwise modified or restated, the "**Commitment**"), wherein the Lender has agreed to advance certain credit facilities (the "**Credit Facilities**") to the Borrower.

B. It is a condition of the advance of the Credit Facilities under the Commitment by the Lender to the Borrower that, in addition to other security being taken, the Guarantor execute and deliver this Guarantee to and in favour of the Lender as collateral security for the payment and performance of the Guaranteed Obligations (as hereinafter defined).

C. The Credit Facilities are essential to the operation of the business of the Borrower and the proceeds of advance to be made by the Lender will result in direct or indirect material economic benefits to the Guarantor and it is, therefore, in the best interest of the Guarantor that it enter into this Guarantee and such other security documents as set out in the Commitment.

NOW THEREFORE WITNESSETH that in consideration of the payment of the sum of $1.00 in lawful money of Canada by the Lender to the Guarantor and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Guarantor hereby covenants, declares and agrees as follows:

1. **Guarantee**

The Guarantor hereby irrevocably and unconditionally guarantees the due and punctual performance and payment to the Lender, whether at stated maturity, by acceleration or otherwise, of all obligations of the Borrower to the Lender, now or hereafter existing under or pursuant to the Commitment or any other Credit Documents (as such term is defined in the mortgage in favour of the Lender dated as of the date hereof granted by the Nominee in its capacity as nominee for the Beneficial Owner, as authorized and directed by the Beneficial Owner pursuant to that certain beneficial charge agreement dated as of the date hereof granted by the Beneficial Owner (collectively, the "**Mortgage**")), whether for principal, interest, bonus, fees, expenses, indemnity or otherwise, and any and all out-of-pocket expenses (including counsel fees and disbursements on a solicitor and own client full indemnity basis) incurred by the Lender in enforcing any of its rights under this Guarantee (such obligations being herein called the "**Guaranteed Obligations**").

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2. **Absolute Liability**

The Guarantor guarantees that the Guaranteed Obligations will be paid and performed strictly in accordance with the terms of the Credit Documents. The liability of the Guarantor under this Guarantee shall be absolute and unconditional irrespective of:

(a) the lack of validity or enforceability of any terms of the Commitment, the Mortgage or any security granted to the Lender by the Borrower or any other person or persons pursuant to the terms of the Commitment, the Mortgage or any other security and supporting agreements of the Borrower or of such other persons (such security and supporting agreements being collectively the "**Security and Supporting Agreements**") or otherwise;

(b) any contest by the Borrower or any other person as to the amount of the Guaranteed Obligations or the validity or enforceability of any terms of the Commitment, the Mortgage or the Security and Supporting Agreements or the priority of any security granted to the Lender by the Borrower or any other person or persons pursuant to the terms of the Commitment, the Mortgage, the Security and Supporting Agreements or otherwise;

(c) any defence, counter-claim or right of set-off available to the Borrower;

(d) any extension of the time or times for payment of the Guaranteed Obligations or any other indulgences the Lender may grant to the Borrower;

(e) any dealings with the security which the Lender holds or may hold pursuant to the terms and conditions of the Commitment, the Mortgage, the Security and Supporting Agreements or otherwise, including the taking and giving up of securities, the accepting of compositions and the granting of releases and discharges;

(f) the assignment of all or any part of the benefits of this Guarantee;

(g) any modification or amendment of or supplement to the Guaranteed Obligations, the Commitment or the Mortgage, including, without limitation, any assignment or assumption of the commitment of the Lender under the Commitment or the Mortgage and any increase or decrease in the principal, the rates of interest or other amounts payable under the Commitment or under the Mortgage; or

(h) any other circumstance which might otherwise constitute a defence available to or a discharge of a guarantor, the Borrower or any other person in respect of the Guaranteed Obligations, or of the Guarantor in respect of this Guarantee.

3. **Remedies**

The Guarantor agrees that the Lender shall not be bound to seek or exhaust its recourses against the Borrower or any other person or to realize on any security it may hold in respect of the Guaranteed Obligations before being entitled to payment hereunder. Should the Lender elect to realize on any security it may hold, either before,

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concurrently with or after demand for payment under this Guarantee, the Guarantor shall have no right of discussion or division.

4. **Impairment of Security**

Any loss or impairment of any security received by the Lender from the Borrower or any other person pursuant to the provisions of the Commitment, the Mortgage or the Security and Supporting Agreements shall not discharge *pro tanto* or limit or lessen the liability of the Guarantor under this Guarantee.

5. **Amount of Guaranteed Obligations**

Any account settled or stated by or between the Lender and the Borrower or, if any such account has not been so settled or stated immediately before demand for payment under this Guarantee, any account thereafter stated by the Lender shall, in the absence of demonstrated error, be accepted by the Guarantor as conclusive evidence of the amount of the Guaranteed Obligations which at the date of the account so settled or stated is due by the Borrower to the Lender or remains unpaid by the Borrower to the Lender.

6. **Payment on Demand**

The Guarantor shall, in accordance with the terms of the Commitment and the Mortgage, make payment to the Lender of the amount of the Guaranteed Obligations forthwith after demand therefor is made in writing to it, and such demand shall be deemed to have been effectively made when an envelope containing such demand addressed to the Guarantor at: 2338-666 Burrard Street, Vancouver, BC V6C 2X8, is personally delivered to such address or is deposited, postage prepaid and registered, in any post office within or outside Canada. The indebtedness of the Guarantor hereunder shall bear interest from the date of such demand to the date of payment thereof in full at the rate or rates of interest applicable to the Guaranteed Obligations under and calculated in the manner provided in the Commitment and the Mortgage.

7. **Subrogation and Repayment**

Upon receipt by the Lender of any payments on account of liability under this Guarantee, whether by realization on security or otherwise, the Guarantor shall not be entitled to claim repayment against the Borrower until the Lender's claims against the Borrower in respect of the Guaranteed Obligations have been repaid in full. In the case of the liquidation, winding-up or bankruptcy of the Borrower (whether voluntary or compulsory) or in the event that the Borrower shall make a bulk sale of any of the Borrower's assets within the provisions of any bulk sales legislation or any composition with creditors or scheme of arrangement, the Lender shall have the right to rank in priority to the Guarantor for its full claims in respect of the Guaranteed Obligations and receive all dividends or other payments in respect thereof until its claims in respect of the Guaranteed Obligations have been paid in full, and the Guarantor shall continue to be liable, less any payments made by or on behalf of the Guarantor, for any balance which may be owing to the Lender by the Borrower. In the event of the valuation by the Lender of any of its security or the retention thereof by the Lender or both, such valuation or retention, or both, shall not, as between the Lender and the Guarantor, be considered as

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a purchase of such security, or as payment or satisfaction or reduction of the Guaranteed Obligations or any part thereof. If any amount shall be paid to the Guarantor on account of any subrogation rights at any time when all the Guaranteed Obligations shall not have been paid in full, such amount shall be held in trust for the benefit of the Lender and shall forthwith be paid to the Lender to be credited and applied upon the Guaranteed Obligations, whether matured or unmatured.

8. **Assignment and Postponement**

(1) All obligations, liabilities and indebtedness of the Borrower to the Guarantor of any nature whatsoever, and all security therefor, (the "**Subject Indebtedness**") are hereby assigned and transferred to the Lender as continuing and collateral security for the obligations of the Guarantor hereunder. The Guarantor shall not assign the Subject Indebtedness or any part thereof to any person or entity other than the Lender.

(2) From and after demand by the Lender pursuant to Section 6 hereof, the Subject Indebtedness shall be held in trust by the Guarantor for the Lender and shall be collected, enforced or proved subject to and for the purposes of this Guarantee, and any payments received by the Guarantor in respect thereof shall be segregated from other funds and property held by the Guarantor and forthwith paid over to the Lender on account of the Guaranteed Obligations.

(3) From and after demand by the Lender pursuant to Section 6 hereof, the Lender shall be entitled to receive payment of the Guaranteed Obligations in full before the Guarantor shall be entitled to receive any payment on account of the Subject Indebtedness. The Subject Indebtedness shall not be released or withdrawn by the Guarantor unless the Lender's written consent to such release or withdrawal is first obtained, and the Guarantor shall not permit the prescription of the Subject Indebtedness by any statute of limitations or ask for or obtain any security or negotiable paper for or other evidence of the Subject Indebtedness except for the purpose of delivering the same to the Lender.

9. **No Prejudice to the Lender**

The Lender shall not be prejudiced in any way in the right to enforce any provision of this Guarantee by any act or failure to act on the part of the Borrower. The Lender may, at any time and from time to time, without any consent of or notice to the Guarantor and without impairing or releasing the Guarantor from its obligations hereunder:

(a) change the manner, place or terms of payment or change or extend time of payment of, or renew or alter, the Guaranteed Obligations;

(b) release anyone liable in any manner under or in respect of the Guaranteed Obligations;

(c) exercise or refrain from exercising any rights against the Borrower or the Guarantor or any other person; and

(d) apply to the Guaranteed Obligations any sums from time to time received.

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10. **Rights of Set-Off**

To the fullest extent permitted by law, the Guarantor shall make all payments hereunder without regard to any defence, counter-claim or right of set-off available to it. Upon the making of a demand for payment hereunder, the Lender is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set-off and apply any deposits (general or special, time or demand, provisional or final) at any time held or other indebtedness at any time owing by the Lender to or for the credit or the account of the Guarantor against the Guaranteed Obligations and other amounts due to the Lender hereunder irrespective of whether or not the Lender shall have made any demand under this Guarantee and although such Guaranteed Obligations and other amounts may be contingent and unmatured. The rights of the Lender under this Section 10 are in addition, without prejudice and supplemental to any other rights and remedies (including, without limitation, other rights of set-off) which the Lender may have.

11. **No Recourse**

Any right of subrogation acquired by the Guarantor by reason of payment under or pursuant to this Guarantee shall not be exercised until the Guaranteed Obligations and other amounts due to the Lender hereunder have been paid or repaid in full to the Lender, and shall be no greater than the right held by the Lender and the Guarantor shall have no recourse against the Lender for any invalidity, non-perfection or unenforceability of any security held by the Lender or any irregularity or defect in the manner or procedure by which the Lender realizes on such security.

12. **Continuing Guarantee**

This Guarantee shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Guaranteed Obligations is rescinded or must otherwise be returned by the Lender upon the insolvency, bankruptcy or reorganization of the Borrower or otherwise, all as though such payment had not been made.

13. **Supplemental Security**

This Guarantee is in addition, without prejudice and supplemental to all other guarantees and securities held, or which may hereafter be held, by or for the Lender.

14. **Representations**

(1) The Guarantor represents and warrants to the Lender that it:

(a) is a corporation duly incorporated and organized and is validly subsisting and in good standing under the laws of the Province of British Columbia and is in good standing, in all jurisdictions where the Guarantor carries on business;

(b) has full corporate right, power and authority to enter into and perform its obligations under this Guarantee and any security given in respect hereof, and has full corporate right, power and authority to own and operate its properties and to carry on its business as now conducted by it; and

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(c) is not prohibited or restricted by applicable law in the giving of this Guarantee and it is in the best interests of the Guarantor to provide same.

(2) The execution and delivery of this Guarantee has been duly authorized by all necessary action by the Guarantor and this Guarantee constitutes a legal, valid and binding obligation of the Guarantor enforceable against it in accordance with its terms, subject only to:

(a) the effect of any bankruptcy, insolvency, moratorium or similar laws affecting the enforceability of creditors' rights generally;

(b) the discretion that a court of competent jurisdiction may exercise in the granting of equitable remedies; and

(c) the statutory powers of a court of competent jurisdiction to stay proceedings and stay the execution of judgment in proceedings before it,

and the execution, delivery and performance by the Guarantor of this Guarantee and the performance by the Guarantor of its obligations hereunder, do not and will not:

(d) conflict with or result in a breach of any of the terms, conditions or provisions of:

(i) the constating documents of the Guarantor;

(ii) any law applicable or binding on the Guarantor; or

(iii) any contractual restriction binding on or affecting the Guarantor or its properties the breach of which would have a material adverse effect on the business or assets of the Guarantor, on the ability of the Guarantor to perform any of its obligations under this Guarantee or on the priority, effectiveness or enforceability of this Guarantee; or

(e) result in, or require or permit:

(i) the imposition of any lien, charge, mortgage, pledge, security interest or other encumbrance whatsoever, in or with respect to the property, assets or undertaking of the Guarantor; or

(ii) the acceleration of the maturity of any indebtedness of the Guarantor or any of its subsidiaries, under any contractual provision binding on or affecting the Guarantor or such subsidiary.

15. ***Interest Act* (Canada)**

For the purposes of the *Interest Act* (Canada), as the same may be amended, replaced or re-enacted from time to time, whenever any interest is calculated using a rate based

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on a year of 360 days or 365 days, as the case may be, such rate determined pursuant to such calculation, when expressed as an annual rate is equivalent to:

(a) the applicable rate based on a year of 360 days or 365 days, as the case may be,

(b) multiplied by the actual number of days in a calendar year in which the period for such interest is payable (or compounded), and

(c) divided by 360 days or 365 days, as the case may be.

16. ***Criminal Code* (Canada)**

If any provision of this Guarantee would oblige the Guarantor to make any payment of interest or other amount payable to the Lender in an amount or calculated at a rate which would be prohibited by law or would result in a receipt by the Lender of "interest" at a "criminal rate" (as such terms are construed under the *Criminal Code* (Canada)), then, notwithstanding such provision, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law or so result in a receipt by the Lender of "interest" at a "criminal rate", such adjustment to be effected, to the extent necessary (but only to the extent necessary), as follows:

(a) first, by reducing the amount or rate of interest required to be paid to the Lender; and

(b) thereafter, by reducing any fees, commissions, premiums and other amounts required to be paid to the Agent which would constitute interest for purposes of Section 347 of the *Criminal Code* (Canada).

17. **Liability**

The liability of the Guarantor hereunder shall bear interest from the date written demand for payment is deemed to have been given by the Lender to the Guarantor at the applicable rate or rates set out in the Commitment and the Mortgage.

18. **Headings, etc.**

The division of this Guarantee into sections and the insertion of headings are for convenience of reference only and shall not affect the interpretation hereof.

19. **Governing Law**

This Guarantee shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein and shall be treated in all respects as a British Columbia contract.

20. **Successors, etc.**

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This Guarantee shall extend to and enure to the benefit of the Lender and their successors and assigns and shall be binding upon the Guarantor and his permitted assigns. This Guarantee shall not be assigned by the Guarantor without the Lender's prior written consent. All rights of the Lender hereunder shall be assignable in accordance with the terms of the Commitment.

21. **Notices**

Subject to Section 6, all notices, requests, demands, directions and communications ("**Notices**") hereunder shall be sent by fax or similar means of recorded communication or hand delivery or registered mail, and shall be effective when hand delivered or, in the case of fax or similar means of recorded communication, when received. All Notices shall be given to the Lender at its principal office as shown in the Commitment and to the Guarantor at the address referred to in Section 6 hereof, or otherwise in accordance with any unrevoked written direction of the Guarantor to the Lender at its principal office as to a change of address, given in accordance with this Section 21.

22. **Attornment/Service**

The Guarantor hereby irrevocably submits to the jurisdiction of any British Columbia court in any action or proceeding arising out of or relating to this Guarantee, and hereby irrevocably agrees that all claims in respect of any such action or proceeding may be heard and determined in such British Columbia court. The Guarantor hereby irrevocably waives, to the fullest extent it may effectively do so, the defence of an inconvenient forum to the maintenance of such action or proceeding. The Guarantor hereby irrevocably appoints the Borrower at its principal office and to the attention of the officer shown on the signature pages of the Commitment as its agent to receive on behalf of the Guarantor service of copies of the summons and complaint and any other process which may be served in any such action or proceeding. Such service may be made by delivering a copy of such process to the Guarantor in care of such agent and the Guarantor hereby irrevocably authorizes and directs such agent to accept such service on its behalf. As an alternative method of service, the Guarantor also irrevocably consents to the service of any process in any such action or proceeding by the mailing of copies of such process to the Guarantor at the address referred to in Section 6 hereof, or at such other address as it on its own behalf may direct. The Guarantor agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Section shall affect the right of the Lender to serve legal process in any other manner permitted by law or affect the right of the Lender to bring any action or proceeding against the Guarantor or his property in the courts of other jurisdictions.

23. **Judgment Currency**

(1) If, for the purposes of obtaining judgment in any court, it is necessary to convert a sum due hereunder to the Lender from the currency in respect of which any Guaranteed Obligations are owed to the Lender (the "**Original Currency**") into the currency which a court of competent jurisdiction may render judgment in connection with any litigation relating to the payment of the Guaranteed Obligations under this Guarantee (the "**Judgment Currency**"), the Guarantor agrees, to the fullest extent that it may effectively do so, that the rate of exchange

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used shall be that at which in accordance with normal banking procedures the Lender could purchase the Original Currency with the Judgment Currency on the business day preceding that on which final judgment is paid or satisfied.

(2) The obligations of the Guarantor in respect of any sum due in the Original Currency from itself to the Lender hereunder shall, notwithstanding any judgment in any Judgment Currency, be discharged only to the extent that on the business day following receipt by the Lender of any sum adjudged to be so due in such Judgment Currency, the Lender may in accordance with normal banking procedures purchase the Original Currency with such Judgment Currency. If the amount of the Original Currency so purchased is less than the sum originally due to the Lender, the Guarantor agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Lender against such loss and if the amount of the Original Currency so purchased exceeds the sum originally due to the Lender in the Original Currency, the Lender agrees to remit such excess to the Guarantor.

24. **Acknowledgement of Receipt/Waiver**

The Guarantor acknowledges receipt of an executed copy of this Guarantee, the Commitment, the Mortgage and the other Credit Documents to which it is a party. The Guarantor waives, to the extent permitted by law, the right to receive a copy of any financing statement, financing change statement or verification statement registered with or issued by any personal property registry or other official body in connection with this Guarantee.

25. **Conflict**

In the event of a conflict or inconsistency between the provisions of this Guarantee and the provisions of the Commitment or the Mortgage, the provisions of the Commitment shall govern (to the maximum extent permitted by applicable law), it being understood that the purpose of this Guarantee, the Commitment, the Mortgage, or any other Credit Document is to add to, and not detract from, the rights granted to the Lender under the Credit Documents; provided that, subject to the foregoing, in the case of any irreconcilable conflict between this Guarantee, the Mortgage, and the Commitment with respect to the guarantee granted by the Guarantor to the Lender and the rights and remedies of the Lender relative thereto, the Commitment shall govern with respect to such conflict.

[*Signature page follows*]

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IN WITNESS WHEREOF the Guarantor has duly executed this Guarantee as of the date first above written.

DDAW HOLDINGS LTD.

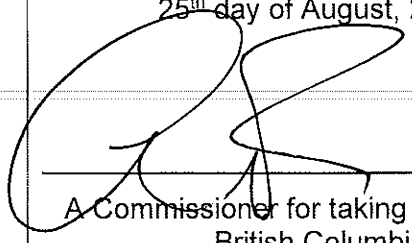
DocuSigned by:

Per: _____
7530B2FEA716459...

Name: Anna Rui Wang
Title:

Per: _____
Name:
Title:

This is **Exhibit "G"** referred to in the 1st Affidavit of Raymond Ng sworn before me at Vancouver, British Columbia, on this 25th day of August, 2025.



A Commissioner for taking Affidavits for British Columbia

Colin Brousson
Barrister & Solicitor
DLA Piper (Canada) LLP
1133 Melville Street, Suite 2700
Vancouver, BC V6E 4E5
604.687.9444

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GUARANTEE
(this "Guarantee")

1/20/2023 | 9:25 上午 PST

This Guarantee dated for reference January ___, 2023 made by Rui Wang (the "**Guarantor**"), to and in favour of Shape Capital Corp. on behalf of TS Alpha Venture Limited Partnership (collectively, the "**Lender**"), as lender under the Commitment hereinafter referred to.

WHEREAS:

A. Keltic (Prior) GP Ltd. (the "**Nominee**") and Keltic (Prior) Development Limited Partnership (the "**Beneficial Owner**", or, together with 1319191 B.C. Ltd., the "**Borrower**"), *inter alios*, have entered into a commitment letter with the Lender dated November 24, 2022 (as such agreement may at any time or from time to time be amended, supplemented, extended or otherwise modified or restated, the "**Commitment**"), wherein the Lender has agreed to advance certain credit facilities (the "**Credit Facilities**") to the Borrower.

B. It is a condition of the advance of the Credit Facilities under the Commitment by the Lender to the Borrower that, in addition to other security being taken, the Guarantor execute and deliver this Guarantee to and in favour of the Lender as collateral security for the payment and performance of the Guaranteed Obligations (as hereinafter defined).

C. The Credit Facilities are essential to the operation of the business of the Borrower and the proceeds of advance to be made by the Lender will result in direct or indirect material economic benefits to the Guarantor and it is, therefore, in the best interest of the Guarantor that it enter into this Guarantee and such other security documents as set out in the Commitment.

NOW THEREFORE WITNESSETH that in consideration of the payment of the sum of $1.00 in lawful money of Canada by the Lender to the Guarantor and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Guarantor hereby covenants, declares and agrees as follows:

1. **Guarantee.** The Guarantor hereby irrevocably and unconditionally guarantees the due and punctual performance and payment to the Lender, whether at stated maturity, by acceleration or otherwise, of all obligations of the Borrower to the Lender, now or hereafter existing under or pursuant to the Commitment or any other Credit Documents (as such term is defined in the mortgage in favour of the Lender dated as of the date hereof granted by the Nominee, in its capacity as nominee for the Beneficial Owner, as authorized and directed by the Beneficial Owner pursuant to that certain beneficial charge agreement dated as of the date hereof granted by the Beneficial Owner (collectively, the "Mortgage")), whether for principal, interest, bonus, fees, expenses, indemnity or otherwise, and any and all out-of-pocket expenses (including counsel fees and disbursements on a solicitor and own client full indemnity basis) incurred by the Lender in enforcing any of its rights under this Guarantee (such obligations being herein called the "Guaranteed Obligations").

2. **Absolute Liability.** The Guarantor guarantees that the Guaranteed Obligations will be paid and performed strictly in accordance with the terms of the Credit Documents. The

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liability of the Guarantor under this Guarantee shall be absolute and unconditional irrespective of:

(a) the lack of validity or enforceability of any terms of the Commitment, the Mortgage or any security granted to the Lender by the Borrower or any other person or persons pursuant to the terms of the Commitment, the Mortgage or any other security and supporting agreements of the Borrower or of such other persons (such security and supporting agreements being collectively the "**Security and Supporting Agreements**") or otherwise;

(b) any contest by the Borrower or any other person as to the amount of the Guaranteed Obligations or the validity or enforceability of any terms of the Commitment, the Mortgage or the Security and Supporting Agreements or the priority of any security granted to the Lender by the Borrower or any other person or persons pursuant to the terms of the Commitment, the Mortgage, the Security and Supporting Agreements or otherwise;

(c) any defence, counter-claim or right of set-off available to the Borrower;

(d) any extension of the time or times for payment of the Guaranteed Obligations or any other indulgences the Lender may grant to the Borrower;

(e) any dealings with the security which the Lender holds or may hold pursuant to the terms and conditions of the Commitment, the Mortgage, the Security and Supporting Agreements or otherwise, including the taking and giving up of securities, the accepting of compositions and the granting of releases and discharges;

(f) the assignment of all or any part of the benefits of this Guarantee;

(g) any modification or amendment of or supplement to the Guaranteed Obligations, the Commitment or the Mortgage, including, without limitation, any assignment or assumption of the commitment of the Lender under the Commitment or the Mortgage and any increase or decrease in the principal, the rates of interest or other amounts payable under the Commitment or under the Mortgage; or

(h) any other circumstance which might otherwise constitute a defence available to or a discharge of a guarantor, the Borrower or any other person in respect of the Guaranteed Obligations, or of the Guarantor in respect of this Guarantee.

3. **Remedies.** The Guarantor agrees that the Lender shall not be bound to seek or exhaust its recourses against the Borrower or any other person or to realize on any security it may hold in respect of the Guaranteed Obligations before being entitled to payment hereunder. Should the Lender elect to realize on any security it may hold, either before, concurrently with or after demand for payment under this Guarantee, the Guarantor shall have no right of discussion or division.

4. **Impairment of Security.** Any loss or impairment of any security received by the Lender from the Borrower or any other person pursuant to the provisions of the Commitment,

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the Mortgage or the Security and Supporting Agreements shall not discharge *pro tanto* or limit or lessen the liability of the Guarantor under this Guarantee.

5. **Amount of Guaranteed Obligations.** Any account settled or stated by or between the Lender and the Borrower or, if any such account has not been so settled or stated immediately before demand for payment under this Guarantee, any account thereafter stated by the Lender shall, in the absence of demonstrated error, be accepted by the Guarantor as conclusive evidence of the amount of the Guaranteed Obligations which at the date of the account so settled or stated is due by the Borrower to the Lender or remains unpaid by the Borrower to the Lender.

6. **Payment on Demand.** The Guarantor shall, in accordance with the terms of the Commitment and the Mortgage, make payment to the Lender of the amount of the Guaranteed Obligations forthwith after demand therefor is made in writing to it, and such demand shall be deemed to have been effectively made when an envelope containing such demand addressed to the Guarantor at: 2338-666 Burrard Street, Vancouver, BC V6C 2X8, is personally delivered to such address or is deposited, postage prepaid and registered, in any post office within or outside Canada. The indebtedness of the Guarantor hereunder shall bear interest from the date of such demand to the date of payment thereof in full at the rate or rates of interest applicable to the Guaranteed Obligations under and calculated in the manner provided in the Commitment and the Mortgage.

7. **Subrogation and Repayment.** Upon receipt by the Lender of any payments on account of liability under this Guarantee, whether by realization on security or otherwise, the Guarantor shall not be entitled to claim repayment against the Borrower until the Lender's claims against the Borrower in respect of the Guaranteed Obligations have been repaid in full. In the case of the liquidation, winding-up or bankruptcy of the Borrower (whether voluntary or compulsory) or in the event that the Borrower shall make a bulk sale of any of the Borrower's assets within the provisions of any bulk sales legislation or any composition with creditors or scheme of arrangement, the Lender shall have the right to rank in priority to the Guarantor for its full claims in respect of the Guaranteed Obligations and receive all dividends or other payments in respect thereof until its claims in respect of the Guaranteed Obligations have been paid in full, and the Guarantor shall continue to be liable, less any payments made by or on behalf of the Guarantor, for any balance which may be owing to the Lender by the Borrower. In the event of the valuation by the Lender of any of its security or the retention thereof by the Lender or both, such valuation or retention, or both, shall not, as between the Lender and the Guarantor, be considered as a purchase of such security, or as payment or satisfaction or reduction of the Guaranteed Obligations or any part thereof. If any amount shall be paid to the Guarantor on account of any subrogation rights at any time when all the Guaranteed Obligations shall not have been paid in full, such amount shall be held in trust for the benefit of the Lender and shall forthwith be paid to the Lender to be credited and applied upon the Guaranteed Obligations, whether matured or unmatured.

8. **Assignment and Postponement.** (1) All obligations, liabilities and indebtedness of the Borrower to the Guarantor of any nature whatsoever, and all security therefor, (the "**Subject Indebtedness**") are hereby assigned and transferred to the Lender as continuing and collateral security for the obligations of the Guarantor hereunder. The Guarantor shall not assign the Subject Indebtedness or any part thereof to any person or entity other than the Lender.

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(2) From and after demand by the Lender pursuant to Section 6 hereof, the Subject Indebtedness shall be held in trust by the Guarantor for the Lender and shall be collected, enforced or proved subject to and for the purposes of this Guarantee, and any payments received by the Guarantor in respect thereof shall be segregated from other funds and property held by the Guarantor and forthwith paid over to the Lender on account of the Guaranteed Obligations.

(3) From and after demand by the Lender pursuant to Section 6 hereof, the Lender shall be entitled to receive payment of the Guaranteed Obligations in full before the Guarantor shall be entitled to receive any payment on account of the Subject Indebtedness. The Subject Indebtedness shall not be released or withdrawn by the Guarantor unless the Lender's written consent to such release or withdrawal is first obtained, and the Guarantor shall not permit the prescription of the Subject Indebtedness by any statute of limitations or ask for or obtain any security or negotiable paper for or other evidence of the Subject Indebtedness except for the purpose of delivering the same to the Lender.

9. **No Prejudice to the Lender.** The Lender shall not be prejudiced in any way in the right to enforce any provision of this Guarantee by any act or failure to act on the part of the Borrower. The Lender may, at any time and from time to time, without any consent of or notice to the Guarantor and without impairing or releasing the Guarantor from its obligations hereunder:

(a) change the manner, place or terms of payment or change or extend time of payment of, or renew or alter, the Guaranteed Obligations;

(b) release anyone liable in any manner under or in respect of the Guaranteed Obligations;

(c) exercise or refrain from exercising any rights against the Borrower or the Guarantor or any other person; and

(d) apply to the Guaranteed Obligations any sums from time to time received.

10. **Rights of Set-Off.** To the fullest extent permitted by law, the Guarantor shall make all payments hereunder without regard to any defence, counter-claim or right of set-off available to it. Upon the making of a demand for payment hereunder, the Lender is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set-off and apply any deposits (general or special, time or demand, provisional or final) at any time held or other indebtedness at any time owing by the Lender to or for the credit or the account of the Guarantor against the Guaranteed Obligations and other amounts due to the Lender hereunder irrespective of whether or not the Lender shall have made any demand under this Guarantee and although such Guaranteed Obligations and other amounts may be contingent and unmatured. The rights of the Lender under this Section 10 are in addition, without prejudice and supplemental to any other rights and remedies (including, without limitation, other rights of set-off) which the Lender may have.

11. **No Recourse.** Any right of subrogation acquired by the Guarantor by reason of payment under or pursuant to this Guarantee shall not be exercised until the Guaranteed Obligations and other amounts due to the Lender hereunder have been paid or repaid in full to the Lender, and shall be no greater than the right held by the Lender and the Guarantor shall

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have no recourse against the Lender for any invalidity, non-perfection or unenforceability of any security held by the Lender or any irregularity or defect in the manner or procedure by which the Lender realizes on such security.

12. **Continuing Guarantee.** This Guarantee shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Guaranteed Obligations is rescinded or must otherwise be returned by the Lender upon the insolvency, bankruptcy or reorganization of the Borrower or otherwise, all as though such payment had not been made.

13. **Supplemental Security.** This Guarantee is in addition, without prejudice and supplemental to all other guarantees and securities held, or which may hereafter be held, by or for the Lender.

14. **Representations.** (1) The Guarantor represents and warrants to the Lender that it:

(a) has full right, power and capacity to enter into and perform its obligations under this Guarantee and any security given in respect hereof; and

(b) is not prohibited or restricted by applicable law in the giving of this Guarantee and it is in the best interests of the Guarantor to provide same.

(2) The execution and delivery of this Guarantee has been duly authorized by all necessary action by the Guarantor and this Guarantee constitutes a legal, valid and binding obligation of the Guarantor enforceable against it in accordance with its terms, subject only to:

(a) the effect of any bankruptcy, insolvency, moratorium or similar laws affecting the enforceability of creditors' rights generally;

(b) the discretion that a court of competent jurisdiction may exercise in the granting of equitable remedies; and

(c) the statutory powers of a court of competent jurisdiction to stay proceedings and stay the execution of judgment in proceedings before it,

and the execution, delivery and performance by the Guarantor of this Guarantee and the performance by the Guarantor of its obligations hereunder, do not and will not:

(d) conflict with or result in a breach of any of the terms, conditions or provisions of:

(i) any law applicable or binding on the Guarantor; or

(ii) any contractual restriction binding on or affecting the Guarantor or its properties the breach of which would have a material adverse effect on the business or assets of the Guarantor, on the ability of the Guarantor to perform any of its obligations under this Guarantee or on the priority, effectiveness or enforceability of this Guarantee; or

(e) result in, or require or permit:

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(i) the imposition of any lien, charge, mortgage, pledge, security interest or other encumbrance whatsoever, in or with respect to the property, assets or undertaking of the Guarantor; or

(ii) the acceleration of the maturity of any indebtedness of the Guarantor or any of its subsidiaries, under any contractual provision binding on or affecting the Guarantor or such subsidiary.

15. ***Interest Act* (Canada).** For the purposes of the *Interest Act* (Canada), as the same may be amended, replaced or re-enacted from time to time, whenever any interest is calculated using a rate based on a year of 360 days or 365 days, as the case may be, such rate determined pursuant to such calculation, when expressed as an annual rate is equivalent to:

(a) the applicable rate based on a year of 360 days or 365 days, as the case may be,

(b) multiplied by the actual number of days in a calendar year in which the period for such interest is payable (or compounded), and

(c) divided by 360 days or 365 days, as the case may be.

16. ***Criminal Code* (Canada).** If any provision of this Guarantee would oblige the Guarantor to make any payment of interest or other amount payable to the Lender in an amount or calculated at a rate which would be prohibited by law or would result in a receipt by the Lender of "interest" at a "criminal rate" (as such terms are construed under the *Criminal Code* (Canada)), then, notwithstanding such provision, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law or so result in a receipt by the Lender of "interest" at a "criminal rate", such adjustment to be effected, to the extent necessary (but only to the extent necessary), as follows:

(a) first, by reducing the amount or rate of interest required to be paid to the Lender; and

(b) thereafter, by reducing any fees, commissions, premiums and other amounts required to be paid to the Agent which would constitute interest for purposes of Section 347 of the *Criminal Code* (Canada).

17. **Liability.** The liability of the Guarantor hereunder shall bear interest from the date written demand for payment is deemed to have been given by the Lender to the Guarantor at the applicable rate or rates set out in the Commitment and the Mortgage.

18. **Headings, etc.** The division of this Guarantee into sections and the insertion of headings are for convenience of reference only and shall not affect the interpretation hereof.

19. **Governing Law.** This Guarantee shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein and shall be treated in all respects as a British Columbia contract.

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20. **Successors, etc.** This Guarantee shall extend to and enure to the benefit of the Lender and their successors and assigns and shall be binding upon the Guarantor and his permitted assigns. This Guarantee shall not be assigned by the Guarantor without the Lender's prior written consent. All rights of the Lender hereunder shall be assignable in accordance with the terms of the Commitment.

21. **Notices.** Subject to Section 6, all notices, requests, demands, directions and communications ("**Notices**") hereunder shall be sent by fax or similar means of recorded communication or hand delivery or registered mail, and shall be effective when hand delivered or, in the case of fax or similar means of recorded communication, when received. All Notices shall be given to the Lender at its principal office as shown in the Commitment and to the Guarantor at the address referred to in Section 6 hereof, or otherwise in accordance with any unrevoked written direction of the Guarantor to the Lender at its principal office as to a change of address, given in accordance with this Section 21.

22. **Attornment/Service.** The Guarantor hereby irrevocably submits to the jurisdiction of any British Columbia court in any action or proceeding arising out of or relating to this Guarantee, and hereby irrevocably agrees that all claims in respect of any such action or proceeding may be heard and determined in such British Columbia court. The Guarantor hereby irrevocably waives, to the fullest extent it may effectively do so, the defence of an inconvenient forum to the maintenance of such action or proceeding. The Guarantor hereby irrevocably appoints the Borrower at its principal office and to the attention of the officer shown on the signature pages of the Commitment as its agent to receive on behalf of the Guarantor service of copies of the summons and complaint and any other process which may be served in any such action or proceeding. Such service may be made by delivering a copy of such process to the Guarantor in care of such agent and the Guarantor hereby irrevocably authorizes and directs such agent to accept such service on its behalf. As an alternative method of service, the Guarantor also irrevocably consents to the service of any process in any such action or proceeding by the mailing of copies of such process to the Guarantor at the address referred to in Section 6 hereof, or at such other address as it on its own behalf may direct. The Guarantor agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Section shall affect the right of the Lender to serve legal process in any other manner permitted by law or affect the right of the Lender to bring any action or proceeding against the Guarantor or his property in the courts of other jurisdictions.

23. **Judgment Currency.** (1) If, for the purposes of obtaining judgment in any court, it is necessary to convert a sum due hereunder to the Lender from the currency in respect of which any Guaranteed Obligations are owed to the Lender (the "**Original Currency**") into the currency which a court of competent jurisdiction may render judgment in connection with any litigation relating to the payment of the Guaranteed Obligations under this Guarantee (the "**Judgment Currency**"), the Guarantor agrees, to the fullest extent that it may effectively do so, that the rate of exchange used shall be that at which in accordance with normal banking procedures the Lender could purchase the Original Currency with the Judgment Currency on the business day preceding that on which final judgment is paid or satisfied.

(2) The obligations of the Guarantor in respect of any sum due in the Original Currency from itself to the Lender hereunder shall, notwithstanding any judgment in any Judgment Currency, be discharged only to the extent that on the business day following receipt by the Lender of any sum adjudged to be so due in such Judgment Currency, the Lender may in

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accordance with normal banking procedures purchase the Original Currency with such Judgment Currency. If the amount of the Original Currency so purchased is less than the sum originally due to the Lender, the Guarantor agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Lender against such loss and if the amount of the Original Currency so purchased exceeds the sum originally due to the Lender in the Original Currency, the Lender agrees to remit such excess to the Guarantor.

24. **Acknowledgement of Receipt/Waiver.** The Guarantor acknowledges receipt of an executed copy of this Guarantee, the Commitment, the Mortgage and the other Credit Documents to which it is a party. The Guarantor waives, to the extent permitted by law, the right to receive a copy of any financing statement, financing change statement or verification statement registered with or issued by any personal property registry or other official body in connection with this Guarantee.

25. **Conflict.** In the event of a conflict or inconsistency between the provisions of this Guarantee and the provisions of the Commitment or the Mortgage, the provisions of the Commitment shall govern (to the maximum extent permitted by applicable law), it being understood that the purpose of this Guarantee, the Commitment, the Mortgage, or any other Credit Document is to add to, and not detract from, the rights granted to the Lender under the Credit Documents; provided that, subject to the foregoing, in the case of any irreconcilable conflict between this Guarantee, the Mortgage, and the Commitment with respect to the guarantee granted by the Guarantor to the Lender and the rights and remedies of the Lender relative thereto, the Commitment shall govern with respect to such conflict.

[*Signature page follows*]

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IN WITNESS WHEREOF the Guarantor has duly executed this Guarantee as of the date first above written.

SIGNED, SEALED AND DELIVERED)
in the presence of:)
)
)
_____)
Witness) DocuSigned by:
) 7530B2FEA716459...
_____)
Name) **RUI WANG**
)
_____)
Address)
)
_____)
Occupation)

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GUARANTEE
(this "Guarantee")

This Guarantee dated for reference January 20, 2023 made by Wei Guo Li (the "**Guarantor**"), to and in favour of Shape Capital Corp., on behalf of TS Alpha Venture Limited Partnership (collectively, the "**Lender**"), as lender under the Commitment hereinafter referred to.

WHEREAS:

A. Keltic (Prior) GP Ltd. (the "**Nominee**") and Keltic (Prior) Development Limited Partnership (the "**Beneficial Owner**", or, together with 1319191 B.C. Ltd., the "**Borrower**"), *inter alios*, have entered into a commitment letter with the Lender dated November 24, 2022 (as such agreement may at any time or from time to time be amended, supplemented, extended or otherwise modified or restated, the "**Commitment**"), wherein the Lender has agreed to advance certain credit facilities (the "**Credit Facilities**") to the Borrower.

B. It is a condition of the advance of the Credit Facilities under the Commitment by the Lender to the Borrower that, in addition to other security being taken, the Guarantor execute and deliver this Guarantee to and in favour of the Lender as collateral security for the payment and performance of the Guaranteed Obligations (as hereinafter defined).

C. The Credit Facilities are essential to the operation of the business of the Borrower and the proceeds of advance to be made by the Lender will result in direct or indirect material economic benefits to the Guarantor and it is, therefore, in the best interest of the Guarantor that it enter into this Guarantee and such other security documents as set out in the Commitment.

NOW THEREFORE WITNESSETH that in consideration of the payment of the sum of $1.00 in lawful money of Canada by the Lender to the Guarantor and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Guarantor hereby covenants, declares and agrees as follows:

1. **Guarantee.** The Guarantor hereby irrevocably and unconditionally guarantees the due and punctual performance and payment to the Lender, whether at stated maturity, by acceleration or otherwise, of all obligations of the Borrower to the Lender, now or hereafter existing under or pursuant to the Commitment or any other Credit Documents (as such term is defined in the mortgage in favour of the Lender dated as of the date hereof granted by the Nominee, in its capacity as nominee for the Beneficial Owner, as authorized and directed by the Beneficial Owner pursuant to that certain beneficial charge agreement dated as of the date hereof granted by the Beneficial Owner (collectively, the "Mortgage")), whether for principal, interest, bonus, fees, expenses, indemnity or otherwise, and any and all out-of-pocket expenses (including counsel fees and disbursements on a solicitor and own client full indemnity basis) incurred by the Lender in enforcing any of its rights under this Guarantee (such obligations being herein called the "Guaranteed Obligations").

2. **Absolute Liability.** The Guarantor guarantees that the Guaranteed Obligations will be paid and performed strictly in accordance with the terms of the Credit Documents. The

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liability of the Guarantor under this Guarantee shall be absolute and unconditional irrespective of:

(a) the lack of validity or enforceability of any terms of the Commitment, the Mortgage or any security granted to the Lender by the Borrower or any other person or persons pursuant to the terms of the Commitment, the Mortgage or any other security and supporting agreements of the Borrower or of such other persons (such security and supporting agreements being collectively the "**Security and Supporting Agreements**") or otherwise;

(b) any contest by the Borrower or any other person as to the amount of the Guaranteed Obligations or the validity or enforceability of any terms of the Commitment, the Mortgage or the Security and Supporting Agreements or the priority of any security granted to the Lender by the Borrower or any other person or persons pursuant to the terms of the Commitment, the Mortgage, the Security and Supporting Agreements or otherwise;

(c) any defence, counter-claim or right of set-off available to the Borrower;

(d) any extension of the time or times for payment of the Guaranteed Obligations or any other indulgences the Lender may grant to the Borrower;

(e) any dealings with the security which the Lender holds or may hold pursuant to the terms and conditions of the Commitment, the Mortgage, the Security and Supporting Agreements or otherwise, including the taking and giving up of securities, the accepting of compositions and the granting of releases and discharges;

(f) the assignment of all or any part of the benefits of this Guarantee;

(g) any modification or amendment of or supplement to the Guaranteed Obligations, the Commitment or the Mortgage, including, without limitation, any assignment or assumption of the commitment of the Lender under the Commitment or the Mortgage and any increase or decrease in the principal, the rates of interest or other amounts payable under the Commitment or under the Mortgage; or

(h) any other circumstance which might otherwise constitute a defence available to or a discharge of a guarantor, the Borrower or any other person in respect of the Guaranteed Obligations, or of the Guarantor in respect of this Guarantee.

3. **Remedies.** The Guarantor agrees that the Lender shall not be bound to seek or exhaust its recourses against the Borrower or any other person or to realize on any security it may hold in respect of the Guaranteed Obligations before being entitled to payment hereunder. Should the Lender elect to realize on any security it may hold, either before, concurrently with or after demand for payment under this Guarantee, the Guarantor shall have no right of discussion or division.

4. **Impairment of Security.** Any loss or impairment of any security received by the Lender from the Borrower or any other person pursuant to the provisions of the Commitment,

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the Mortgage or the Security and Supporting Agreements shall not discharge *pro tanto* or limit or lessen the liability of the Guarantor under this Guarantee.

5. **Amount of Guaranteed Obligations.** Any account settled or stated by or between the Lender and the Borrower or, if any such account has not been so settled or stated immediately before demand for payment under this Guarantee, any account thereafter stated by the Lender shall, in the absence of demonstrated error, be accepted by the Guarantor as conclusive evidence of the amount of the Guaranteed Obligations which at the date of the account so settled or stated is due by the Borrower to the Lender or remains unpaid by the Borrower to the Lender.

6. **Payment on Demand.** The Guarantor shall, in accordance with the terms of the Commitment and the Mortgage, make payment to the Lender of the amount of the Guaranteed Obligations forthwith after demand therefor is made in writing to it, and such demand shall be deemed to have been effectively made when an envelope containing such demand addressed to the Guarantor at: 2338-666 Burrard Street, Vancouver, BC V6C 2X8, is personally delivered to such address or is deposited, postage prepaid and registered, in any post office within or outside Canada. The indebtedness of the Guarantor hereunder shall bear interest from the date of such demand to the date of payment thereof in full at the rate or rates of interest applicable to the Guaranteed Obligations under and calculated in the manner provided in the Commitment and the Mortgage.

7. **Subrogation and Repayment.** Upon receipt by the Lender of any payments on account of liability under this Guarantee, whether by realization on security or otherwise, the Guarantor shall not be entitled to claim repayment against the Borrower until the Lender's claims against the Borrower in respect of the Guaranteed Obligations have been repaid in full. In the case of the liquidation, winding-up or bankruptcy of the Borrower (whether voluntary or compulsory) or in the event that the Borrower shall make a bulk sale of any of the Borrower's assets within the provisions of any bulk sales legislation or any composition with creditors or scheme of arrangement, the Lender shall have the right to rank in priority to the Guarantor for its full claims in respect of the Guaranteed Obligations and receive all dividends or other payments in respect thereof until its claims in respect of the Guaranteed Obligations have been paid in full, and the Guarantor shall continue to be liable, less any payments made by or on behalf of the Guarantor, for any balance which may be owing to the Lender by the Borrower. In the event of the valuation by the Lender of any of its security or the retention thereof by the Lender or both, such valuation or retention, or both, shall not, as between the Lender and the Guarantor, be considered as a purchase of such security, or as payment or satisfaction or reduction of the Guaranteed Obligations or any part thereof. If any amount shall be paid to the Guarantor on account of any subrogation rights at any time when all the Guaranteed Obligations shall not have been paid in full, such amount shall be held in trust for the benefit of the Lender and shall forthwith be paid to the Lender to be credited and applied upon the Guaranteed Obligations, whether matured or unmatured.

8. **Assignment and Postponement.** (1) All obligations, liabilities and indebtedness of the Borrower to the Guarantor of any nature whatsoever, and all security therefor, (the "**Subject Indebtedness**") are hereby assigned and transferred to the Lender as continuing and collateral security for the obligations of the Guarantor hereunder. The Guarantor shall not assign the Subject Indebtedness or any part thereof to any person or entity other than the Lender.

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(2) From and after demand by the Lender pursuant to Section 6 hereof, the Subject Indebtedness shall be held in trust by the Guarantor for the Lender and shall be collected, enforced or proved subject to and for the purposes of this Guarantee, and any payments received by the Guarantor in respect thereof shall be segregated from other funds and property held by the Guarantor and forthwith paid over to the Lender on account of the Guaranteed Obligations.

(3) From and after demand by the Lender pursuant to Section 6 hereof, the Lender shall be entitled to receive payment of the Guaranteed Obligations in full before the Guarantor shall be entitled to receive any payment on account of the Subject Indebtedness. The Subject Indebtedness shall not be released or withdrawn by the Guarantor unless the Lender's written consent to such release or withdrawal is first obtained, and the Guarantor shall not permit the prescription of the Subject Indebtedness by any statute of limitations or ask for or obtain any security or negotiable paper for or other evidence of the Subject Indebtedness except for the purpose of delivering the same to the Lender.

9. **No Prejudice to the Lender.** The Lender shall not be prejudiced in any way in the right to enforce any provision of this Guarantee by any act or failure to act on the part of the Borrower. The Lender may, at any time and from time to time, without any consent of or notice to the Guarantor and without impairing or releasing the Guarantor from its obligations hereunder:

(a) change the manner, place or terms of payment or change or extend time of payment of, or renew or alter, the Guaranteed Obligations;

(b) release anyone liable in any manner under or in respect of the Guaranteed Obligations;

(c) exercise or refrain from exercising any rights against the Borrower or the Guarantor or any other person; and

(d) apply to the Guaranteed Obligations any sums from time to time received.

10. **Rights of Set-Off.** To the fullest extent permitted by law, the Guarantor shall make all payments hereunder without regard to any defence, counter-claim or right of set-off available to it. Upon the making of a demand for payment hereunder, the Lender is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set-off and apply any deposits (general or special, time or demand, provisional or final) at any time held or other indebtedness at any time owing by the Lender to or for the credit or the account of the Guarantor against the Guaranteed Obligations and other amounts due to the Lender hereunder irrespective of whether or not the Lender shall have made any demand under this Guarantee and although such Guaranteed Obligations and other amounts may be contingent and unmatured. The rights of the Lender under this Section 10 are in addition, without prejudice and supplemental to any other rights and remedies (including, without limitation, other rights of set-off) which the Lender may have.

11. **No Recourse.** Any right of subrogation acquired by the Guarantor by reason of payment under or pursuant to this Guarantee shall not be exercised until the Guaranteed Obligations and other amounts due to the Lender hereunder have been paid or repaid in full to the Lender, and shall be no greater than the right held by the Lender and the Guarantor shall

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have no recourse against the Lender for any invalidity, non-perfection or unenforceability of any security held by the Lender or any irregularity or defect in the manner or procedure by which the Lender realizes on such security.

12. **Continuing Guarantee.** This Guarantee shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Guaranteed Obligations is rescinded or must otherwise be returned by the Lender upon the insolvency, bankruptcy or reorganization of the Borrower or otherwise, all as though such payment had not been made.

13. **Supplemental Security.** This Guarantee is in addition, without prejudice and supplemental to all other guarantees and securities held, or which may hereafter be held, by or for the Lender.

14. **Representations.** (1) The Guarantor represents and warrants to the Lender that it:

(a) has full right, power and capacity to enter into and perform its obligations under this Guarantee and any security given in respect hereof; and

(b) is not prohibited or restricted by applicable law in the giving of this Guarantee and it is in the best interests of the Guarantor to provide same.

(2) The execution and delivery of this Guarantee has been duly authorized by all necessary action by the Guarantor and this Guarantee constitutes a legal, valid and binding obligation of the Guarantor enforceable against it in accordance with its terms, subject only to:

(a) the effect of any bankruptcy, insolvency, moratorium or similar laws affecting the enforceability of creditors' rights generally;

(b) the discretion that a court of competent jurisdiction may exercise in the granting of equitable remedies; and

(c) the statutory powers of a court of competent jurisdiction to stay proceedings and stay the execution of judgment in proceedings before it,

and the execution, delivery and performance by the Guarantor of this Guarantee and the performance by the Guarantor of its obligations hereunder, do not and will not:

(d) conflict with or result in a breach of any of the terms, conditions or provisions of:

(i) any law applicable or binding on the Guarantor; or

(ii) any contractual restriction binding on or affecting the Guarantor or its properties the breach of which would have a material adverse effect on the business or assets of the Guarantor, on the ability of the Guarantor to perform any of its obligations under this Guarantee or on the priority, effectiveness or enforceability of this Guarantee; or

(e) result in, or require or permit:

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(i) the imposition of any lien, charge, mortgage, pledge, security interest or other encumbrance whatsoever, in or with respect to the property, assets or undertaking of the Guarantor; or

(ii) the acceleration of the maturity of any indebtedness of the Guarantor or any of its subsidiaries, under any contractual provision binding on or affecting the Guarantor or such subsidiary.

15. ***Interest Act* (Canada).** For the purposes of the *Interest Act* (Canada), as the same may be amended, replaced or re-enacted from time to time, whenever any interest is calculated using a rate based on a year of 360 days or 365 days, as the case may be, such rate determined pursuant to such calculation, when expressed as an annual rate is equivalent to:

(a) the applicable rate based on a year of 360 days or 365 days, as the case may be,

(b) multiplied by the actual number of days in a calendar year in which the period for such interest is payable (or compounded), and

(c) divided by 360 days or 365 days, as the case may be.

16. ***Criminal Code* (Canada).** If any provision of this Guarantee would oblige the Guarantor to make any payment of interest or other amount payable to the Lender in an amount or calculated at a rate which would be prohibited by law or would result in a receipt by the Lender of "interest" at a "criminal rate" (as such terms are construed under the *Criminal Code* (Canada)), then, notwithstanding such provision, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law or so result in a receipt by the Lender of "interest" at a "criminal rate", such adjustment to be effected, to the extent necessary (but only to the extent necessary), as follows:

(a) first, by reducing the amount or rate of interest required to be paid to the Lender; and

(b) thereafter, by reducing any fees, commissions, premiums and other amounts required to be paid to the Agent which would constitute interest for purposes of Section 347 of the *Criminal Code* (Canada).

17. **Liability.** The liability of the Guarantor hereunder shall bear interest from the date written demand for payment is deemed to have been given by the Lender to the Guarantor at the applicable rate or rates set out in the Commitment and the Mortgage.

18. **Headings, etc.** The division of this Guarantee into sections and the insertion of headings are for convenience of reference only and shall not affect the interpretation hereof.

19. **Governing Law.** This Guarantee shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein and shall be treated in all respects as a British Columbia contract.

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20. **Successors, etc.** This Guarantee shall extend to and enure to the benefit of the Lender and their successors and assigns and shall be binding upon the Guarantor and his permitted assigns. This Guarantee shall not be assigned by the Guarantor without the Lender's prior written consent. All rights of the Lender hereunder shall be assignable in accordance with the terms of the Commitment.

21. **Notices.** Subject to Section 6, all notices, requests, demands, directions and communications ("**Notices**") hereunder shall be sent by fax or similar means of recorded communication or hand delivery or registered mail, and shall be effective when hand delivered or, in the case of fax or similar means of recorded communication, when received. All Notices shall be given to the Lender at its principal office as shown in the Commitment and to the Guarantor at the address referred to in Section 6 hereof, or otherwise in accordance with any unrevoked written direction of the Guarantor to the Lender at its principal office as to a change of address, given in accordance with this Section 21.

22. **Attornment/Service.** The Guarantor hereby irrevocably submits to the jurisdiction of any British Columbia court in any action or proceeding arising out of or relating to this Guarantee, and hereby irrevocably agrees that all claims in respect of any such action or proceeding may be heard and determined in such British Columbia court. The Guarantor hereby irrevocably waives, to the fullest extent it may effectively do so, the defence of an inconvenient forum to the maintenance of such action or proceeding. The Guarantor hereby irrevocably appoints the Borrower at its principal office and to the attention of the officer shown on the signature pages of the Commitment as its agent to receive on behalf of the Guarantor service of copies of the summons and complaint and any other process which may be served in any such action or proceeding. Such service may be made by delivering a copy of such process to the Guarantor in care of such agent and the Guarantor hereby irrevocably authorizes and directs such agent to accept such service on its behalf. As an alternative method of service, the Guarantor also irrevocably consents to the service of any process in any such action or proceeding by the mailing of copies of such process to the Guarantor at the address referred to in Section 6 hereof, or at such other address as it on its own behalf may direct. The Guarantor agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Section shall affect the right of the Lender to serve legal process in any other manner permitted by law or affect the right of the Lender to bring any action or proceeding against the Guarantor or his property in the courts of other jurisdictions.

23. **Judgment Currency.** (1) If, for the purposes of obtaining judgment in any court, it is necessary to convert a sum due hereunder to the Lender from the currency in respect of which any Guaranteed Obligations are owed to the Lender (the "**Original Currency**") into the currency which a court of competent jurisdiction may render judgment in connection with any litigation relating to the payment of the Guaranteed Obligations under this Guarantee (the "**Judgment Currency**"), the Guarantor agrees, to the fullest extent that it may effectively do so, that the rate of exchange used shall be that at which in accordance with normal banking procedures the Lender could purchase the Original Currency with the Judgment Currency on the business day preceding that on which final judgment is paid or satisfied.

(2) The obligations of the Guarantor in respect of any sum due in the Original Currency from itself to the Lender hereunder shall, notwithstanding any judgment in any Judgment Currency, be discharged only to the extent that on the business day following receipt by the Lender of any sum adjudged to be so due in such Judgment Currency, the Lender may in

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accordance with normal banking procedures purchase the Original Currency with such Judgment Currency. If the amount of the Original Currency so purchased is less than the sum originally due to the Lender, the Guarantor agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Lender against such loss and if the amount of the Original Currency so purchased exceeds the sum originally due to the Lender in the Original Currency, the Lender agrees to remit such excess to the Guarantor.

24. **Acknowledgement of Receipt/Waiver.** The Guarantor acknowledges receipt of an executed copy of this Guarantee, the Commitment, the Mortgage and the other Credit Documents to which it is a party. The Guarantor waives, to the extent permitted by law, the right to receive a copy of any financing statement, financing change statement or verification statement registered with or issued by any personal property registry or other official body in connection with this Guarantee.

25. **Conflict.** In the event of a conflict or inconsistency between the provisions of this Guarantee and the provisions of the Commitment or the Mortgage, the provisions of the Commitment shall govern (to the maximum extent permitted by applicable law), it being understood that the purpose of this Guarantee, the Commitment, the Mortgage, or any other Credit Document is to add to, and not detract from, the rights granted to the Lender under the Credit Documents; provided that, subject to the foregoing, in the case of any irreconcilable conflict between this Guarantee, the Mortgage, and the Commitment with respect to the guarantee granted by the Guarantor to the Lender and the rights and remedies of the Lender relative thereto, the Commitment shall govern with respect to such conflict.

[*Signature page follows*]

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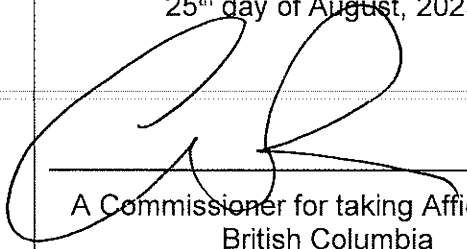
IN WITNESS WHEREOF the Guarantor has duly executed this Guarantee as of the date first above written.

SIGNED, SEALED AND DELIVERED)
in the presence of:)
)
_____)
Witness)
)
_____)
Name)
)
_____)
Address)
)
_____)
Occupation)

DocuSigned by:
1F127C26C20A489...

WEI GUO LI

This is **Exhibit** "H" referred to in the 1st Affidavit of Raymond Ng sworn before me at Vancouver, British Columbia, on this 25th day of August, 2025.



A Commissioner for taking Affidavits for British Columbia

Colin Brousson
Barrister & Solicitor
DLA Piper (Canada) LLP
133 Melville Street, Suite 2700
Vancouver, BC V6E 4E5
604.687.9444

GUARANTEE
(this "Guarantee")

This Guarantee dated for reference May 5, 2025 made by 1319188 B.C. Ltd. and Keltic (River Garden) Development Ltd. (together, the "**Guarantor**"), to and in favour of Shape Capital Corp. on behalf of TS Alpha Venture Limited Partnership (collectively, the "**Lender**"), as lender under the Commitment hereinafter referred to.

WHEREAS:

A. Keltic (Prior) Development Limited Partnership (together with 1319191 B.C. Ltd., the "**Borrower**"), *inter alios*, have entered into a commitment letter with the Lender dated November 24, 2022 as amended by letter agreements dated December 20, 2024 and December 31, 2024, a Supplement to Commitment dated February 18, 2024, a Second Supplement to Commitment dated March 31, 2025 and a Third Supplement to Commitment dated May 2, 2025 (as such agreement may further be amended, supplemented, extended or otherwise modified or restated, collectively, the "**Commitment**"), wherein the Lender has agreed to advance certain credit facilities (the "**Credit Facilities**") to the Borrower.

B. It is a condition of the advance of the Credit Facilities under the Commitment by the Lender to the Borrower that, in addition to other security being taken, the Guarantor execute and deliver this Guarantee to and in favour of the Lender as collateral security for the payment and performance of the Guaranteed Obligations (as hereinafter defined).

C. The Credit Facilities are essential to the operation of the business of the Borrower and the proceeds of advance to be made by the Lender will result in direct or indirect material economic benefits to the Guarantor and it is, therefore, in the best interest of the Guarantor that it enter into this Guarantee and such other security documents as set out in the Commitment.

D. The Guarantor is a nominee for Keltic (River Garden) Development Ltd. (the "**Beneficial Owner**") holding title to the properties described in Schedule A attached hereto (the "**Properties**").

NOW THEREFORE WITNESSETH that in consideration of the payment of the sum of $1.00 in lawful money of Canada by the Lender to the Guarantor and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Guarantor hereby covenants, declares and agrees as follows:

1. **Guarantee**

The Guarantor hereby irrevocably and unconditionally guarantees the due and punctual performance and payment to the Lender, whether at stated maturity, by acceleration or otherwise, of all obligations of the Borrower to the Lender, in respect of the Borrower's May Aggregate Equity as defined in the Commitment and secured by the mortgage in favour of the Lender dated as of the date hereof granted by the Guarantor, in its capacity as nominee for the Beneficial Owner, as authorized and directed by the Beneficial Owner pursuant to that certain beneficial charge agreement dated as of the date hereof

granted by the Beneficial Owner (collectively, the "**Mortgage**"), whether for principal, interest, bonus, fees, expenses, indemnity or otherwise relating to the Borrower's May Aggregate Equity or the Work In Progress Facility (as defined in the Commitment), and any and all out-of-pocket expenses (including counsel fees and disbursements on a solicitor and own client full indemnity basis) incurred by the Lender in enforcing any of its rights under this Guarantee (such obligations collectively being herein called the "**Guaranteed Obligations**").

2. **Absolute Liability**

The Guarantor guarantees that the Guaranteed Obligations will be paid and performed strictly in accordance with the terms of the Credit Documents. The liability of the Guarantor under this Guarantee shall be absolute and unconditional irrespective of:

(a) the lack of validity or enforceability of any terms of the Commitment, the Mortgage or any security granted to the Lender by the Borrower or any other person or persons pursuant to the terms of the Commitment, the Mortgage or any other security and supporting agreements of the Borrower or of such other persons (such security and supporting agreements being collectively the "**Security and Supporting Agreements**") or otherwise;

(b) any contest by the Borrower or any other person as to the amount of the Guaranteed Obligations or the validity or enforceability of any terms of the Commitment, the Mortgage or the Security and Supporting Agreements or the priority of any security granted to the Lender by the Borrower or any other person or persons pursuant to the terms of the Commitment, the Mortgage, the Security and Supporting Agreements or otherwise;

(c) any defence, counter-claim or right of set-off available to the Borrower;

(d) any extension of the time or times for payment of the Guaranteed Obligations or any other indulgences the Lender may grant to the Borrower;

(e) any dealings with the security which the Lender holds or may hold pursuant to the terms and conditions of the Commitment, the Mortgage, the Security and Supporting Agreements or otherwise, including the taking and giving up of securities, the accepting of compositions and the granting of releases and discharges;

(f) the assignment of all or any part of the benefits of this Guarantee;

(g) any modification or amendment of or supplement to the Guaranteed Obligations, the Commitment or the Mortgage, including, without limitation, any assignment or assumption of the commitment of the Lender under the Commitment or the Mortgage and any increase or decrease in the principal, the rates of interest or other amounts payable under the Commitment or under the Mortgage; or

(h) any other circumstance which might otherwise constitute a defence available to or a discharge of a guarantor, the Borrower or any other person in respect of the Guaranteed Obligations, or of the Guarantor in respect of this Guarantee.

3. **Remedies**

The Guarantor agrees that the Lender shall not be bound to seek or exhaust its recourses against the Borrower or any other person or to realize on any security it may hold in respect of the Guaranteed Obligations before being entitled to payment hereunder. Should the Lender elect to realize on any security it may hold, either before, concurrently with or after demand for payment under this Guarantee, the Guarantor shall have no right of discussion or division.

4. **Impairment of Security**

Any loss or impairment of any security received by the Lender from the Borrower or any other person pursuant to the provisions of the Commitment, the Mortgage or the Security and Supporting Agreements shall not discharge *pro tanto* or limit or lessen the liability of the Guarantor under this Guarantee.

5. **Amount of Guaranteed Obligations**

Any account settled or stated by or between the Lender and the Borrower or, if any such account has not been so settled or stated immediately before demand for payment under this Guarantee, any account thereafter stated by the Lender shall, in the absence of demonstrated error, be accepted by the Guarantor as conclusive evidence of the amount of the Guaranteed Obligations which at the date of the account so settled or stated is due by the Borrower to the Lender or remains unpaid by the Borrower to the Lender.

6. **Payment on Demand**

The Guarantor shall, in accordance with the terms of the Commitment and the Mortgage, make payment to the Lender of the amount of the Guaranteed Obligations forthwith after demand therefor is made in writing to it, and such demand shall be deemed to have been effectively made when an envelope containing such demand addressed to the Guarantor at: 2338 – 666 Burrard Street, Vancouver, British Columbia , is personally delivered to such address or is deposited, postage prepaid and registered, in any post office within or outside Canada. The indebtedness of the Guarantor hereunder shall bear interest from the date of such demand to the date of payment thereof in full at the rate or rates of interest applicable to the Guaranteed Obligations under and calculated in the manner provided in the Commitment and the Mortgage.

7. **Subrogation and Repayment**

Upon receipt by the Lender of any payments on account of liability under this Guarantee, whether by realization on security or otherwise, the Guarantor shall not be entitled to claim repayment against the Borrower until the Lender's claims against the Borrower in respect of the Guaranteed Obligations have been repaid in full. In the case of the liquidation, winding-up or bankruptcy of the Borrower (whether voluntary or compulsory) or in the event that the Borrower shall make a bulk sale of any of the Borrower's assets within the provisions of any bulk sales legislation or any composition with creditors or scheme of arrangement, the Lender shall have the right to rank in priority to the Guarantor for its full claims in respect of the Guaranteed Obligations and receive all

dividends or other payments in respect thereof until its claims in respect of the Guaranteed Obligations have been paid in full, and the Guarantor shall continue to be liable, less any payments made by or on behalf of the Guarantor, for any balance which may be owing to the Lender by the Borrower. In the event of the valuation by the Lender of any of its security or the retention thereof by the Lender or both, such valuation or retention, or both, shall not, as between the Lender and the Guarantor, be considered as a purchase of such security, or as payment or satisfaction or reduction of the Guaranteed Obligations or any part thereof. If any amount shall be paid to the Guarantor on account of any subrogation rights at any time when all the Guaranteed Obligations shall not have been paid in full, such amount shall be held in trust for the benefit of the Lender and shall forthwith be paid to the Lender to be credited and applied upon the Guaranteed Obligations, whether matured or unmatured.

8. **Assignment and Postponement**

(1) All obligations, liabilities and indebtedness of the Borrower to the Guarantor of any nature whatsoever, and all security therefor, (the "**Subject Indebtedness**") are hereby assigned and transferred to the Lender as continuing and collateral security for the obligations of the Guarantor hereunder. The Guarantor shall not assign the Subject Indebtedness or any part thereof to any person or entity other than the Lender.

(2) From and after demand by the Lender pursuant to Section 6 hereof, the Subject Indebtedness shall be held in trust by the Guarantor for the Lender and shall be collected, enforced or proved subject to and for the purposes of this Guarantee, and any payments received by the Guarantor in respect thereof shall be segregated from other funds and property held by the Guarantor and forthwith paid over to the Lender on account of the Guaranteed Obligations.

(3) From and after demand by the Lender pursuant to Section 6 hereof, the Lender shall be entitled to receive payment of the Guaranteed Obligations in full before the Guarantor shall be entitled to receive any payment on account of the Subject Indebtedness. The Subject Indebtedness shall not be released or withdrawn by the Guarantor unless the Lender's written consent to such release or withdrawal is first obtained, and the Guarantor shall not permit the prescription of the Subject Indebtedness by any statute of limitations or ask for or obtain any security or negotiable paper for or other evidence of the Subject Indebtedness except for the purpose of delivering the same to the Lender.

9. **No Prejudice to the Lender**

The Lender shall not be prejudiced in any way in the right to enforce any provision of this Guarantee by any act or failure to act on the part of the Borrower. The Lender may, at any time and from time to time, without any consent of or notice to the Guarantor and without impairing or releasing the Guarantor from its obligations hereunder:

(a) change the manner, place or terms of payment or change or extend time of payment of, or renew or alter, the Guaranteed Obligations;

(b) release anyone liable in any manner under or in respect of the Guaranteed Obligations;

(c) exercise or refrain from exercising any rights against the Borrower or the Guarantor or any other person; and

(d) apply to the Guaranteed Obligations any sums from time to time received.

10. **Rights of Set-Off**

To the fullest extent permitted by law, the Guarantor shall make all payments hereunder without regard to any defence, counter-claim or right of set-off available to it. Upon the making of a demand for payment hereunder, the Lender is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set-off and apply any deposits (general or special, time or demand, provisional or final) at any time held or other indebtedness at any time owing by the Lender to or for the credit or the account of the Guarantor against the Guaranteed Obligations and other amounts due to the Lender hereunder irrespective of whether or not the Lender shall have made any demand under this Guarantee and although such Guaranteed Obligations and other amounts may be contingent and unmatured. The rights of the Lender under this Section 10 are in addition, without prejudice and supplemental to any other rights and remedies (including, without limitation, other rights of set-off) which the Lender may have.

11. **No Recourse**

Any right of subrogation acquired by the Guarantor by reason of payment under or pursuant to this Guarantee shall not be exercised until the Guaranteed Obligations and other amounts due to the Lender hereunder have been paid or repaid in full to the Lender, and shall be no greater than the right held by the Lender and the Guarantor shall have no recourse against the Lender for any invalidity, non-perfection or unenforceability of any security held by the Lender or any irregularity or defect in the manner or procedure by which the Lender realizes on such security.

12. **Continuing Guarantee**

This Guarantee shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Guaranteed Obligations is rescinded or must otherwise be returned by the Lender upon the insolvency, bankruptcy or reorganization of the Borrower or otherwise, all as though such payment had not been made.

13. **Supplemental Security**

This Guarantee is in addition, without prejudice and supplemental to all other guarantees and securities held, or which may hereafter be held, by or for the Lender.

14. **Representations**

(1) The Guarantor represents and warrants to the Lender that it:

(a) is a corporation duly incorporated and organized and is validly subsisting and in good standing under the laws of the Province of British Columbia and is in good standing, in all jurisdictions where the Guarantor carries on business;

(b) has full corporate right, power and authority to enter into and perform its obligations under this Guarantee and any security given in respect hereof, and has full corporate right, power and authority to own and operate its properties and to carry on its business as now conducted by it; and

(c) is not prohibited or restricted by applicable law in the giving of this Guarantee and it is in the best interests of the Guarantor to provide same.

(2) The execution and delivery of this Guarantee has been duly authorized by all necessary action by the Guarantor and this Guarantee constitutes a legal, valid and binding obligation of the Guarantor enforceable against it in accordance with its terms, subject only to:

(a) the effect of any bankruptcy, insolvency, moratorium or similar laws affecting the enforceability of creditors' rights generally;

(b) the discretion that a court of competent jurisdiction may exercise in the granting of equitable remedies; and

(c) the statutory powers of a court of competent jurisdiction to stay proceedings and stay the execution of judgment in proceedings before it,

and the execution, delivery and performance by the Guarantor of this Guarantee and the performance by the Guarantor of its obligations hereunder, do not and will not:

(d) conflict with or result in a breach of any of the terms, conditions or provisions of:

(i) the constating documents of the Guarantor;

(ii) any law applicable or binding on the Guarantor; or

(iii) any contractual restriction binding on or affecting the Guarantor or its properties the breach of which would have a material adverse effect on the business or assets of the Guarantor, on the ability of the Guarantor to perform any of its obligations under this Guarantee or on the priority, effectiveness or enforceability of this Guarantee; or

(e) result in, or require or permit:

(i) the imposition of any lien, charge, mortgage, pledge, security interest or other encumbrance whatsoever, in or with respect to the property, assets or undertaking of the Guarantor; or

(ii) the acceleration of the maturity of any indebtedness of the Guarantor or any of its subsidiaries, under any contractual provision binding on or affecting the Guarantor or such subsidiary.

15. ***Interest Act* (Canada)**

For the purposes of the *Interest Act* (Canada), as the same may be amended, replaced or re-enacted from time to time, whenever any interest is calculated using a rate based on a year of 360 days or 365 days, as the case may be, such rate determined pursuant to such calculation, when expressed as an annual rate is equivalent to:

(a) the applicable rate based on a year of 360 days or 365 days, as the case may be,

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(c) divided by 360 days or 365 days, as the case may be.

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If any provision of this Guarantee would oblige the Guarantor to make any payment of interest or other amount payable to the Lender in an amount or calculated at a rate which would be prohibited by law or would result in a receipt by the Lender of "interest" at a "criminal rate" (as such terms are construed under the *Criminal Code* (Canada)), then, notwithstanding such provision, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law or so result in a receipt by the Lender of "interest" at a "criminal rate", such adjustment to be effected, to the extent necessary (but only to the extent necessary), as follows:

(a) first, by reducing the amount or rate of interest required to be paid to the Lender; and

(b) thereafter, by reducing any fees, commissions, premiums and other amounts required to be paid to the Agent which would constitute interest for purposes of Section 347 of the *Criminal Code* (Canada).

17. **Liability**

The liability of the Guarantor hereunder shall bear interest from the date written demand for payment is deemed to have been given by the Lender to the Guarantor at the applicable rate or rates set out in the Commitment and the Mortgage.

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The division of this Guarantee into sections and the insertion of headings are for convenience of reference only and shall not affect the interpretation hereof.

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This Guarantee shall extend to and enure to the benefit of the Lender and their successors and assigns and shall be binding upon the Guarantor and his permitted assigns. This Guarantee shall not be assigned by the Guarantor without the Lender's prior written consent. All rights of the Lender hereunder shall be assignable in accordance with the terms of the Commitment.

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Subject to Section 6, all notices, requests, demands, directions and communications ("**Notices**") hereunder shall be sent by fax or similar means of recorded communication or hand delivery or registered mail, and shall be effective when hand delivered or, in the case of fax or similar means of recorded communication, when received. All Notices shall be given to the Lender at its principal office as shown in the Commitment and to the Guarantor at the address referred to in Section 6 hereof, or otherwise in accordance with any unrevoked written direction of the Guarantor to the Lender at its principal office as to a change of address, given in accordance with this Section 21.

22. **Attornment/Service**

The Guarantor hereby irrevocably submits to the jurisdiction of any British Columbia court in any action or proceeding arising out of or relating to this Guarantee, and hereby irrevocably agrees that all claims in respect of any such action or proceeding may be heard and determined in such British Columbia court. The Guarantor hereby irrevocably waives, to the fullest extent it may effectively do so, the defence of an inconvenient forum to the maintenance of such action or proceeding. The Guarantor hereby irrevocably appoints the Borrower at its principal office and to the attention of the officer shown on the signature pages of the Commitment as its agent to receive on behalf of the Guarantor service of copies of the summons and complaint and any other process which may be served in any such action or proceeding. Such service may be made by delivering a copy of such process to the Guarantor in care of such agent and the Guarantor hereby irrevocably authorizes and directs such agent to accept such service on its behalf. As an alternative method of service, the Guarantor also irrevocably consents to the service of any process in any such action or proceeding by the mailing of copies of such process to the Guarantor at the address referred to in Section 6 hereof, or at such other address as it on its own behalf may direct. The Guarantor agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Section shall affect the right of the Lender to serve legal process in any other manner permitted by law or affect the right of the Lender to bring any action or proceeding against the Guarantor or his property in the courts of other jurisdictions.

23. **Judgment Currency**

(1) If, for the purposes of obtaining judgment in any court, it is necessary to convert a sum due hereunder to the Lender from the currency in respect of which any Guaranteed Obligations are owed to the Lender (the "**Original Currency**") into the currency which a court of competent jurisdiction may render judgment in connection with any litigation relating to the payment of the Guaranteed Obligations under this Guarantee (the "**Judgment Currency**"), the Guarantor agrees, to the fullest extent that it may effectively do so, that the rate of exchange used shall be that at which in accordance with normal banking procedures the Lender could purchase the Original Currency with the Judgment Currency on the business day preceding that on which final judgment is paid or satisfied.

(2) The obligations of the Guarantor in respect of any sum due in the Original Currency from itself to the Lender hereunder shall, notwithstanding any judgment in any Judgment Currency, be discharged only to the extent that on the business day following receipt by the Lender of any sum adjudged to be so due in such Judgment Currency, the Lender may in accordance with normal banking procedures purchase the Original Currency with such Judgment Currency. If the amount of the Original Currency so purchased is less than the sum originally due to the Lender, the Guarantor agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Lender against such loss and if the amount of the Original Currency so purchased exceeds the sum originally due to the Lender in the Original Currency, the Lender agrees to remit such excess to the Guarantor.

24. **Acknowledgement of Receipt/Waiver**

The Guarantor acknowledges receipt of an executed copy of this Guarantee, the Commitment, the Mortgage and the other Credit Documents to which it is a party. The Guarantor waives, to the extent permitted by law, the right to receive a copy of any financing statement, financing change statement or verification statement registered with or issued by any personal property registry or other official body in connection with this Guarantee.

25. **Conflict**

In the event of a conflict or inconsistency between the provisions of this Guarantee and the provisions of the Commitment or the Mortgage, the provisions of the Commitment shall govern (to the maximum extent permitted by applicable law), it being understood that the purpose of this Guarantee, the Commitment, the Mortgage, or any other Credit Document is to add to, and not detract from, the rights granted to the Lender under the Credit Documents; provided that, subject to the foregoing, in the case of any irreconcilable conflict between this Guarantee, the Mortgage, and the Commitment with respect to the guarantee granted by the Guarantor to the Lender and the rights and remedies of the Lender relative thereto, the Commitment shall govern with respect to such conflict.

[*Signature page follows*]

IN WITNESS WHEREOF the Guarantor has duly executed this Guarantee as of the date first above written.

1319188 B.C. LTD.

Per: _____
Name:
Title:

Per: _____
Name:
Title:

KETLIC (RIVER GARDEN) DEVELOPMENT LTD.

Per: _____
Name:
Title:

Per: _____
Name:
Title:

SCHEDULE A
REAL PROPERTY

(PID)	(Legal Description)
004-919-521	Lot 119 Section 6 Block 4 North Range 6 West New Westminster District Plan 55678
004-919-718	Lot 117 Except: Part Road On Plan Lmp11314, Section 6 Block 4 North Range 6 West New Westminster District Plan 52092
004-919-742	Lot 116 Except: Part Dedicated Road On Plan Lmp11314, Section 6 Block 4 North Range 6 West New Westminster District Plan 49857
004-919-556	Lot 120 Except: Parcel 1 (Bylaw Plan Lmp11412), Section 6 Block 4 North Range 6 West New Westminster District Plan 55678

This is **Exhibit "** I **"** referred to in the 1st Affidavit of Raymond Ng sworn before me at Vancouver, British Columbia, on this 25th day of August, 2025.

A Commissioner for taking Affidavits for British Columbia

Colin Brousson
Barrister & Solicitor
DLA Piper (Canada) LLP
1133 Melville Street, Suite 2700
Vancouver, BC V6E 4E5
604.687.9444

Land Title Act

Mortgage

Part 1 Province of British Columbia

NEW WESTMINSTER LAND TITLE OFFICE
JAN 27 2023 11:16:09.001
CB449253-CB449254

1. Application

Document Fees: $152.64

KAITLYN SAWYER, BLAKE, CASSELS & GRAYDON LLP,
BARRISTERS & SOLICITORS
595 BURRARD STREET, P.O. BOX 49314
SUITE 2600, THREE BENTALL CENTRE
VANCOUVER BC V7X 1L3
(604) 631-4263

c/m: 26009/12

2. Description of Land

PID/Plan Number	Legal Description
031-756-093	**LOT 1 DISTRICT LOTS 196 AND 2037 GROUP 1 NEW WESTMINSTER DISTRICT PLAN EPP111791**

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

KELTIC (PRIOR) GP LTD. BC1232616
2338 - 666 BURRARD STREET
VANCOUVER BC V6C 2X8

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

SHAPE CAPITAL CORP. BC1181714
2020 ONE BENTALL CENTRE
505 BURRARD STREET, BOX 206
VANCOUVER BC V7X 1M6

5. Payment Provisions

Principal Amount	Interest Rate	Interest Adjustment Date
$85,000,000.00	**20% PER ANNUM**	**N/A**
Interest Calculation Period	Payment Dates	First Payment Date
MONTHLY, NOT IN ADVANCE	**FIRST DAY OF EACH MONTH**	**2023-02-01**
Amount of each periodic payment	Interest Act (Canada) Statement. The equivalent rate of interest calculated half yearly not in advance is	Last Payment Date
INTEREST ONLY	**N/A** % per annum	**2026-01-01**
Assignment of Rents which the applicant wants registered?	Place of payment	Balance Due Date
Yes	**POSTAL ADDRESS IN ITEM 4**	**2026-01-31**

If yes, page and paragraph number:
Pages 35-37 and Paragraph 44

6. Mortgage contains floating charge on land?

No

7. Mortgage secures a current or running account?

Yes

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8. Interest Mortgaged

Fee Simple

9. Mortgage Terms

Part 2 of this mortgage consists of:

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

10. Additional or Modified Terms

Guarantor(s) or Covenantor(s):
KELTIC (PRIOR) DEVELOPMENT LIMITED PARTNERSHIP
1319191 B.C. LTD.
KELTIC GROUP EQUITIES (2019) LTD.
KELTIC PROJECTS DEVELOPMENT LTD.
KELTIC CANADA DEVELOPMENT CO. LTD.
DDAW HOLDINGS LTD.
WEI GUO LI
RUI WANG

11. Prior Encumbrances Permitted by Lender

12. Execution(s)

This mortgage charges the Borrower's interest in the land mortgaged as security for payment of all money due and performance of all obligations in accordance with the mortgage terms referred to in item 9 and the Borrower(s) and every other signatory agree(s) to be bound by, and acknowledge(s) receipt of a true copy of, those terms.

Witnessing Officer Signature	Execution Date	Borrower / Party Signature(s)
See Affidavit of Execution	YYYY-MM-DD **2023-01-20**	**KELTIC (PRIOR) GP LTD.** By their Authorized Signatory **Name: Li Lei** **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.

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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.

Kaitlyn Maeve Sawyer XTUU86	**Digitally signed by Kaitlyn Maeve Sawyer XTUU86 Date: 2023-01-27 11:06:56 -08:00**

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MORTGAGE TERMS – PART 2

1. DEFINED TERMS

Unless otherwise expressly defined or otherwise required by the context, the following words and phrases will have the following meanings when used in this Mortgage:

1.1 "**$**" means such currency of Canada which, as at the time of payment or determination, is legal tender in Canada for the payment of public or private debt;

1.2 "**Accounting Standard**" means (i) the International Financial Reporting Standards (IFRS); or (ii) generally accepted accounting principles (GAAP) as published in the "CICA Handbook" by the Canadian Institute of Chartered Accountants (as amended, replaced or republished from time to time) together with generally accepted industry standards from time to time;

1.3 "**Balance Due Date**" means the balance due date set forth in the Mortgage Form;

1.4 "**Commitment**" means the Commitment dated November 24, 2022 and accepted by the Mortgagor and the Guarantor on November 30, 2022 pursuant to which this Mortgage is provided, and all amendments thereto and renewals or replacements thereof from time to time;

1.5 "**Construction Project**" has the meaning given to it in paragraph 11.2;

1.6 "**Costs**" includes all costs, fees, charges and expenses of every nature and kind whatsoever incurred by the Mortgagee or paid by the Mortgagee to any other party in connection with the protection and preservation of the Lands or any other security held by the Mortgagee, or for the purpose of preserving and maintaining the enforceability and priority of this Mortgage and any such other security, or in connection with any and all demands and enforcement proceedings of every nature and kind made or carried out by or on behalf of this Mortgage under or pursuant to this Mortgage, and includes, without limitation, legal costs incurred by the Mortgagee on a solicitor and solicitor's own client full indemnity basis;

1.7 "**Credit Documents**" means, collectively, this Mortgage, the Commitment, each of the security documents referred to in Section 20 of the Commitment, any collateral covenant agreement, and all other agreements, instruments and documents delivered from time to time to the Mortgagee by the Mortgagor or any Guarantor, each as amended, restated, supplemented or replaced from time to time;

1.8 "**Default**" means any event or condition which, with the giving of notice, lapse or upon a declaration or determination being made (or any combination thereof), would constitute an Event of Default;

1.9 "**Environmental Laws**" means, in respect of any Person, property, transaction or event, all applicable laws, statutes, rules, by-laws and regulations, and all applicable directives, orders, codes, judgments and decrees of Governmental Bodies, whether now in existence or hereafter arising, intended to regulate and/or protect the environment and/or any living thing and/or relating to Hazardous Substances;

1.10 "**Event of Default**" means any event set forth in paragraph 31 herein;

1.11 "**Governmental Body**" means any government, parliament, legislature, or any regulatory authority, bureau, tribunal, department, instrumentality, agency, commission or board of any government, parliament or legislature, or any court, and without limiting the foregoing, any other law, regulation or rule-making entity having or purporting to act under the authority of any of the foregoing (including, without limitation, any arbitrator) and "**Governmental Bodies**" means any one or more of the foregoing collectively;

1.12 "**Guarantor**" means any party to this Mortgage expressly defined as such and any and all Persons who have directly, indirectly, as principal debtor or as surety covenanted to pay or guaranteed payment of the whole or any part of the amount or amounts secured by this Mortgage or which are owing under the loan facilities referred to in the Commitment or who have covenanted to perform or guaranteed performance by the Mortgagor of its obligations under this Mortgage or under the Commitment or under any security given in connection therewith;

1.13 "**Hazardous Substance** "means any hazardous or dangerous waste or substance, pollutant, contaminant, waste or other substance without limitation, whether solid, liquid or gaseous in form, which when released into the natural environment may, based upon reasonably authoritative information then available concerning such substance, immediately or in the future directly or indirectly cause material harm or degradation to the natural environment or to the health or welfare of any living thing and includes, without limiting the generality of the foregoing,

1.13.1 any such substance as defined or designated under any Environmental Laws;

1.13.2 asbestos, urea formaldehyde, poly-chlorinated byphenyl (PCB) and materials manufactured with or containing the same; and

1.13.3 radioactive and toxic substances,

and "**Hazardous Substances**" means any one or more of the foregoing collectively;

1.14 **"interest**" means interest at the Mortgage Rate on all principal, interest in arrears and other monies owed to the Mortgagee under this Mortgage;

1.15 "**Interest Adjustment Date**" means the interest adjustment date set forth in the Mortgage Form;

1.16 "**Interest Calculation Period**" means the period or periods for calculation of interest set forth in the Mortgage Form;

1.17 "**Lands**" means the lands set forth in the Mortgage Form, and includes the Property;

1.18 "**Mortgage**" means the Mortgage Form and this set of Mortgage Terms and all schedules attached to this Mortgage and all amendments thereto and replacements thereof from time to time;

1.19 "**Mortgagee**" means all Persons in whose favour this Mortgage is given and who is or are named in this Mortgage as mortgagee and the respective successors and assigns of such Persons;

1.20 "**Mortgagor**" means all Persons who have given this Mortgage and who have executed the same as mortgagor and the respective successors and assigns of such Persons;

1.21 "**Mortgage Form**" means that certain Form B under the Land Title (Transfer Forms) Regulation pursuant to which this set of Mortgage Terms is filed under, and all schedules and addenda attached thereto;

1.22 "**Mortgage Rate**" means the rate of interest set forth in the Mortgage Form;

1.23 "**Payment Date**" means each payment date specified in the Mortgage Form, commencing on the first payment date and continuing to and including the last payment date shown in the Mortgage Form;

1.24 "**Periodic Payment**" means a payment in the amount specified as the amount of each periodic payment in the Mortgage Form;

1.25 "**Permitted Encumbrances**" means any encumbrance, lien or charge from time to time disclosed by the Mortgagor to the Mortgagee and which is consented to in writing by the Mortgagee;

1.26 "**Person**" means an individual, sole proprietorship, partnership, joint venture, syndicate, association, trust, body corporate, a natural Person in its capacity as trustee, personal representative or other legal representative, the Crown or any agency or instrumentality thereof, and/or any other entity recognized by law;

1.27 "**principal**", "**principal amount**", "**principal monies**" and "**principal sum**" each mean the amount of money in lawful money of Canada set forth as the principal amount on the Mortgage Form as reduced by payments made by the Mortgagor from time to time, or increased by the advance or re-advance of money to the Mortgagor by the Mortgagee from time to time, and includes all money that is added to the principal sum under these Mortgage Terms;

1.28 "**Property**" means the property, tenements, hereditaments and appurtenances and any estate or interest therein described in this Mortgage, and all buildings and improvements now or hereafter situate or constructed thereon, and all easements, rights-of-way and other appurtenances thereto, and all structures, additions, improvements, machinery, equipment, decorations and other fixtures of every nature and kind (whether or not affixed in law) attached thereto or placed, installed or erected thereon or used in connection therewith;

1.29 "**Receiver**" means any receiver, receiver and manager, receiver-manager or trustee of the Lands as may be appointed from time to time by the Mortgagee

pursuant to the provisions of this Mortgage or by any court of competent jurisdiction;

1.30 "**Strata Corporation**" means each corporation created or continued pursuant to the *Strata Property Act* (British Columbia) and any amendments thereto or any statute enacted in replacement thereof and pertaining to all or any part of the Lands which are governed by the said Act;

1.31 "**Taxes**" means all taxes, rates, assessments, local improvement charges, levies, penalties and other charges imposed upon or in respect of the Lands by any Governmental Body having jurisdiction; and

1.32 "**Terms of this Mortgage**" means all of the covenants, agreements, provisos, terms, conditions, warranties, representations and provisions of this Mortgage, and the agreement of the Mortgagor set forth in item 12 of the Mortgage Form to be bound by the Mortgage Terms referred to in item 9 of the Mortgage Form will apply to all of the covenants, agreements, provisos, terms, conditions, warranties, representation and provisions of this Mortgage.

2. STATUTORY REFERENCES

Unless expressly stipulated or otherwise required by the context, all references in this Mortgage to any federal, provincial or municipal statute, regulation, by-law, order, directive or other governmental enactment will be deemed to be and construed as a reference to the same as amended or re-enacted from time to time.

3. GRANT AND PROVISOS

3.1 For good and valuable consideration (the receipt and sufficiency whereof is hereby acknowledged by the Mortgagor), the Mortgagor grants and mortgages the Lands to the Mortgagee, all of the right, title and interest of the Mortgagor in and to the Lands as security for the due payment of the principal sum and interest as herein provided and all other monies owing by the Mortgagor to the Mortgagee under this Mortgage.

3.2 Provided that this Mortgage will be void upon satisfaction of all of the following:

3.2.1 payment to the Mortgagee at the address of the Mortgagee set out in the Mortgage Form or to such other address or such other party or parties as the Mortgagee may from time to time require of the principal sum, with interest thereon at the Mortgage Rate, to be calculated and compounded in accordance with the Interest Calculation Period, not in advance, both before and after maturity, both before and after default, and both before and after judgment, payable as follows:

(i) interest accruing from the respective dates of advance of the principal sum will be due and payable on the Interest Adjustment Date (provided however, the Mortgagee may deduct accrued interest from any advance of principal);

(ii) a Periodic Payment will be paid on each Payment Date; and

(iii) the unpaid balance of the principal sum, together with any accrued and unpaid interest and other costs, charges and monies owing hereunder will become due and be paid on the Balance Due Date; and

3.2.2 observance and performance of all of the Terms of this Mortgage and the other Credit Documents and the payment of the Taxes and of all other monies as herein provided.

3.3 It is agreed that all interest, as well upon principal as upon interest, will be compounded on the last day of each Interest Calculation Period and all such compounded interest will be a charge on the Lands.

3.4 It is further agreed that the Mortgagee will have the right to apply any sums paid to the Mortgagee under this Mortgage in or towards the payment of accrued interest, principal or any other monies owing hereunder as the Mortgagee may determine, notwithstanding that any such sums may have been paid to the Mortgagee on account of a different amount.

3.5 For the consideration aforesaid, the Mortgagor releases to the Mortgagee all of the Mortgagor's claims upon the Lands subject to the provisos set forth in paragraph 3.2 hereof.

4. ADVANCE OF FUNDS

The Mortgagor agrees that neither the preparation, execution nor registration of this Mortgage will bind the Mortgagee to advance the monies hereby secured, nor will the advance of a part of the principal sum herein bind the Mortgagee to advance any unadvanced portion thereof, but nevertheless the estate hereby charged will take effect forthwith upon the execution of this Mortgage by the Mortgagor, and the expenses of the examination of the title and of this Mortgage and valuation are to be secured hereby in the event of the whole or any balance of the principal sum herein not being advanced, the same to be charged hereby upon the Lands, and will be without demand thereof, payable forthwith with interest at the rate provided for in this Mortgage, and upon the occurrence of an Event of Default the remedies herein will be exercisable.

5. MORTGAGOR'S COVENANTS

5.1 The Mortgagor covenants with the Mortgagee that:

5.1.1 the Mortgagor will pay the principal sum herein and interest thereon at the Mortgage Rate, including compounded interest as herein provided and observe and perform the Terms of this Mortgage, and will pay as they fall due all Taxes and when required by this Mortgage, will transmit the receipts therefor to the Mortgagee;

5.1.2 the Mortgagor will pay all amounts which are payable hereunder or which are capable of being added to the principal sum herein pursuant to the provisions of this Mortgage including, without limiting the generality of the foregoing, all servicing or other fees, costs or charges provided for herein; all insurance premiums; the amount paid for the supply of any fuel or

utilities to the Lands; all costs, commissions, fees and disbursements incurred by the Mortgagee in constructing, inspecting, appraising, selling, managing, repairing or maintaining the Lands; all Costs incurred by the Mortgagee with respect to this Mortgage or incurred by the Mortgagee arising out, of or in any way related to this Mortgage; any amounts paid by the Mortgagee on account of any encumbrance, lien or charge against the Lands and any and all Costs incurred by the Mortgagee arising out of, or in any way related to, the Mortgagee realizing on its security by sale or lease or otherwise;

5.1.3 the Mortgagor has a good indefeasible title in fee simple to the Lands, without any trusts, reservations, limitations, provisos or conditions, except those contained in the original grant from the Crown, and has good right, full power and lawful and absolute authority to grant, mortgage and convey the Lands and to grant this Mortgage to the Mortgagee upon the terms contained therein;

5.1.4 the Mortgagor has not done, committed, executed or wilfully or knowingly suffered any act, deed, matter or thing whatsoever whereby or by means whereof the Lands, or any part or parcel thereof, is or will or may be in any way impeached, charged, affected or encumbered in title, estate or otherwise, except as the records of the land registry office disclose; and free from all financial encumbrances, except the Permitted Encumbrances;

5.1.5 the Mortgagor will execute such further documents, instruments and assurances as are required by the Mortgagee to give effect to the Terms of this Mortgage and to ensure that this Mortgage is valid security for all monies and obligations secured by this Mortgage; and

5.1.6 the Mortgagor will produce the title deeds and allow copies to be made at the expense of the Mortgagor.

6. COMPLIANCE WITH LAWS AND REGULATIONS

The Mortgagor will, in its ownership, operation and use of the Lands, promptly and at all times observe, perform, execute and comply with all laws, rules, requirements, orders, directions, ordinances and regulations of every Governmental Body having jurisdiction with respect to the same, and further agrees at its cost and expense to take any and all steps or make any improvements or alterations thereto, structural or otherwise, ordinary or extraordinary, which may be required at any time hereafter by any such present or future laws, rules, requirements, orders, directions, ordinances or regulations.

7. CHANGE OF USE

The Mortgagor will not change or permit to be changed the existing use or uses of the Lands without the prior written consent of the Mortgagee.

8. REPAIR

The Mortgagor will keep the Lands including the buildings, erections and improvements thereon in good condition and repair according to the nature and description thereof, and

the Mortgagee may, whenever it deems necessary, enter upon and inspect the Lands, and the cost of such inspection will be added to the indebtedness secured hereunder, and if the Mortgagor neglects to keep the Lands in good condition and repair, or commits or permits any act of waste upon or abandons the Lands (as to which the Mortgagee will be sole judge) or removes or allows to be removed from the Lands, the Property or any portion thereof without prior written consent of the Mortgagee or upon discovery by the Mortgagee that any security for the indebtedness owing under this Mortgage is inadequate or breaches any of the Terms of this Mortgage, the principal sum herein together with interest at the Mortgage Rate, interest on overdue interest, the full amount of all legal fees on a solicitor and solicitor's own client full indemnity basis, disbursements, costs, charges and expenses incurred by the Mortgagee and all other monies owing and secured under this Mortgage will, at the option of the Mortgagee, forthwith become due and payable, and in default of payment thereof, the powers of entering upon and leasing or selling hereby given and all other remedies of the Mortgagee under this Mortgage as otherwise available to the Mortgagee may be exercised forthwith and the Mortgagee, upon five (5) days notice to the Mortgagor and in the event that the Mortgagor does not in such period cause and diligently proceed with such repairs, may make such repairs as it deems necessary, and the cost thereof with interest at the rate aforesaid will be added to the monies hereby secured and will be payable forthwith and be a charge upon the Lands prior to all claims thereon subsequent to this Mortgage.

9. ALTERATIONS OR ADDITIONS

The Mortgagor will not make or permit to be made any alterations or additions to the Lands without the prior written consent of the Mortgagee, which consent may be withheld in the Mortgagee's sole discretion or may be given only subject to compliance with such terms and conditions at the cost of the Mortgagor as the Mortgagee may impose.

10. LANDS INCLUDE ALL ADDITIONS

10.1 The Lands will include all structures and installations brought or placed on the Lands for the particular use and enjoyment thereof or as an integral part of or especially adapted for the buildings thereon whether or not affixed in law to the Lands including, without limiting the generality of the foregoing, piping, plumbing, electrical equipment or systems, aerials, refrigerators, stoves, clothes washers and dryers, dishwashers, incinerators, radiators and covers, fixed mirrors, fitted blinds, window screens and screen doors, storm windows and storm doors, shutters and awnings, floor coverings, fences, air conditioning, ventilating, heating, lighting, and water heating equipment, cooking and refrigeration equipment and all component parts of any of the foregoing and that the same will become fixtures and an accession to the freehold and a part of the realty.

10.2 The Mortgagor covenants and agrees that if this Mortgage is subject to one or more prior mortgages, agreements for sale or other charges or encumbrances (herein collectively called the "**Prior Mortgage**"), the Mortgagor will pay or cause to be paid as they become due all payments whether for principal, interest, Taxes or otherwise under or by virtue of the Prior Mortgage and will otherwise observe, perform and comply with the conditions, covenants, provisos, or agreements therein contained; and that any default thereunder will be deemed to be a default hereunder and entitle the Mortgagee to exercise any and all remedies available to the Mortgagee upon an Event of Default; and that the Mortgagee may make any

payment or cure any default under the Prior Mortgage and any amount or amounts so paid together with all costs, charges, expenses and outlays of the Mortgagee thereby incurred, including the full amount of all legal fees on a solicitor and solicitor's own client full indemnity basis, disbursements, costs, charges and expenses incurred by the Mortgagee, will be added to the monies payable hereunder, bear interest at the Mortgage Rate from the date expended until paid, be payable with interest as aforesaid forthwith by the Mortgagor to the Mortgagee without demand and be a charge on the Lands and the Mortgagee will have the same rights and remedies to enforce payment thereof as the Mortgagee would have upon an Event of Default.

10.3 For the aforesaid consideration to the Mortgagor, without in any way affecting or releasing the Mortgagor's liability to the Mortgagee for the repayment of monies hereby secured, the Mortgagor does hereby assign, transfer and set over to the Mortgagee all right, title, claim, demand and interest whatsoever at law, or in equity, or otherwise to indemnification, express or implied, of and from the performance and observance of any and all of the Terms of this Mortgage (including without limitation, payment of any and all monies due under this Mortgage) by any purchaser of the Lands.

11. CONSTRUCTION LOAN

11.1 If this Mortgage is intended to finance any construction, alteration or addition, the Mortgagee may make advances of the principal amount to the Mortgagor based on the progress of construction and in its sole discretion the Mortgagee will decide whether or not any advances will be made, the amount of the advances and when the advances will be made.

11.2 In the event that all or any portion of the monies hereby secured would, with the consent of the Mortgagee, be used for any construction upon or renovation, alteration, addition or repair to any building or structure on the Lands subject to paragraph 11.1, the Mortgagor will diligently proceed to complete construction in accordance with the plans and specifications approved by the Mortgagee (the "**Construction Project**") and will forthwith provide to the Mortgagee such information relating to the Lands and the construction as the Mortgagee may from time to time request. The Mortgagor will not make any material changes to the plans and specifications without the prior written consent of the Mortgagee. The Mortgagor will cause the Construction Project to be constructed in a good and workmanlike manner and in accordance with all applicable laws, including, without limitation, municipal by-laws and, without limitation, the Mortgagor will take all such steps as may be required to obtain an occupancy permit or equivalent permit or approval for the Construction Project from the applicable Governmental Bodies. The Mortgagor will pay all expenses incurred by the Mortgagee in retaining any cost consultant with respect to the Construction Project. The Mortgagor will comply with the requirements of an Owner under the *Builders Lien Act* (British Columbia) and will, in particular, maintain any "**Holdback Account**" required to be maintained under such Act. Without in any way limiting any other rights and remedies of the Mortgagee, upon the occurrence of an Event Of Default, the Mortgagee, in addition to and not in substitution for any of its other rights and remedies, may take any one or more of the following actions:

11.2.1 enter upon the Lands and complete the Construction Project in accordance with plans and specifications approved by the Mortgagee with such further changes as the Mortgagee may deem appropriate in its sole discretion;

11.2.2 discontinue any work commenced, or change any course of action undertaken, by the Mortgagor in respect of the Lands or the Construction Project;

11.2.3 at the Mortgagee's option, enforce any construction contract made by the Mortgagor, and take over and use all or any part of the labour, materials, supplies, and equipment contracted for by the Mortgagor;

11.2.4 engage builders, contractors, architects, engineers, and other staff and trades as the Mortgagee considers necessary or desirable for the purpose of completing the Construction Project;

11.2.5 pay, settle, or compromise all bills and claims which may be or become liens (whether such liens are claims of builders liens or any other type of lien) against the Lands or any part thereof, provided that the Mortgagee will not be liable to the Mortgagor for the validity or correctness of any such claim or lien; and

11.2.6 generally, take or refrain from taking all such action in respect to the Construction Project as the Mortgagee in its sole discretion considers to be in its best interest for the purpose of preserving or enhancing the value of the Mortgagee's security.

11.3 The Mortgagor acknowledges and agrees that no steps taken by the Mortgagee to deal with the Mortgage as aforesaid will constitute or be deemed to be a waiver or condoning by the Mortgagee of the use of any monies secured by this Mortgage in contravention of the provisions contained herein, including, without limitation, any covenant or warranty by the Mortgagor that the purpose of the Mortgage is not to finance an improvement on the Lands.

11.4 The Mortgagor will be solely responsible to ensure the sufficiency of work done or to be done or material supplied or to be supplied to the Lands to justify the quantum of each advance made by the Mortgagee under the Commitment. Notwithstanding that the Commitment or any other Credit Document may provide that advances are to be made on a cost-to-complete basis or a similar basis, entitling the Mortgagee to refuse to advance where it is of the opinion that there is insufficient unadvanced funds to complete the contemplated construction, the Mortgagee will not be responsible or liable to the Mortgagor or to anyone else where either there has been insufficient work done or material supplied to the Lands to warrant an advance, or that there are insufficient funds held back to complete the contemplated construction.

11.5 Where the Mortgagor retains the services of an engineer, or architect, or project supervisor or a similar professional construction expert, or combination of such Persons, the Mortgagee will be entitled but not obliged to rely upon such Person to instruct the Mortgagee as to the value of the work done or to be done or material

supplied or to be supplied to the Lands, and the Mortgagee will have no liability whatsoever to the Mortgagor or to anyone else as a result of advances made by the Mortgagee relying in whole or in part upon such Person.

12. ENVIRONMENTAL WARRANTY AND INDEMNITY

12.1 The Mortgagor and each Guarantor jointly and severally represents, warrants, covenants and agrees that:

12.1.1 it has not, and to the best of its knowledge, information and belief after making due inquiry, no other Person has caused or permitted any Hazardous Substance to be placed, discharged, stored, located or disposed of, on, under, at or near the Lands nor to be released from the Lands except in accordance with Environmental Laws;

12.1.2 the Lands have never been used as a land fill site, waste disposal site or coal gasification site, or to store Hazardous Substances either above or below ground in storage tanks, pipes, conduits or otherwise;

12.1.3 it and, to the best of its knowledge, information and belief after making due inquiry, the tenants, invitees and all other occupiers of the Lands have at all times carried out all business and other activities upon the Lands in strict compliance with all Environmental Laws;

12.1.4 it will at all times carry out all business and other activities upon the Lands in strict compliance with all Environmental Laws, and it will at all times take all necessary measures to ensure that those for whom it is liable in law will also at all times carry out all business and other activities upon the Lands in strict compliance with all Environmental Laws.

12.1.5 to the best of its knowledge, information and belief after making due inquiry, the use and occupation of the Lands have at all times been in strict compliance with all Environmental Laws;

12.1.6 no notice, order, stop work order, inspection file, investigation, directive, enforcement action, regulatory action, suit, claim, action, proceeding or charge relating to any Hazardous Substance or to a breach or non-compliance with any Environmental Laws has been issued by any Governmental Body with respect to it or the Lands, or is otherwise threatened to be issued;

12.1.7 it will provide the Mortgagee with full and complete copies of all communications received from time to time from all Governmental Bodies with respect to the Lands;

12.1.8 it will provide to the Mortgagee on request and from time to time, information with respect to the status of the environmental matters referred to herein and will complete and deliver, on request, the Mortgagee's standard form of report, if any, on environmental matters;

12.1.9 the representations and warranties contained in this paragraph 12 are true and accurate in all respects as of the date of the first advance made pursuant to this Mortgage, and such representations and warranties will remain true and accurate in all respects and will survive the release and discharge of this Mortgage and the repayment and satisfaction of the indebtedness secured by this Mortgage; and

12.1.10 the Mortgagee may delay or refuse to make any advance to the Mortgagor if the Mortgagee believes that any of the representations and warranties set out in this Warranty and Indemnity are not presently true and accurate or if such representations and warranties have become untrue or inaccurate at any time hereafter.

12.2 The Mortgagor hereby agrees to permit the Mortgagee to conduct, at the Mortgagor's sole expense, from time to time as required, any and all tests, inspections, appraisals and environmental audits of the Lands so as to determine and ensure continuing compliance with the provisions of this paragraph 12 including, without limitation, the right to conduct soil tests and to review and copy any records relating to the Lands and/or to the businesses and other activities conducted thereon.

12.3 The Mortgagor agrees to indemnify and save fully and completely harmless the Mortgagee and its officers, directors, employees, agents and shareholders from and against any and all losses, damages, demands, claims, actions, charges, orders, directives, undertakings, costs, legal fees on a solicitor and solicitor's own client full indemnity basis and expenses, of every nature and kind, whatsoever and howsoever, which at any time or from time to time may be paid by, or incurred by, or suffered by, or asserted against, any of them as a direct or indirect result of:

12.3.1 a breach of any of the representations, warranties or covenants hereinbefore set out;

12.3.2 the presence of any Hazardous Substance in, on, under or about the Lands;

12.3.3 the breach of any Environmental Laws; and/or

12.3.4 the discharge, emission, release, spill or disposal of any Hazardous Substance from the Lands into or upon any land, the atmosphere, any watercourse, body of water or wetland or any other property.

12.4 The representations, warranties, covenants, acknowledgments and indemnifications set out in this paragraph 12 will survive the release and discharge of this Mortgage and of any other security held by the Mortgagee and the repayment and satisfaction of the indebtedness secured by this Mortgage.

13. INSPECTION

The Mortgagee will have access to and the right to inspect the Lands at all reasonable times.

14. TAXES

14.1 The Mortgagor covenants and agrees with the Mortgagee that:

14.1.1 the Mortgagee may deduct from any advance of the monies secured by this Mortgage an amount sufficient to pay all Taxes which have become due and payable during any calendar year;

14.1.2 the Mortgagee may at its sole option estimate the amount of the Taxes payable in each year and the Mortgagor will forthwith upon demand of the Mortgagee pay to the Mortgagee one-twelfth (1/12) of the estimated annual amount of such Taxes on the 1st day of each and every month during the term of this Mortgage commencing with the 1st day of the first full month of the term of this Mortgage. The Mortgagee may at its option apply such payments to the Taxes so long as the Mortgagor is not in default under any of the Terms of this Mortgage, but nothing herein contained will obligate the Mortgagee to apply such payments on account of Taxes more often than yearly. Provided however, that if the Mortgagor will pay any sum or sums to the Mortgagee to apply on account of Taxes, and if before such payments have been so applied by the Mortgagee, there will be default by the Mortgagor in respect of any payment of principal or interest as herein provided, the Mortgagee may at its option apply such sum or sums in or towards payment of the principal, interest or interest and principal in default. If the Mortgagor desires to take advantage of any discounts or avoid any penalties in connection with the payment of Taxes, the Mortgagor may pay to the Mortgagee such additional amounts as are required for that purpose;

14.1.3 in the event that the Taxes actually charged in a calendar year, together with any interest and penalties thereon, exceed the amount estimated by the Mortgagee as aforesaid, the Mortgagor will pay to the Mortgagee, on demand, the amount required to make up the deficiency. The Mortgagee may at its option, pay any of the Taxes when payable, either before or after they are due, without notice, or may make advances therefore in excess of the then amount of credit held by the Mortgagee for Taxes. Any excess amount advanced by the Mortgagee will be secured as an additional principal sum under this Mortgage and will bear interest at the rate as provided for in this Mortgage until repaid by the Mortgagor. The Mortgagor will repay to the Mortgagee all Taxes which the Mortgagee has paid in respect of the Lands and repay to the Mortgagee all other property outlays not covered by any other covenant herein;

14.1.4 the Mortgagor will transmit to the Mortgagee all assessment notices, tax bills and other notices pertaining to the imposition of Taxes forthwith after receipt thereof;

14.1.5 the Mortgagor will pay to the Mortgagee, in addition to any other amounts required to be paid hereunder, the amount required by the Mortgagee in its sole discretion for a reserve on account of future liability for Taxes;

14.1.6 in no event will the Mortgagee be liable for any interest on any amount paid to it on account of Taxes and the monies so received may be held with its own funds pending payment or application thereof as herein provided; provided that in the event that the Mortgagee does not utilize the funds received on account of Taxes in any calendar year, such amount or amounts may be held by the Mortgagee on account of any pre-estimate of Taxes required for the next succeeding calendar year, or at the Mortgagee's option, the Mortgagee may repay such amount to the Mortgagor without any interest;

14.1.7 the Mortgagor will in all instances be responsible for the payment of any and all penalties resulting from any arrears of Taxes or any late payment of current instalments thereof, and at no time will such penalties be the responsibility of the Mortgagee; and

14.1.8 in the event the Mortgagee does not collect payments on account of Taxes as aforesaid, the Mortgagor will deliver to the Mortgagee within thirty (30) days following the due date for each instalment of Taxes written evidence from all taxing authorities having jurisdiction to the effect that the then current instalment of Taxes and all other Taxes due in respect of the then current calendar year and any preceding calendar years have been paid in full, failing which, the Mortgagee will be entitled to charge a servicing fee for each written inquiry directed to such taxing authorities or the Mortgagor for the purpose of ascertaining the status of the Taxes together with any costs payable to such taxing authorities for such information.

15. UTILITIES

The Mortgagor covenants and agrees that it will pay all utility and fuel charges related to the Lands as and when they are due and that the Mortgagor will not allow or cause the supply of utilities or fuel to the Lands to be interrupted or discontinued and that, if the supply of fuel oil or utilities is interrupted or discontinued, the Mortgagor will take all steps that are necessary to ensure that the supply of utilities or fuel is restored forthwith. It is specifically agreed that the failure to pay all fuel and utility charges as and when they are due or the interruption or discontinuing of the supply of fuel or utilities to the Lands will constitute an Event of Default within the meaning of this Mortgage and in addition to all other remedies provided for herein, the principal sum of this Mortgage will, at the sole option of the Mortgagee forthwith become due and payable.

16. INSURANCE

16.1 The Mortgagor covenants and agrees that it will insure and keep insured during the term of this Mortgage the buildings and other improvements on the Lands (now or hereafter erected) on the terms required by the Commitment and in any event on an all-risks basis in an amount of not less than the greater of the full replacement value of the buildings located thereon from time to time, or the principal money herein, with no co-insurance provisions and with the Mortgagee's standard mortgage clause forming part of such insurance policies as may be approved by the Insurance Bureau of Canada from time to time and a provision

requiring thirty (30) days prior written notice by the insurer to the Mortgagee of cancellation, termination, material change or non-renewal of such policies.

16.2 In the event that the evidence of continuation of such insurance as herein required has not been delivered to the Mortgagee within the required time, the Mortgagee will be entitled to a servicing fee for each written inquiry which the Mortgagee will make to the insurer or the Mortgagor pertaining to such renewal (or resulting from the Mortgagor's non-performance of the within covenant). In the event that the Mortgagee pursuant to the within provision arranges insurance coverage with respect to the Lands, the Mortgagee, in addition to the aforenoted servicing fee, will be entitled to a further servicing fee for arranging the necessary insurance coverage.

16.3 In the event of any loss or damage, the Mortgagor will forthwith notify the Mortgagee in writing and notwithstanding any other provision to the contrary, statutory or otherwise, in the event of any monies becoming payable pursuant to any insurance policy herein required, the Mortgagee may, at its option, require the said monies to be applied by the Mortgagor in making good the loss or damage in respect of which the money is received, or in the alternative, may require that any or all of the monies so received be applied in or towards satisfaction of any or all of the indebtedness hereby secured whether or not such indebtedness has become due. No damage may be repaired nor any reconstruction effected without the approval in writing of the Mortgagee in any event. If the Mortgagor fails or neglects to complete and file a proper proof of loss with the insurance company within fifteen (15) days of the date of loss, the Mortgagee is hereby authorized to file a proof of loss with the insurance company on behalf of the Mortgagor and the Mortgagee is hereby released from all liability whatsoever to the Mortgagor as a result of filing such proof of loss. Any insurance moneys received may, at the option of the Mortgagee, be applied in rebuilding, reinstating or repairing the Property or be paid to the Mortgagor or any other Person appearing by the registered indefeasible title to be or to have been the owner of the Property or be applied or paid partly in one way and partly in another or it may be applied, in the sole discretion of the Mortgagee, in whole or in part in payment of the sums owing hereunder or any part thereof whether due or not then due. To ensure that the Mortgagee may apply the insurance monies in the manner provided above, the Mortgagor hereby assigns and releases to the Mortgagee all rights of the Mortgagor to receive the insurance monies and the Mortgagor expressly waives all the rights and benefits whatsoever of the Mortgagor under the *Insurance Act* (British Columbia) and the *Fire Prevention (Metropolis) Act*, 1774, and any amendments thereto, and under any statutes of British Columbia enacted in replacement of the said statutes.

16.4 The Mortgagor, upon demand, will transfer all policies of insurance provided for herein and the indemnity which may become due therefrom to the Mortgagee. The Mortgagee will have a lien for the indebtedness hereby secured on all the said insurance proceeds and policies, and may elect to have these insurance monies applied as it may deem appropriate, including payment of monies secured hereby, whether due or not, but the Mortgagee will not be bound to accept the said monies in payment of any principal not yet due.

17. REMITTANCE AND APPLICATION OF PAYMENTS

17.1 Subject to Section 20 and 21 herein, all payments of principal, interest and other monies payable hereunder to the Mortgagee will be payable at par in lawful money of Canada at the Mortgagee's address for service as set out in this Mortgage or at such other place as the Mortgagee will designate in writing from time to time. In the event that any of the monies secured by this Mortgage are forwarded to the Mortgagee by mail, payment will not be deemed to have been made until the Mortgagee has actually received such monies and the Mortgagor will assume and be responsible for all risk of loss or delay.

17.2 Notwithstanding anything herein to the contrary, upon the occurrence of an Event of Default, the Mortgagee may apply any payments received in whatever order the Mortgagee may elect as between principal, interest, realty taxes, insurance premiums, repairs, Costs and any other advances or payments made by the Mortgagee hereunder.

18. RECEIPT OF PAYMENT

Any payment received after 12:00 p.m. (Vancouver, British Columbia time) on any date will be deemed, for the purpose of calculation of interest to have been made and received on the next business day and the Mortgagee will be entitled to interest on the amount due it, to and including the date on which the payment is deemed by this provision to have been received.

19. NO DEEMED RE-INVESTMENT

Except in the case where this Mortgage provides for blended payments of principal and interest whether paid monthly or otherwise, the parties hereto agree that the Mortgagee will not be deemed to reinvest any monthly or other payments received by it hereunder.

20. PRE-AUTHORIZED CHEQUING PLAN OR AUTOMATIC ELECTRONIC PAYMENT

If and when required by the Mortgagee, all payments made under this Mortgage by the Mortgagor will be made by a pre-authorized cheque payment plan or pre-authorized automatic electronic payments under a pre-authorized debit agreement ("**PAD**") in the form required by the Mortgagee, all as approved by the Mortgagee. The Mortgagee will not be obligated to accept any payment other than payment made by pre-authorized cheque or electronic payments. Failure to make all payments by pre-authorized cheque or electronic payment will be an Event of Default within the meaning of this Mortgage and the Mortgagee will be entitled to pursue any and all of its remedies herein and/or at law as it may deem necessary at its option.

21. POSTDATED CHEQUES

The Mortgagor will, if and when required by the Mortgagee, deliver to the Mortgagee upon the first advance of monies hereunder or upon request and thereafter on each anniversary date thereof in each year for the duration of the term of this Mortgage, postdated cheques for the payments of principal, interest and estimated realty taxes required to be made herein during the twelve month period commencing on each such anniversary date. In the event of default by the Mortgagor in delivery to the Mortgagee of the postdated

cheques as herein provided, an Event of Default within the meaning of this Mortgage will be deemed to have occurred and the Mortgagee will be entitled to pursue any and all of its remedies herein and/or at law as it may deem necessary at its option. In addition, the Mortgagee upon the Mortgagor's failure to deliver such postdated cheques as required hereunder will be entitled to a servicing fee for each written request that it makes to the Mortgagor for the purpose of obtaining such postdated cheques. Any step taken by the Mortgagee hereunder by way of a request for further postdated cheques will be without prejudice to the Mortgagee's rights hereunder to declare this Mortgage to be in default in the event that such postdated cheques are not delivered within the required time.

22. DISHONOURED CHEQUES

In the event that any of the Mortgagor's cheques are not honoured when presented for payment to the drawee, the Mortgagor will pay to the Mortgagee for each such returned cheque a servicing fee to cover the Mortgagee's administration costs with respect to same. In the event that the said cheque which has not been honoured by the drawee is not forthwith replaced by the Mortgagor, the Mortgagee will be entitled to a further servicing fee for each written request therefore which may be necessitated by the Mortgagor not forthwith replacing such dishonoured cheque.

23. FINANCIAL AND OPERATING STATEMENTS

23.1 The Mortgagor covenants that, within the periods of time hereinafter specified, or within such other period(s) of time as may be specified by any of the other Credit Documents, the Mortgagor will deliver or cause to be delivered to the Mortgagee within one hundred and twenty (120) days after the end of each fiscal year of operation of the Lands, an annual operating statement in respect of the Lands for the immediately preceding fiscal year setting forth the gross rents and other income derived from the Lands, the cost and expenses of operation and maintenance of the Lands and such other information and explanations in respect of the same as may be required by the Mortgagee.

23.2 All such operating and financial statements will be prepared at the expense of the Mortgagor and in accordance with the Accounting Standard applied on a consistent basis and by a duly qualified chartered accountant or certified public accountant which is acceptable to the Mortgagee, and will be submitted in audited form if so required by the Mortgagee upon the occurrence of an Event of Default, and the completeness and correctness of such statements will be supported by an affidavit of an authorized officer of the Mortgagor or Guarantor, as the case may be.

23.3 The Mortgagee reserves the right to disclose to third parties, any of the foregoing financial information or otherwise acquired in respect to the indebtedness secured hereby as may be required in connection with the fulfillment of its rights and/or obligations under the Commitment or this Mortgage or to carry out its terms of to enforce its security for mortgage securitization purposes.

24. ESTOPPEL ACKNOWLEDGEMENTS

If and whenever the Mortgagee requests an acknowledgement from the Mortgagor as to the statement of account with respect to this Mortgage or the status of the terms and

conditions of this Mortgage, the Mortgagor will execute such an acknowledgement in such form as may be required by the Mortgagee provided that the contents of such form are correct, and the Mortgagor will do so forthwith upon request and without cost to the Mortgagee and will return such acknowledgement duly executed within two (2) business days of such request.

25. STATEMENTS OF ACCOUNT

The Mortgagor will be entitled to receive upon written request, a statement of account with respect to this Mortgage as of any payment date under this Mortgage and the Mortgagee will be entitled to a servicing fee for each such statement.

26. RENEWAL OR EXTENSION OF TIME; ATTENTION SUBSEQUENT INTERESTS

26.1 No renewal or extension of the term of this Mortgage given by the Mortgagee to the Mortgagor, or anyone claiming under it, or any other dealing by the Mortgagee with the owner of the equity of redemption of the Lands, will in any way affect or prejudice the rights of the Mortgagee against the Mortgagor or any other Person liable for the payment of the monies hereby secured. The Mortgage may be amended, extended and/or renewed by an agreement in writing at maturity for any term with or without an increased rate of interest, or amended from time to time as to any of its terms, including, without limitation, an increase of interest rate or principal amount and notwithstanding that there may be subsequent encumbrancers, and it will not be necessary to register any such agreement in order to retain priority for this Mortgage so altered over any instrument registered subsequent to this Mortgage; PROVIDED that nothing contained in this paragraph will confer any right of amendment, extension or renewal upon the Mortgagor.

26.2 The terms of this Mortgage may be amended, extended and this Mortgage may be renewed from time to time by mutual agreement between the then current owner of the Lands and the Mortgagee and the Mortgagor hereby further covenants and agrees that, notwithstanding that the Mortgagor may have disposed of its interest in the Lands, the Mortgagor will remain liable as a principal debtor and not as a surety for the observance of all of the terms and provisions herein and will in all matters pertaining to this Mortgage well and truly do, observe, fulfill and keep all of the covenants, provisos, conditions and agreements in this Mortgage and all amendment(s), extension(s) and renewal(s) thereof, and without limiting the foregoing, notwithstanding the amendment, extension and/or renewal of this Mortgage, and notwithstanding the giving of time for the payment of this Mortgage or the varying of the terms of the payment thereof or of the rate of interest thereon, and notwithstanding any other indulgence by the Mortgagee to the Mortgagor.

26.3 The Mortgagor covenants and agrees with the Mortgagee that no agreement for amendment, extension and/or renewal hereof, or for extension of the time for payment of any monies payable hereunder will result from, or be implied from, any payment or payments of any kind whatsoever made by the Mortgagor to the Mortgagee after the expiration of the original term of this Mortgage or of any subsequent term agreed to in writing between the Mortgagor and the Mortgagee, and that no amendment, extension and/or renewal hereof or any extension of the time for payment of any monies hereunder will result from, or be implied from, any

other act, matter or thing, save only express agreement in writing between the Mortgagor and the then current owner of the Lands.

27. EXPROPRIATION

If the Lands or any part thereof which, in the reasonable opinion of the Mortgagee is material to the viability and operations thereon will be expropriated by any Governmental Body clothed with the powers of expropriation, the principal sum herein remaining unpaid will at the option of the Mortgagee forthwith become due and payable together with interest thereon at the Mortgage Rate to the date of payment, interest on overdue interest and all other monies owing hereunder, together with a bonus equal to the aggregate of (a) three months' interest at the said rate calculated on the amount of the principal remaining unpaid, and (b) one month's interest at the rate provided for herein calculated on the principal remaining unpaid, for each full year of the term of this Mortgage or any part of such year from the said date of payment to the date the said principal sum or balance thereof remaining unpaid would otherwise under the provisions of this Mortgage become due and payable and in any event all the proceeds of any expropriation will be paid to the Mortgagee at its option in priority to the claims of any other party.

28. LETTERS OF CREDIT

The parties to this Mortgage hereby acknowledge and agree that, in addition to all other amounts advanced and/or secured hereby, this Mortgage will stand as good and valid security with respect to any and all letters of credit, letters of guarantee or similar instruments (collectively the "**Letters of Credit**") issued by or on behalf of the Mortgagee for the benefit of or on account of the Mortgagor and in favour of any other party as may be requested or directed by the Mortgagor from time to time, and that the total amount of the financial obligations under each Letter of Credit will be deemed to have been advanced and fully secured under this Mortgage as of and from the date of issuance of each such Letter of Credit regardless of when the same may be called upon by the holder thereof. In the event that at any time the Mortgagee is of the opinion, in its sole and unfettered discretion, that the Lands or such part(s) thereof as remain undischarged are insufficient to secure the aggregate amount of all of the Mortgagee's outstanding obligations under, pursuant to or in connection with such Letters of Credit from time to time outstanding, the Mortgagee will be entitled to retain out of any payment received under this Mortgage or out of the proceeds of any sale or revenue received in respect of the Lands or any part(s) thereof or out of the proceeds of any amounts received by the Mortgagee upon the enforcement of this Mortgage, an amount equal to the aggregate amount of all of the Mortgagee's outstanding obligations under, pursuant to or in connection with Letters of Credit as remain from time to time outstanding without being obliged to apply any portion of such amount on account of any principal, interest or other monies otherwise outstanding and secured by this Mortgage; and the Mortgagee will be entitled to retain such amount for such period of time as any of the Letters of Credit remain outstanding and the Mortgagee is hereby irrevocably authorized and directed to utilize the same in order to satisfy payment of any amounts called upon for payment pursuant to the Letters of Credit.

29. SALE OR CHANGE OF CONTROL

29.1 In the event of any sale, conveyance or transfer of the Lands or any portion thereof, or the Mortgagor enters into an agreement for sale of transfer of the Lands or portion thereof, or if ownership of or control and direction over the majority of the

shares, units or ownership interests of the Mortgagor or any Guarantor changes by amalgamation, merger, sale, transfer of shares, units or ownership interests or otherwise, or a change in the beneficial ownership of the Lands or any portion thereof or a lease of the whole of the Lands (each of the foregoing, a "**Change of Control**"), all sums secured hereunder will, at the Mortgagee's option, become due and payable forthwith unless the prior written consent of the Mortgagee has been obtained, which consent may be arbitrarily or unreasonably withheld. The rights of the Mortgagee pursuant to this provision will not be affected or limited in any way by the acceptance of payments due under this Mortgage from the Mortgagor or any Person claiming through or under it and the rights of the Mortgagee hereunder will continue without diminution for any reason whatsoever until such time as the Mortgagee has consented in writing as required by this provision.

29.2 Provided further that no permitted sale or other dealing by the Mortgagor with the Lands or any part thereof will in any way change the liability of the Mortgagor or in any way alter the rights of the Mortgagee as against the Mortgagor or any other Person liable for payment of the monies hereby secured.

30. NO FURTHER ENCUMBRANCES

In the event that the Mortgagor enters into, creates, incurs, assumes, suffers or permits to exist any additional charge, encumbrance, pledge or other financing of the Lands, or of the chattels, equipment or personal property related to the Lands, all sums secured hereunder will, at the Mortgagee's option, become due and payable forthwith unless the prior written consent of the Mortgagee has been obtained, which consent may be arbitrarily withheld.

31. EVENTS OF DEFAULT

31.1 Without limiting any of the provisions of this Mortgage, any of the following events will constitute an Event of Default hereunder and under the other Credit Documents upon the happening of which the whole of the principal sum outstanding and all interest accruing thereon will immediately become due and payable at the option of the Mortgagee exercised by notice in writing to the Mortgagor:

31.1.1 failure by the Mortgagor to pay any instalment of principal, interest and/or Taxes under this Mortgage or under any charge or other encumbrance of the Lands, on the date upon which any of the payments for same become due;

31.1.2 failure by the Mortgagor or any Guarantor to strictly and fully observe or perform any condition, agreement, covenant, obligation or term (other than with respect to those described in paragraph 31.1.1) set out in the Terms of this Mortgage, any of the Credit Documents to which it is a party, or any other document creating a contractual relationship as between them or any of them, or if it is found at any time that any representation or warranty to the Mortgagee with respect to the loan secured by this Mortgage or in any way related thereto or under any of the other Credit Documents is incorrect or misleading when so made or deemed to have been repeated as herein or therein provided, and such

default continues for a period of ten (10) days after notice in writing of such breach is given to the Mortgagor or any Guarantor by the Mortgagee;

31.1.3 default by the Mortgagor in the observance or performance of any of the covenants, provisos, agreements or conditions contained in any charge or other encumbrance affecting the Lands, whether or not it has priority over this Mortgage;

31.1.4 upon the registration of any construction lien against the Lands which is not discharged or vacated within a period of five (5) days after the date of registration thereof;

31.1.5 in the event that any Hazardous Substance is discovered in, on or under the Lands or any part thereof and the same is not completely removed therefrom to the entire satisfaction of the Mortgagee within ten (10) days after demand therefor by the Mortgagee;

31.1.6 in the event that the Lands are abandoned or there is any cessation or threat of cessation of the business activities or any material part thereof now being conducted upon the Lands by the Mortgagor or the beneficial owner of the Lands or any of their respective officers, agents, employees, tenants or invitees;

31.1.7 if a judgment, decree or order of a court of competent jurisdiction is entered against the Mortgagor or any Guarantor (i) adjudging the Mortgagor or any Guarantor bankrupt or insolvent, or approving a petition seeking its reorganization or winding-up under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) or any other bankruptcy, insolvency or analogous law, or (ii) ordering the involuntary winding up or liquidation of the affairs of the Mortgagor or any Guarantor, or (iii) if any receiver or other Person with like powers is appointed over all, or substantially all, of the property of the Mortgagor or any Guarantor, unless such appointment is stayed and of no effect against the Lands or any security provided by the Mortgagor or any Guarantor in favour of the Mortgagee and the rights of the Mortgagee thereunder or the Mortgagor or any Guarantor is actively pursuing such a stay and the Mortgagee is satisfied that there is no adverse effect in its position as a result of the Mortgagee permitting the Mortgagor or any Guarantor time to pursue such stay;

31.1.8 if, (i) an order or a resolution is passed for the dissolution, winding-up, reorganization or liquidation of the Mortgagor or any Guarantor pursuant to applicable laws, including the *Business Corporations Act* (British Columbia), or (ii) the Mortgagor or any Guarantor institutes proceedings to be adjudicated bankrupt or insolvent, or consents to the institution of bankruptcy or insolvency proceedings against it under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) or any other bankruptcy, insolvency or analogous law, or (iii) the Mortgagor or any Guarantor consents to the filing of any petition under any such law or to the appointment of a receiver, or other Person

with like powers, over all, or substantially all, of the Mortgagor's or any Guarantor's property, or (iv) the Mortgagor or any Guarantor makes a general assignment for the benefit of creditors, or becomes unable to pay its debts generally as they become due, or (v) the Mortgagor or any Guarantor takes or consents to any action in furtherance of any of the aforesaid purposes;

31.1.9 the occurrence of any action, suit or proceeding against or affecting the Mortgagor or any Guarantor before any court or before any Governmental Body which, if successful, would have, or could reasonably be expected to have, a material adverse effect on the value of the Lands or the financial stakes of the Mortgagor or any Guarantor, unless the action, suit, or proceedings will be contested diligently and in good faith and, in circumstances where a lower court or tribunal has rendered a decision adverse to the Mortgagor or any Guarantor, the Mortgagor or any Guarantor is appealing such decision, and has provided a reserve in respect thereof made in accordance with Accounting Standard, adequate in the opinion of the Mortgagee;

31.1.10 a judgment or judgments are obtained against the Mortgagor or any Guarantor for an aggregate amount in excess of $100,000, in the aggregate, which, to the extent the aggregate amount thereof exceeds $100,000, remains or remain unsatisfied and undischarged for a period or ten (10) days during which such judgment or judgments, to the extent the aggregate amount thereof exceeds $100,000, will not be on appeal or execution thereof will not be effectively stayed;

31.1.11 any execution, sequestration, expropriation or similar process is brought or threatened, by way of notice or otherwise, against, or a distress or analogous process is levied upon the whole or any part of the property of the Mortgagor or any Guarantor;

31.1.12 if any material provision of any Credit Document will at any time cease to be in full force and effect, be declared to be void or voidable or will be repudiated, or the validity or enforceability thereof will at any time be contested by the Mortgagor or any Guarantor;

31.1.13 if a Change of Control occurs and the Mortgagee has not consented to the same;

31.1.14 default by the Mortgagor or any Guarantor in the observance or performance of any non-monetary representation, warranty, covenant, proviso, agreement, condition or obligation to be observed or performed by it, pursuant to any agreement (other than the Credit Documents) to which it is a party or by which any of its property is bound, where such default would have, or could reasonably be expected to have, a material adverse effect on the value of the Lands or the financial stakes of the Mortgagor or any Guarantor; and

31.1.15 any default will have occurred and is continuing in respect of any indebtedness of the Mortgagor or any Guarantor to any lender (other

than the Mortgagee) which results in the acceleration of the payment of such indebtedness or which permits the holder thereof to accelerate the payment of such indebtedness and if there is a grace period applicable thereto arising under contract or otherwise, such default continues beyond the expiry of such grace period or if any lender (other than the Mortgagee) will demand repayment of any indebtedness owed to it by any Mortgagor or any Guarantor which is repayable on demand, and the aggregate principal amount of all such indebtedness is at least $100,000.

32. ENFORCEMENT

32.1 The Mortgagor covenants and agrees that upon the occurrence of an Event of Default under the Terms of this Mortgage, the Mortgagee may take proceedings available at law or in equity and any other legal steps to collect the amount of money due or to compel the Mortgagor to keep the Mortgagor's promises and agreements, including without limitation: making application to a court for an order that the Land be sold on terms approved by the court; making application to a court to foreclose the Mortgagor's interest in the Land and on a final order of foreclosure the Mortgagor's interest in the Land will be absolutely vested in and belong to the Mortgagee.

32.2 Provided that the Mortgagee, upon the occurrence of an Event of Default that is continuing, may on seven (7) day's notice (except in the case of an emergency to protect health, safety or preserve the Lands in which case no notice is required) enter on and lease or sell the Lands; and the Mortgagor covenants and agrees that the Mortgagee may lease or sell as aforesaid without entering into possession of the Lands; and should such Event of Default continue for two months, an entry, lease or sale may be made hereunder without notice; and when under the terms hereof a notice is necessary, such notice may be given effectually either by leaving the same with an adult Person on the Lands, if occupied, or by placing it thereon, if unoccupied, or at the option of the Mortgagee by publishing the same once in a newspaper published in the Province of British Columbia; and the Mortgagee may sell the Lands or any part thereof or any interest in the Lands on such terms as to credit and otherwise as appear to the Mortgagee most advantageous and for such price as in the opinion of the Mortgagee can reasonably be obtained therefor; and sales may be made from time to time of portions to satisfy interest or parts of the principal overdue, leaving the principal or balance thereof to run at interest, payable as aforesaid; and the Mortgagee may make any stipulations as to the title or commencement of title or otherwise as the Mortgagee deems proper; and may buy in or rescind or vary any contract for sale of any of the Lands and re-sell without being answerable for loss occasioned thereby; and in case of a sale on credit the Mortgagee will only be bound to pay the Mortgagor such monies as have been actually received from the purchasers after the satisfaction of the Mortgagee's claims; and for any of the said purposes the Mortgagee may make and execute all agreements and assurances as the Mortgagee deems fit, and the purchasers at any sale hereunder are not bound to see to the propriety or regularity thereof; and no want of notice of publication when required hereby will invalidate any sale or lease made or purporting to be made hereunder.

32.3 Provided that the Mortgagee may distrain for arrears of interest, and it is agreed that the powers of the Mortgagee under this proviso may also be exercised to enforce payment of any instalment of principal or mixed principal and interest hereby secured and in arrears and in respect of any Event of Default; and further that if an Event of Default occurs, it will be lawful for the Mortgagee (and the Mortgagor does hereby grant full power and licence to the Mortgagee) to enter, seize and distrain upon any goods upon the Lands or any part thereof and by distress warrant to recover by way of rent reserved as in the case of a demise of the Lands as much of the principal or interest or other sums due hereunder as may from time to time be or remain in arrears or unpaid together with all costs, charges and expenses attending such levy or distress as in like cases of distress for rent including, without limitation, the full amount of all legal fees on a solicitor and solicitor's own client full indemnity basis, disbursements, costs, charges and expenses incurred by the Mortgagee; and as part of the consideration aforesaid the Mortgagor hereby waives, on the exercise of such right and licence, all the rights to exemption from seizure and distress under any statute of the Province of British Columbia; notwithstanding the foregoing it is expressly understood and agreed that the right of distress will not apply to residential premises which are subject to the provisions of the *Residential Tenancy Act* (British Columbia), as amended or any statute enacted in replacement thereof, except as may be permitted thereby.

32.4 Upon the occurrence of an Event of Default, the whole of the principal sum hereby secured together with interest thereon at the Mortgage Rate, interest on overdue interest, the full amount of all legal fees on a solicitor and solicitor's own client full indemnity basis, disbursements, costs, charges and expenses incurred by the Mortgagee and all other monies owing or secured under this Mortgage will, at the option of the Mortgagee, immediately become due and be paid; and upon such indebtedness becoming due and payable as heretofore provided, the Mortgagor will refrain from collecting and receiving all rents accruing as aforesaid and upon notice from the Mortgagee, all tenants will thereafter pay such rents to the Mortgagee, and the Mortgagee may immediately cause default proceedings to be commenced under this Mortgage in the manner prescribed by law and will be entitled to have a receiver, receiver-manager or a receiver and manager appointed, and without proof of any other ground for his appointment than the said default, to take possession and charge of the Lands and to fully and effectively operate the business which the Lands comprise including, without limiting the generality of the foregoing, the right to rent the same and receive and collect the rents, issues and profits thereof, under direction of the court, and any amount so collected by such receiver will be applied under direction of the court to the payment of any judgment rendered, or amounts found due, according to the Terms of this Mortgage including the cost of collection and the full amount of all legal fees on a solicitor and solicitor's own client full indemnity basis, disbursements, costs, charges and expenses incurred by the Mortgagee; and upon the occurrence of an Event of Default, the Mortgagee will have the right forthwith after the occurrence of such Event of Default to enter upon, take possession of and rent the Lands and receive the rents, issues and profits thereof and apply the same after payment of all necessary charges and expenses, on account of the indebtedness hereby secured.

32.5 In addition to the foregoing rights and powers, the Mortgagee may apply to a court or may appoint by instrument in writing a receiver, receiver-manager or receiver and manager (herein called the "**Receiver**") of the Lands, with or without bond, and may from time to time remove the Receiver and appoint another in his stead. Any Receiver appointed by the Mortgagee as aforesaid is deemed to be the agent of the Mortgagor and the Mortgagor will be solely responsible for the Receiver's acts or defaults and the Mortgagee will not be liable to the Receiver for his remuneration, costs, charges or expenses.

32.6 It is further specifically understood and agreed that the Receiver appointed by the Mortgagee will have the following powers, subject to any limitations in the instrument in writing or Order of the Court, if any, appointing him, namely to:

32.6.1 take possession of the Lands;

32.6.2 carry on or concur in carrying on the business of the Mortgagor in operating the business comprised of the Lands;

32.6.3 sell or lease or concur in selling or leasing any or all of the Lands;

32.6.4 make any arrangements or compromises which the Receiver considers expedient;

32.6.5 borrow money to carry on the business of the Mortgagor comprised of the Lands or to maintain the whole or any part of the Lands in a manner that will, in the opinion of the Receiver, be sufficient to obtain, upon the security of the whole or any part of the Lands, the amounts from time to time required in the opinion of the Receiver and in so doing the Receiver may issue certificates (each herein called a "**Receiver's Certificate**") that may be payable as the Receiver considers expedient and bear interest as stated therein and the amounts from time to time payable under any Receiver's Certificate will charge the Lands in priority to this Mortgage and the Mortgagor hereby charges the Lands with the debt, if any, owing from time to time under any Receiver's Certificate; and

32.6.6 institute and prosecute all suits, proceedings and actions which the Receiver considers necessary for the proper protection of the Lands, to defend all suits, proceedings and actions against the Mortgagor or the Receiver, to appear in and conduct the prosecution and defence of any suit, proceeding or action then pending or thereafter instituted and to appeal any suit, proceeding or action.

32.7 The net revenue of the business comprised of the Lands and the net proceeds of sale of the Lands will be applied by the Receiver subject to the claims of creditors, if any, ranking in priority to this Mortgage as follows:

32.7.1 firstly, in payment of all costs, charges and expenses of and incidental to the appointment of the Receiver and the exercise by him of all or any of the powers aforesaid including the reasonable remuneration of the Receiver and all amounts properly payable to him;

32.7.2 secondly, in payment to the Mortgagee of the principal sum owing hereunder;

32.7.3 thirdly, in payment to the Mortgagee of all costs and charges owing hereunder and interest and arrears of interest remaining unpaid hereunder; and

32.7.4 fourthly, any surplus will be paid to the Mortgagor.

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

32.8 Neither the provisions of this Mortgage nor the exercise of the powers provided in this Mortgage will render the Mortgagee a mortgagee in possession. Any money spent and liabilities incurred by the Mortgagee in taking any such actions will be added to the principal amount, will bear interest at the Mortgage Rate from the date so spent or incurred, will be immediately due and payable by the Mortgagor to the Mortgagee, and will be secured by this Mortgage.

32.9 Notwithstanding any other provisions herein it is understood and agreed by the Mortgagor that upon the occurrence of an Event of Default, the whole of the principal sum hereby secured together with interest thereon at the Mortgage Rate, interest on overdue interest, the full amount of all legal fees on a solicitor and solicitor's own client full indemnity basis, disbursements, costs, charges and expenses incurred by the Mortgagee and all other monies owing or secured under this Mortgage will, at the option of the Mortgagee, immediately become due and be paid and the Mortgagee may exercise any and all rights, remedies, powers and privileges under this Mortgage or under any other Credit Document, or afforded by applicable law, or otherwise available to the Mortgagee.

33. PAYMENT OF LIENS

33.1 The Mortgagor covenants and agrees that the Mortgagee will have the right to:

33.1.1 pay any liens or claims of lien in respect of the Lands whether to the lien claimant or into court in order to obtain a discharge of such liens or claims of lien (without taking or defending any action or proceedings to determine the validity of any lien or claim of lien or the rights or priorities of any lien claimants to or under any such liens or claims of lien); and

33.1.2 pay the Taxes, charges or encumbrances upon the Lands and premiums for insurance and mortgage or any other tax imposed, or that may be imposed on the Mortgagee in respect to the Lands or this Mortgage or monies hereby secured.

33.2 The amounts so paid pursuant to paragraph 33.1 above and also all costs, charges and expenses including the full amount of all legal fees on a solicitor and solicitor's own client full indemnity basis, disbursements, costs, charges and expenses incurred by the Mortgagee which may be incurred before, when or after action is commenced in collecting, procuring or enforcing payment of any of the monies in

default hereunder or in any way enforcing or protecting the security of this Mortgage or enforcing any of the Terms of this Mortgage, or travelling expenses of the Mortgagee, the Mortgagee's servants and agents, and commissions on collection of rent, which may be incurred in the taking, recovering and keeping possession of the Lands or in inspecting the same and generally in any other measures or proceedings taken to realize or collect the monies hereby secured or to perfect the title of the Lands and also all monies paid and expenses incurred by the Mortgagee in connection with the application for this Mortgage loan and in the preparation and perfection of this Mortgage security and in the satisfaction of any charge on the Lands will be secured by the charge hereby granted on the Lands in favour of the Mortgagee and be payable forthwith by the Mortgagor to the Mortgagee with interest at the Mortgage Rate until paid and in default the power of sale hereby given will be exercisable in addition to all other remedies of the Mortgagee. In the event of the monies hereby advanced or any part thereof being applied to the payment of any liens or claims of lien, charges or encumbrances, the Mortgagee will stand in the position and be entitled to all equities of the Person or Persons so paid off, provided that if any liens or claims of lien, charges or encumbrances are filed or recorded against the Lands which may be prior to or for which priority may be claimed over the charge created on the Lands by this Mortgage or any monies advanced or secured under this Mortgage, then upon the filing or recording of any such liens or claims of lien, charges or encumbrances the whole of the principal sum hereby secured together with interest thereon at the Mortgage Rate, interest on overdue interest, the full amount of all legal fees on a solicitor and solicitor's own client full indemnity basis, disbursements, costs, charges and expenses incurred by the Mortgagee and all other monies owing or secured under this Mortgage will, at the option of the Mortgagee, immediately become due and be paid without any action or proceedings to determine the rights and priorities of such liens or claims of lien, charges and encumbrances and the Mortgagee may exercise all remedies to enforce this Mortgage unless the Mortgagor gives and delivers to the Mortgagee within such time as the Mortgagee may from time to time limit such security or monies as the Mortgagee may require from time to time to secure the payment of any such liens or claims of lien, charges and encumbrances and to indemnify the Mortgagee against the payment thereof.

34. OTHER RIGHTS OF THE MORTGAGEE

34.1 The Mortgagor covenants that the Mortgagee may, but will be under no obligation to, at such time or times as the Mortgagee deems necessary and without the concurrence of the Mortgagor or any other Person make such arrangements for the repairing, finishing and putting in order of the Lands, including, without limitation, such repairs, replacements and improvements as are necessary so that the Mortgagor and the Lands comply with Environmental Laws, and for inspecting, maintaining, leasing, collecting the rents of and managing generally the Lands as the Mortgagee deems expedient and all reasonable costs, charges and expenses including an allowance for the time and services of the Mortgagee, the Mortgagee's servants or agents and any other Person or Persons appointed for the above purposes including, without limitation, the full amount of all legal fees on a solicitor and solicitor's own client full indemnity basis, disbursements, costs, charges and expenses incurred by the Mortgagee, will be payable forthwith to the Mortgagee and be a charge upon the Lands and bear interest at the Mortgage Rate until paid.

34.2 The Mortgagor further covenants with the Mortgagee that the Mortgagee may, without any order or direction of the Mortgagor, pay to contractors, subcontractors, materialmen, labourers and other Persons supplying or having a claim for work, services and/or materials supplied in and about the construction, repairing, altering or replacing of the Property or any part thereof on the Lands, any monies due to them for work, services and/or materials, out of the monies being advanced by the Mortgagee under this Mortgage or the Mortgagee may pay for the work, services and/or materials and add all monies so paid to the principal owing under this Mortgage, but nothing herein contained obligates the Mortgagee to pay or advance or continue to pay or advance any such monies after the Mortgagee has paid or advanced any such monies under this Mortgage.

34.3 The Mortgagee may at the Mortgagee's discretion at all times release any part or parts of the Lands or any other security for the monies hereby secured either with or without any consideration therefor and without being accountable for the value thereof or for any monies except those actually received by the Mortgagee and without thereby releasing any other of the Lands or any of the covenants herein contained.

35. BANKRUPTCY AND INSOLVENCY ACT

35.1 The Mortgagor hereby acknowledges and agrees that the security held by the Mortgagee is not all or substantially all of the inventory, accounts receivable or other property of the Mortgagor acquired for or used in relation to any business carried on by the Mortgagor. The Mortgagor hereby further acknowledges and agrees that notwithstanding any act of the Mortgagee by way of appointment of any Person or Persons for the purposes of taking possession of the Lands as agent on behalf of the Mortgagor or otherwise or by taking possession of the Lands itself pursuant to any rights that the Mortgagee may have with respect thereto will not constitute the Mortgagee or any such Person, a receiver within the meaning of subsection 243(2) of the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**"), and that any and all requirements of Part XI of the BIA as it may pertain to obligations of receivers will not be applicable to the Mortgagee with respect to the transaction pursuant to which this Mortgage has been given or with respect to enforcement of this Mortgage or any other security held by the Mortgagee. The Mortgagor hereby acknowledges and agrees that no action will lie against the Mortgagee as a receiver and manager or otherwise for any loss or damage arising from non-compliance with any obligations of a receiver pursuant to the provisions of the BIA whether or not the Mortgagee had reasonable grounds to believe that the Mortgagor was not insolvent.

35.2 The Mortgagor further acknowledges and agrees that any and all costs as may be incurred from time to time by the Mortgagee in order to effect compliance or avoid any adverse ramifications of the BIA will be entirely for the account of the Mortgagor. The Mortgagee will be entitled to incur any such costs, including any costs of its personnel in administering any requirements of the BIA and to add the same to the indebtedness owing pursuant hereto and the same will be secured hereunder and under any and all security held by the Mortgagee for the indebtedness owing to the Mortgagee in the same manner and in the same priority as the principal secured hereunder.

36. INDEMNIFICATION

36.1 The Mortgagor hereby agrees to indemnify and save harmless the Mortgagee, its officers, agents, trustees, employees, contractors, licensees or invitees from and against any and all losses, damages, injuries, expenses, suits, actions, claims and demands of every nature and kind whatsoever and howsoever arising out of the provisions of the Commitment and the other Credit Documents, any letters of credit or letters of guarantee issued, sale or lease of the Lands and/or the use or occupation of the Lands including, without limitation, those arising from the right to enter the Lands from time to time and to carry out the various tests, inspections, management and other activities permitted by the Commitment and the other Credit Documents.

36.2 In addition to any liability imposed on the Mortgagor under any instrument evidencing or securing the indebtedness hereunder, the Mortgagor will be liable for any and all of the Mortgagee's costs, expenses, damages or liabilities, including, without limitation, all reasonable legal fees, directly or indirectly arising out of or attributable to the use, generation, storage, release, threatened release, discharge, disposal or presence on, under or about the Lands of any hazardous or noxious substances. The Mortgagor will be further bound by the representations, warranties and indemnity set out herein.

36.3 The representations, warranties, covenants and agreements of the Mortgagor set forth in this paragraph 36:

36.3.1 are separate and distinct obligations from the Mortgagor's other obligations;

36.3.2 survive the payment and satisfaction of its other obligations and the discharge of the security from time to time taken as security therefor;

36.3.3 are not discharged or satisfied by foreclosure of the charges created by any of the security; and

36.3.4 will continue in effect after any transfer of the Lands including, without limitation, transfers pursuant to foreclosure proceedings (whether judicial or non-judicial) or by any transfer in lieu of foreclosure.

37. NON-MERGER

The Mortgagor's and each Guarantor's obligations as contained in the Commitment and the other Credit Documents will survive the execution and registration of this Mortgage and all advances under this Mortgage, and the Mortgagor agrees that those obligations will not be deemed to be merged in the execution and registration of this Mortgage. All terms and conditions of this Mortgage and other security documentation will be deemed to be incorporated in and form part of the Commitment, except to the extent provided for herein. In the event of conflict between the terms of the Commitment and this Mortgage, the terms of the Commitment will prevail.

38. NOTICES

All notices or other communications to be given pursuant to or in connection with this Mortgage will be in writing, signed by the party giving such notice or by its solicitors, and will be personally delivered or sent by registered mail or facsimile transmission to the party or parties intended at its or their respective addresses for service as set out in this Mortgage. The date of receipt of such notice or demand, if served personally or by facsimile, will be deemed to be the date of the delivery thereof, or if mailed as aforesaid, the date of mailing thereof. For the purposes hereof, personal service on the Mortgagor or any Guarantor will be effectively given by delivery to any officer, director or employee of such Mortgagor or Guarantor. Any party may from time to time by notice given as provided herein change its address for the purpose of this provision.

39. CONSENT OF MORTGAGEE

Whenever the Mortgagor is required by this Mortgage to obtain the consent or approval of the Mortgagee, it is agreed that, subject to any other specific provision contained in this Mortgage to the contrary, the Mortgagee may give or withhold its consent or approval for any reason that it may see fit in its sole and absolute discretion, and the Mortgagee will not be liable to the Mortgagor in damages or otherwise for its failure or refusal to give or withhold such consent or approval, and all costs of obtaining such approval will be for the account of the Mortgagor.

40. DISCHARGE

40.1 The Mortgagee will have a reasonable period of time after payment in full of the monies hereby secured within which to prepare and execute a discharge of this Mortgage; and interest as aforesaid will continue to run and accrue until actual payment in full has been received by the Mortgagee; and all legal and other expenses for the preparation and execution of such discharge will, together with the Mortgagee's fee for providing same, be borne by the Mortgagor. The discharge will be prepared and executed by such Persons as are specifically authorized by the Mortgagee and the Mortgagee will not be obligated to execute any discharge other than a discharge which has been so authorized.

40.2 If this Mortgage, the Commitment or any other document provides for the giving of partial discharges of this Mortgage, it is agreed that, notwithstanding any other provision to the contrary, the Mortgagor will not be entitled to request or receive any such partial discharge if and for so long as the Mortgagor is in default under this Mortgage, the Commitment or any other Credit Document.

41. SERVICING FEES

All servicing fees as herein provided are intended to and will be in an amount sufficient in the sole opinion of the Mortgagee to compensate the Mortgagee for its administrative costs and will not be deemed a penalty. The amount of such servicing fees if not paid will be added to the principal amount secured hereunder, and will bear interest at the rate aforesaid and the Mortgagee will have the same rights with respect to collection of same as it does with respect to collection of principal and interest hereunder or at law.

42. LEASES

The Mortgagor covenants with the Mortgagee to keep, observe and perform and to require all tenants to keep, observe and perform all of the covenants, agreements, provisos, terms, conditions and provisions of any present or future leases, subleases and tenancy agreements of any portion of the Lands on their respective parts to be kept, observed and performed and in case the Mortgagor neglects or refuses to do so, then the Mortgagee may perform and comply with or require performance and compliance by the tenants with any of the covenants, agreements, provisos, terms, conditions and provisions of such leases, subleases and tenancy agreements and any sums expended by the Mortgagee in performance or compliance therewith or in enforcing such performance or compliance by the tenants, including, without limitation, the full amount of all legal fees on a solicitor and solicitor's own client full indemnity basis, disbursements, costs, charges and expenses incurred by the Mortgagee, will bear interest from the date of such expenditures at the Mortgage Rate and be paid by the Mortgagor to the Mortgagee upon demand and will be a part of the mortgage debt secured hereby and recoverable as such in all respects.

42.1 The Mortgagor hereby covenants with the Mortgagee that unless the Mortgagee will have otherwise agreed with the Mortgagor in writing the Mortgagor will not execute nor deliver any new leases, subleases or tenancy agreements with or in favour of any tenants unless such tenants will agree in writing with the Mortgagor as a condition of any lease, sublease or tenancy agreement to enter into agreements with the Mortgagee, or any *bona fide* purchaser therefrom, to the effect that, upon the written request and at the sole discretion of the Mortgagee, or any *bona fide* purchaser therefrom, such tenants will preserve their respective leases, subleases or tenancy agreements for the respective terms thereof and any extensions or renewals thereof which may be effective in accordance with any option therefor or otherwise, and that they will attorn to the Mortgagee or such bona fide purchaser in the event of a foreclosure or other legal proceedings which might otherwise result in the loss or cancellation or termination of any such leases, subleases or tenancy agreements.

42.2 The Mortgagor covenants with the Mortgagee that the Mortgagor will not, subsequent to the execution of this Mortgage, execute or deliver any mortgage, debenture or financial encumbrance charging the Lands, or any part thereof, which is or may be subordinate hereto unless the Mortgagor first obtains from the owner of such mortgage, debenture or financial encumbrance an agreement in writing to continue to recognize any present or future tenants, leases, subleases, and tenancy agreements of or pertaining to the Lands, or any part thereof, which the Mortgagee herein requires to be recognized or preserved in the event of foreclosure, even after a foreclosure by the owner of any such mortgage, debenture or financial encumbrance for the balance of the terms of the respective leases, subleases or tenancy agreements and any extensions or renewals thereof which may be effected in accordance with any option therefor or otherwise.

42.3 The Mortgagor covenants with the Mortgagee that the Mortgagor will not request, obtain or permit the subordination or postponement of any lease, sublease or tenancy agreement to any mortgage, debenture or other financial encumbrance registered subsequent to this Mortgage without the prior written consent of the Mortgagee hereunder.

42.4 The Mortgagor covenants with the Mortgagee that the Mortgagor will not lease or agree to lease all or any part of the Lands except at a rent, on terms and conditions and to tenants which are not less favourable or desirable to the Mortgagor than those which a prudent landlord would expect to receive for the premises to be leased.

43. LEASEHOLD MORTGAGE

43.1 If the Lands comprise the interest of the Mortgagor in and to a lease, agreement to lease, tenancy, right of use or occupation or licence of the Lands (collectively, the "**Lease**") the charge created by this Mortgage will include the unexpired term of the Lease and any renewal thereof from the date of this Mortgage except the last day thereof, and the mortgage and charge created hereby will be by way of sub-demise and the Mortgagor will stand possessed of the last day of the term or any renewal term of the Lease in trust for the Mortgagee, and will sell and assign the last day of the term or any renewal term as the Mortgagee may direct, but subject to the same right of redemption and other rights as are hereby given to the Mortgagor. Nothing in this section nor the acts of the Mortgagor or Mortgagee contemplated by this section will constitute the Mortgagee as a mortgagee in possession.

43.2 The Mortgagor releases to the Mortgagee all claim and right to the Lease and assigns to the Mortgagee the full benefit of all covenants, rights and powers contained in the Lease subject to the same right of redemption as granted by the Terms of this Mortgage.

43.3 The Mortgagor represents, warrants and covenants that:

43.3.1 the Mortgagor will pay the rent due under the Lease and observe all promises, covenants and obligations contained in the Lease and will not commit any acts or default which may cause the Lease to be forfeited or determined and agrees to indemnify the Mortgagee for all actions, claims and demand in respect of the said rent, promises, covenants and obligations;

43.3.2 the Lease is valid and subsisting and the Mortgagor has not done, omitted or permitted anything to be done which would cause the Lease to become in any way impaired or invalid;

43.3.3 the Mortgagor has a good and valid right to assign and sublet the Lease and has obtained the consent of the lessor to the extent required under the Lease;

43.3.4 the Mortgagor will not, during the continuance of this Mortgage, surrender or terminate the Lease or permit any amendments of the terms of the Lease or otherwise deal with or assign the Lease other than as allowed herein;

43.3.5 a default under the Lease will be an Event of Default; and

43.3.6 reference in this Mortgage to charges payable will include all taxes, assessments, rates, costs payable by the Mortgagor under the Lease.

44. ASSIGNMENT OF RENTS

44.1 For good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by the Mortgagor), and in order to induce the Mortgagee to make the loan secured by this Mortgage, and as additional security for the payment of principal and interest owing under this Mortgage and the observance and performance of all of the Terms of this Mortgage, the Mortgagor hereby assigns, transfers, sets over and grants to the Mortgagee any and all rents or other moneys (herein collectively called the "**Rents**") due or accruing due or at any time hereafter to become due under any and all leases, agreements to lease and tenancy agreements whether written or verbal, now or hereafter existing, with respect to the Lands (herein collectively called the "**Leases**") and all benefits and advantages to be derived from the Leases, and all guarantees of and security for payment of amounts due under the Leases and all covenants of the tenants, guarantors, covenantors and indemnifiers therein contained, and the right to collect and receive payment of the Rents, together with all the right, title and interest of the Mortgagor, as landlord, in the Leases and any renewals thereof and options to lease or purchase, if any therein contained, to have and to hold and to receive the same unto the Mortgagee, its successors and assigns, until the whole of the principal sum, interest and other costs, charges and moneys owing under this Mortgage have been fully paid and satisfied and all obligations and covenants of the Mortgagor under this Mortgage have been duly performed and satisfied.

44.2 The Mortgagor hereby covenants and agrees with the Mortgagee that:

44.2.1 The Mortgagor will be permitted to collect and receive the Rents as and when they will become due and payable according to the terms of the Leases, unless and until there will be default made in any payment provided for in this Mortgage or any security collateral hereto or until the breach of any covenant on the part of the Mortgagor contained in this Mortgage or any security collateral hereto in which case the Mortgagee may give notice in writing to the tenant, sub-tenant, occupier, licensee or guarantor advising of default. In such event the Mortgagor hereby irrevocably directs such tenant, sub-tenant, occupier, licensee or guarantor to make payments of the Rents to the Mortgagee or as the Mortgagee may direct, upon being furnished with a copy of this Mortgage and the aforesaid notice in writing, without any further direction or authority being required by such tenant, sub-tenant, occupier, licensee or guarantor.

44.2.2 Upon the occurrence of an Event of Default, the Mortgagee, its successors or assigns at its or their option and without further consent thereto by the Mortgagor or any subsequent owner of the Lands, may enter in and upon the Lands and take possession thereof and collect the Rents thereof, and do every act and thing that such Mortgagor or any subsequent owner of the Lands might or could do.

44.2.3 Neither the execution and delivery of this Mortgage, including the Assignment contained in paragraph 44 hereof (herein called the "**Assignment**"), nor anything done by virtue hereof will render the Mortgagee in possession or in any way accountable or liable as such, nor will the Mortgagee be or be deemed to be, or to have assumed the status of a landlord by virtue of the Assignment or of anything done by virtue hereof.

44.2.4 Nothing herein contained will be deemed to have the effect of making the Mortgagee, its successors and assigns, responsible for the collection of the Rents or any part or parts thereof or for the observance or performance of any of the covenants, terms or conditions either by the Mortgagor or the respective tenants or sub-tenants under the Leases to be observed and performed.

44.2.5 The Mortgagee will be liable to account only for such moneys as may actually come into its hands by virtue of the Assignment, less proper collection fees and charges, including legal fees on a solicitor and solicitor's own client full indemnity basis, and such moneys when so received by the Mortgagee will be applied on account of the moneys secured by this Mortgage, provided that the Mortgagee will not be responsible for any act or default of any agent employed by the Mortgagee for the collection of the Rents or for the care of or dealing with the Lands.

44.2.6 The giving of the Assignment is by way of additional and equal ranking security for the moneys secured by the mortgage of the Lands granted pursuant to paragraph 3.1 hereof and not in substitution for or in satisfaction of the same and that this mortgage of the Lands or any other security collateral hereto will not be merged thereby and in case of default in any of the provisions of any security for the said moneys loaned, including, without limitation, the Assignment, proceedings may be taken under either the mortgage of the Lands or any security collateral thereto, including the Assignment, or all or any of them in any order, at the sole option and discretion of the Mortgagee.

44.2.7 The Mortgagor will not, without the consent in writing of the Mortgagee, accept prepayment of any of the Rents due or to accrue due in respect of the Leases, or any of them, but will accept payment thereof only in the amounts and on the days and at the times and in the manner stipulated in the Leases.

44.2.8 The Mortgagor will not, without the consent in writing of the Mortgagee, assign, pledge, or hypothecate any of the Leases or the Rents, or any part thereof, other than to the Mortgagee and will not do or omit to do or permit any act to be done which either directly or indirectly has the effect of waiving, releasing, reducing or abating any rights or remedies of the Mortgagor or obligations of any other party thereunder or in connection therewith without the consent in writing of the Mortgagee.

44.2.9 The Assignment will be deemed to apply to and have effect in respect of any further or other lease, renewal of lease, agreement for lease or tenancy agreement of the Lands (including any addition to or extension of the Lands) or any part or parts thereof which may exist during the currency of this Mortgage, whether in substitution for or in addition to the original Leases.

44.2.10 Should the Mortgagee in its absolute discretion deem it advisable to take proceedings, either judicial or extra-judicial by way of distress or otherwise for the enforcement of the payment of the Rents herein assigned, the Mortgagor will join with the Mortgagee in such proceedings and does hereby grant to the Mortgagee irrevocable authority to joint the Mortgagor in such proceedings.

44.2.11 There is or has been no default, right of set-off, previous assignment (except to the Mortgagee), commutation or prepayment of, or with respect to, the Rents, and that the Mortgagor will not, without the consent in writing of the Mortgagee, permit any cancellation, surrender or variation of any of the Leases or of the terms, covenants, provisos, or conditions thereof.

44.2.12 The Mortgagor will from time to time on demand furnish to the Mortgagee a current list of all of the Leases and the Rents in such detail as the Mortgagee may reasonably require.

44.2.13 The Mortgagor will at the request of the Mortgagee from time to time give any other party to any of the Leases notice of the Assignment or any specific assignment of any of the Leases and will obtain from such other party acknowledgements of such notice, such notice and acknowledgement to be in the forms delivered to the Mortgagor by the Mortgagee.

44.2.14 The Mortgagor will execute such further assurances as may be reasonably required by the Mortgagee from time to time to perfect the Assignment.

45. FURTHER ASSIGNMENT OF RENTS AND SECURITY AGREEMENT

45.1 The Mortgagor covenants and agrees with the Mortgagee that:

45.1.1 The Mortgagor will, at the request of the Mortgagee, forthwith execute and deliver to the Mortgagee a general assignment of rents and leases and a specific assignment of rents and leases with respect to all leases and tenancies of any or all parts of the Lands, such assignment or assignments to be in favour of the Mortgagee, in form and content acceptable to the Mortgagee and to constitute the only assignment of rents and leases of the Lands other than the Assignment granted pursuant to paragraph 44 of the Terms of this Mortgage, and the Mortgagor will pay on demand to the Mortgagee the full amount of all legal fees, disbursements, costs, charges, registration fees and other

expenses incurred by the Mortgagee in the preparation, registration and renewal of registration of the said assignments from time to time.

45.1.2 The Mortgagor will, at the request of the Mortgagee, forthwith execute and deliver to the Mortgagee such security agreements as the Mortgagee may require from time to time in order to create in favour of the Mortgagee a valid, enforceable and perfected security interest in all present and future property, assets, rights and undertaking in which the Mortgagor now or hereafter has any interest and located on, arising from, relating to or in connection with the Lands or any part thereof (herein collectively called the "**Collateral**"), such security agreements to be in favour of the Mortgagee, in form and content acceptable to the Mortgagee and to constitute at all times a valid first mortgage, charge and security interest in the Collateral, and the Mortgagor will pay on demand to the Mortgagee the full amount of all legal fees, disbursements, costs, charges, registration fees and other expenses incurred by the Mortgagee in the preparation, registration and renewal of registration of the said security agreements and security interests from time to time.

46. STRATA TITLE PROVISIONS

46.1 The Mortgagor covenants and agrees with the Mortgagee that if the Lands or any part thereof charged by this Mortgage are a strata lot or strata lots or are at any time subdivided into a strata lot or strata lots under the provisions of the *Strata Property Act* (British Columbia) and any amendments thereto or any statute enacted in replacement thereof (herein called "***Strata Property Act***") then and in such event:

46.2 The Mortgagor will observe and perform all the covenants, agreements, provisos, terms, conditions and provisions required to be observed and performed under or pursuant to this Mortgage, the *Strata Property Act*, and any bylaws, rules and regulations that may be passed by the strata corporation of which the Mortgagor is a member by virtue of his interest in the strata lot or lots hereby charged (herein called the "**Strata Corporation**") or any special interest section thereof.

46.3 The Mortgagor will pay on or before the due dates thereof the share of common expenses and each and every assessment, contribution or levy made by the Strata Corporation or any special interest section thereof against the strata lot or lots and interest in the common property hereby charged. In the event that the Mortgagor fails to pay the share of the common expenses or fails to pay any one or more assessments, contributions or levies on or before their due date, or in the event that the Strata Corporation or any special interest section thereof registers a certificate in Form B of the Schedule to the *Strata Property Act* in any Land Title Office, such event will constitute an Event of Default under this Mortgage and at the option of the Mortgagee, the whole of the principal balance, interest, costs and charges then owing hereunder will forthwith become due and be paid. Should the Mortgagor fail to pay the share of any common expenses, assessments, contributions or levies, the Mortgagee may make the payments but will not be obliged to do so. Any amount so paid by the Mortgagee will be added to and form

part of the principal owing hereunder and that amount together with the interest thereon will be paid to the Mortgagee forthwith without demand.

46.4 The Mortgagor will provide to the Mortgagee within ten (10) days of demand by the Mortgagee a certificate in Form A of the Schedule to the *Strata Property Act* certifying that no moneys are owing to the Strata Corporation by the Mortgagor.

46.5 The Mortgagor will not without the prior written consent of the Mortgagee:

46.5.1 assign any of the Mortgagor's rights, powers, duties or obligations under the *Strata Property Act* or the bylaws created under the *Strata Property Act*; or

46.5.2 give possession of the strata lot or lots hereby charged to any person on the basis of an agreement providing for the purchase of the strata lot or lots hereby charged by the occupier or on the basis of a lease, sublease or assignment of lease for a term of three years or more.

46.6 The Mortgagor hereby grants to the Mortgagee all the right and power to vote conferred on the Mortgagor by the *Strata Property Act*, but it is agreed that neither this provision nor anything done by virtue thereof will render the Mortgagee a Mortgagee in possession. The Mortgagor hereby acknowledges receipt of written notice that the Mortgagee intends to exercise its power to vote on any matters relating to insurance, maintenance, finance or other matters affecting the security for the Mortgage hereby granted, and the Mortgagor agrees that no additional notice need be given to the Mortgagor to permit the Mortgagee to exercise the right and power to vote conferred on the Mortgagor in respect of such matters. It is understood that the Mortgagor may at any duly called meeting of the Strata Corporation of which the Mortgagee has received written notice, exercise the right to vote on the aforesaid matters if the Mortgagee is not, by its authorized representative, agent or proxy, present at such meeting.

46.7 The right and power to vote granted herein to the Mortgagee does not impose upon the Mortgagee any duty or obligation whatsoever to protect the interest of the Mortgagor, and the Mortgagee will not be responsible for the consequences of any exercise of the right to vote or any failure to exercise the right to vote.

46.8 Pursuant to the *Strata Property Act*, the Mortgagor hereby authorizes in writing the Mortgagee or any officer of the Mortgagee to apply at any time and from time to time during the term hereof to the Strata Corporation to have the bylaws for the time being in force governing the strata lot and interest in the common property hereby mortgaged made available for inspection by the Mortgagee or such officer of the Mortgagee.

46.9 Pursuant to the *Strata Property Act*, the Mortgagor hereby authorizes in writing the Mortgagee or any officer of the Mortgagee to apply at any time and from time to time to the Strata Corporation for certification to the Mortgagee of the following, and hereby authorizes the Strata Corporation to give such certifications:

46.9.1 the amount of any contribution determined as the contribution of the Mortgagor under the *Strata Property Act*;

46.9.2 the manner in which the contribution is payable;

46.9.3 the extent to which the contribution has been paid;

46.9.4 the amount of any money expended by the Strata Corporation on behalf of the Mortgagor under the *Strata Property Act* and not recovered by it;

46.9.5 the amount, if any, by which the expenses of the Strata Corporation for the current fiscal year are expected to exceed the expenses budgeted for the fiscal year;

46.9.6 the amount of the contingency reserve fund;

46.9.7 that there are no amendments to the bylaws not filed in the Land Title Office other than those certified;

46.9.8 that no notices have been given for a unanimous or special resolution that has not been voted on, other than those certified; and

46.9.9 that there are no pending proceedings against the Strata Corporation of which the Strata Corporation is aware other than those certified.

46.10 The Mortgagor hereby appoints the Mortgagee to be the Mortgagor's agent to examine, inspect and obtain copies of any and all records, minutes, books of account or other documents of any nature and kind whatsoever which the Mortgagor is entitled to examine or inspect.

47. NO PREPAYMENTS

Save and except as otherwise provided for in the Commitment or any schedule to a specific charge, the Mortgagor will have no right to prepay all or any part of the amount outstanding under this Mortgage prior to the maturity date thereof.

48. NO PARTIAL DISCHARGES

Save and except as otherwise provided for in the Commitment or any schedule to a specific charge, the Mortgagor will have no right to obtain a partial discharge(s) of this Mortgage.

49. ABANDONMENT

In the event of abandonment of the Project for a period in excess of fifteen (15) consecutive days, the Mortgagee will be entitled, after giving the Mortgagor written notice of any abandonment and provided the Mortgagor fails to rectify same within ten (10) days after such notice, has been given, to forthwith withdraw and cancel its obligations hereunder and/or decline to advance further funds as the case may be and in addition to declare any funds advanced to forthwith become due and payable plus interest all at the Mortgagee's option.

50. MISCELLANEOUS

50.1 The Mortgagor covenants and agrees with the Mortgagee that any payments under this Mortgage, whether of principal, interest or other sums received by the Mortgagee after 12:00 p.m. (Vancouver, British Columbia time) on any day will be deemed to have been received by the Mortgagee and credited to the Mortgagor's account under this Mortgage on the next following business day of the Mortgagee in Toronto, Ontario.

50.2 No extension of time given by the Mortgagee to the Mortgagor or to anyone claiming under the Mortgagor or any other dealing by the Mortgagee with the owner of the equity of redemption of the Lands will in any way affect or prejudice the rights of the Mortgagee as against the Mortgagor or any covenantor, guarantor, surety, or any other person liable for the payment of the moneys hereby secured.

50.3 Until the occurrence of an Event of Default hereunder the Mortgagor will have quiet possession of the Lands, but nothing herein contained will create the relationship of landlord and tenant between the Mortgagee and the Mortgagor.

50.4 The Mortgagor agrees that this Mortgage secures a current or running account and any portion of the principal amount of this Mortgage may be advanced or re-advanced by the Mortgagee in one or more instalments at any future date or dates and the amount of such advances and re-advances when so made will be secured by this Mortgage and be repayable with interest at the Mortgage Rate and this Mortgage is deemed to be security for the ultimate balance of moneys advanced hereunder together with interest, costs and other charges, if any. This Mortgage will not be considered to have been redeemed only because the advances and readvances made to the Mortgagor have been repaid or the accounts of the Mortgagor with the Mortgagee cease to be in debit.

50.5 The Mortgagee's rights of consolidation will be deemed not to be diminished or limited in any way by Section 31 of the *Property Law Act* (British Columbia) and any amendments thereto or provisions enacted in replacement thereof.

50.6 The provisions of the Commitment which are not expressly restated herein or in any collateral or other security documentation which is to be executed and delivered to the Mortgagee by the Mortgagor or any Guarantor or guarantor, will survive the execution and registration of this Mortgage and there will be no merger of such provisions in this Mortgage or the collateral or other security documents, until the Mortgagor and the Mortgagee, by an appropriate instrument in writing so declare. If there will exist any conflict between the terms of the Commitment and the Terms of this Mortgage, then the Terms of this Mortgage will govern and take precedence. It is understood and agreed that a default under the terms of the Commitment or any other Credit Document will constitute an Event of Default under this Mortgage and will entitle the Mortgagee to exercise all of its rights and remedies contained in this Mortgage and the other Credit Documents.

50.7 The Mortgagor covenants and agrees with the Mortgagee that:

50.7.1 the Mortgagor will pay all costs, charges and expenses incurred in enabling the Mortgagor's title to the Lands to be registered in the Land

Title Office and in the preparation and registration of this Mortgage, which costs, charges and expenses will become payable forthwith and be a charge upon the Lands and bear interest at the Mortgage Rate until paid and the Mortgagee upon the payment of the principal moneys or part thereof will have the right to prepare the release of this Mortgage from the Lands or any portion of the Lands and the costs, charges and expenses, legal or otherwise, of the preparation of such release will be paid by the Mortgagor before such release is delivered to the Mortgagor; and

50.7.2 the Mortgagor will pay, and indemnify the Mortgagee in respect of the full amount of all fees, costs, charges and expenses including the full amount of all legal fees on a solicitor and solicitor's own client full indemnity basis, disbursements, costs, charges and expenses which may be incurred by the Mortgagee before or after action is commenced in collecting, procuring or enforcing payment of any of the moneys in default under this Mortgage or in any way enforcing or protecting the security of this Mortgage or enforcing any of the Terms of this Mortgage, travelling expenses of the Mortgagee, the Mortgagee's servants and agents and commissions on collection of rent, which may be incurred in the taking, recovering and keeping possession of the Lands or in inspecting the same and generally in any other measures or proceedings taken to realize or collect the moneys hereby secured or to perfect the title of the Lands, all of which such amounts will be a charge on the Lands in favour of the Mortgagee and will be payable forthwith by the Mortgagor to the Mortgagee with interest at the Mortgage Rate until paid and in default of payment, the Mortgagee may exercise any and all remedies of the Mortgagee under this Mortgage or otherwise available to the Mortgagee. The Mortgagor hereby irrevocably consents and agrees to an award of legal costs and expenses on a solicitor and solicitor's own client full indemnity basis by any court under Section 20 of the *Law and Equity Act* (British Columbia), as amended, or any provision enacted in replacement therefor, in any foreclosure proceeding in respect of this Mortgage.

50.8 The Mortgagor and the Mortgagee acknowledge and agree that it is their express intention and desire that in no event will the total payment to the Mortgagee whether for interest, fees, bonus, additional consideration or otherwise exceed the maximum payment permitted under Section 347 of the Criminal Code (Canada), as amended, or any provision enacted in replacement therefor, and the parties further acknowledge and agree that notwithstanding any other terms or conditions of this Mortgage or any additional security documents or agreements, the interest payable on the credit advanced under this Mortgage (as "interest" and "credit advanced" are defined in Section 347 of the Criminal Code (Canada), as amended, or any provision enacted in replacement therefor), will not exceed an effective annual rate of interest of sixty (60%) percent calculated in accordance with generally accepted actuarial practices and principles. In the event that the Mortgagor would, but for this clause, be obligated to pay interest on the credit advanced under this Mortgage at a criminal rate (as "interest", "credit advanced" and "criminal rate" are defined in Section 347 of the Criminal Code (Canada), as amended, or any provision enacted in replacement therefor), the interest payable

on the credit advanced hereunder will be reduced to an effective annual rate of sixty (60%) percent, calculated in accordance with generally accepted actuarial practices and principles, firstly by reducing to the extent necessary the amount of any bonus payable hereunder, secondly (if required) by reducing to the extent necessary the amount of fees or commissions or other consideration other than interest payable hereunder, and thirdly (if required) by reducing to the extent necessary the Mortgage Rate. In the event that the Mortgagor has paid to the Mortgagee interest at a criminal rate on the credit advanced under this Mortgage (as "interest", "credit advanced" and "criminal rate" are defined in Section 347 of the Criminal Code (Canada), as amended, or any provision enacted in replacement therefor), the Mortgagee will at the request of the Mortgagor refund to the Mortgagor an amount equal to the amount by which such interest exceeds the criminal rate. The provisions of this Mortgage will be modified and are deemed to be modified to the extent necessary to effect the foregoing.

51. GENERAL (DOCUMENT/DRAFTING ISSUES)

51.1 The implied covenants deemed to be included in a mortgage under column 2 of section 15 of Schedule 6 of the *Land Transfer Form Act*, R.S.B.C. 1996 c.252 (as amended from time to time), are expressly excluded and replaced by the Terms of this Mortgage.

51.2 If the Mortgagor consists of more than one Person, then the covenants herein contained of the Mortgagor will be and be deemed to be several as well as joint.

51.3 Paragraph titles are inserted in the Terms of this Mortgage for convenience only and are not to be taken into account or looked at for the purpose of interpreting and giving full effect to the true meaning and intent of this Mortgage.

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

51.5 This Mortgage will be governed by and construed in accordance with the laws of the Province of British Columbia.

51.6 All grants, covenants, provisos, agreements, rights, powers, privileges and liabilities contained in this Mortgage are to be read and held as made by, with, granted to and imposed upon the parties hereto and their respective heirs, executors, administrators, successors and assigns as if the words had been inscribed in all the necessary places.

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

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

52. COUNTERPARTS

The Mortgage may be executed and/or registered in counterparts, each of which, so executed, and/or registered will be deemed to be an original and such counterparts together will constitute one and the same instrument, and notwithstanding their date of execution will be deemed to bear date as of the date above written.

End Of Document

Land Title Act

Mortgage

Part 1 Province of British Columbia

1. Application

KAITLYN SAWYER, BLAKE, CASSELS & GRAYDON LLP,
BARRISTERS & SOLICITORS
595 BURRARD STREET, P.O. BOX 49314
SUITE 2600, THREE BENTALL CENTRE
VANCOUVER BC V7X 1L3
(604) 631-4263

c/m: 26009/12

2. Description of Land

PID/Plan Number	Legal Description
031-756-093	**LOT 1 DISTRICT LOTS 196 AND 2037 GROUP 1 NEW WESTMINSTER DISTRICT PLAN EPP111791**

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

KELTIC (PRIOR) GP LTD. BC1232616
2338 - 666 BURRARD STREET
VANCOUVER BC V6C 2X8

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

SHAPE CAPITAL CORP. BC1181714
2020 ONE BENTALL CENTRE
505 BURRARD STREET, BOX 206
VANCOUVER BC V7X 1M6

5. Payment Provisions

Principal Amount	Interest Rate	Interest Adjustment Date
$85,000,000.00	**20% PER ANNUM**	**N/A**
Interest Calculation Period	**Payment Dates**	**First Payment Date**
MONTHLY, NOT IN ADVANCE	**FIRST DAY OF EACH MONTH**	**2023-02-01**
Amount of each periodic payment	**Interest Act (Canada) Statement. The equivalent rate of interest calculated half yearly not in advance is**	**Last Payment Date**
INTEREST ONLY	**N/A** % per annum	**2026-01-01**
Assignment of Rents which the applicant wants registered?	**Place of payment**	**Balance Due Date**
Yes	**POSTAL ADDRESS IN ITEM 4**	**2026-01-31**

If yes, page and paragraph number:
Pages 35-37 and Paragraph 44

6. Mortgage contains floating charge on land?

No

7. Mortgage secures a current or running account?

Yes

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8. Interest Mortgaged

Fee Simple

9. Mortgage Terms

Part 2 of this mortgage consists of:

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

10. Additional or Modified Terms

Guarantor(s) or Covenantor(s):
KELTIC (PRIOR) DEVELOPMENT LIMITED PARTNERSHIP
1319191 B.C. LTD.
KELTIC GROUP EQUITIES (2019) LTD.
KELTIC PROJECTS DEVELOPMENT LTD.
KELTIC CANADA DEVELOPMENT CO. LTD.
DDAW HOLDINGS LTD.
WEI GUO LI
RUI WANG

11. Prior Encumbrances Permitted by Lender

12. Execution(s)

This mortgage charges the Borrower's interest in the land mortgaged as security for payment of all money due and performance of all obligations in accordance with the mortgage terms referred to in item 9 and the Borrower(s) and every other signatory agree(s) to be bound by, and acknowledge(s) receipt of a true copy of, those terms.

Witnessing Officer Signature	Execution Date	Borrower / Party Signature(s)
See affidavit of execution.	YYYY-MM-DD 2023-01-20	**KELTIC (PRIOR) GP LTD.** By their Authorized Signatory **Name:** Li Lei **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.

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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.

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MORTGAGE TERMS – PART 2

1. DEFINED TERMS

Unless otherwise expressly defined or otherwise required by the context, the following words and phrases will have the following meanings when used in this Mortgage:

1.1 "**$**" means such currency of Canada which, as at the time of payment or determination, is legal tender in Canada for the payment of public or private debt;

1.2 "**Accounting Standard**" means (i) the International Financial Reporting Standards (IFRS); or (ii) generally accepted accounting principles (GAAP) as published in the "CICA Handbook" by the Canadian Institute of Chartered Accountants (as amended, replaced or republished from time to time) together with generally accepted industry standards from time to time;

1.3 "**Balance Due Date**" means the balance due date set forth in the Mortgage Form;

1.4 "**Commitment**" means the Commitment dated November 24, 2022 and accepted by the Mortgagor and the Guarantor on November 30, 2022 pursuant to which this Mortgage is provided, and all amendments thereto and renewals or replacements thereof from time to time;

1.5 "**Construction Project**" has the meaning given to it in paragraph 11.2;

1.6 "**Costs**" includes all costs, fees, charges and expenses of every nature and kind whatsoever incurred by the Mortgagee or paid by the Mortgagee to any other party in connection with the protection and preservation of the Lands or any other security held by the Mortgagee, or for the purpose of preserving and maintaining the enforceability and priority of this Mortgage and any such other security, or in connection with any and all demands and enforcement proceedings of every nature and kind made or carried out by or on behalf of this Mortgage under or pursuant to this Mortgage, and includes, without limitation, legal costs incurred by the Mortgagee on a solicitor and solicitor's own client full indemnity basis;

1.7 "**Credit Documents**" means, collectively, this Mortgage, the Commitment, each of the security documents referred to in Section 20 of the Commitment, any collateral covenant agreement, and all other agreements, instruments and documents delivered from time to time to the Mortgagee by the Mortgagor or any Guarantor, each as amended, restated, supplemented or replaced from time to time;

1.8 "**Default**" means any event or condition which, with the giving of notice, lapse or upon a declaration or determination being made (or any combination thereof), would constitute an Event of Default;

1.9 "**Environmental Laws**" means, in respect of any Person, property, transaction or event, all applicable laws, statutes, rules, by-laws and regulations, and all applicable directives, orders, codes, judgments and decrees of Governmental Bodies, whether now in existence or hereafter arising, intended to regulate and/or protect the environment and/or any living thing and/or relating to Hazardous Substances;

1.10 "**Event of Default**" means any event set forth in paragraph 31 herein;

1.11 "**Governmental Body**" means any government, parliament, legislature, or any regulatory authority, bureau, tribunal, department, instrumentality, agency, commission or board of any government, parliament or legislature, or any court, and without limiting the foregoing, any other law, regulation or rule-making entity having or purporting to act under the authority of any of the foregoing (including, without limitation, any arbitrator) and "**Governmental Bodies**" means any one or more of the foregoing collectively;

1.12 "**Guarantor**" means any party to this Mortgage expressly defined as such and any and all Persons who have directly, indirectly, as principal debtor or as surety covenanted to pay or guaranteed payment of the whole or any part of the amount or amounts secured by this Mortgage or which are owing under the loan facilities referred to in the Commitment or who have covenanted to perform or guaranteed performance by the Mortgagor of its obligations under this Mortgage or under the Commitment or under any security given in connection therewith;

1.13 "**Hazardous Substance** "means any hazardous or dangerous waste or substance, pollutant, contaminant, waste or other substance without limitation, whether solid, liquid or gaseous in form, which when released into the natural environment may, based upon reasonably authoritative information then available concerning such substance, immediately or in the future directly or indirectly cause material harm or degradation to the natural environment or to the health or welfare of any living thing and includes, without limiting the generality of the foregoing,

1.13.1 any such substance as defined or designated under any Environmental Laws;

1.13.2 asbestos, urea formaldehyde, poly-chlorinated byphenyl (PCB) and materials manufactured with or containing the same; and

1.13.3 radioactive and toxic substances,

and "**Hazardous Substances**" means any one or more of the foregoing collectively;

1.14 **"interest**" means interest at the Mortgage Rate on all principal, interest in arrears and other monies owed to the Mortgagee under this Mortgage;

1.15 "**Interest Adjustment Date**" means the interest adjustment date set forth in the Mortgage Form;

1.16 "**Interest Calculation Period**" means the period or periods for calculation of interest set forth in the Mortgage Form;

1.17 "**Lands**" means the lands set forth in the Mortgage Form, and includes the Property;

1.18 "**Mortgage**" means the Mortgage Form and this set of Mortgage Terms and all schedules attached to this Mortgage and all amendments thereto and replacements thereof from time to time;

1.19 "**Mortgagee**" means all Persons in whose favour this Mortgage is given and who is or are named in this Mortgage as mortgagee and the respective successors and assigns of such Persons;

1.20 "**Mortgagor**" means all Persons who have given this Mortgage and who have executed the same as mortgagor and the respective successors and assigns of such Persons;

1.21 "**Mortgage Form**" means that certain Form B under the Land Title (Transfer Forms) Regulation pursuant to which this set of Mortgage Terms is filed under, and all schedules and addenda attached thereto;

1.22 "**Mortgage Rate**" means the rate of interest set forth in the Mortgage Form;

1.23 "**Payment Date**" means each payment date specified in the Mortgage Form, commencing on the first payment date and continuing to and including the last payment date shown in the Mortgage Form;

1.24 "**Periodic Payment**" means a payment in the amount specified as the amount of each periodic payment in the Mortgage Form;

1.25 "**Permitted Encumbrances**" means any encumbrance, lien or charge from time to time disclosed by the Mortgagor to the Mortgagee and which is consented to in writing by the Mortgagee;

1.26 "**Person**" means an individual, sole proprietorship, partnership, joint venture, syndicate, association, trust, body corporate, a natural Person in its capacity as trustee, personal representative or other legal representative, the Crown or any agency or instrumentality thereof, and/or any other entity recognized by law;

1.27 "**principal**", "**principal amount**", "**principal monies**" and "**principal sum**" each mean the amount of money in lawful money of Canada set forth as the principal amount on the Mortgage Form as reduced by payments made by the Mortgagor from time to time, or increased by the advance or re-advance of money to the Mortgagor by the Mortgagee from time to time, and includes all money that is added to the principal sum under these Mortgage Terms;

1.28 "**Property**" means the property, tenements, hereditaments and appurtenances and any estate or interest therein described in this Mortgage, and all buildings and improvements now or hereafter situate or constructed thereon, and all easements, rights-of-way and other appurtenances thereto, and all structures, additions, improvements, machinery, equipment, decorations and other fixtures of every nature and kind (whether or not affixed in law) attached thereto or placed, installed or erected thereon or used in connection therewith;

1.29 "**Receiver**" means any receiver, receiver and manager, receiver-manager or trustee of the Lands as may be appointed from time to time by the Mortgagee

pursuant to the provisions of this Mortgage or by any court of competent jurisdiction;

1.30 "**Strata Corporation**" means each corporation created or continued pursuant to the *Strata Property Act* (British Columbia) and any amendments thereto or any statute enacted in replacement thereof and pertaining to all or any part of the Lands which are governed by the said Act;

1.31 "**Taxes**" means all taxes, rates, assessments, local improvement charges, levies, penalties and other charges imposed upon or in respect of the Lands by any Governmental Body having jurisdiction; and

1.32 "**Terms of this Mortgage**" means all of the covenants, agreements, provisos, terms, conditions, warranties, representations and provisions of this Mortgage, and the agreement of the Mortgagor set forth in item 12 of the Mortgage Form to be bound by the Mortgage Terms referred to in item 9 of the Mortgage Form will apply to all of the covenants, agreements, provisos, terms, conditions, warranties, representation and provisions of this Mortgage.

2. STATUTORY REFERENCES

Unless expressly stipulated or otherwise required by the context, all references in this Mortgage to any federal, provincial or municipal statute, regulation, by-law, order, directive or other governmental enactment will be deemed to be and construed as a reference to the same as amended or re-enacted from time to time.

3. GRANT AND PROVISOS

3.1 For good and valuable consideration (the receipt and sufficiency whereof is hereby acknowledged by the Mortgagor), the Mortgagor grants and mortgages the Lands to the Mortgagee, all of the right, title and interest of the Mortgagor in and to the Lands as security for the due payment of the principal sum and interest as herein provided and all other monies owing by the Mortgagor to the Mortgagee under this Mortgage.

3.2 Provided that this Mortgage will be void upon satisfaction of all of the following:

3.2.1 payment to the Mortgagee at the address of the Mortgagee set out in the Mortgage Form or to such other address or such other party or parties as the Mortgagee may from time to time require of the principal sum, with interest thereon at the Mortgage Rate, to be calculated and compounded in accordance with the Interest Calculation Period, not in advance, both before and after maturity, both before and after default, and both before and after judgment, payable as follows:

(i) interest accruing from the respective dates of advance of the principal sum will be due and payable on the Interest Adjustment Date (provided however, the Mortgagee may deduct accrued interest from any advance of principal);

(ii) a Periodic Payment will be paid on each Payment Date; and

(iii) the unpaid balance of the principal sum, together with any accrued and unpaid interest and other costs, charges and monies owing hereunder will become due and be paid on the Balance Due Date; and

3.2.2 observance and performance of all of the Terms of this Mortgage and the other Credit Documents and the payment of the Taxes and of all other monies as herein provided.

3.3 It is agreed that all interest, as well upon principal as upon interest, will be compounded on the last day of each Interest Calculation Period and all such compounded interest will be a charge on the Lands.

3.4 It is further agreed that the Mortgagee will have the right to apply any sums paid to the Mortgagee under this Mortgage in or towards the payment of accrued interest, principal or any other monies owing hereunder as the Mortgagee may determine, notwithstanding that any such sums may have been paid to the Mortgagee on account of a different amount.

3.5 For the consideration aforesaid, the Mortgagor releases to the Mortgagee all of the Mortgagor's claims upon the Lands subject to the provisos set forth in paragraph 3.2 hereof.

4. ADVANCE OF FUNDS

The Mortgagor agrees that neither the preparation, execution nor registration of this Mortgage will bind the Mortgagee to advance the monies hereby secured, nor will the advance of a part of the principal sum herein bind the Mortgagee to advance any unadvanced portion thereof, but nevertheless the estate hereby charged will take effect forthwith upon the execution of this Mortgage by the Mortgagor, and the expenses of the examination of the title and of this Mortgage and valuation are to be secured hereby in the event of the whole or any balance of the principal sum herein not being advanced, the same to be charged hereby upon the Lands, and will be without demand thereof, payable forthwith with interest at the rate provided for in this Mortgage, and upon the occurrence of an Event of Default the remedies herein will be exercisable.

5. MORTGAGOR'S COVENANTS

5.1 The Mortgagor covenants with the Mortgagee that:

5.1.1 the Mortgagor will pay the principal sum herein and interest thereon at the Mortgage Rate, including compounded interest as herein provided and observe and perform the Terms of this Mortgage, and will pay as they fall due all Taxes and when required by this Mortgage, will transmit the receipts therefor to the Mortgagee;

5.1.2 the Mortgagor will pay all amounts which are payable hereunder or which are capable of being added to the principal sum herein pursuant to the provisions of this Mortgage including, without limiting the generality of the foregoing, all servicing or other fees, costs or charges provided for herein; all insurance premiums; the amount paid for the supply of any fuel or

utilities to the Lands; all costs, commissions, fees and disbursements incurred by the Mortgagee in constructing, inspecting, appraising, selling, managing, repairing or maintaining the Lands; all Costs incurred by the Mortgagee with respect to this Mortgage or incurred by the Mortgagee arising out, of or in any way related to this Mortgage; any amounts paid by the Mortgagee on account of any encumbrance, lien or charge against the Lands and any and all Costs incurred by the Mortgagee arising out of, or in any way related to, the Mortgagee realizing on its security by sale or lease or otherwise;

5.1.3 the Mortgagor has a good indefeasible title in fee simple to the Lands, without any trusts, reservations, limitations, provisos or conditions, except those contained in the original grant from the Crown, and has good right, full power and lawful and absolute authority to grant, mortgage and convey the Lands and to grant this Mortgage to the Mortgagee upon the terms contained therein;

5.1.4 the Mortgagor has not done, committed, executed or wilfully or knowingly suffered any act, deed, matter or thing whatsoever whereby or by means whereof the Lands, or any part or parcel thereof, is or will or may be in any way impeached, charged, affected or encumbered in title, estate or otherwise, except as the records of the land registry office disclose; and free from all financial encumbrances, except the Permitted Encumbrances;

5.1.5 the Mortgagor will execute such further documents, instruments and assurances as are required by the Mortgagee to give effect to the Terms of this Mortgage and to ensure that this Mortgage is valid security for all monies and obligations secured by this Mortgage; and

5.1.6 the Mortgagor will produce the title deeds and allow copies to be made at the expense of the Mortgagor.

6. COMPLIANCE WITH LAWS AND REGULATIONS

The Mortgagor will, in its ownership, operation and use of the Lands, promptly and at all times observe, perform, execute and comply with all laws, rules, requirements, orders, directions, ordinances and regulations of every Governmental Body having jurisdiction with respect to the same, and further agrees at its cost and expense to take any and all steps or make any improvements or alterations thereto, structural or otherwise, ordinary or extraordinary, which may be required at any time hereafter by any such present or future laws, rules, requirements, orders, directions, ordinances or regulations.

7. CHANGE OF USE

The Mortgagor will not change or permit to be changed the existing use or uses of the Lands without the prior written consent of the Mortgagee.

8. REPAIR

The Mortgagor will keep the Lands including the buildings, erections and improvements thereon in good condition and repair according to the nature and description thereof, and

the Mortgagee may, whenever it deems necessary, enter upon and inspect the Lands, and the cost of such inspection will be added to the indebtedness secured hereunder, and if the Mortgagor neglects to keep the Lands in good condition and repair, or commits or permits any act of waste upon or abandons the Lands (as to which the Mortgagee will be sole judge) or removes or allows to be removed from the Lands, the Property or any portion thereof without prior written consent of the Mortgagee or upon discovery by the Mortgagee that any security for the indebtedness owing under this Mortgage is inadequate or breaches any of the Terms of this Mortgage, the principal sum herein together with interest at the Mortgage Rate, interest on overdue interest, the full amount of all legal fees on a solicitor and solicitor's own client full indemnity basis, disbursements, costs, charges and expenses incurred by the Mortgagee and all other monies owing and secured under this Mortgage will, at the option of the Mortgagee, forthwith become due and payable, and in default of payment thereof, the powers of entering upon and leasing or selling hereby given and all other remedies of the Mortgagee under this Mortgage as otherwise available to the Mortgagee may be exercised forthwith and the Mortgagee, upon five (5) days notice to the Mortgagor and in the event that the Mortgagor does not in such period cause and diligently proceed with such repairs, may make such repairs as it deems necessary, and the cost thereof with interest at the rate aforesaid will be added to the monies hereby secured and will be payable forthwith and be a charge upon the Lands prior to all claims thereon subsequent to this Mortgage.

9. ALTERATIONS OR ADDITIONS

The Mortgagor will not make or permit to be made any alterations or additions to the Lands without the prior written consent of the Mortgagee, which consent may be withheld in the Mortgagee's sole discretion or may be given only subject to compliance with such terms and conditions at the cost of the Mortgagor as the Mortgagee may impose.

10. LANDS INCLUDE ALL ADDITIONS

10.1 The Lands will include all structures and installations brought or placed on the Lands for the particular use and enjoyment thereof or as an integral part of or especially adapted for the buildings thereon whether or not affixed in law to the Lands including, without limiting the generality of the foregoing, piping, plumbing, electrical equipment or systems, aerials, refrigerators, stoves, clothes washers and dryers, dishwashers, incinerators, radiators and covers, fixed mirrors, fitted blinds, window screens and screen doors, storm windows and storm doors, shutters and awnings, floor coverings, fences, air conditioning, ventilating, heating, lighting, and water heating equipment, cooking and refrigeration equipment and all component parts of any of the foregoing and that the same will become fixtures and an accession to the freehold and a part of the realty.

10.2 The Mortgagor covenants and agrees that if this Mortgage is subject to one or more prior mortgages, agreements for sale or other charges or encumbrances (herein collectively called the "**Prior Mortgage**"), the Mortgagor will pay or cause to be paid as they become due all payments whether for principal, interest, Taxes or otherwise under or by virtue of the Prior Mortgage and will otherwise observe, perform and comply with the conditions, covenants, provisos, or agreements therein contained; and that any default thereunder will be deemed to be a default hereunder and entitle the Mortgagee to exercise any and all remedies available to the Mortgagee upon an Event of Default; and that the Mortgagee may make any

payment or cure any default under the Prior Mortgage and any amount or amounts so paid together with all costs, charges, expenses and outlays of the Mortgagee thereby incurred, including the full amount of all legal fees on a solicitor and solicitor's own client full indemnity basis, disbursements, costs, charges and expenses incurred by the Mortgagee, will be added to the monies payable hereunder, bear interest at the Mortgage Rate from the date expended until paid, be payable with interest as aforesaid forthwith by the Mortgagor to the Mortgagee without demand and be a charge on the Lands and the Mortgagee will have the same rights and remedies to enforce payment thereof as the Mortgagee would have upon an Event of Default.

10.3 For the aforesaid consideration to the Mortgagor, without in any way affecting or releasing the Mortgagor's liability to the Mortgagee for the repayment of monies hereby secured, the Mortgagor does hereby assign, transfer and set over to the Mortgagee all right, title, claim, demand and interest whatsoever at law, or in equity, or otherwise to indemnification, express or implied, of and from the performance and observance of any and all of the Terms of this Mortgage (including without limitation, payment of any and all monies due under this Mortgage) by any purchaser of the Lands.

11. CONSTRUCTION LOAN

11.1 If this Mortgage is intended to finance any construction, alteration or addition, the Mortgagee may make advances of the principal amount to the Mortgagor based on the progress of construction and in its sole discretion the Mortgagee will decide whether or not any advances will be made, the amount of the advances and when the advances will be made.

11.2 In the event that all or any portion of the monies hereby secured would, with the consent of the Mortgagee, be used for any construction upon or renovation, alteration, addition or repair to any building or structure on the Lands subject to paragraph 11.1, the Mortgagor will diligently proceed to complete construction in accordance with the plans and specifications approved by the Mortgagee (the "**Construction Project**") and will forthwith provide to the Mortgagee such information relating to the Lands and the construction as the Mortgagee may from time to time request. The Mortgagor will not make any material changes to the plans and specifications without the prior written consent of the Mortgagee. The Mortgagor will cause the Construction Project to be constructed in a good and workmanlike manner and in accordance with all applicable laws, including, without limitation, municipal by-laws and, without limitation, the Mortgagor will take all such steps as may be required to obtain an occupancy permit or equivalent permit or approval for the Construction Project from the applicable Governmental Bodies. The Mortgagor will pay all expenses incurred by the Mortgagee in retaining any cost consultant with respect to the Construction Project. The Mortgagor will comply with the requirements of an Owner under the *Builders Lien Act* (British Columbia) and will, in particular, maintain any "**Holdback Account**" required to be maintained under such Act. Without in any way limiting any other rights and remedies of the Mortgagee, upon the occurrence of an Event Of Default, the Mortgagee, in addition to and not in substitution for any of its other rights and remedies, may take any one or more of the following actions:

11.2.1 enter upon the Lands and complete the Construction Project in accordance with plans and specifications approved by the Mortgagee with such further changes as the Mortgagee may deem appropriate in its sole discretion;

11.2.2 discontinue any work commenced, or change any course of action undertaken, by the Mortgagor in respect of the Lands or the Construction Project;

11.2.3 at the Mortgagee's option, enforce any construction contract made by the Mortgagor, and take over and use all or any part of the labour, materials, supplies, and equipment contracted for by the Mortgagor;

11.2.4 engage builders, contractors, architects, engineers, and other staff and trades as the Mortgagee considers necessary or desirable for the purpose of completing the Construction Project;

11.2.5 pay, settle, or compromise all bills and claims which may be or become liens (whether such liens are claims of builders liens or any other type of lien) against the Lands or any part thereof, provided that the Mortgagee will not be liable to the Mortgagor for the validity or correctness of any such claim or lien; and

11.2.6 generally, take or refrain from taking all such action in respect to the Construction Project as the Mortgagee in its sole discretion considers to be in its best interest for the purpose of preserving or enhancing the value of the Mortgagee's security.

11.3 The Mortgagor acknowledges and agrees that no steps taken by the Mortgagee to deal with the Mortgage as aforesaid will constitute or be deemed to be a waiver or condoning by the Mortgagee of the use of any monies secured by this Mortgage in contravention of the provisions contained herein, including, without limitation, any covenant or warranty by the Mortgagor that the purpose of the Mortgage is not to finance an improvement on the Lands.

11.4 The Mortgagor will be solely responsible to ensure the sufficiency of work done or to be done or material supplied or to be supplied to the Lands to justify the quantum of each advance made by the Mortgagee under the Commitment. Notwithstanding that the Commitment or any other Credit Document may provide that advances are to be made on a cost-to-complete basis or a similar basis, entitling the Mortgagee to refuse to advance where it is of the opinion that there is insufficient unadvanced funds to complete the contemplated construction, the Mortgagee will not be responsible or liable to the Mortgagor or to anyone else where either there has been insufficient work done or material supplied to the Lands to warrant an advance, or that there are insufficient funds held back to complete the contemplated construction.

11.5 Where the Mortgagor retains the services of an engineer, or architect, or project supervisor or a similar professional construction expert, or combination of such Persons, the Mortgagee will be entitled but not obliged to rely upon such Person to instruct the Mortgagee as to the value of the work done or to be done or material

supplied or to be supplied to the Lands, and the Mortgagee will have no liability whatsoever to the Mortgagor or to anyone else as a result of advances made by the Mortgagee relying in whole or in part upon such Person.

12. ENVIRONMENTAL WARRANTY AND INDEMNITY

12.1 The Mortgagor and each Guarantor jointly and severally represents, warrants, covenants and agrees that:

12.1.1 it has not, and to the best of its knowledge, information and belief after making due inquiry, no other Person has caused or permitted any Hazardous Substance to be placed, discharged, stored, located or disposed of, on, under, at or near the Lands nor to be released from the Lands except in accordance with Environmental Laws;

12.1.2 the Lands have never been used as a land fill site, waste disposal site or coal gasification site, or to store Hazardous Substances either above or below ground in storage tanks, pipes, conduits or otherwise;

12.1.3 it and, to the best of its knowledge, information and belief after making due inquiry, the tenants, invitees and all other occupiers of the Lands have at all times carried out all business and other activities upon the Lands in strict compliance with all Environmental Laws;

12.1.4 it will at all times carry out all business and other activities upon the Lands in strict compliance with all Environmental Laws, and it will at all times take all necessary measures to ensure that those for whom it is liable in law will also at all times carry out all business and other activities upon the Lands in strict compliance with all Environmental Laws.

12.1.5 to the best of its knowledge, information and belief after making due inquiry, the use and occupation of the Lands have at all times been in strict compliance with all Environmental Laws;

12.1.6 no notice, order, stop work order, inspection file, investigation, directive, enforcement action, regulatory action, suit, claim, action, proceeding or charge relating to any Hazardous Substance or to a breach or non-compliance with any Environmental Laws has been issued by any Governmental Body with respect to it or the Lands, or is otherwise threatened to be issued;

12.1.7 it will provide the Mortgagee with full and complete copies of all communications received from time to time from all Governmental Bodies with respect to the Lands;

12.1.8 it will provide to the Mortgagee on request and from time to time, information with respect to the status of the environmental matters referred to herein and will complete and deliver, on request, the Mortgagee's standard form of report, if any, on environmental matters;

12.1.9 the representations and warranties contained in this paragraph 12 are true and accurate in all respects as of the date of the first advance made pursuant to this Mortgage, and such representations and warranties will remain true and accurate in all respects and will survive the release and discharge of this Mortgage and the repayment and satisfaction of the indebtedness secured by this Mortgage; and

12.1.10 the Mortgagee may delay or refuse to make any advance to the Mortgagor if the Mortgagee believes that any of the representations and warranties set out in this Warranty and Indemnity are not presently true and accurate or if such representations and warranties have become untrue or inaccurate at any time hereafter.

12.2 The Mortgagor hereby agrees to permit the Mortgagee to conduct, at the Mortgagor's sole expense, from time to time as required, any and all tests, inspections, appraisals and environmental audits of the Lands so as to determine and ensure continuing compliance with the provisions of this paragraph 12 including, without limitation, the right to conduct soil tests and to review and copy any records relating to the Lands and/or to the businesses and other activities conducted thereon.

12.3 The Mortgagor agrees to indemnify and save fully and completely harmless the Mortgagee and its officers, directors, employees, agents and shareholders from and against any and all losses, damages, demands, claims, actions, charges, orders, directives, undertakings, costs, legal fees on a solicitor and solicitor's own client full indemnity basis and expenses, of every nature and kind, whatsoever and howsoever, which at any time or from time to time may be paid by, or incurred by, or suffered by, or asserted against, any of them as a direct or indirect result of:

12.3.1 a breach of any of the representations, warranties or covenants hereinbefore set out;

12.3.2 the presence of any Hazardous Substance in, on, under or about the Lands;

12.3.3 the breach of any Environmental Laws; and/or

12.3.4 the discharge, emission, release, spill or disposal of any Hazardous Substance from the Lands into or upon any land, the atmosphere, any watercourse, body of water or wetland or any other property.

12.4 The representations, warranties, covenants, acknowledgments and indemnifications set out in this paragraph 12 will survive the release and discharge of this Mortgage and of any other security held by the Mortgagee and the repayment and satisfaction of the indebtedness secured by this Mortgage.

13. INSPECTION

The Mortgagee will have access to and the right to inspect the Lands at all reasonable times.

14. TAXES

14.1 The Mortgagor covenants and agrees with the Mortgagee that:

14.1.1 the Mortgagee may deduct from any advance of the monies secured by this Mortgage an amount sufficient to pay all Taxes which have become due and payable during any calendar year;

14.1.2 the Mortgagee may at its sole option estimate the amount of the Taxes payable in each year and the Mortgagor will forthwith upon demand of the Mortgagee pay to the Mortgagee one-twelfth (1/12) of the estimated annual amount of such Taxes on the 1st day of each and every month during the term of this Mortgage commencing with the 1st day of the first full month of the term of this Mortgage. The Mortgagee may at its option apply such payments to the Taxes so long as the Mortgagor is not in default under any of the Terms of this Mortgage, but nothing herein contained will obligate the Mortgagee to apply such payments on account of Taxes more often than yearly. Provided however, that if the Mortgagor will pay any sum or sums to the Mortgagee to apply on account of Taxes, and if before such payments have been so applied by the Mortgagee, there will be default by the Mortgagor in respect of any payment of principal or interest as herein provided, the Mortgagee may at its option apply such sum or sums in or towards payment of the principal, interest or interest and principal in default. If the Mortgagor desires to take advantage of any discounts or avoid any penalties in connection with the payment of Taxes, the Mortgagor may pay to the Mortgagee such additional amounts as are required for that purpose;

14.1.3 in the event that the Taxes actually charged in a calendar year, together with any interest and penalties thereon, exceed the amount estimated by the Mortgagee as aforesaid, the Mortgagor will pay to the Mortgagee, on demand, the amount required to make up the deficiency. The Mortgagee may at its option, pay any of the Taxes when payable, either before or after they are due, without notice, or may make advances therefore in excess of the then amount of credit held by the Mortgagee for Taxes. Any excess amount advanced by the Mortgagee will be secured as an additional principal sum under this Mortgage and will bear interest at the rate as provided for in this Mortgage until repaid by the Mortgagor. The Mortgagor will repay to the Mortgagee all Taxes which the Mortgagee has paid in respect of the Lands and repay to the Mortgagee all other property outlays not covered by any other covenant herein;

14.1.4 the Mortgagor will transmit to the Mortgagee all assessment notices, tax bills and other notices pertaining to the imposition of Taxes forthwith after receipt thereof;

14.1.5 the Mortgagor will pay to the Mortgagee, in addition to any other amounts required to be paid hereunder, the amount required by the Mortgagee in its sole discretion for a reserve on account of future liability for Taxes;

14.1.6 in no event will the Mortgagee be liable for any interest on any amount paid to it on account of Taxes and the monies so received may be held with its own funds pending payment or application thereof as herein provided; provided that in the event that the Mortgagee does not utilize the funds received on account of Taxes in any calendar year, such amount or amounts may be held by the Mortgagee on account of any pre-estimate of Taxes required for the next succeeding calendar year, or at the Mortgagee's option, the Mortgagee may repay such amount to the Mortgagor without any interest;

14.1.7 the Mortgagor will in all instances be responsible for the payment of any and all penalties resulting from any arrears of Taxes or any late payment of current instalments thereof, and at no time will such penalties be the responsibility of the Mortgagee; and

14.1.8 in the event the Mortgagee does not collect payments on account of Taxes as aforesaid, the Mortgagor will deliver to the Mortgagee within thirty (30) days following the due date for each instalment of Taxes written evidence from all taxing authorities having jurisdiction to the effect that the then current instalment of Taxes and all other Taxes due in respect of the then current calendar year and any preceding calendar years have been paid in full, failing which, the Mortgagee will be entitled to charge a servicing fee for each written inquiry directed to such taxing authorities or the Mortgagor for the purpose of ascertaining the status of the Taxes together with any costs payable to such taxing authorities for such information.

15. UTILITIES

The Mortgagor covenants and agrees that it will pay all utility and fuel charges related to the Lands as and when they are due and that the Mortgagor will not allow or cause the supply of utilities or fuel to the Lands to be interrupted or discontinued and that, if the supply of fuel oil or utilities is interrupted or discontinued, the Mortgagor will take all steps that are necessary to ensure that the supply of utilities or fuel is restored forthwith. It is specifically agreed that the failure to pay all fuel and utility charges as and when they are due or the interruption or discontinuing of the supply of fuel or utilities to the Lands will constitute an Event of Default within the meaning of this Mortgage and in addition to all other remedies provided for herein, the principal sum of this Mortgage will, at the sole option of the Mortgagee forthwith become due and payable.

16. INSURANCE

16.1 The Mortgagor covenants and agrees that it will insure and keep insured during the term of this Mortgage the buildings and other improvements on the Lands (now or hereafter erected) on the terms required by the Commitment and in any event on an all-risks basis in an amount of not less than the greater of the full replacement value of the buildings located thereon from time to time, or the principal money herein, with no co-insurance provisions and with the Mortgagee's standard mortgage clause forming part of such insurance policies as may be approved by the Insurance Bureau of Canada from time to time and a provision

requiring thirty (30) days prior written notice by the insurer to the Mortgagee of cancellation, termination, material change or non-renewal of such policies.

16.2 In the event that the evidence of continuation of such insurance as herein required has not been delivered to the Mortgagee within the required time, the Mortgagee will be entitled to a servicing fee for each written inquiry which the Mortgagee will make to the insurer or the Mortgagor pertaining to such renewal (or resulting from the Mortgagor's non-performance of the within covenant). In the event that the Mortgagee pursuant to the within provision arranges insurance coverage with respect to the Lands, the Mortgagee, in addition to the aforenoted servicing fee, will be entitled to a further servicing fee for arranging the necessary insurance coverage.

16.3 In the event of any loss or damage, the Mortgagor will forthwith notify the Mortgagee in writing and notwithstanding any other provision to the contrary, statutory or otherwise, in the event of any monies becoming payable pursuant to any insurance policy herein required, the Mortgagee may, at its option, require the said monies to be applied by the Mortgagor in making good the loss or damage in respect of which the money is received, or in the alternative, may require that any or all of the monies so received be applied in or towards satisfaction of any or all of the indebtedness hereby secured whether or not such indebtedness has become due. No damage may be repaired nor any reconstruction effected without the approval in writing of the Mortgagee in any event. If the Mortgagor fails or neglects to complete and file a proper proof of loss with the insurance company within fifteen (15) days of the date of loss, the Mortgagee is hereby authorized to file a proof of loss with the insurance company on behalf of the Mortgagor and the Mortgagee is hereby released from all liability whatsoever to the Mortgagor as a result of filing such proof of loss. Any insurance moneys received may, at the option of the Mortgagee, be applied in rebuilding, reinstating or repairing the Property or be paid to the Mortgagor or any other Person appearing by the registered indefeasible title to be or to have been the owner of the Property or be applied or paid partly in one way and partly in another or it may be applied, in the sole discretion of the Mortgagee, in whole or in part in payment of the sums owing hereunder or any part thereof whether due or not then due. To ensure that the Mortgagee may apply the insurance monies in the manner provided above, the Mortgagor hereby assigns and releases to the Mortgagee all rights of the Mortgagor to receive the insurance monies and the Mortgagor expressly waives all the rights and benefits whatsoever of the Mortgagor under the *Insurance Act* (British Columbia) and the *Fire Prevention (Metropolis) Act*, 1774, and any amendments thereto, and under any statutes of British Columbia enacted in replacement of the said statutes.

16.4 The Mortgagor, upon demand, will transfer all policies of insurance provided for herein and the indemnity which may become due therefrom to the Mortgagee. The Mortgagee will have a lien for the indebtedness hereby secured on all the said insurance proceeds and policies, and may elect to have these insurance monies applied as it may deem appropriate, including payment of monies secured hereby, whether due or not, but the Mortgagee will not be bound to accept the said monies in payment of any principal not yet due.

17. REMITTANCE AND APPLICATION OF PAYMENTS

17.1 Subject to Section 20 and 21 herein, all payments of principal, interest and other monies payable hereunder to the Mortgagee will be payable at par in lawful money of Canada at the Mortgagee's address for service as set out in this Mortgage or at such other place as the Mortgagee will designate in writing from time to time. In the event that any of the monies secured by this Mortgage are forwarded to the Mortgagee by mail, payment will not be deemed to have been made until the Mortgagee has actually received such monies and the Mortgagor will assume and be responsible for all risk of loss or delay.

17.2 Notwithstanding anything herein to the contrary, upon the occurrence of an Event of Default, the Mortgagee may apply any payments received in whatever order the Mortgagee may elect as between principal, interest, realty taxes, insurance premiums, repairs, Costs and any other advances or payments made by the Mortgagee hereunder.

18. RECEIPT OF PAYMENT

Any payment received after 12:00 p.m. (Vancouver, British Columbia time) on any date will be deemed, for the purpose of calculation of interest to have been made and received on the next business day and the Mortgagee will be entitled to interest on the amount due it, to and including the date on which the payment is deemed by this provision to have been received.

19. NO DEEMED RE-INVESTMENT

Except in the case where this Mortgage provides for blended payments of principal and interest whether paid monthly or otherwise, the parties hereto agree that the Mortgagee will not be deemed to reinvest any monthly or other payments received by it hereunder.

20. PRE-AUTHORIZED CHEQUING PLAN OR AUTOMATIC ELECTRONIC PAYMENT

If and when required by the Mortgagee, all payments made under this Mortgage by the Mortgagor will be made by a pre-authorized cheque payment plan or pre-authorized automatic electronic payments under a pre-authorized debit agreement ("**PAD**") in the form required by the Mortgagee, all as approved by the Mortgagee. The Mortgagee will not be obligated to accept any payment other than payment made by pre-authorized cheque or electronic payments. Failure to make all payments by pre-authorized cheque or electronic payment will be an Event of Default within the meaning of this Mortgage and the Mortgagee will be entitled to pursue any and all of its remedies herein and/or at law as it may deem necessary at its option.

21. POSTDATED CHEQUES

The Mortgagor will, if and when required by the Mortgagee, deliver to the Mortgagee upon the first advance of monies hereunder or upon request and thereafter on each anniversary date thereof in each year for the duration of the term of this Mortgage, postdated cheques for the payments of principal, interest and estimated realty taxes required to be made herein during the twelve month period commencing on each such anniversary date. In the event of default by the Mortgagor in delivery to the Mortgagee of the postdated

cheques as herein provided, an Event of Default within the meaning of this Mortgage will be deemed to have occurred and the Mortgagee will be entitled to pursue any and all of its remedies herein and/or at law as it may deem necessary at its option. In addition, the Mortgagee upon the Mortgagor's failure to deliver such postdated cheques as required hereunder will be entitled to a servicing fee for each written request that it makes to the Mortgagor for the purpose of obtaining such postdated cheques. Any step taken by the Mortgagee hereunder by way of a request for further postdated cheques will be without prejudice to the Mortgagee's rights hereunder to declare this Mortgage to be in default in the event that such postdated cheques are not delivered within the required time.

22. DISHONOURED CHEQUES

In the event that any of the Mortgagor's cheques are not honoured when presented for payment to the drawee, the Mortgagor will pay to the Mortgagee for each such returned cheque a servicing fee to cover the Mortgagee's administration costs with respect to same. In the event that the said cheque which has not been honoured by the drawee is not forthwith replaced by the Mortgagor, the Mortgagee will be entitled to a further servicing fee for each written request therefore which may be necessitated by the Mortgagor not forthwith replacing such dishonoured cheque.

23. FINANCIAL AND OPERATING STATEMENTS

23.1 The Mortgagor covenants that, within the periods of time hereinafter specified, or within such other period(s) of time as may be specified by any of the other Credit Documents, the Mortgagor will deliver or cause to be delivered to the Mortgagee within one hundred and twenty (120) days after the end of each fiscal year of operation of the Lands, an annual operating statement in respect of the Lands for the immediately preceding fiscal year setting forth the gross rents and other income derived from the Lands, the cost and expenses of operation and maintenance of the Lands and such other information and explanations in respect of the same as may be required by the Mortgagee.

23.2 All such operating and financial statements will be prepared at the expense of the Mortgagor and in accordance with the Accounting Standard applied on a consistent basis and by a duly qualified chartered accountant or certified public accountant which is acceptable to the Mortgagee, and will be submitted in audited form if so required by the Mortgagee upon the occurrence of an Event of Default, and the completeness and correctness of such statements will be supported by an affidavit of an authorized officer of the Mortgagor or Guarantor, as the case may be.

23.3 The Mortgagee reserves the right to disclose to third parties, any of the foregoing financial information or otherwise acquired in respect to the indebtedness secured hereby as may be required in connection with the fulfillment of its rights and/or obligations under the Commitment or this Mortgage or to carry out its terms of to enforce its security for mortgage securitization purposes.

24. ESTOPPEL ACKNOWLEDGEMENTS

If and whenever the Mortgagee requests an acknowledgement from the Mortgagor as to the statement of account with respect to this Mortgage or the status of the terms and

conditions of this Mortgage, the Mortgagor will execute such an acknowledgement in such form as may be required by the Mortgagee provided that the contents of such form are correct, and the Mortgagor will do so forthwith upon request and without cost to the Mortgagee and will return such acknowledgement duly executed within two (2) business days of such request.

25. STATEMENTS OF ACCOUNT

The Mortgagor will be entitled to receive upon written request, a statement of account with respect to this Mortgage as of any payment date under this Mortgage and the Mortgagee will be entitled to a servicing fee for each such statement.

26. RENEWAL OR EXTENSION OF TIME; ATTENTION SUBSEQUENT INTERESTS

26.1 No renewal or extension of the term of this Mortgage given by the Mortgagee to the Mortgagor, or anyone claiming under it, or any other dealing by the Mortgagee with the owner of the equity of redemption of the Lands, will in any way affect or prejudice the rights of the Mortgagee against the Mortgagor or any other Person liable for the payment of the monies hereby secured. The Mortgage may be amended, extended and/or renewed by an agreement in writing at maturity for any term with or without an increased rate of interest, or amended from time to time as to any of its terms, including, without limitation, an increase of interest rate or principal amount and notwithstanding that there may be subsequent encumbrancers, and it will not be necessary to register any such agreement in order to retain priority for this Mortgage so altered over any instrument registered subsequent to this Mortgage; PROVIDED that nothing contained in this paragraph will confer any right of amendment, extension or renewal upon the Mortgagor.

26.2 The terms of this Mortgage may be amended, extended and this Mortgage may be renewed from time to time by mutual agreement between the then current owner of the Lands and the Mortgagee and the Mortgagor hereby further covenants and agrees that, notwithstanding that the Mortgagor may have disposed of its interest in the Lands, the Mortgagor will remain liable as a principal debtor and not as a surety for the observance of all of the terms and provisions herein and will in all matters pertaining to this Mortgage well and truly do, observe, fulfill and keep all of the covenants, provisos, conditions and agreements in this Mortgage and all amendment(s), extension(s) and renewal(s) thereof, and without limiting the foregoing, notwithstanding the amendment, extension and/or renewal of this Mortgage, and notwithstanding the giving of time for the payment of this Mortgage or the varying of the terms of the payment thereof or of the rate of interest thereon, and notwithstanding any other indulgence by the Mortgagee to the Mortgagor.

26.3 The Mortgagor covenants and agrees with the Mortgagee that no agreement for amendment, extension and/or renewal hereof, or for extension of the time for payment of any monies payable hereunder will result from, or be implied from, any payment or payments of any kind whatsoever made by the Mortgagor to the Mortgagee after the expiration of the original term of this Mortgage or of any subsequent term agreed to in writing between the Mortgagor and the Mortgagee, and that no amendment, extension and/or renewal hereof or any extension of the time for payment of any monies hereunder will result from, or be implied from, any

other act, matter or thing, save only express agreement in writing between the Mortgagor and the then current owner of the Lands.

27. EXPROPRIATION

If the Lands or any part thereof which, in the reasonable opinion of the Mortgagee is material to the viability and operations thereon will be expropriated by any Governmental Body clothed with the powers of expropriation, the principal sum herein remaining unpaid will at the option of the Mortgagee forthwith become due and payable together with interest thereon at the Mortgage Rate to the date of payment, interest on overdue interest and all other monies owing hereunder, together with a bonus equal to the aggregate of (a) three months' interest at the said rate calculated on the amount of the principal remaining unpaid, and (b) one month's interest at the rate provided for herein calculated on the principal remaining unpaid, for each full year of the term of this Mortgage or any part of such year from the said date of payment to the date the said principal sum or balance thereof remaining unpaid would otherwise under the provisions of this Mortgage become due and payable and in any event all the proceeds of any expropriation will be paid to the Mortgagee at its option in priority to the claims of any other party.

28. LETTERS OF CREDIT

The parties to this Mortgage hereby acknowledge and agree that, in addition to all other amounts advanced and/or secured hereby, this Mortgage will stand as good and valid security with respect to any and all letters of credit, letters of guarantee or similar instruments (collectively the "**Letters of Credit**") issued by or on behalf of the Mortgagee for the benefit of or on account of the Mortgagor and in favour of any other party as may be requested or directed by the Mortgagor from time to time, and that the total amount of the financial obligations under each Letter of Credit will be deemed to have been advanced and fully secured under this Mortgage as of and from the date of issuance of each such Letter of Credit regardless of when the same may be called upon by the holder thereof. In the event that at any time the Mortgagee is of the opinion, in its sole and unfettered discretion, that the Lands or such part(s) thereof as remain undischarged are insufficient to secure the aggregate amount of all of the Mortgagee's outstanding obligations under, pursuant to or in connection with such Letters of Credit from time to time outstanding, the Mortgagee will be entitled to retain out of any payment received under this Mortgage or out of the proceeds of any sale or revenue received in respect of the Lands or any part(s) thereof or out of the proceeds of any amounts received by the Mortgagee upon the enforcement of this Mortgage, an amount equal to the aggregate amount of all of the Mortgagee's outstanding obligations under, pursuant to or in connection with Letters of Credit as remain from time to time outstanding without being obliged to apply any portion of such amount on account of any principal, interest or other monies otherwise outstanding and secured by this Mortgage; and the Mortgagee will be entitled to retain such amount for such period of time as any of the Letters of Credit remain outstanding and the Mortgagee is hereby irrevocably authorized and directed to utilize the same in order to satisfy payment of any amounts called upon for payment pursuant to the Letters of Credit.

29. SALE OR CHANGE OF CONTROL

29.1 In the event of any sale, conveyance or transfer of the Lands or any portion thereof, or the Mortgagor enters into an agreement for sale of transfer of the Lands or portion thereof, or if ownership of or control and direction over the majority of the

shares, units or ownership interests of the Mortgagor or any Guarantor changes by amalgamation, merger, sale, transfer of shares, units or ownership interests or otherwise, or a change in the beneficial ownership of the Lands or any portion thereof or a lease of the whole of the Lands (each of the foregoing, a "**Change of Control**"), all sums secured hereunder will, at the Mortgagee's option, become due and payable forthwith unless the prior written consent of the Mortgagee has been obtained, which consent may be arbitrarily or unreasonably withheld. The rights of the Mortgagee pursuant to this provision will not be affected or limited in any way by the acceptance of payments due under this Mortgage from the Mortgagor or any Person claiming through or under it and the rights of the Mortgagee hereunder will continue without diminution for any reason whatsoever until such time as the Mortgagee has consented in writing as required by this provision.

29.2 Provided further that no permitted sale or other dealing by the Mortgagor with the Lands or any part thereof will in any way change the liability of the Mortgagor or in any way alter the rights of the Mortgagee as against the Mortgagor or any other Person liable for payment of the monies hereby secured.

30. NO FURTHER ENCUMBRANCES

In the event that the Mortgagor enters into, creates, incurs, assumes, suffers or permits to exist any additional charge, encumbrance, pledge or other financing of the Lands, or of the chattels, equipment or personal property related to the Lands, all sums secured hereunder will, at the Mortgagee's option, become due and payable forthwith unless the prior written consent of the Mortgagee has been obtained, which consent may be arbitrarily withheld.

31. EVENTS OF DEFAULT

31.1 Without limiting any of the provisions of this Mortgage, any of the following events will constitute an Event of Default hereunder and under the other Credit Documents upon the happening of which the whole of the principal sum outstanding and all interest accruing thereon will immediately become due and payable at the option of the Mortgagee exercised by notice in writing to the Mortgagor:

31.1.1 failure by the Mortgagor to pay any instalment of principal, interest and/or Taxes under this Mortgage or under any charge or other encumbrance of the Lands, on the date upon which any of the payments for same become due;

31.1.2 failure by the Mortgagor or any Guarantor to strictly and fully observe or perform any condition, agreement, covenant, obligation or term (other than with respect to those described in paragraph 31.1.1) set out in the Terms of this Mortgage, any of the Credit Documents to which it is a party, or any other document creating a contractual relationship as between them or any of them, or if it is found at any time that any representation or warranty to the Mortgagee with respect to the loan secured by this Mortgage or in any way related thereto or under any of the other Credit Documents is incorrect or misleading when so made or deemed to have been repeated as herein or therein provided, and such

default continues for a period of ten (10) days after notice in writing of such breach is given to the Mortgagor or any Guarantor by the Mortgagee;

31.1.3 default by the Mortgagor in the observance or performance of any of the covenants, provisos, agreements or conditions contained in any charge or other encumbrance affecting the Lands, whether or not it has priority over this Mortgage;

31.1.4 upon the registration of any construction lien against the Lands which is not discharged or vacated within a period of five (5) days after the date of registration thereof;

31.1.5 in the event that any Hazardous Substance is discovered in, on or under the Lands or any part thereof and the same is not completely removed therefrom to the entire satisfaction of the Mortgagee within ten (10) days after demand therefor by the Mortgagee;

31.1.6 in the event that the Lands are abandoned or there is any cessation or threat of cessation of the business activities or any material part thereof now being conducted upon the Lands by the Mortgagor or the beneficial owner of the Lands or any of their respective officers, agents, employees, tenants or invitees;

31.1.7 if a judgment, decree or order of a court of competent jurisdiction is entered against the Mortgagor or any Guarantor (i) adjudging the Mortgagor or any Guarantor bankrupt or insolvent, or approving a petition seeking its reorganization or winding-up under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) or any other bankruptcy, insolvency or analogous law, or (ii) ordering the involuntary winding up or liquidation of the affairs of the Mortgagor or any Guarantor, or (iii) if any receiver or other Person with like powers is appointed over all, or substantially all, of the property of the Mortgagor or any Guarantor, unless such appointment is stayed and of no effect against the Lands or any security provided by the Mortgagor or any Guarantor in favour of the Mortgagee and the rights of the Mortgagee thereunder or the Mortgagor or any Guarantor is actively pursuing such a stay and the Mortgagee is satisfied that there is no adverse effect in its position as a result of the Mortgagee permitting the Mortgagor or any Guarantor time to pursue such stay;

31.1.8 if, (i) an order or a resolution is passed for the dissolution, winding-up, reorganization or liquidation of the Mortgagor or any Guarantor pursuant to applicable laws, including the *Business Corporations Act* (British Columbia), or (ii) the Mortgagor or any Guarantor institutes proceedings to be adjudicated bankrupt or insolvent, or consents to the institution of bankruptcy or insolvency proceedings against it under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) or any other bankruptcy, insolvency or analogous law, or (iii) the Mortgagor or any Guarantor consents to the filing of any petition under any such law or to the appointment of a receiver, or other Person

with like powers, over all, or substantially all, of the Mortgagor's or any Guarantor's property, or (iv) the Mortgagor or any Guarantor makes a general assignment for the benefit of creditors, or becomes unable to pay its debts generally as they become due, or (v) the Mortgagor or any Guarantor takes or consents to any action in furtherance of any of the aforesaid purposes;

31.1.9 the occurrence of any action, suit or proceeding against or affecting the Mortgagor or any Guarantor before any court or before any Governmental Body which, if successful, would have, or could reasonably be expected to have, a material adverse effect on the value of the Lands or the financial stakes of the Mortgagor or any Guarantor, unless the action, suit, or proceedings will be contested diligently and in good faith and, in circumstances where a lower court or tribunal has rendered a decision adverse to the Mortgagor or any Guarantor, the Mortgagor or any Guarantor is appealing such decision, and has provided a reserve in respect thereof made in accordance with Accounting Standard, adequate in the opinion of the Mortgagee;

31.1.10 a judgment or judgments are obtained against the Mortgagor or any Guarantor for an aggregate amount in excess of $100,000, in the aggregate, which, to the extent the aggregate amount thereof exceeds $100,000, remains or remain unsatisfied and undischarged for a period or ten (10) days during which such judgment or judgments, to the extent the aggregate amount thereof exceeds $100,000, will not be on appeal or execution thereof will not be effectively stayed;

31.1.11 any execution, sequestration, expropriation or similar process is brought or threatened, by way of notice or otherwise, against, or a distress or analogous process is levied upon the whole or any part of the property of the Mortgagor or any Guarantor;

31.1.12 if any material provision of any Credit Document will at any time cease to be in full force and effect, be declared to be void or voidable or will be repudiated, or the validity or enforceability thereof will at any time be contested by the Mortgagor or any Guarantor;

31.1.13 if a Change of Control occurs and the Mortgagee has not consented to the same;

31.1.14 default by the Mortgagor or any Guarantor in the observance or performance of any non-monetary representation, warranty, covenant, proviso, agreement, condition or obligation to be observed or performed by it, pursuant to any agreement (other than the Credit Documents) to which it is a party or by which any of its property is bound, where such default would have, or could reasonably be expected to have, a material adverse effect on the value of the Lands or the financial stakes of the Mortgagor or any Guarantor; and

31.1.15 any default will have occurred and is continuing in respect of any indebtedness of the Mortgagor or any Guarantor to any lender (other

than the Mortgagee) which results in the acceleration of the payment of such indebtedness or which permits the holder thereof to accelerate the payment of such indebtedness and if there is a grace period applicable thereto arising under contract or otherwise, such default continues beyond the expiry of such grace period or if any lender (other than the Mortgagee) will demand repayment of any indebtedness owed to it by any Mortgagor or any Guarantor which is repayable on demand, and the aggregate principal amount of all such indebtedness is at least $100,000.

32. ENFORCEMENT

32.1 The Mortgagor covenants and agrees that upon the occurrence of an Event of Default under the Terms of this Mortgage, the Mortgagee may take proceedings available at law or in equity and any other legal steps to collect the amount of money due or to compel the Mortgagor to keep the Mortgagor's promises and agreements, including without limitation: making application to a court for an order that the Land be sold on terms approved by the court; making application to a court to foreclose the Mortgagor's interest in the Land and on a final order of foreclosure the Mortgagor's interest in the Land will be absolutely vested in and belong to the Mortgagee.

32.2 Provided that the Mortgagee, upon the occurrence of an Event of Default that is continuing, may on seven (7) day's notice (except in the case of an emergency to protect health, safety or preserve the Lands in which case no notice is required) enter on and lease or sell the Lands; and the Mortgagor covenants and agrees that the Mortgagee may lease or sell as aforesaid without entering into possession of the Lands; and should such Event of Default continue for two months, an entry, lease or sale may be made hereunder without notice; and when under the terms hereof a notice is necessary, such notice may be given effectually either by leaving the same with an adult Person on the Lands, if occupied, or by placing it thereon, if unoccupied, or at the option of the Mortgagee by publishing the same once in a newspaper published in the Province of British Columbia; and the Mortgagee may sell the Lands or any part thereof or any interest in the Lands on such terms as to credit and otherwise as appear to the Mortgagee most advantageous and for such price as in the opinion of the Mortgagee can reasonably be obtained therefor; and sales may be made from time to time of portions to satisfy interest or parts of the principal overdue, leaving the principal or balance thereof to run at interest, payable as aforesaid; and the Mortgagee may make any stipulations as to the title or commencement of title or otherwise as the Mortgagee deems proper; and may buy in or rescind or vary any contract for sale of any of the Lands and re-sell without being answerable for loss occasioned thereby; and in case of a sale on credit the Mortgagee will only be bound to pay the Mortgagor such monies as have been actually received from the purchasers after the satisfaction of the Mortgagee's claims; and for any of the said purposes the Mortgagee may make and execute all agreements and assurances as the Mortgagee deems fit, and the purchasers at any sale hereunder are not bound to see to the propriety or regularity thereof; and no want of notice of publication when required hereby will invalidate any sale or lease made or purporting to be made hereunder.

32.3 Provided that the Mortgagee may distrain for arrears of interest, and it is agreed that the powers of the Mortgagee under this proviso may also be exercised to enforce payment of any instalment of principal or mixed principal and interest hereby secured and in arrears and in respect of any Event of Default; and further that if an Event of Default occurs, it will be lawful for the Mortgagee (and the Mortgagor does hereby grant full power and licence to the Mortgagee) to enter, seize and distrain upon any goods upon the Lands or any part thereof and by distress warrant to recover by way of rent reserved as in the case of a demise of the Lands as much of the principal or interest or other sums due hereunder as may from time to time be or remain in arrears or unpaid together with all costs, charges and expenses attending such levy or distress as in like cases of distress for rent including, without limitation, the full amount of all legal fees on a solicitor and solicitor's own client full indemnity basis, disbursements, costs, charges and expenses incurred by the Mortgagee; and as part of the consideration aforesaid the Mortgagor hereby waives, on the exercise of such right and licence, all the rights to exemption from seizure and distress under any statute of the Province of British Columbia; notwithstanding the foregoing it is expressly understood and agreed that the right of distress will not apply to residential premises which are subject to the provisions of the *Residential Tenancy Act* (British Columbia), as amended or any statute enacted in replacement thereof, except as may be permitted thereby.

32.4 Upon the occurrence of an Event of Default, the whole of the principal sum hereby secured together with interest thereon at the Mortgage Rate, interest on overdue interest, the full amount of all legal fees on a solicitor and solicitor's own client full indemnity basis, disbursements, costs, charges and expenses incurred by the Mortgagee and all other monies owing or secured under this Mortgage will, at the option of the Mortgagee, immediately become due and be paid; and upon such indebtedness becoming due and payable as heretofore provided, the Mortgagor will refrain from collecting and receiving all rents accruing as aforesaid and upon notice from the Mortgagee, all tenants will thereafter pay such rents to the Mortgagee, and the Mortgagee may immediately cause default proceedings to be commenced under this Mortgage in the manner prescribed by law and will be entitled to have a receiver, receiver-manager or a receiver and manager appointed, and without proof of any other ground for his appointment than the said default, to take possession and charge of the Lands and to fully and effectively operate the business which the Lands comprise including, without limiting the generality of the foregoing, the right to rent the same and receive and collect the rents, issues and profits thereof, under direction of the court, and any amount so collected by such receiver will be applied under direction of the court to the payment of any judgment rendered, or amounts found due, according to the Terms of this Mortgage including the cost of collection and the full amount of all legal fees on a solicitor and solicitor's own client full indemnity basis, disbursements, costs, charges and expenses incurred by the Mortgagee; and upon the occurrence of an Event of Default, the Mortgagee will have the right forthwith after the occurrence of such Event of Default to enter upon, take possession of and rent the Lands and receive the rents, issues and profits thereof and apply the same after payment of all necessary charges and expenses, on account of the indebtedness hereby secured.

32.5 In addition to the foregoing rights and powers, the Mortgagee may apply to a court or may appoint by instrument in writing a receiver, receiver-manager or receiver and manager (herein called the "**Receiver**") of the Lands, with or without bond, and may from time to time remove the Receiver and appoint another in his stead. Any Receiver appointed by the Mortgagee as aforesaid is deemed to be the agent of the Mortgagor and the Mortgagor will be solely responsible for the Receiver's acts or defaults and the Mortgagee will not be liable to the Receiver for his remuneration, costs, charges or expenses.

32.6 It is further specifically understood and agreed that the Receiver appointed by the Mortgagee will have the following powers, subject to any limitations in the instrument in writing or Order of the Court, if any, appointing him, namely to:

32.6.1 take possession of the Lands;

32.6.2 carry on or concur in carrying on the business of the Mortgagor in operating the business comprised of the Lands;

32.6.3 sell or lease or concur in selling or leasing any or all of the Lands;

32.6.4 make any arrangements or compromises which the Receiver considers expedient;

32.6.5 borrow money to carry on the business of the Mortgagor comprised of the Lands or to maintain the whole or any part of the Lands in a manner that will, in the opinion of the Receiver, be sufficient to obtain, upon the security of the whole or any part of the Lands, the amounts from time to time required in the opinion of the Receiver and in so doing the Receiver may issue certificates (each herein called a "**Receiver's Certificate**") that may be payable as the Receiver considers expedient and bear interest as stated therein and the amounts from time to time payable under any Receiver's Certificate will charge the Lands in priority to this Mortgage and the Mortgagor hereby charges the Lands with the debt, if any, owing from time to time under any Receiver's Certificate; and

32.6.6 institute and prosecute all suits, proceedings and actions which the Receiver considers necessary for the proper protection of the Lands, to defend all suits, proceedings and actions against the Mortgagor or the Receiver, to appear in and conduct the prosecution and defence of any suit, proceeding or action then pending or thereafter instituted and to appeal any suit, proceeding or action.

32.7 The net revenue of the business comprised of the Lands and the net proceeds of sale of the Lands will be applied by the Receiver subject to the claims of creditors, if any, ranking in priority to this Mortgage as follows:

32.7.1 firstly, in payment of all costs, charges and expenses of and incidental to the appointment of the Receiver and the exercise by him of all or any of the powers aforesaid including the reasonable remuneration of the Receiver and all amounts properly payable to him;

32.7.2 secondly, in payment to the Mortgagee of the principal sum owing hereunder;

32.7.3 thirdly, in payment to the Mortgagee of all costs and charges owing hereunder and interest and arrears of interest remaining unpaid hereunder; and

32.7.4 fourthly, any surplus will be paid to the Mortgagor.

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

32.8 Neither the provisions of this Mortgage nor the exercise of the powers provided in this Mortgage will render the Mortgagee a mortgagee in possession. Any money spent and liabilities incurred by the Mortgagee in taking any such actions will be added to the principal amount, will bear interest at the Mortgage Rate from the date so spent or incurred, will be immediately due and payable by the Mortgagor to the Mortgagee, and will be secured by this Mortgage.

32.9 Notwithstanding any other provisions herein it is understood and agreed by the Mortgagor that upon the occurrence of an Event of Default, the whole of the principal sum hereby secured together with interest thereon at the Mortgage Rate, interest on overdue interest, the full amount of all legal fees on a solicitor and solicitor's own client full indemnity basis, disbursements, costs, charges and expenses incurred by the Mortgagee and all other monies owing or secured under this Mortgage will, at the option of the Mortgagee, immediately become due and be paid and the Mortgagee may exercise any and all rights, remedies, powers and privileges under this Mortgage or under any other Credit Document, or afforded by applicable law, or otherwise available to the Mortgagee.

33. PAYMENT OF LIENS

33.1 The Mortgagor covenants and agrees that the Mortgagee will have the right to:

33.1.1 pay any liens or claims of lien in respect of the Lands whether to the lien claimant or into court in order to obtain a discharge of such liens or claims of lien (without taking or defending any action or proceedings to determine the validity of any lien or claim of lien or the rights or priorities of any lien claimants to or under any such liens or claims of lien); and

33.1.2 pay the Taxes, charges or encumbrances upon the Lands and premiums for insurance and mortgage or any other tax imposed, or that may be imposed on the Mortgagee in respect to the Lands or this Mortgage or monies hereby secured.

33.2 The amounts so paid pursuant to paragraph 33.1 above and also all costs, charges and expenses including the full amount of all legal fees on a solicitor and solicitor's own client full indemnity basis, disbursements, costs, charges and expenses incurred by the Mortgagee which may be incurred before, when or after action is commenced in collecting, procuring or enforcing payment of any of the monies in

default hereunder or in any way enforcing or protecting the security of this Mortgage or enforcing any of the Terms of this Mortgage, or travelling expenses of the Mortgagee, the Mortgagee's servants and agents, and commissions on collection of rent, which may be incurred in the taking, recovering and keeping possession of the Lands or in inspecting the same and generally in any other measures or proceedings taken to realize or collect the monies hereby secured or to perfect the title of the Lands and also all monies paid and expenses incurred by the Mortgagee in connection with the application for this Mortgage loan and in the preparation and perfection of this Mortgage security and in the satisfaction of any charge on the Lands will be secured by the charge hereby granted on the Lands in favour of the Mortgagee and be payable forthwith by the Mortgagor to the Mortgagee with interest at the Mortgage Rate until paid and in default the power of sale hereby given will be exercisable in addition to all other remedies of the Mortgagee. In the event of the monies hereby advanced or any part thereof being applied to the payment of any liens or claims of lien, charges or encumbrances, the Mortgagee will stand in the position and be entitled to all equities of the Person or Persons so paid off, provided that if any liens or claims of lien, charges or encumbrances are filed or recorded against the Lands which may be prior to or for which priority may be claimed over the charge created on the Lands by this Mortgage or any monies advanced or secured under this Mortgage, then upon the filing or recording of any such liens or claims of lien, charges or encumbrances the whole of the principal sum hereby secured together with interest thereon at the Mortgage Rate, interest on overdue interest, the full amount of all legal fees on a solicitor and solicitor's own client full indemnity basis, disbursements, costs, charges and expenses incurred by the Mortgagee and all other monies owing or secured under this Mortgage will, at the option of the Mortgagee, immediately become due and be paid without any action or proceedings to determine the rights and priorities of such liens or claims of lien, charges and encumbrances and the Mortgagee may exercise all remedies to enforce this Mortgage unless the Mortgagor gives and delivers to the Mortgagee within such time as the Mortgagee may from time to time limit such security or monies as the Mortgagee may require from time to time to secure the payment of any such liens or claims of lien, charges and encumbrances and to indemnify the Mortgagee against the payment thereof.

34. OTHER RIGHTS OF THE MORTGAGEE

34.1 The Mortgagor covenants that the Mortgagee may, but will be under no obligation to, at such time or times as the Mortgagee deems necessary and without the concurrence of the Mortgagor or any other Person make such arrangements for the repairing, finishing and putting in order of the Lands, including, without limitation, such repairs, replacements and improvements as are necessary so that the Mortgagor and the Lands comply with Environmental Laws, and for inspecting, maintaining, leasing, collecting the rents of and managing generally the Lands as the Mortgagee deems expedient and all reasonable costs, charges and expenses including an allowance for the time and services of the Mortgagee, the Mortgagee's servants or agents and any other Person or Persons appointed for the above purposes including, without limitation, the full amount of all legal fees on a solicitor and solicitor's own client full indemnity basis, disbursements, costs, charges and expenses incurred by the Mortgagee, will be payable forthwith to the Mortgagee and be a charge upon the Lands and bear interest at the Mortgage Rate until paid.

34.2 The Mortgagor further covenants with the Mortgagee that the Mortgagee may, without any order or direction of the Mortgagor, pay to contractors, subcontractors, materialmen, labourers and other Persons supplying or having a claim for work, services and/or materials supplied in and about the construction, repairing, altering or replacing of the Property or any part thereof on the Lands, any monies due to them for work, services and/or materials, out of the monies being advanced by the Mortgagee under this Mortgage or the Mortgagee may pay for the work, services and/or materials and add all monies so paid to the principal owing under this Mortgage, but nothing herein contained obligates the Mortgagee to pay or advance or continue to pay or advance any such monies after the Mortgagee has paid or advanced any such monies under this Mortgage.

34.3 The Mortgagee may at the Mortgagee's discretion at all times release any part or parts of the Lands or any other security for the monies hereby secured either with or without any consideration therefor and without being accountable for the value thereof or for any monies except those actually received by the Mortgagee and without thereby releasing any other of the Lands or any of the covenants herein contained.

35. BANKRUPTCY AND INSOLVENCY ACT

35.1 The Mortgagor hereby acknowledges and agrees that the security held by the Mortgagee is not all or substantially all of the inventory, accounts receivable or other property of the Mortgagor acquired for or used in relation to any business carried on by the Mortgagor. The Mortgagor hereby further acknowledges and agrees that notwithstanding any act of the Mortgagee by way of appointment of any Person or Persons for the purposes of taking possession of the Lands as agent on behalf of the Mortgagor or otherwise or by taking possession of the Lands itself pursuant to any rights that the Mortgagee may have with respect thereto will not constitute the Mortgagee or any such Person, a receiver within the meaning of subsection 243(2) of the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**"), and that any and all requirements of Part XI of the BIA as it may pertain to obligations of receivers will not be applicable to the Mortgagee with respect to the transaction pursuant to which this Mortgage has been given or with respect to enforcement of this Mortgage or any other security held by the Mortgagee. The Mortgagor hereby acknowledges and agrees that no action will lie against the Mortgagee as a receiver and manager or otherwise for any loss or damage arising from non-compliance with any obligations of a receiver pursuant to the provisions of the BIA whether or not the Mortgagee had reasonable grounds to believe that the Mortgagor was not insolvent.

35.2 The Mortgagor further acknowledges and agrees that any and all costs as may be incurred from time to time by the Mortgagee in order to effect compliance or avoid any adverse ramifications of the BIA will be entirely for the account of the Mortgagor. The Mortgagee will be entitled to incur any such costs, including any costs of its personnel in administering any requirements of the BIA and to add the same to the indebtedness owing pursuant hereto and the same will be secured hereunder and under any and all security held by the Mortgagee for the indebtedness owing to the Mortgagee in the same manner and in the same priority as the principal secured hereunder.

36. INDEMNIFICATION

36.1 The Mortgagor hereby agrees to indemnify and save harmless the Mortgagee, its officers, agents, trustees, employees, contractors, licensees or invitees from and against any and all losses, damages, injuries, expenses, suits, actions, claims and demands of every nature and kind whatsoever and howsoever arising out of the provisions of the Commitment and the other Credit Documents, any letters of credit or letters of guarantee issued, sale or lease of the Lands and/or the use or occupation of the Lands including, without limitation, those arising from the right to enter the Lands from time to time and to carry out the various tests, inspections, management and other activities permitted by the Commitment and the other Credit Documents.

36.2 In addition to any liability imposed on the Mortgagor under any instrument evidencing or securing the indebtedness hereunder, the Mortgagor will be liable for any and all of the Mortgagee's costs, expenses, damages or liabilities, including, without limitation, all reasonable legal fees, directly or indirectly arising out of or attributable to the use, generation, storage, release, threatened release, discharge, disposal or presence on, under or about the Lands of any hazardous or noxious substances. The Mortgagor will be further bound by the representations, warranties and indemnity set out herein.

36.3 The representations, warranties, covenants and agreements of the Mortgagor set forth in this paragraph 36:

36.3.1 are separate and distinct obligations from the Mortgagor's other obligations;

36.3.2 survive the payment and satisfaction of its other obligations and the discharge of the security from time to time taken as security therefor;

36.3.3 are not discharged or satisfied by foreclosure of the charges created by any of the security; and

36.3.4 will continue in effect after any transfer of the Lands including, without limitation, transfers pursuant to foreclosure proceedings (whether judicial or non-judicial) or by any transfer in lieu of foreclosure.

37. NON-MERGER

The Mortgagor's and each Guarantor's obligations as contained in the Commitment and the other Credit Documents will survive the execution and registration of this Mortgage and all advances under this Mortgage, and the Mortgagor agrees that those obligations will not be deemed to be merged in the execution and registration of this Mortgage. All terms and conditions of this Mortgage and other security documentation will be deemed to be incorporated in and form part of the Commitment, except to the extent provided for herein. In the event of conflict between the terms of the Commitment and this Mortgage, the terms of the Commitment will prevail.

38. NOTICES

All notices or other communications to be given pursuant to or in connection with this Mortgage will be in writing, signed by the party giving such notice or by its solicitors, and will be personally delivered or sent by registered mail or facsimile transmission to the party or parties intended at its or their respective addresses for service as set out in this Mortgage. The date of receipt of such notice or demand, if served personally or by facsimile, will be deemed to be the date of the delivery thereof, or if mailed as aforesaid, the date of mailing thereof. For the purposes hereof, personal service on the Mortgagor or any Guarantor will be effectively given by delivery to any officer, director or employee of such Mortgagor or Guarantor. Any party may from time to time by notice given as provided herein change its address for the purpose of this provision.

39. CONSENT OF MORTGAGEE

Whenever the Mortgagor is required by this Mortgage to obtain the consent or approval of the Mortgagee, it is agreed that, subject to any other specific provision contained in this Mortgage to the contrary, the Mortgagee may give or withhold its consent or approval for any reason that it may see fit in its sole and absolute discretion, and the Mortgagee will not be liable to the Mortgagor in damages or otherwise for its failure or refusal to give or withhold such consent or approval, and all costs of obtaining such approval will be for the account of the Mortgagor.

40. DISCHARGE

40.1 The Mortgagee will have a reasonable period of time after payment in full of the monies hereby secured within which to prepare and execute a discharge of this Mortgage; and interest as aforesaid will continue to run and accrue until actual payment in full has been received by the Mortgagee; and all legal and other expenses for the preparation and execution of such discharge will, together with the Mortgagee's fee for providing same, be borne by the Mortgagor. The discharge will be prepared and executed by such Persons as are specifically authorized by the Mortgagee and the Mortgagee will not be obligated to execute any discharge other than a discharge which has been so authorized.

40.2 If this Mortgage, the Commitment or any other document provides for the giving of partial discharges of this Mortgage, it is agreed that, notwithstanding any other provision to the contrary, the Mortgagor will not be entitled to request or receive any such partial discharge if and for so long as the Mortgagor is in default under this Mortgage, the Commitment or any other Credit Document.

41. SERVICING FEES

All servicing fees as herein provided are intended to and will be in an amount sufficient in the sole opinion of the Mortgagee to compensate the Mortgagee for its administrative costs and will not be deemed a penalty. The amount of such servicing fees if not paid will be added to the principal amount secured hereunder, and will bear interest at the rate aforesaid and the Mortgagee will have the same rights with respect to collection of same as it does with respect to collection of principal and interest hereunder or at law.

42. LEASES

The Mortgagor covenants with the Mortgagee to keep, observe and perform and to require all tenants to keep, observe and perform all of the covenants, agreements, provisos, terms, conditions and provisions of any present or future leases, subleases and tenancy agreements of any portion of the Lands on their respective parts to be kept, observed and performed and in case the Mortgagor neglects or refuses to do so, then the Mortgagee may perform and comply with or require performance and compliance by the tenants with any of the covenants, agreements, provisos, terms, conditions and provisions of such leases, subleases and tenancy agreements and any sums expended by the Mortgagee in performance or compliance therewith or in enforcing such performance or compliance by the tenants, including, without limitation, the full amount of all legal fees on a solicitor and solicitor's own client full indemnity basis, disbursements, costs, charges and expenses incurred by the Mortgagee, will bear interest from the date of such expenditures at the Mortgage Rate and be paid by the Mortgagor to the Mortgagee upon demand and will be a part of the mortgage debt secured hereby and recoverable as such in all respects.

42.1 The Mortgagor hereby covenants with the Mortgagee that unless the Mortgagee will have otherwise agreed with the Mortgagor in writing the Mortgagor will not execute nor deliver any new leases, subleases or tenancy agreements with or in favour of any tenants unless such tenants will agree in writing with the Mortgagor as a condition of any lease, sublease or tenancy agreement to enter into agreements with the Mortgagee, or any *bona fide* purchaser therefrom, to the effect that, upon the written request and at the sole discretion of the Mortgagee, or any *bona fide* purchaser therefrom, such tenants will preserve their respective leases, subleases or tenancy agreements for the respective terms thereof and any extensions or renewals thereof which may be effective in accordance with any option therefor or otherwise, and that they will attorn to the Mortgagee or such bona fide purchaser in the event of a foreclosure or other legal proceedings which might otherwise result in the loss or cancellation or termination of any such leases, subleases or tenancy agreements.

42.2 The Mortgagor covenants with the Mortgagee that the Mortgagor will not, subsequent to the execution of this Mortgage, execute or deliver any mortgage, debenture or financial encumbrance charging the Lands, or any part thereof, which is or may be subordinate hereto unless the Mortgagor first obtains from the owner of such mortgage, debenture or financial encumbrance an agreement in writing to continue to recognize any present or future tenants, leases, subleases, and tenancy agreements of or pertaining to the Lands, or any part thereof, which the Mortgagee herein requires to be recognized or preserved in the event of foreclosure, even after a foreclosure by the owner of any such mortgage, debenture or financial encumbrance for the balance of the terms of the respective leases, subleases or tenancy agreements and any extensions or renewals thereof which may be effected in accordance with any option therefor or otherwise.

42.3 The Mortgagor covenants with the Mortgagee that the Mortgagor will not request, obtain or permit the subordination or postponement of any lease, sublease or tenancy agreement to any mortgage, debenture or other financial encumbrance registered subsequent to this Mortgage without the prior written consent of the Mortgagee hereunder.

42.4 The Mortgagor covenants with the Mortgagee that the Mortgagor will not lease or agree to lease all or any part of the Lands except at a rent, on terms and conditions and to tenants which are not less favourable or desirable to the Mortgagor than those which a prudent landlord would expect to receive for the premises to be leased.

43. LEASEHOLD MORTGAGE

43.1 If the Lands comprise the interest of the Mortgagor in and to a lease, agreement to lease, tenancy, right of use or occupation or licence of the Lands (collectively, the "**Lease**") the charge created by this Mortgage will include the unexpired term of the Lease and any renewal thereof from the date of this Mortgage except the last day thereof, and the mortgage and charge created hereby will be by way of sub-demise and the Mortgagor will stand possessed of the last day of the term or any renewal term of the Lease in trust for the Mortgagee, and will sell and assign the last day of the term or any renewal term as the Mortgagee may direct, but subject to the same right of redemption and other rights as are hereby given to the Mortgagor. Nothing in this section nor the acts of the Mortgagor or Mortgagee contemplated by this section will constitute the Mortgagee as a mortgagee in possession.

43.2 The Mortgagor releases to the Mortgagee all claim and right to the Lease and assigns to the Mortgagee the full benefit of all covenants, rights and powers contained in the Lease subject to the same right of redemption as granted by the Terms of this Mortgage.

43.3 The Mortgagor represents, warrants and covenants that:

43.3.1 the Mortgagor will pay the rent due under the Lease and observe all promises, covenants and obligations contained in the Lease and will not commit any acts or default which may cause the Lease to be forfeited or determined and agrees to indemnify the Mortgagee for all actions, claims and demand in respect of the said rent, promises, covenants and obligations;

43.3.2 the Lease is valid and subsisting and the Mortgagor has not done, omitted or permitted anything to be done which would cause the Lease to become in any way impaired or invalid;

43.3.3 the Mortgagor has a good and valid right to assign and sublet the Lease and has obtained the consent of the lessor to the extent required under the Lease;

43.3.4 the Mortgagor will not, during the continuance of this Mortgage, surrender or terminate the Lease or permit any amendments of the terms of the Lease or otherwise deal with or assign the Lease other than as allowed herein;

43.3.5 a default under the Lease will be an Event of Default; and

43.3.6 reference in this Mortgage to charges payable will include all taxes, assessments, rates, costs payable by the Mortgagor under the Lease.

44. ASSIGNMENT OF RENTS

44.1 For good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by the Mortgagor), and in order to induce the Mortgagee to make the loan secured by this Mortgage, and as additional security for the payment of principal and interest owing under this Mortgage and the observance and performance of all of the Terms of this Mortgage, the Mortgagor hereby assigns, transfers, sets over and grants to the Mortgagee any and all rents or other moneys (herein collectively called the "**Rents**") due or accruing due or at any time hereafter to become due under any and all leases, agreements to lease and tenancy agreements whether written or verbal, now or hereafter existing, with respect to the Lands (herein collectively called the "**Leases**") and all benefits and advantages to be derived from the Leases, and all guarantees of and security for payment of amounts due under the Leases and all covenants of the tenants, guarantors, covenantors and indemnifiers therein contained, and the right to collect and receive payment of the Rents, together with all the right, title and interest of the Mortgagor, as landlord, in the Leases and any renewals thereof and options to lease or purchase, if any therein contained, to have and to hold and to receive the same unto the Mortgagee, its successors and assigns, until the whole of the principal sum, interest and other costs, charges and moneys owing under this Mortgage have been fully paid and satisfied and all obligations and covenants of the Mortgagor under this Mortgage have been duly performed and satisfied.

44.2 The Mortgagor hereby covenants and agrees with the Mortgagee that:

44.2.1 The Mortgagor will be permitted to collect and receive the Rents as and when they will become due and payable according to the terms of the Leases, unless and until there will be default made in any payment provided for in this Mortgage or any security collateral hereto or until the breach of any covenant on the part of the Mortgagor contained in this Mortgage or any security collateral hereto in which case the Mortgagee may give notice in writing to the tenant, sub-tenant, occupier, licensee or guarantor advising of default. In such event the Mortgagor hereby irrevocably directs such tenant, sub-tenant, occupier, licensee or guarantor to make payments of the Rents to the Mortgagee or as the Mortgagee may direct, upon being furnished with a copy of this Mortgage and the aforesaid notice in writing, without any further direction or authority being required by such tenant, sub-tenant, occupier, licensee or guarantor.

44.2.2 Upon the occurrence of an Event of Default, the Mortgagee, its successors or assigns at its or their option and without further consent thereto by the Mortgagor or any subsequent owner of the Lands, may enter in and upon the Lands and take possession thereof and collect the Rents thereof, and do every act and thing that such Mortgagor or any subsequent owner of the Lands might or could do.

44.2.3 Neither the execution and delivery of this Mortgage, including the Assignment contained in paragraph 44 hereof (herein called the "**Assignment**"), nor anything done by virtue hereof will render the Mortgagee in possession or in any way accountable or liable as such, nor will the Mortgagee be or be deemed to be, or to have assumed the status of a landlord by virtue of the Assignment or of anything done by virtue hereof.

44.2.4 Nothing herein contained will be deemed to have the effect of making the Mortgagee, its successors and assigns, responsible for the collection of the Rents or any part or parts thereof or for the observance or performance of any of the covenants, terms or conditions either by the Mortgagor or the respective tenants or sub-tenants under the Leases to be observed and performed.

44.2.5 The Mortgagee will be liable to account only for such moneys as may actually come into its hands by virtue of the Assignment, less proper collection fees and charges, including legal fees on a solicitor and solicitor's own client full indemnity basis, and such moneys when so received by the Mortgagee will be applied on account of the moneys secured by this Mortgage, provided that the Mortgagee will not be responsible for any act or default of any agent employed by the Mortgagee for the collection of the Rents or for the care of or dealing with the Lands.

44.2.6 The giving of the Assignment is by way of additional and equal ranking security for the moneys secured by the mortgage of the Lands granted pursuant to paragraph 3.1 hereof and not in substitution for or in satisfaction of the same and that this mortgage of the Lands or any other security collateral hereto will not be merged thereby and in case of default in any of the provisions of any security for the said moneys loaned, including, without limitation, the Assignment, proceedings may be taken under either the mortgage of the Lands or any security collateral thereto, including the Assignment, or all or any of them in any order, at the sole option and discretion of the Mortgagee.

44.2.7 The Mortgagor will not, without the consent in writing of the Mortgagee, accept prepayment of any of the Rents due or to accrue due in respect of the Leases, or any of them, but will accept payment thereof only in the amounts and on the days and at the times and in the manner stipulated in the Leases.

44.2.8 The Mortgagor will not, without the consent in writing of the Mortgagee, assign, pledge, or hypothecate any of the Leases or the Rents, or any part thereof, other than to the Mortgagee and will not do or omit to do or permit any act to be done which either directly or indirectly has the effect of waiving, releasing, reducing or abating any rights or remedies of the Mortgagor or obligations of any other party thereunder or in connection therewith without the consent in writing of the Mortgagee.

44.2.9 The Assignment will be deemed to apply to and have effect in respect of any further or other lease, renewal of lease, agreement for lease or tenancy agreement of the Lands (including any addition to or extension of the Lands) or any part or parts thereof which may exist during the currency of this Mortgage, whether in substitution for or in addition to the original Leases.

44.2.10 Should the Mortgagee in its absolute discretion deem it advisable to take proceedings, either judicial or extra-judicial by way of distress or otherwise for the enforcement of the payment of the Rents herein assigned, the Mortgagor will join with the Mortgagee in such proceedings and does hereby grant to the Mortgagee irrevocable authority to joint the Mortgagor in such proceedings.

44.2.11 There is or has been no default, right of set-off, previous assignment (except to the Mortgagee), commutation or prepayment of, or with respect to, the Rents, and that the Mortgagor will not, without the consent in writing of the Mortgagee, permit any cancellation, surrender or variation of any of the Leases or of the terms, covenants, provisos, or conditions thereof.

44.2.12 The Mortgagor will from time to time on demand furnish to the Mortgagee a current list of all of the Leases and the Rents in such detail as the Mortgagee may reasonably require.

44.2.13 The Mortgagor will at the request of the Mortgagee from time to time give any other party to any of the Leases notice of the Assignment or any specific assignment of any of the Leases and will obtain from such other party acknowledgements of such notice, such notice and acknowledgement to be in the forms delivered to the Mortgagor by the Mortgagee.

44.2.14 The Mortgagor will execute such further assurances as may be reasonably required by the Mortgagee from time to time to perfect the Assignment.

45. FURTHER ASSIGNMENT OF RENTS AND SECURITY AGREEMENT

45.1 The Mortgagor covenants and agrees with the Mortgagee that:

45.1.1 The Mortgagor will, at the request of the Mortgagee, forthwith execute and deliver to the Mortgagee a general assignment of rents and leases and a specific assignment of rents and leases with respect to all leases and tenancies of any or all parts of the Lands, such assignment or assignments to be in favour of the Mortgagee, in form and content acceptable to the Mortgagee and to constitute the only assignment of rents and leases of the Lands other than the Assignment granted pursuant to paragraph 44 of the Terms of this Mortgage, and the Mortgagor will pay on demand to the Mortgagee the full amount of all legal fees, disbursements, costs, charges, registration fees and other

expenses incurred by the Mortgagee in the preparation, registration and renewal of registration of the said assignments from time to time.

45.1.2 The Mortgagor will, at the request of the Mortgagee, forthwith execute and deliver to the Mortgagee such security agreements as the Mortgagee may require from time to time in order to create in favour of the Mortgagee a valid, enforceable and perfected security interest in all present and future property, assets, rights and undertaking in which the Mortgagor now or hereafter has any interest and located on, arising from, relating to or in connection with the Lands or any part thereof (herein collectively called the "**Collateral**"), such security agreements to be in favour of the Mortgagee, in form and content acceptable to the Mortgagee and to constitute at all times a valid first mortgage, charge and security interest in the Collateral, and the Mortgagor will pay on demand to the Mortgagee the full amount of all legal fees, disbursements, costs, charges, registration fees and other expenses incurred by the Mortgagee in the preparation, registration and renewal of registration of the said security agreements and security interests from time to time.

46. STRATA TITLE PROVISIONS

46.1 The Mortgagor covenants and agrees with the Mortgagee that if the Lands or any part thereof charged by this Mortgage are a strata lot or strata lots or are at any time subdivided into a strata lot or strata lots under the provisions of the *Strata Property Act* (British Columbia) and any amendments thereto or any statute enacted in replacement thereof (herein called "***Strata Property Act***") then and in such event:

46.2 The Mortgagor will observe and perform all the covenants, agreements, provisos, terms, conditions and provisions required to be observed and performed under or pursuant to this Mortgage, the *Strata Property Act*, and any bylaws, rules and regulations that may be passed by the strata corporation of which the Mortgagor is a member by virtue of his interest in the strata lot or lots hereby charged (herein called the "**Strata Corporation**") or any special interest section thereof.

46.3 The Mortgagor will pay on or before the due dates thereof the share of common expenses and each and every assessment, contribution or levy made by the Strata Corporation or any special interest section thereof against the strata lot or lots and interest in the common property hereby charged. In the event that the Mortgagor fails to pay the share of the common expenses or fails to pay any one or more assessments, contributions or levies on or before their due date, or in the event that the Strata Corporation or any special interest section thereof registers a certificate in Form B of the Schedule to the *Strata Property Act* in any Land Title Office, such event will constitute an Event of Default under this Mortgage and at the option of the Mortgagee, the whole of the principal balance, interest, costs and charges then owing hereunder will forthwith become due and be paid. Should the Mortgagor fail to pay the share of any common expenses, assessments, contributions or levies, the Mortgagee may make the payments but will not be obliged to do so. Any amount so paid by the Mortgagee will be added to and form

part of the principal owing hereunder and that amount together with the interest thereon will be paid to the Mortgagee forthwith without demand.

46.4 The Mortgagor will provide to the Mortgagee within ten (10) days of demand by the Mortgagee a certificate in Form A of the Schedule to the *Strata Property Act* certifying that no moneys are owing to the Strata Corporation by the Mortgagor.

46.5 The Mortgagor will not without the prior written consent of the Mortgagee:

46.5.1 assign any of the Mortgagor's rights, powers, duties or obligations under the *Strata Property Act* or the bylaws created under the *Strata Property Act*; or

46.5.2 give possession of the strata lot or lots hereby charged to any person on the basis of an agreement providing for the purchase of the strata lot or lots hereby charged by the occupier or on the basis of a lease, sublease or assignment of lease for a term of three years or more.

46.6 The Mortgagor hereby grants to the Mortgagee all the right and power to vote conferred on the Mortgagor by the *Strata Property Act*, but it is agreed that neither this provision nor anything done by virtue thereof will render the Mortgagee a Mortgagee in possession. The Mortgagor hereby acknowledges receipt of written notice that the Mortgagee intends to exercise its power to vote on any matters relating to insurance, maintenance, finance or other matters affecting the security for the Mortgage hereby granted, and the Mortgagor agrees that no additional notice need be given to the Mortgagor to permit the Mortgagee to exercise the right and power to vote conferred on the Mortgagor in respect of such matters. It is understood that the Mortgagor may at any duly called meeting of the Strata Corporation of which the Mortgagee has received written notice, exercise the right to vote on the aforesaid matters if the Mortgagee is not, by its authorized representative, agent or proxy, present at such meeting.

46.7 The right and power to vote granted herein to the Mortgagee does not impose upon the Mortgagee any duty or obligation whatsoever to protect the interest of the Mortgagor, and the Mortgagee will not be responsible for the consequences of any exercise of the right to vote or any failure to exercise the right to vote.

46.8 Pursuant to the *Strata Property Act*, the Mortgagor hereby authorizes in writing the Mortgagee or any officer of the Mortgagee to apply at any time and from time to time during the term hereof to the Strata Corporation to have the bylaws for the time being in force governing the strata lot and interest in the common property hereby mortgaged made available for inspection by the Mortgagee or such officer of the Mortgagee.

46.9 Pursuant to the *Strata Property Act*, the Mortgagor hereby authorizes in writing the Mortgagee or any officer of the Mortgagee to apply at any time and from time to time to the Strata Corporation for certification to the Mortgagee of the following, and hereby authorizes the Strata Corporation to give such certifications:

46.9.1 the amount of any contribution determined as the contribution of the Mortgagor under the *Strata Property Act*;

46.9.2 the manner in which the contribution is payable;

46.9.3 the extent to which the contribution has been paid;

46.9.4 the amount of any money expended by the Strata Corporation on behalf of the Mortgagor under the *Strata Property Act* and not recovered by it;

46.9.5 the amount, if any, by which the expenses of the Strata Corporation for the current fiscal year are expected to exceed the expenses budgeted for the fiscal year;

46.9.6 the amount of the contingency reserve fund;

46.9.7 that there are no amendments to the bylaws not filed in the Land Title Office other than those certified;

46.9.8 that no notices have been given for a unanimous or special resolution that has not been voted on, other than those certified; and

46.9.9 that there are no pending proceedings against the Strata Corporation of which the Strata Corporation is aware other than those certified.

46.10 The Mortgagor hereby appoints the Mortgagee to be the Mortgagor's agent to examine, inspect and obtain copies of any and all records, minutes, books of account or other documents of any nature and kind whatsoever which the Mortgagor is entitled to examine or inspect.

47. NO PREPAYMENTS

Save and except as otherwise provided for in the Commitment or any schedule to a specific charge, the Mortgagor will have no right to prepay all or any part of the amount outstanding under this Mortgage prior to the maturity date thereof.

48. NO PARTIAL DISCHARGES

Save and except as otherwise provided for in the Commitment or any schedule to a specific charge, the Mortgagor will have no right to obtain a partial discharge(s) of this Mortgage.

49. ABANDONMENT

In the event of abandonment of the Project for a period in excess of fifteen (15) consecutive days, the Mortgagee will be entitled, after giving the Mortgagor written notice of any abandonment and provided the Mortgagor fails to rectify same within ten (10) days after such notice, has been given, to forthwith withdraw and cancel its obligations hereunder and/or decline to advance further funds as the case may be and in addition to declare any funds advanced to forthwith become due and payable plus interest all at the Mortgagee's option.

50. MISCELLANEOUS

50.1 The Mortgagor covenants and agrees with the Mortgagee that any payments under this Mortgage, whether of principal, interest or other sums received by the Mortgagee after 12:00 p.m. (Vancouver, British Columbia time) on any day will be deemed to have been received by the Mortgagee and credited to the Mortgagor's account under this Mortgage on the next following business day of the Mortgagee in Toronto, Ontario.

50.2 No extension of time given by the Mortgagee to the Mortgagor or to anyone claiming under the Mortgagor or any other dealing by the Mortgagee with the owner of the equity of redemption of the Lands will in any way affect or prejudice the rights of the Mortgagee as against the Mortgagor or any covenantor, guarantor, surety, or any other person liable for the payment of the moneys hereby secured.

50.3 Until the occurrence of an Event of Default hereunder the Mortgagor will have quiet possession of the Lands, but nothing herein contained will create the relationship of landlord and tenant between the Mortgagee and the Mortgagor.

50.4 The Mortgagor agrees that this Mortgage secures a current or running account and any portion of the principal amount of this Mortgage may be advanced or re-advanced by the Mortgagee in one or more instalments at any future date or dates and the amount of such advances and re-advances when so made will be secured by this Mortgage and be repayable with interest at the Mortgage Rate and this Mortgage is deemed to be security for the ultimate balance of moneys advanced hereunder together with interest, costs and other charges, if any. This Mortgage will not be considered to have been redeemed only because the advances and readvances made to the Mortgagor have been repaid or the accounts of the Mortgagor with the Mortgagee cease to be in debit.

50.5 The Mortgagee's rights of consolidation will be deemed not to be diminished or limited in any way by Section 31 of the *Property Law Act* (British Columbia) and any amendments thereto or provisions enacted in replacement thereof.

50.6 The provisions of the Commitment which are not expressly restated herein or in any collateral or other security documentation which is to be executed and delivered to the Mortgagee by the Mortgagor or any Guarantor or guarantor, will survive the execution and registration of this Mortgage and there will be no merger of such provisions in this Mortgage or the collateral or other security documents, until the Mortgagor and the Mortgagee, by an appropriate instrument in writing so declare. If there will exist any conflict between the terms of the Commitment and the Terms of this Mortgage, then the Terms of this Mortgage will govern and take precedence. It is understood and agreed that a default under the terms of the Commitment or any other Credit Document will constitute an Event of Default under this Mortgage and will entitle the Mortgagee to exercise all of its rights and remedies contained in this Mortgage and the other Credit Documents.

50.7 The Mortgagor covenants and agrees with the Mortgagee that:

50.7.1 the Mortgagor will pay all costs, charges and expenses incurred in enabling the Mortgagor's title to the Lands to be registered in the Land

Title Office and in the preparation and registration of this Mortgage, which costs, charges and expenses will become payable forthwith and be a charge upon the Lands and bear interest at the Mortgage Rate until paid and the Mortgagee upon the payment of the principal moneys or part thereof will have the right to prepare the release of this Mortgage from the Lands or any portion of the Lands and the costs, charges and expenses, legal or otherwise, of the preparation of such release will be paid by the Mortgagor before such release is delivered to the Mortgagor; and

50.7.2 the Mortgagor will pay, and indemnify the Mortgagee in respect of the full amount of all fees, costs, charges and expenses including the full amount of all legal fees on a solicitor and solicitor's own client full indemnity basis, disbursements, costs, charges and expenses which may be incurred by the Mortgagee before or after action is commenced in collecting, procuring or enforcing payment of any of the moneys in default under this Mortgage or in any way enforcing or protecting the security of this Mortgage or enforcing any of the Terms of this Mortgage, travelling expenses of the Mortgagee, the Mortgagee's servants and agents and commissions on collection of rent, which may be incurred in the taking, recovering and keeping possession of the Lands or in inspecting the same and generally in any other measures or proceedings taken to realize or collect the moneys hereby secured or to perfect the title of the Lands, all of which such amounts will be a charge on the Lands in favour of the Mortgagee and will be payable forthwith by the Mortgagor to the Mortgagee with interest at the Mortgage Rate until paid and in default of payment, the Mortgagee may exercise any and all remedies of the Mortgagee under this Mortgage or otherwise available to the Mortgagee. The Mortgagor hereby irrevocably consents and agrees to an award of legal costs and expenses on a solicitor and solicitor's own client full indemnity basis by any court under Section 20 of the *Law and Equity Act* (British Columbia), as amended, or any provision enacted in replacement therefor, in any foreclosure proceeding in respect of this Mortgage.

50.8 The Mortgagor and the Mortgagee acknowledge and agree that it is their express intention and desire that in no event will the total payment to the Mortgagee whether for interest, fees, bonus, additional consideration or otherwise exceed the maximum payment permitted under Section 347 of the Criminal Code (Canada), as amended, or any provision enacted in replacement therefor, and the parties further acknowledge and agree that notwithstanding any other terms or conditions of this Mortgage or any additional security documents or agreements, the interest payable on the credit advanced under this Mortgage (as "interest" and "credit advanced" are defined in Section 347 of the Criminal Code (Canada), as amended, or any provision enacted in replacement therefor), will not exceed an effective annual rate of interest of sixty (60%) percent calculated in accordance with generally accepted actuarial practices and principles. In the event that the Mortgagor would, but for this clause, be obligated to pay interest on the credit advanced under this Mortgage at a criminal rate (as "interest", "credit advanced" and "criminal rate" are defined in Section 347 of the Criminal Code (Canada), as amended, or any provision enacted in replacement therefor), the interest payable

on the credit advanced hereunder will be reduced to an effective annual rate of sixty (60%) percent, calculated in accordance with generally accepted actuarial practices and principles, firstly by reducing to the extent necessary the amount of any bonus payable hereunder, secondly (if required) by reducing to the extent necessary the amount of fees or commissions or other consideration other than interest payable hereunder, and thirdly (if required) by reducing to the extent necessary the Mortgage Rate. In the event that the Mortgagor has paid to the Mortgagee interest at a criminal rate on the credit advanced under this Mortgage (as "interest", "credit advanced" and "criminal rate" are defined in Section 347 of the Criminal Code (Canada), as amended, or any provision enacted in replacement therefor), the Mortgagee will at the request of the Mortgagor refund to the Mortgagor an amount equal to the amount by which such interest exceeds the criminal rate. The provisions of this Mortgage will be modified and are deemed to be modified to the extent necessary to effect the foregoing.

51. GENERAL (DOCUMENT/DRAFTING ISSUES)

51.1 The implied covenants deemed to be included in a mortgage under column 2 of section 15 of Schedule 6 of the *Land Transfer Form Act*, R.S.B.C. 1996 c.252 (as amended from time to time), are expressly excluded and replaced by the Terms of this Mortgage.

51.2 If the Mortgagor consists of more than one Person, then the covenants herein contained of the Mortgagor will be and be deemed to be several as well as joint.

51.3 Paragraph titles are inserted in the Terms of this Mortgage for convenience only and are not to be taken into account or looked at for the purpose of interpreting and giving full effect to the true meaning and intent of this Mortgage.

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

51.5 This Mortgage will be governed by and construed in accordance with the laws of the Province of British Columbia.

51.6 All grants, covenants, provisos, agreements, rights, powers, privileges and liabilities contained in this Mortgage are to be read and held as made by, with, granted to and imposed upon the parties hereto and their respective heirs, executors, administrators, successors and assigns as if the words had been inscribed in all the necessary places.

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

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

52. COUNTERPARTS

The Mortgage may be executed and/or registered in counterparts, each of which, so executed, and/or registered will be deemed to be an original and such counterparts together will constitute one and the same instrument, and notwithstanding their date of execution will be deemed to bear date as of the date above written.

End Of Document

Land Title Act

Declaration

I, KAITLYN SAWYER, DECLARE THAT:

1. I am a lawyer with Blake, Cassels & Graydon LLP, the Applicant with respect to registration of a Form B Mortgage (the "Mortgage") granted by Keltic (Prior) GP Ltd.

2. Attached to this Declaration is an Affidavits of Execution regarding execution of the Mortgage by Keltic (Prior) GP Ltd.

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 document by an e-filing direction made under section 168.22(2) of the act, or

(b) 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, or

(c) If the purpose of this declaration is to bring to the attention of the registrar an error, omission or misdescription in a previously submitted document under section 168.55 of the act, you certify that, based on your personal knowledge or reasonable belief, this declaration sets out the material facts accurately.

Kaitlyn Maeve Sawyer XTUU86

Digitally signed by Kaitlyn Maeve Sawyer XTUU86
Date: 2023-01-27 10:53:22 -08:00

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

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AFFIDAVIT OF EXECUTION

I, Adam Lazar, Barrister and Solicitor of Koffman Kalef LLP, of 19th Floor, 885 West Georgia Street, Vancouver, British Columbia, make oath and say:

1. I am 16 years of age or older and have personal knowledge that the person who executed the attached Form B Mortgage (the "**Instrument**") as authorized signatory for Keltic (Prior) GP Ltd. (the "**Borrower**") was authorized to do so by the Mortgagor.

2. I am acquainted with the signature of Li Lei, the authorized signatory of the Borrower, and believe that the signature subscribed to the Instrument is the signature of the authorized signatory of the Borrower.

3. The Borrower existed at the time the Instrument was executed and are legally entitled to hold and dispose of land in British Columbia.

4. The signature was not certified by an officer under Part 5 of the *Land Title Act*, R.S.B.C. 1996, c. 250 because it is medically unsafe to meet the authorized signatory of the Borrower in person due to COVID-19.

SWORN before me at the City of Vancouver in the Province of British Columbia this 23 day of January, 2023.

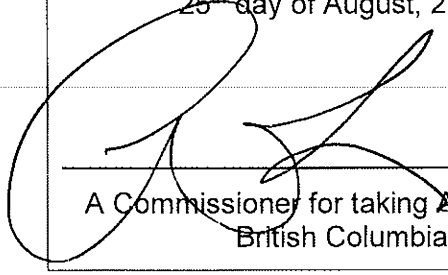
Signature

ADAM LAZAR

A Commissioner for Taking Affidavits for British Columbia

COREY KROHMAN
Barrister & Solicitor
19th Flr. 885 W. Georgia St.
Vancouver, B.C. V6C 3H4

This is **Exhibit** " J " referred to in the 1st Affidavit of Raymond Ng sworn before me at Vancouver, British Columbia, on this 25th day of August, 2025.



A Commissioner for taking Affidavits for British Columbia

Colin Brousson
Barrister & Solicitor
DLA Piper (Canada) LLP
1133 Melville Street, Suite 2700
Vancouver, BC V6E 4E5
604.687.9444

DocuSign Envelope ID: 539E9DCB-E545-4D15-BC55-ED7EAB90A118

BENEFICIAL CHARGE AGREEMENT AND NOMINEE DIRECTION

1/20/2023 | 6:55 下午 PST

Dated for reference January ___, 2023

TO: **KELTIC (PRIOR) GP LTD.** (the "**Nominee**")

AND TO: **SHAPE CAPITAL CORP.**

The undersigned, Keltic (Prior) Development Limited Partnership (the "**Beneficial Owner**"), for valuable consideration (the receipt and sufficiency of which are hereby acknowledged), hereby:

1. represents and warrants to Shape Capital Corp. on behalf of TS Alpha Venture Limited Partnership (collectively, the "**Lender**") that:

   (a) the Nominee holds title to the real property (the "**Real Property**") described in Schedule A hereto as trustee for the Beneficial Owner pursuant to the terms of the amended and restated bare trust and agency agreement dated as of August 3, 2022 (the "**Trust Declaration**") between the Nominee and the Beneficial Owner, a true, correct and complete copy of which Trust Declaration is attached hereto as **Schedule B**;

   (b) some or all of the personal property (the "**Personal Property**") attached to, located at, or arising from, the Real Property, or otherwise relating to the Real Property or the construction, development, furnishing, operation or sale of the Project (as such term is defined in the Commitment dated November 24, 2022 provided by the Lender to, *inter alios*, the Beneficial Owner and the Nominee, the "**Commitment**"), may be held by the Nominee as trustee for the Beneficial Owner;

   (c) the Beneficial Owner is the sole beneficial owner of the Real Property and the Personal Property and no other person other than the following has any interest, legal or equitable, in the Real Property or any part thereof:

      (i) the Nominee;

      (ii) the Beneficial Owner;

      (iii) the Lender,

      (iv) pursuant to the sale agreement dated February 11, 2022 between the Beneficial Owner, as vendor, and Masimo Canada ULC (the "**Purchaser**"), as purchaser, the Purchaser; and

      (v) any other person with any interest registered against title to the Real Property in the Land Title Office;

   (d) the Nominee has full power, capacity and authority to hold the Real Property and any Personal Property held by it as trustee for the Beneficial Owner and to mortgage and charge the Real Property and to assign the rents arising from the Real Property in favour of the Lender pursuant to the terms of a mortgage (the

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"**Mortgage**"), to grant a security interest in any and all Personal Property held by it to the Lender pursuant to the terms of a security agreement (the "**Security Agreement**"), and to execute such other documents and instruments as may be required by the Lender;

(e) the Nominee is not carrying on a business that is a trust business as defined in Section 1(1) of the *Financial Institutions Act* of British Columbia;

2. irrevocably authorizes and directs the Nominee, together with the Beneficial Owner, to borrow a loan in the maximum principal amount of $85,000,000.00 (the "**Loan**") from the Lender pursuant, *inter alia,* to the terms of the Commitment;

3. as security for, *inter alia*, the payment and performance of all obligations, debts and liabilities of the Beneficial Owner and the Nominee in connection with the Loan (such obligations, debts and liabilities collectively referred to as the "**Indebtedness**"), irrevocably authorizes, directs and empowers the Nominee:

   (a) to grant, mortgage and charge to and in favour of the Lender all of the legal and beneficial estate, right, title, interest and claim of each of the Beneficial Owner and the Nominee in and to the Real Property, and to grant, execute and deliver to the Lender the Mortgage;

   (b) to assign to the Lender all rents and other money (collectively, the "**Rents**") due or accruing due under or pursuant to each and every present and future, written or unwritten lease, agreement for lease, tenancy agreement, licence, concession, franchise and right of use or occupancy of the Real Property or any part thereof and in any and all guarantees and indemnities (collectively, the "**Guarantees**") with respect thereto; and

   (c) to execute and deliver to the Lender such other documents and instruments as the Lender may require;

4. agrees that:

   (a) the Mortgage shall be in the form attached as Schedule C hereto; and

   (b) the Security Agreement shall be in such form as may be agreed to by the Lender and executed by the Beneficial Owner;

5. adopts as its own covenants, agreements, representations and warranties each and every covenant, agreement, representation and warranty contained in the Mortgage on the part of the Nominee to be observed, performed and made and hereby covenants and agrees with the Lender to observe, perform and make and to cause the Nominee to observe, perform and make each and every such covenant, agreement, representation and warranty;

6. in addition to and without limiting section 5, covenants that, upon the occurrence of an Event of Default (as defined in the Mortgage) it shall direct and compel the Nominee to act in accordance with the instructions of the Lender and to take all steps, as required by the Lender, in its sole discretion, in connection with any enforcement proceedings commenced by the Lender under the Mortgage;

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7. for greater certainty and as further security for the payment and performance of the Indebtedness, HEREBY:

   (a) GRANTS, MORTGAGES AND CHARGES as and by way of a fixed and specific mortgage and charge to and in favour of the Lender all of its estate, right, title, interest and claim in and to the Real Property and all buildings, erections, improvements, fixed apparatus, fixed equipment, fixed machinery and fixed plant now or at any time hereafter construed, erected, installed or located thereon, including any other or greater right, title or interest and claim therein or thereto or in or to any part thereof which it may acquire and hold during the currency of the Mortgage after the date hereof; PROVIDED that this mortgage and charge shall be on the same terms and conditions as are contained in the Mortgage and shall be void upon the payment and satisfaction in full of the Indebtedness and all other debts and liabilities secured by the Mortgage; and

   (b) ASSIGNS to the Lender on the same terms and conditions as are contained in the Mortgage all of its estate, right, title, interest and claim in and to all rents and guarantees until payment and satisfaction in full of the Indebtedness and all other debts and liabilities secured by the Mortgage.

1/20/2023 | 6:55 下午 PST

EXECUTED this _____ day of January, 2023.

Beneficial Owner:

KELTIC (PRIOR) DEVELOPMENT LIMITED PARTNERSHIP, by its general partner, **1319191 B.C. LTD.**

DocuSigned by:
By: _____
31D5937AD5B5443...
Name: Li Lei
Title:

By: _____
Name:
Title:

Nominee:

KELTIC (PRIOR) GP LTD.

DocuSigned by:
By: _____
31D5937AD5B5443...
Name: Li Lei
Title:

By: _____
Name:
Title:

DocuSign Envelope ID: 539E9DCB-E545-4D15-BC55-ED7EAB90A118

SCHEDULE A
REAL PROPERTY

(PID)	(Legal Description)
031-756-093	Lot 1 District Lots 196 And 2037 Group 1 New Westminster District Plan EPP111791

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SCHEDULE B
AMENDED AND RESTATED BARE TRUST AND AGENCY AGREEMENT

(see attached)

AMENDED AND RESTATED BARE TRUST AND AGENCY AGREEMENT

THIS AGREEMENT is dated as of August 3, 2022 (the "**Effective Date**").

BETWEEN:

KELTIC (PRIOR) GP LTD.

(the "**Nominee**")

AND:

KELTIC (PRIOR) DEVELOPMENT LIMITED PARTNERSHIP

(the "**Owner**")

WHEREAS:

A. Pursuant to a Declaration of Bare Trust and Agency Agreement dated February 28, 2020 between the Owner and the Nominee (the "**Original Trust Declaration**") in respect of the lands legally described as Parcel Identifier: 010-813-357 Lot A (Reference Plan 2883) of Lot 20 District Lots 181, 196 and 2037 Lan 6780 (the "**Pre-Consolidation Lot**"), the Nominee agreed to hold legal title to the Pre-Consolidation Lots as nominee, agent and bare trustee for the sole benefit and account of the Owner;

B. The Pre-Consolidation Lot was consolidated by the filing of subdivision plan EPP111791 in the Land Title Office on the Effective Date, and in connection therewith, the Pre-Consolidation Lots were consolidated into a new lot legally described in Schedule A attached hereto (the "**Consolidated Lot**"); and

C. The Nominee and Owner have agreed to enter into this Agreement to confirm that, from and after the Effective Date:

(i) legal title to the Consolidated Lot will continue to be held by the Nominee, as nominee, agent and bare trustee for the sole benefit and account of the Owner, in accordance with this Agreement; and

(ii) the Original Trust Declaration and the Amended and Restated Trust Declaration are amended, superseded and replaced in their entirety by the terms of this Agreement.

THEREFORE in consideration of the amount of $1.00 now paid by each party to the other and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Appointment**. The Owner hereby appoints the Nominee as its nominee, agent and bare trustee to hold legal title to the Consolidated Lot for and on behalf of the Owner in accordance

with this Agreement, with full power to deal with the Consolidated Lot and execute any instrument, document or encumbrance in respect of the Consolidated Lot for the sole benefit and account of the Owner, all at the direction of the Owner as principal and beneficial owner and strictly in accordance with this Agreement, and the Nominee hereby accepts such appointment.

2. **Nominee's Agreements**. The Nominee hereby acknowledges and agrees that:

(a) the Nominee will hold legal title to the Consolidated Lot as nominee, agent and bare trustee for the sole benefit and account of the Owner, as principal and beneficial owner, subject to and in accordance with this Agreement and subject to the terms and conditions of any transfer, deed, lease, sublease, mortgage, debenture, security agreement, easement, right off way, licence, restrictive covenant or other instrument, document or encumbrance pertaining to the Consolidated Lot;

(b) the Nominee has and will have no equitable or beneficial interest in the Consolidated Lot and the equitable and beneficial interest in the Consolidated Lot is and will be bested solely and exclusively in the Owner;

(c) any benefit, interest, profit or advantage arising out of or accruing from the Consolidated Lot is and will continue to be a benefit, interest, profit or advantage of the Owner and, if received by the Nominee, will be received and held by the Nominee for the sole use, benefit and advantage of the Owner and the Nominee will account to the Owner for any money or other consideration paid to or to the order of the Nominee in connection with the Consolidated Lot as directed in writing by the Owner;

(d) the Nominee will, upon direction of the Owner, deal with the Consolidated Lot and do all acts and things in respect of the Consolidated Lot at the expense of and as directed by the Owner from time to time and will assign, transfer, convey, lease, mortgage, pledge, charge or otherwise deal with the Consolidated Lot or any portion thereof at any time and from time to time in such manner as the Owner may determine, to the extent permitted under all relevant laws and, without limiting the generality of the foregoing, the Nominee will transfer legal title to the Consolidated Lot to or as directed by the Owner forthwith upon the written demand of the Owner;

(e) the Nominee will, upon and in accordance with the direction of the Owner, act as the agent of the Owner, as undisclosed principal, in respect of any matter relating to the Consolidated Lot or the performance or observance of any contract or agreement relating to the Consolidated Lot;

(f) acting under this Agreement at the direction of the Owner, the Nominee will have the full right and power to execute and deliver, under seal or otherwise, any transfer, deed, statement of adjustments, plan, lease, sublease, easement, right of way, licence, restrictive covenant, building scheme, release or other instrument, document or encumbrance pertaining to the Consolidated Lot without delivering proof to any person (including, without limitation, any other party to any such instrument or document or the Registrar of the Land Title Office or the British Columbia Personal

Property Registry) of its authority to do so and any person may act in relance on any such instrument or document and for all purposes any such instrument or document will be binding on the Owner;

(g) acting under this Agreement at the direction of the Owner, the Nominee will have the full right and power to borrow money from time to time and to covenant to repay money borrowed by the Owner either alone or with others from time to time and to secure the repayment of any and all indebtedness and liabilities with respect to any amounts so burrowed by the grant of any charge or encumbrance (both fixed and floating) on, or security interest in, the Consolidated Lot or any part thereof, by way of debenture, mortgage, assignment of rents, assignment of sale proceeds, security agreement or other instrument or document without delivering proof to any person (including, without limitation, any other party to any such instrument or document or the Registrar of the Land Title Office or the British Columbia Personal Property Registry) of its authority to do so and any person may act in reliance on any such instrument or document and for all purposes any such instrument or document will be binding on the Owner;

(h) the Nominee will not deal with the Consolidated Lot in any way or execute any instrument, document or encumbrance in respect of the Consolidated Lot or any portion thereof, including, without limitation, in respect of any tax, lien, charges or encumbrance in respect of the Consolidated Lot.

3. **Reimbursement of Expenses**. Any payments or disbursements made by the Nominee in respect of the Consolidated Lot in accordance with this Agreement will be made as the agent of and for the account of the Owner, as principal, and the Owner will reimburse the Nominee for any amount reasonably and properly expended by the Nominee in connection with the Consolidated Lot with the consent or direction of the Owner. The Nominee will not be entitled to any remuneration or any revenue or profit in respect of the Consolidated Lot for acting as nominee, agent and bare trustee under this Agreement.

4. **Nominee's Representations**. The Nominee represents and warrants to the Owner that the Nominee is a company duly incorporated under the law of British Columbia and neither carries on nor intends to carry on a business that is a trust business as defined in the *Financial Institutions Act* (British Columbia).

5. **Time Limitation**. The powers herein conferred on the Nominee will not extend beyond the expiration of 80 years from the date of execution and delivery of this Agreement, unless renewed.

6. **Indemnity by Owner**. The Owner hereby agrees to indemnify and save harmless the Nominee from and against any liability, loss, cost, damage, claim, demand, action or cause of action resulting from the Nominee's holding of title to or dealing with the Consolidated Lot as directed by the Owner from time to time, except to the extent that the same results from a dishonest, fraudulent or negligent act or omission of the Nominee or its employees or agents.

7. **Notices**. Any notice given pursuant to or in connection with this Agreement will be in writing and delivered personally to the party for whom it is intended to be addressed at the address of such party last known to the other party.

8. **Governing Law**. This Agreement and all matters arising hereunder will be governed by and construed in accordance with the laws of British Columbia, which will be deemed to be the proper law hereof, and the courts of British Columbia will 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 thereof.

9. **No Waiver**. No failure or delay on the part of either party in exercising any right, power or privilege under this Agreement will operate as a waiver thereof, nor will any single or partial exercise of any right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege. Except as may be limited herein, either party may, in its sole discretion, exercise any and all rights, powers, remedies and recourses available to it under this Agreement or any other remedy available to it and such rights, powers, remedies and recourses may be exercised concurrently or individually without the necessity of making any election.

10. **Further Assurances**. Each of the Nominee and the Owner will from time to time execute and deliver all such further documents and instruments and do all acts and things as the other party may reasonably require to carry out effectively or better evidence or perfect the full intent and meaning of this Agreement.

11. **Joint and Several**. If either the Nominee or the Owner is comprised of more than one party, all the covenants, agreements, representations, warranties and indemnities of the Nominee or the Owner, as appliable, in this Agreement will be deemed to be joint and several covenants, agreements, representations, warranties and indemnities of each of such parties.

12. **Binding Effect**. This Agreement will enure to the benefit of and be binding upon the respective heirs, executors, administrators, other legal representatives, successors and assigns of the parties.

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

14. **Counterparts**. This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original and all of which, taken together, will be deemed to constitute one and the same instrument.

15. **Delivery by Electronic Transmission**. Delivery of any executed copy of this Agreement by any party by electronic transmission will be as effective as personal delivery of an originally executed copy of this Agreement to such party.

IN WITNESS WHEREOF the parties have executed this Agreement.

By the Nominee:
KELTIC (PRIOR) GP LTD.

By: _____
Authorized Signatory

By the Owner:
KELTIC (PRIOR) DEVELOPMENT LIMITED PARTNERSHIP
by its general partner,
1319191 B.C. LTD.

By: _____
Authorized Signatory

SCHEDULE "A"

CONSOLIDATED LOT

Civic Address	Legal Description
220 Prior Street, Vancouver, BC	Parcel Identifier: 031-756-093 Lot 1 District Lots 196 and 2037 Group 1 New Westminster District Plan EPP111791

DocuSign Envelope ID: 539E9DCB-E545-4D15-BC55-ED7EAB90A118

SCHEDULE C
MORTGAGE

(see attached Form B and mortgage terms)

Land Title Act

Mortgage

Part 1 Province of British Columbia

1. Application

KAITLYN SAWYER, BLAKE, CASSELS & GRAYDON LLP,
BARRISTERS & SOLICITORS
595 BURRARD STREET, P.O. BOX 49314
SUITE 2600, THREE BENTALL CENTRE
VANCOUVER BC V7X 1L3
(604) 631-4263

c/m: 26009/12

2. Description of Land

PID/Plan Number	Legal Description
031-756-093	**LOT 1 DISTRICT LOTS 196 AND 2037 GROUP 1 NEW WESTMINSTER DISTRICT PLAN EPP111791**

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

KELTIC (PRIOR) GP LTD. BC1232616
2338 - 666 BURRARD STREET
VANCOUVER BC V6C 2X8

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

SHAPE CAPITAL CORP. BC1181714
2020 ONE BENTALL CENTRE
505 BURRARD STREET, BOX 206
VANCOUVER BC V7X 1M6

5. Payment Provisions

Principal Amount	Interest Rate	Interest Adjustment Date
$85,000,000.00	**20% PER ANNUM**	**N/A**
Interest Calculation Period	**Payment Dates**	**First Payment Date**
MONTHLY, NOT IN ADVANCE	**FIRST DAY OF EACH MONTH**	**2023-02-01**
Amount of each periodic payment	**Interest Act (Canada) Statement. The equivalent rate of interest calculated half yearly not in advance is**	**Last Payment Date**
INTEREST ONLY	**N/A** % per annum	**2026-01-01**
Assignment of Rents which the applicant wants registered?	**Place of payment**	**Balance Due Date**
Yes	**POSTAL ADDRESS IN ITEM 4**	**2026-01-31**

If yes, page and paragraph number:
Pages 35-37 and Paragraph 44

6. Mortgage contains floating charge on land?

No

7. Mortgage secures a current or running account?

Yes

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8. Interest Mortgaged

Fee Simple

9. Mortgage Terms

Part 2 of this mortgage consists of:

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

10. Additional or Modified Terms

Guarantor(s) or Covenantor(s):
KELTIC (PRIOR) DEVELOPMENT LIMITED PARTNERSHIP
1319191 B.C. LTD.
KELTIC GROUP EQUITIES (2019) LTD.
KELTIC PROJECTS DEVELOPMENT LTD.
KELTIC CANADA DEVELOPMENT CO. LTD.
DDAW HOLDINGS LTD.
WEI GUO LI
RUI WANG

11. Prior Encumbrances Permitted by Lender

12. Execution(s)

This mortgage charges the Borrower's interest in the land mortgaged as security for payment of all money due and performance of all obligations in accordance with the mortgage terms referred to in item 9 and the Borrower(s) and every other signatory agree(s) to be bound by, and acknowledge(s) receipt of a true copy of, those terms.

Witnessing Officer Signature	Execution Date	Borrower / Party Signature(s)
See affidavit of execution.	YYYY-MM-DD 2023-01-20	**KELTIC (PRIOR) GP LTD.** By their Authorized Signatory **Name:** Li Lei **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.

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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.

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MORTGAGE TERMS – PART 2

1. DEFINED TERMS

Unless otherwise expressly defined or otherwise required by the context, the following words and phrases will have the following meanings when used in this Mortgage:

1.1 "**$**" means such currency of Canada which, as at the time of payment or determination, is legal tender in Canada for the payment of public or private debt;

1.2 "**Accounting Standard**" means (i) the International Financial Reporting Standards (IFRS); or (ii) generally accepted accounting principles (GAAP) as published in the "CICA Handbook" by the Canadian Institute of Chartered Accountants (as amended, replaced or republished from time to time) together with generally accepted industry standards from time to time;

1.3 "**Balance Due Date**" means the balance due date set forth in the Mortgage Form;

1.4 "**Commitment**" means the Commitment dated November 24, 2022 and accepted by the Mortgagor and the Guarantor on November 30, 2022 pursuant to which this Mortgage is provided, and all amendments thereto and renewals or replacements thereof from time to time;

1.5 "**Construction Project**" has the meaning given to it in paragraph 11.2;

1.6 "**Costs**" includes all costs, fees, charges and expenses of every nature and kind whatsoever incurred by the Mortgagee or paid by the Mortgagee to any other party in connection with the protection and preservation of the Lands or any other security held by the Mortgagee, or for the purpose of preserving and maintaining the enforceability and priority of this Mortgage and any such other security, or in connection with any and all demands and enforcement proceedings of every nature and kind made or carried out by or on behalf of this Mortgage under or pursuant to this Mortgage, and includes, without limitation, legal costs incurred by the Mortgagee on a solicitor and solicitor's own client full indemnity basis;

1.7 "**Credit Documents**" means, collectively, this Mortgage, the Commitment, each of the security documents referred to in Section 20 of the Commitment, any collateral covenant agreement, and all other agreements, instruments and documents delivered from time to time to the Mortgagee by the Mortgagor or any Guarantor, each as amended, restated, supplemented or replaced from time to time;

1.8 "**Default**" means any event or condition which, with the giving of notice, lapse or upon a declaration or determination being made (or any combination thereof), would constitute an Event of Default;

1.9 "**Environmental Laws**" means, in respect of any Person, property, transaction or event, all applicable laws, statutes, rules, by-laws and regulations, and all applicable directives, orders, codes, judgments and decrees of Governmental Bodies, whether now in existence or hereafter arising, intended to regulate and/or protect the environment and/or any living thing and/or relating to Hazardous Substances;

1.10 "**Event of Default**" means any event set forth in paragraph 31 herein;

1.11 "**Governmental Body**" means any government, parliament, legislature, or any regulatory authority, bureau, tribunal, department, instrumentality, agency, commission or board of any government, parliament or legislature, or any court, and without limiting the foregoing, any other law, regulation or rule-making entity having or purporting to act under the authority of any of the foregoing (including, without limitation, any arbitrator) and "**Governmental Bodies**" means any one or more of the foregoing collectively;

1.12 "**Guarantor**" means any party to this Mortgage expressly defined as such and any and all Persons who have directly, indirectly, as principal debtor or as surety covenanted to pay or guaranteed payment of the whole or any part of the amount or amounts secured by this Mortgage or which are owing under the loan facilities referred to in the Commitment or who have covenanted to perform or guaranteed performance by the Mortgagor of its obligations under this Mortgage or under the Commitment or under any security given in connection therewith;

1.13 "**Hazardous Substance** "means any hazardous or dangerous waste or substance, pollutant, contaminant, waste or other substance without limitation, whether solid, liquid or gaseous in form, which when released into the natural environment may, based upon reasonably authoritative information then available concerning such substance, immediately or in the future directly or indirectly cause material harm or degradation to the natural environment or to the health or welfare of any living thing and includes, without limiting the generality of the foregoing,

1.13.1 any such substance as defined or designated under any Environmental Laws;

1.13.2 asbestos, urea formaldehyde, poly-chlorinated byphenyl (PCB) and materials manufactured with or containing the same; and

1.13.3 radioactive and toxic substances,

and "**Hazardous Substances**" means any one or more of the foregoing collectively;

1.14 **"interest**" means interest at the Mortgage Rate on all principal, interest in arrears and other monies owed to the Mortgagee under this Mortgage;

1.15 "**Interest Adjustment Date**" means the interest adjustment date set forth in the Mortgage Form;

1.16 "**Interest Calculation Period**" means the period or periods for calculation of interest set forth in the Mortgage Form;

1.17 "**Lands**" means the lands set forth in the Mortgage Form, and includes the Property;

1.18 "**Mortgage**" means the Mortgage Form and this set of Mortgage Terms and all schedules attached to this Mortgage and all amendments thereto and replacements thereof from time to time;

1.19 "**Mortgagee**" means all Persons in whose favour this Mortgage is given and who is or are named in this Mortgage as mortgagee and the respective successors and assigns of such Persons;

1.20 "**Mortgagor**" means all Persons who have given this Mortgage and who have executed the same as mortgagor and the respective successors and assigns of such Persons;

1.21 "**Mortgage Form**" means that certain Form B under the Land Title (Transfer Forms) Regulation pursuant to which this set of Mortgage Terms is filed under, and all schedules and addenda attached thereto;

1.22 "**Mortgage Rate**" means the rate of interest set forth in the Mortgage Form;

1.23 "**Payment Date**" means each payment date specified in the Mortgage Form, commencing on the first payment date and continuing to and including the last payment date shown in the Mortgage Form;

1.24 "**Periodic Payment**" means a payment in the amount specified as the amount of each periodic payment in the Mortgage Form;

1.25 "**Permitted Encumbrances**" means any encumbrance, lien or charge from time to time disclosed by the Mortgagor to the Mortgagee and which is consented to in writing by the Mortgagee;

1.26 "**Person**" means an individual, sole proprietorship, partnership, joint venture, syndicate, association, trust, body corporate, a natural Person in its capacity as trustee, personal representative or other legal representative, the Crown or any agency or instrumentality thereof, and/or any other entity recognized by law;

1.27 "**principal**", "**principal amount**", "**principal monies**" and "**principal sum**" each mean the amount of money in lawful money of Canada set forth as the principal amount on the Mortgage Form as reduced by payments made by the Mortgagor from time to time, or increased by the advance or re-advance of money to the Mortgagor by the Mortgagee from time to time, and includes all money that is added to the principal sum under these Mortgage Terms;

1.28 "**Property**" means the property, tenements, hereditaments and appurtenances and any estate or interest therein described in this Mortgage, and all buildings and improvements now or hereafter situate or constructed thereon, and all easements, rights-of-way and other appurtenances thereto, and all structures, additions, improvements, machinery, equipment, decorations and other fixtures of every nature and kind (whether or not affixed in law) attached thereto or placed, installed or erected thereon or used in connection therewith;

1.29 "**Receiver**" means any receiver, receiver and manager, receiver-manager or trustee of the Lands as may be appointed from time to time by the Mortgagee

pursuant to the provisions of this Mortgage or by any court of competent jurisdiction;

1.30 "**Strata Corporation**" means each corporation created or continued pursuant to the *Strata Property Act* (British Columbia) and any amendments thereto or any statute enacted in replacement thereof and pertaining to all or any part of the Lands which are governed by the said Act;

1.31 "**Taxes**" means all taxes, rates, assessments, local improvement charges, levies, penalties and other charges imposed upon or in respect of the Lands by any Governmental Body having jurisdiction; and

1.32 "**Terms of this Mortgage**" means all of the covenants, agreements, provisos, terms, conditions, warranties, representations and provisions of this Mortgage, and the agreement of the Mortgagor set forth in item 12 of the Mortgage Form to be bound by the Mortgage Terms referred to in item 9 of the Mortgage Form will apply to all of the covenants, agreements, provisos, terms, conditions, warranties, representation and provisions of this Mortgage.

2. STATUTORY REFERENCES

Unless expressly stipulated or otherwise required by the context, all references in this Mortgage to any federal, provincial or municipal statute, regulation, by-law, order, directive or other governmental enactment will be deemed to be and construed as a reference to the same as amended or re-enacted from time to time.

3. GRANT AND PROVISOS

3.1 For good and valuable consideration (the receipt and sufficiency whereof is hereby acknowledged by the Mortgagor), the Mortgagor grants and mortgages the Lands to the Mortgagee, all of the right, title and interest of the Mortgagor in and to the Lands as security for the due payment of the principal sum and interest as herein provided and all other monies owing by the Mortgagor to the Mortgagee under this Mortgage.

3.2 Provided that this Mortgage will be void upon satisfaction of all of the following:

3.2.1 payment to the Mortgagee at the address of the Mortgagee set out in the Mortgage Form or to such other address or such other party or parties as the Mortgagee may from time to time require of the principal sum, with interest thereon at the Mortgage Rate, to be calculated and compounded in accordance with the Interest Calculation Period, not in advance, both before and after maturity, both before and after default, and both before and after judgment, payable as follows:

(i) interest accruing from the respective dates of advance of the principal sum will be due and payable on the Interest Adjustment Date (provided however, the Mortgagee may deduct accrued interest from any advance of principal);

(ii) a Periodic Payment will be paid on each Payment Date; and

(iii) the unpaid balance of the principal sum, together with any accrued and unpaid interest and other costs, charges and monies owing hereunder will become due and be paid on the Balance Due Date; and

3.2.2 observance and performance of all of the Terms of this Mortgage and the other Credit Documents and the payment of the Taxes and of all other monies as herein provided.

3.3 It is agreed that all interest, as well upon principal as upon interest, will be compounded on the last day of each Interest Calculation Period and all such compounded interest will be a charge on the Lands.

3.4 It is further agreed that the Mortgagee will have the right to apply any sums paid to the Mortgagee under this Mortgage in or towards the payment of accrued interest, principal or any other monies owing hereunder as the Mortgagee may determine, notwithstanding that any such sums may have been paid to the Mortgagee on account of a different amount.

3.5 For the consideration aforesaid, the Mortgagor releases to the Mortgagee all of the Mortgagor's claims upon the Lands subject to the provisos set forth in paragraph 3.2 hereof.

4. ADVANCE OF FUNDS

The Mortgagor agrees that neither the preparation, execution nor registration of this Mortgage will bind the Mortgagee to advance the monies hereby secured, nor will the advance of a part of the principal sum herein bind the Mortgagee to advance any unadvanced portion thereof, but nevertheless the estate hereby charged will take effect forthwith upon the execution of this Mortgage by the Mortgagor, and the expenses of the examination of the title and of this Mortgage and valuation are to be secured hereby in the event of the whole or any balance of the principal sum herein not being advanced, the same to be charged hereby upon the Lands, and will be without demand thereof, payable forthwith with interest at the rate provided for in this Mortgage, and upon the occurrence of an Event of Default the remedies herein will be exercisable.

5. MORTGAGOR'S COVENANTS

5.1 The Mortgagor covenants with the Mortgagee that:

5.1.1 the Mortgagor will pay the principal sum herein and interest thereon at the Mortgage Rate, including compounded interest as herein provided and observe and perform the Terms of this Mortgage, and will pay as they fall due all Taxes and when required by this Mortgage, will transmit the receipts therefor to the Mortgagee;

5.1.2 the Mortgagor will pay all amounts which are payable hereunder or which are capable of being added to the principal sum herein pursuant to the provisions of this Mortgage including, without limiting the generality of the foregoing, all servicing or other fees, costs or charges provided for herein; all insurance premiums; the amount paid for the supply of any fuel or

utilities to the Lands; all costs, commissions, fees and disbursements incurred by the Mortgagee in constructing, inspecting, appraising, selling, managing, repairing or maintaining the Lands; all Costs incurred by the Mortgagee with respect to this Mortgage or incurred by the Mortgagee arising out, of or in any way related to this Mortgage; any amounts paid by the Mortgagee on account of any encumbrance, lien or charge against the Lands and any and all Costs incurred by the Mortgagee arising out of, or in any way related to, the Mortgagee realizing on its security by sale or lease or otherwise;

5.1.3 the Mortgagor has a good indefeasible title in fee simple to the Lands, without any trusts, reservations, limitations, provisos or conditions, except those contained in the original grant from the Crown, and has good right, full power and lawful and absolute authority to grant, mortgage and convey the Lands and to grant this Mortgage to the Mortgagee upon the terms contained therein;

5.1.4 the Mortgagor has not done, committed, executed or wilfully or knowingly suffered any act, deed, matter or thing whatsoever whereby or by means whereof the Lands, or any part or parcel thereof, is or will or may be in any way impeached, charged, affected or encumbered in title, estate or otherwise, except as the records of the land registry office disclose; and free from all financial encumbrances, except the Permitted Encumbrances;

5.1.5 the Mortgagor will execute such further documents, instruments and assurances as are required by the Mortgagee to give effect to the Terms of this Mortgage and to ensure that this Mortgage is valid security for all monies and obligations secured by this Mortgage; and

5.1.6 the Mortgagor will produce the title deeds and allow copies to be made at the expense of the Mortgagor.

6. COMPLIANCE WITH LAWS AND REGULATIONS

The Mortgagor will, in its ownership, operation and use of the Lands, promptly and at all times observe, perform, execute and comply with all laws, rules, requirements, orders, directions, ordinances and regulations of every Governmental Body having jurisdiction with respect to the same, and further agrees at its cost and expense to take any and all steps or make any improvements or alterations thereto, structural or otherwise, ordinary or extraordinary, which may be required at any time hereafter by any such present or future laws, rules, requirements, orders, directions, ordinances or regulations.

7. CHANGE OF USE

The Mortgagor will not change or permit to be changed the existing use or uses of the Lands without the prior written consent of the Mortgagee.

8. REPAIR

The Mortgagor will keep the Lands including the buildings, erections and improvements thereon in good condition and repair according to the nature and description thereof, and

the Mortgagee may, whenever it deems necessary, enter upon and inspect the Lands, and the cost of such inspection will be added to the indebtedness secured hereunder, and if the Mortgagor neglects to keep the Lands in good condition and repair, or commits or permits any act of waste upon or abandons the Lands (as to which the Mortgagee will be sole judge) or removes or allows to be removed from the Lands, the Property or any portion thereof without prior written consent of the Mortgagee or upon discovery by the Mortgagee that any security for the indebtedness owing under this Mortgage is inadequate or breaches any of the Terms of this Mortgage, the principal sum herein together with interest at the Mortgage Rate, interest on overdue interest, the full amount of all legal fees on a solicitor and solicitor's own client full indemnity basis, disbursements, costs, charges and expenses incurred by the Mortgagee and all other monies owing and secured under this Mortgage will, at the option of the Mortgagee, forthwith become due and payable, and in default of payment thereof, the powers of entering upon and leasing or selling hereby given and all other remedies of the Mortgagee under this Mortgage as otherwise available to the Mortgagee may be exercised forthwith and the Mortgagee, upon five (5) days notice to the Mortgagor and in the event that the Mortgagor does not in such period cause and diligently proceed with such repairs, may make such repairs as it deems necessary, and the cost thereof with interest at the rate aforesaid will be added to the monies hereby secured and will be payable forthwith and be a charge upon the Lands prior to all claims thereon subsequent to this Mortgage.

9. ALTERATIONS OR ADDITIONS

The Mortgagor will not make or permit to be made any alterations or additions to the Lands without the prior written consent of the Mortgagee, which consent may be withheld in the Mortgagee's sole discretion or may be given only subject to compliance with such terms and conditions at the cost of the Mortgagor as the Mortgagee may impose.

10. LANDS INCLUDE ALL ADDITIONS

10.1 The Lands will include all structures and installations brought or placed on the Lands for the particular use and enjoyment thereof or as an integral part of or especially adapted for the buildings thereon whether or not affixed in law to the Lands including, without limiting the generality of the foregoing, piping, plumbing, electrical equipment or systems, aerials, refrigerators, stoves, clothes washers and dryers, dishwashers, incinerators, radiators and covers, fixed mirrors, fitted blinds, window screens and screen doors, storm windows and storm doors, shutters and awnings, floor coverings, fences, air conditioning, ventilating, heating, lighting, and water heating equipment, cooking and refrigeration equipment and all component parts of any of the foregoing and that the same will become fixtures and an accession to the freehold and a part of the realty.

10.2 The Mortgagor covenants and agrees that if this Mortgage is subject to one or more prior mortgages, agreements for sale or other charges or encumbrances (herein collectively called the "**Prior Mortgage**"), the Mortgagor will pay or cause to be paid as they become due all payments whether for principal, interest, Taxes or otherwise under or by virtue of the Prior Mortgage and will otherwise observe, perform and comply with the conditions, covenants, provisos, or agreements therein contained; and that any default thereunder will be deemed to be a default hereunder and entitle the Mortgagee to exercise any and all remedies available to the Mortgagee upon an Event of Default; and that the Mortgagee may make any

payment or cure any default under the Prior Mortgage and any amount or amounts so paid together with all costs, charges, expenses and outlays of the Mortgagee thereby incurred, including the full amount of all legal fees on a solicitor and solicitor's own client full indemnity basis, disbursements, costs, charges and expenses incurred by the Mortgagee, will be added to the monies payable hereunder, bear interest at the Mortgage Rate from the date expended until paid, be payable with interest as aforesaid forthwith by the Mortgagor to the Mortgagee without demand and be a charge on the Lands and the Mortgagee will have the same rights and remedies to enforce payment thereof as the Mortgagee would have upon an Event of Default.

10.3 For the aforesaid consideration to the Mortgagor, without in any way affecting or releasing the Mortgagor's liability to the Mortgagee for the repayment of monies hereby secured, the Mortgagor does hereby assign, transfer and set over to the Mortgagee all right, title, claim, demand and interest whatsoever at law, or in equity, or otherwise to indemnification, express or implied, of and from the performance and observance of any and all of the Terms of this Mortgage (including without limitation, payment of any and all monies due under this Mortgage) by any purchaser of the Lands.

11. CONSTRUCTION LOAN

11.1 If this Mortgage is intended to finance any construction, alteration or addition, the Mortgagee may make advances of the principal amount to the Mortgagor based on the progress of construction and in its sole discretion the Mortgagee will decide whether or not any advances will be made, the amount of the advances and when the advances will be made.

11.2 In the event that all or any portion of the monies hereby secured would, with the consent of the Mortgagee, be used for any construction upon or renovation, alteration, addition or repair to any building or structure on the Lands subject to paragraph 11.1, the Mortgagor will diligently proceed to complete construction in accordance with the plans and specifications approved by the Mortgagee (the "**Construction Project**") and will forthwith provide to the Mortgagee such information relating to the Lands and the construction as the Mortgagee may from time to time request. The Mortgagor will not make any material changes to the plans and specifications without the prior written consent of the Mortgagee. The Mortgagor will cause the Construction Project to be constructed in a good and workmanlike manner and in accordance with all applicable laws, including, without limitation, municipal by-laws and, without limitation, the Mortgagor will take all such steps as may be required to obtain an occupancy permit or equivalent permit or approval for the Construction Project from the applicable Governmental Bodies. The Mortgagor will pay all expenses incurred by the Mortgagee in retaining any cost consultant with respect to the Construction Project. The Mortgagor will comply with the requirements of an Owner under the *Builders Lien Act* (British Columbia) and will, in particular, maintain any "**Holdback Account**" required to be maintained under such Act. Without in any way limiting any other rights and remedies of the Mortgagee, upon the occurrence of an Event Of Default, the Mortgagee, in addition to and not in substitution for any of its other rights and remedies, may take any one or more of the following actions:

11.2.1 enter upon the Lands and complete the Construction Project in accordance with plans and specifications approved by the Mortgagee with such further changes as the Mortgagee may deem appropriate in its sole discretion;

11.2.2 discontinue any work commenced, or change any course of action undertaken, by the Mortgagor in respect of the Lands or the Construction Project;

11.2.3 at the Mortgagee's option, enforce any construction contract made by the Mortgagor, and take over and use all or any part of the labour, materials, supplies, and equipment contracted for by the Mortgagor;

11.2.4 engage builders, contractors, architects, engineers, and other staff and trades as the Mortgagee considers necessary or desirable for the purpose of completing the Construction Project;

11.2.5 pay, settle, or compromise all bills and claims which may be or become liens (whether such liens are claims of builders liens or any other type of lien) against the Lands or any part thereof, provided that the Mortgagee will not be liable to the Mortgagor for the validity or correctness of any such claim or lien; and

11.2.6 generally, take or refrain from taking all such action in respect to the Construction Project as the Mortgagee in its sole discretion considers to be in its best interest for the purpose of preserving or enhancing the value of the Mortgagee's security.

11.3 The Mortgagor acknowledges and agrees that no steps taken by the Mortgagee to deal with the Mortgage as aforesaid will constitute or be deemed to be a waiver or condoning by the Mortgagee of the use of any monies secured by this Mortgage in contravention of the provisions contained herein, including, without limitation, any covenant or warranty by the Mortgagor that the purpose of the Mortgage is not to finance an improvement on the Lands.

11.4 The Mortgagor will be solely responsible to ensure the sufficiency of work done or to be done or material supplied or to be supplied to the Lands to justify the quantum of each advance made by the Mortgagee under the Commitment. Notwithstanding that the Commitment or any other Credit Document may provide that advances are to be made on a cost-to-complete basis or a similar basis, entitling the Mortgagee to refuse to advance where it is of the opinion that there is insufficient unadvanced funds to complete the contemplated construction, the Mortgagee will not be responsible or liable to the Mortgagor or to anyone else where either there has been insufficient work done or material supplied to the Lands to warrant an advance, or that there are insufficient funds held back to complete the contemplated construction.

11.5 Where the Mortgagor retains the services of an engineer, or architect, or project supervisor or a similar professional construction expert, or combination of such Persons, the Mortgagee will be entitled but not obliged to rely upon such Person to instruct the Mortgagee as to the value of the work done or to be done or material

supplied or to be supplied to the Lands, and the Mortgagee will have no liability whatsoever to the Mortgagor or to anyone else as a result of advances made by the Mortgagee relying in whole or in part upon such Person.

12. ENVIRONMENTAL WARRANTY AND INDEMNITY

12.1 The Mortgagor and each Guarantor jointly and severally represents, warrants, covenants and agrees that:

12.1.1 it has not, and to the best of its knowledge, information and belief after making due inquiry, no other Person has caused or permitted any Hazardous Substance to be placed, discharged, stored, located or disposed of, on, under, at or near the Lands nor to be released from the Lands except in accordance with Environmental Laws;

12.1.2 the Lands have never been used as a land fill site, waste disposal site or coal gasification site, or to store Hazardous Substances either above or below ground in storage tanks, pipes, conduits or otherwise;

12.1.3 it and, to the best of its knowledge, information and belief after making due inquiry, the tenants, invitees and all other occupiers of the Lands have at all times carried out all business and other activities upon the Lands in strict compliance with all Environmental Laws;

12.1.4 it will at all times carry out all business and other activities upon the Lands in strict compliance with all Environmental Laws, and it will at all times take all necessary measures to ensure that those for whom it is liable in law will also at all times carry out all business and other activities upon the Lands in strict compliance with all Environmental Laws.

12.1.5 to the best of its knowledge, information and belief after making due inquiry, the use and occupation of the Lands have at all times been in strict compliance with all Environmental Laws;

12.1.6 no notice, order, stop work order, inspection file, investigation, directive, enforcement action, regulatory action, suit, claim, action, proceeding or charge relating to any Hazardous Substance or to a breach or non-compliance with any Environmental Laws has been issued by any Governmental Body with respect to it or the Lands, or is otherwise threatened to be issued;

12.1.7 it will provide the Mortgagee with full and complete copies of all communications received from time to time from all Governmental Bodies with respect to the Lands;

12.1.8 it will provide to the Mortgagee on request and from time to time, information with respect to the status of the environmental matters referred to herein and will complete and deliver, on request, the Mortgagee's standard form of report, if any, on environmental matters;

12.1.9 the representations and warranties contained in this paragraph 12 are true and accurate in all respects as of the date of the first advance made pursuant to this Mortgage, and such representations and warranties will remain true and accurate in all respects and will survive the release and discharge of this Mortgage and the repayment and satisfaction of the indebtedness secured by this Mortgage; and

12.1.10 the Mortgagee may delay or refuse to make any advance to the Mortgagor if the Mortgagee believes that any of the representations and warranties set out in this Warranty and Indemnity are not presently true and accurate or if such representations and warranties have become untrue or inaccurate at any time hereafter.

12.2 The Mortgagor hereby agrees to permit the Mortgagee to conduct, at the Mortgagor's sole expense, from time to time as required, any and all tests, inspections, appraisals and environmental audits of the Lands so as to determine and ensure continuing compliance with the provisions of this paragraph 12 including, without limitation, the right to conduct soil tests and to review and copy any records relating to the Lands and/or to the businesses and other activities conducted thereon.

12.3 The Mortgagor agrees to indemnify and save fully and completely harmless the Mortgagee and its officers, directors, employees, agents and shareholders from and against any and all losses, damages, demands, claims, actions, charges, orders, directives, undertakings, costs, legal fees on a solicitor and solicitor's own client full indemnity basis and expenses, of every nature and kind, whatsoever and howsoever, which at any time or from time to time may be paid by, or incurred by, or suffered by, or asserted against, any of them as a direct or indirect result of:

12.3.1 a breach of any of the representations, warranties or covenants hereinbefore set out;

12.3.2 the presence of any Hazardous Substance in, on, under or about the Lands;

12.3.3 the breach of any Environmental Laws; and/or

12.3.4 the discharge, emission, release, spill or disposal of any Hazardous Substance from the Lands into or upon any land, the atmosphere, any watercourse, body of water or wetland or any other property.

12.4 The representations, warranties, covenants, acknowledgments and indemnifications set out in this paragraph 12 will survive the release and discharge of this Mortgage and of any other security held by the Mortgagee and the repayment and satisfaction of the indebtedness secured by this Mortgage.

13. INSPECTION

The Mortgagee will have access to and the right to inspect the Lands at all reasonable times.

14. TAXES

14.1 The Mortgagor covenants and agrees with the Mortgagee that:

14.1.1 the Mortgagee may deduct from any advance of the monies secured by this Mortgage an amount sufficient to pay all Taxes which have become due and payable during any calendar year;

14.1.2 the Mortgagee may at its sole option estimate the amount of the Taxes payable in each year and the Mortgagor will forthwith upon demand of the Mortgagee pay to the Mortgagee one-twelfth (1/12) of the estimated annual amount of such Taxes on the 1st day of each and every month during the term of this Mortgage commencing with the 1st day of the first full month of the term of this Mortgage. The Mortgagee may at its option apply such payments to the Taxes so long as the Mortgagor is not in default under any of the Terms of this Mortgage, but nothing herein contained will obligate the Mortgagee to apply such payments on account of Taxes more often than yearly. Provided however, that if the Mortgagor will pay any sum or sums to the Mortgagee to apply on account of Taxes, and if before such payments have been so applied by the Mortgagee, there will be default by the Mortgagor in respect of any payment of principal or interest as herein provided, the Mortgagee may at its option apply such sum or sums in or towards payment of the principal, interest or interest and principal in default. If the Mortgagor desires to take advantage of any discounts or avoid any penalties in connection with the payment of Taxes, the Mortgagor may pay to the Mortgagee such additional amounts as are required for that purpose;

14.1.3 in the event that the Taxes actually charged in a calendar year, together with any interest and penalties thereon, exceed the amount estimated by the Mortgagee as aforesaid, the Mortgagor will pay to the Mortgagee, on demand, the amount required to make up the deficiency. The Mortgagee may at its option, pay any of the Taxes when payable, either before or after they are due, without notice, or may make advances therefore in excess of the then amount of credit held by the Mortgagee for Taxes. Any excess amount advanced by the Mortgagee will be secured as an additional principal sum under this Mortgage and will bear interest at the rate as provided for in this Mortgage until repaid by the Mortgagor. The Mortgagor will repay to the Mortgagee all Taxes which the Mortgagee has paid in respect of the Lands and repay to the Mortgagee all other property outlays not covered by any other covenant herein;

14.1.4 the Mortgagor will transmit to the Mortgagee all assessment notices, tax bills and other notices pertaining to the imposition of Taxes forthwith after receipt thereof;

14.1.5 the Mortgagor will pay to the Mortgagee, in addition to any other amounts required to be paid hereunder, the amount required by the Mortgagee in its sole discretion for a reserve on account of future liability for Taxes;

14.1.6 in no event will the Mortgagee be liable for any interest on any amount paid to it on account of Taxes and the monies so received may be held with its own funds pending payment or application thereof as herein provided; provided that in the event that the Mortgagee does not utilize the funds received on account of Taxes in any calendar year, such amount or amounts may be held by the Mortgagee on account of any pre-estimate of Taxes required for the next succeeding calendar year, or at the Mortgagee's option, the Mortgagee may repay such amount to the Mortgagor without any interest;

14.1.7 the Mortgagor will in all instances be responsible for the payment of any and all penalties resulting from any arrears of Taxes or any late payment of current instalments thereof, and at no time will such penalties be the responsibility of the Mortgagee; and

14.1.8 in the event the Mortgagee does not collect payments on account of Taxes as aforesaid, the Mortgagor will deliver to the Mortgagee within thirty (30) days following the due date for each instalment of Taxes written evidence from all taxing authorities having jurisdiction to the effect that the then current instalment of Taxes and all other Taxes due in respect of the then current calendar year and any preceding calendar years have been paid in full, failing which, the Mortgagee will be entitled to charge a servicing fee for each written inquiry directed to such taxing authorities or the Mortgagor for the purpose of ascertaining the status of the Taxes together with any costs payable to such taxing authorities for such information.

15. UTILITIES

The Mortgagor covenants and agrees that it will pay all utility and fuel charges related to the Lands as and when they are due and that the Mortgagor will not allow or cause the supply of utilities or fuel to the Lands to be interrupted or discontinued and that, if the supply of fuel oil or utilities is interrupted or discontinued, the Mortgagor will take all steps that are necessary to ensure that the supply of utilities or fuel is restored forthwith. It is specifically agreed that the failure to pay all fuel and utility charges as and when they are due or the interruption or discontinuing of the supply of fuel or utilities to the Lands will constitute an Event of Default within the meaning of this Mortgage and in addition to all other remedies provided for herein, the principal sum of this Mortgage will, at the sole option of the Mortgagee forthwith become due and payable.

16. INSURANCE

16.1 The Mortgagor covenants and agrees that it will insure and keep insured during the term of this Mortgage the buildings and other improvements on the Lands (now or hereafter erected) on the terms required by the Commitment and in any event on an all-risks basis in an amount of not less than the greater of the full replacement value of the buildings located thereon from time to time, or the principal money herein, with no co-insurance provisions and with the Mortgagee's standard mortgage clause forming part of such insurance policies as may be approved by the Insurance Bureau of Canada from time to time and a provision

requiring thirty (30) days prior written notice by the insurer to the Mortgagee of cancellation, termination, material change or non-renewal of such policies.

16.2 In the event that the evidence of continuation of such insurance as herein required has not been delivered to the Mortgagee within the required time, the Mortgagee will be entitled to a servicing fee for each written inquiry which the Mortgagee will make to the insurer or the Mortgagor pertaining to such renewal (or resulting from the Mortgagor's non-performance of the within covenant). In the event that the Mortgagee pursuant to the within provision arranges insurance coverage with respect to the Lands, the Mortgagee, in addition to the aforenoted servicing fee, will be entitled to a further servicing fee for arranging the necessary insurance coverage.

16.3 In the event of any loss or damage, the Mortgagor will forthwith notify the Mortgagee in writing and notwithstanding any other provision to the contrary, statutory or otherwise, in the event of any monies becoming payable pursuant to any insurance policy herein required, the Mortgagee may, at its option, require the said monies to be applied by the Mortgagor in making good the loss or damage in respect of which the money is received, or in the alternative, may require that any or all of the monies so received be applied in or towards satisfaction of any or all of the indebtedness hereby secured whether or not such indebtedness has become due. No damage may be repaired nor any reconstruction effected without the approval in writing of the Mortgagee in any event. If the Mortgagor fails or neglects to complete and file a proper proof of loss with the insurance company within fifteen (15) days of the date of loss, the Mortgagee is hereby authorized to file a proof of loss with the insurance company on behalf of the Mortgagor and the Mortgagee is hereby released from all liability whatsoever to the Mortgagor as a result of filing such proof of loss. Any insurance moneys received may, at the option of the Mortgagee, be applied in rebuilding, reinstating or repairing the Property or be paid to the Mortgagor or any other Person appearing by the registered indefeasible title to be or to have been the owner of the Property or be applied or paid partly in one way and partly in another or it may be applied, in the sole discretion of the Mortgagee, in whole or in part in payment of the sums owing hereunder or any part thereof whether due or not then due. To ensure that the Mortgagee may apply the insurance monies in the manner provided above, the Mortgagor hereby assigns and releases to the Mortgagee all rights of the Mortgagor to receive the insurance monies and the Mortgagor expressly waives all the rights and benefits whatsoever of the Mortgagor under the *Insurance Act* (British Columbia) and the *Fire Prevention (Metropolis) Act*, 1774, and any amendments thereto, and under any statutes of British Columbia enacted in replacement of the said statutes.

16.4 The Mortgagor, upon demand, will transfer all policies of insurance provided for herein and the indemnity which may become due therefrom to the Mortgagee. The Mortgagee will have a lien for the indebtedness hereby secured on all the said insurance proceeds and policies, and may elect to have these insurance monies applied as it may deem appropriate, including payment of monies secured hereby, whether due or not, but the Mortgagee will not be bound to accept the said monies in payment of any principal not yet due.

17. REMITTANCE AND APPLICATION OF PAYMENTS

17.1 Subject to Section 20 and 21 herein, all payments of principal, interest and other monies payable hereunder to the Mortgagee will be payable at par in lawful money of Canada at the Mortgagee's address for service as set out in this Mortgage or at such other place as the Mortgagee will designate in writing from time to time. In the event that any of the monies secured by this Mortgage are forwarded to the Mortgagee by mail, payment will not be deemed to have been made until the Mortgagee has actually received such monies and the Mortgagor will assume and be responsible for all risk of loss or delay.

17.2 Notwithstanding anything herein to the contrary, upon the occurrence of an Event of Default, the Mortgagee may apply any payments received in whatever order the Mortgagee may elect as between principal, interest, realty taxes, insurance premiums, repairs, Costs and any other advances or payments made by the Mortgagee hereunder.

18. RECEIPT OF PAYMENT

Any payment received after 12:00 p.m. (Vancouver, British Columbia time) on any date will be deemed, for the purpose of calculation of interest to have been made and received on the next business day and the Mortgagee will be entitled to interest on the amount due it, to and including the date on which the payment is deemed by this provision to have been received.

19. NO DEEMED RE-INVESTMENT

Except in the case where this Mortgage provides for blended payments of principal and interest whether paid monthly or otherwise, the parties hereto agree that the Mortgagee will not be deemed to reinvest any monthly or other payments received by it hereunder.

20. PRE-AUTHORIZED CHEQUING PLAN OR AUTOMATIC ELECTRONIC PAYMENT

If and when required by the Mortgagee, all payments made under this Mortgage by the Mortgagor will be made by a pre-authorized cheque payment plan or pre-authorized automatic electronic payments under a pre-authorized debit agreement ("**PAD**") in the form required by the Mortgagee, all as approved by the Mortgagee. The Mortgagee will not be obligated to accept any payment other than payment made by pre-authorized cheque or electronic payments. Failure to make all payments by pre-authorized cheque or electronic payment will be an Event of Default within the meaning of this Mortgage and the Mortgagee will be entitled to pursue any and all of its remedies herein and/or at law as it may deem necessary at its option.

21. POSTDATED CHEQUES

The Mortgagor will, if and when required by the Mortgagee, deliver to the Mortgagee upon the first advance of monies hereunder or upon request and thereafter on each anniversary date thereof in each year for the duration of the term of this Mortgage, postdated cheques for the payments of principal, interest and estimated realty taxes required to be made herein during the twelve month period commencing on each such anniversary date. In the event of default by the Mortgagor in delivery to the Mortgagee of the postdated

cheques as herein provided, an Event of Default within the meaning of this Mortgage will be deemed to have occurred and the Mortgagee will be entitled to pursue any and all of its remedies herein and/or at law as it may deem necessary at its option. In addition, the Mortgagee upon the Mortgagor's failure to deliver such postdated cheques as required hereunder will be entitled to a servicing fee for each written request that it makes to the Mortgagor for the purpose of obtaining such postdated cheques. Any step taken by the Mortgagee hereunder by way of a request for further postdated cheques will be without prejudice to the Mortgagee's rights hereunder to declare this Mortgage to be in default in the event that such postdated cheques are not delivered within the required time.

22. DISHONOURED CHEQUES

In the event that any of the Mortgagor's cheques are not honoured when presented for payment to the drawee, the Mortgagor will pay to the Mortgagee for each such returned cheque a servicing fee to cover the Mortgagee's administration costs with respect to same. In the event that the said cheque which has not been honoured by the drawee is not forthwith replaced by the Mortgagor, the Mortgagee will be entitled to a further servicing fee for each written request therefore which may be necessitated by the Mortgagor not forthwith replacing such dishonoured cheque.

23. FINANCIAL AND OPERATING STATEMENTS

23.1 The Mortgagor covenants that, within the periods of time hereinafter specified, or within such other period(s) of time as may be specified by any of the other Credit Documents, the Mortgagor will deliver or cause to be delivered to the Mortgagee within one hundred and twenty (120) days after the end of each fiscal year of operation of the Lands, an annual operating statement in respect of the Lands for the immediately preceding fiscal year setting forth the gross rents and other income derived from the Lands, the cost and expenses of operation and maintenance of the Lands and such other information and explanations in respect of the same as may be required by the Mortgagee.

23.2 All such operating and financial statements will be prepared at the expense of the Mortgagor and in accordance with the Accounting Standard applied on a consistent basis and by a duly qualified chartered accountant or certified public accountant which is acceptable to the Mortgagee, and will be submitted in audited form if so required by the Mortgagee upon the occurrence of an Event of Default, and the completeness and correctness of such statements will be supported by an affidavit of an authorized officer of the Mortgagor or Guarantor, as the case may be.

23.3 The Mortgagee reserves the right to disclose to third parties, any of the foregoing financial information or otherwise acquired in respect to the indebtedness secured hereby as may be required in connection with the fulfillment of its rights and/or obligations under the Commitment or this Mortgage or to carry out its terms of to enforce its security for mortgage securitization purposes.

24. ESTOPPEL ACKNOWLEDGEMENTS

If and whenever the Mortgagee requests an acknowledgement from the Mortgagor as to the statement of account with respect to this Mortgage or the status of the terms and

conditions of this Mortgage, the Mortgagor will execute such an acknowledgement in such form as may be required by the Mortgagee provided that the contents of such form are correct, and the Mortgagor will do so forthwith upon request and without cost to the Mortgagee and will return such acknowledgement duly executed within two (2) business days of such request.

25. STATEMENTS OF ACCOUNT

The Mortgagor will be entitled to receive upon written request, a statement of account with respect to this Mortgage as of any payment date under this Mortgage and the Mortgagee will be entitled to a servicing fee for each such statement.

26. RENEWAL OR EXTENSION OF TIME; ATTENTION SUBSEQUENT INTERESTS

26.1 No renewal or extension of the term of this Mortgage given by the Mortgagee to the Mortgagor, or anyone claiming under it, or any other dealing by the Mortgagee with the owner of the equity of redemption of the Lands, will in any way affect or prejudice the rights of the Mortgagee against the Mortgagor or any other Person liable for the payment of the monies hereby secured. The Mortgage may be amended, extended and/or renewed by an agreement in writing at maturity for any term with or without an increased rate of interest, or amended from time to time as to any of its terms, including, without limitation, an increase of interest rate or principal amount and notwithstanding that there may be subsequent encumbrancers, and it will not be necessary to register any such agreement in order to retain priority for this Mortgage so altered over any instrument registered subsequent to this Mortgage; PROVIDED that nothing contained in this paragraph will confer any right of amendment, extension or renewal upon the Mortgagor.

26.2 The terms of this Mortgage may be amended, extended and this Mortgage may be renewed from time to time by mutual agreement between the then current owner of the Lands and the Mortgagee and the Mortgagor hereby further covenants and agrees that, notwithstanding that the Mortgagor may have disposed of its interest in the Lands, the Mortgagor will remain liable as a principal debtor and not as a surety for the observance of all of the terms and provisions herein and will in all matters pertaining to this Mortgage well and truly do, observe, fulfill and keep all of the covenants, provisos, conditions and agreements in this Mortgage and all amendment(s), extension(s) and renewal(s) thereof, and without limiting the foregoing, notwithstanding the amendment, extension and/or renewal of this Mortgage, and notwithstanding the giving of time for the payment of this Mortgage or the varying of the terms of the payment thereof or of the rate of interest thereon, and notwithstanding any other indulgence by the Mortgagee to the Mortgagor.

26.3 The Mortgagor covenants and agrees with the Mortgagee that no agreement for amendment, extension and/or renewal hereof, or for extension of the time for payment of any monies payable hereunder will result from, or be implied from, any payment or payments of any kind whatsoever made by the Mortgagor to the Mortgagee after the expiration of the original term of this Mortgage or of any subsequent term agreed to in writing between the Mortgagor and the Mortgagee, and that no amendment, extension and/or renewal hereof or any extension of the time for payment of any monies hereunder will result from, or be implied from, any

other act, matter or thing, save only express agreement in writing between the Mortgagor and the then current owner of the Lands.

27. EXPROPRIATION

If the Lands or any part thereof which, in the reasonable opinion of the Mortgagee is material to the viability and operations thereon will be expropriated by any Governmental Body clothed with the powers of expropriation, the principal sum herein remaining unpaid will at the option of the Mortgagee forthwith become due and payable together with interest thereon at the Mortgage Rate to the date of payment, interest on overdue interest and all other monies owing hereunder, together with a bonus equal to the aggregate of (a) three months' interest at the said rate calculated on the amount of the principal remaining unpaid, and (b) one month's interest at the rate provided for herein calculated on the principal remaining unpaid, for each full year of the term of this Mortgage or any part of such year from the said date of payment to the date the said principal sum or balance thereof remaining unpaid would otherwise under the provisions of this Mortgage become due and payable and in any event all the proceeds of any expropriation will be paid to the Mortgagee at its option in priority to the claims of any other party.

28. LETTERS OF CREDIT

The parties to this Mortgage hereby acknowledge and agree that, in addition to all other amounts advanced and/or secured hereby, this Mortgage will stand as good and valid security with respect to any and all letters of credit, letters of guarantee or similar instruments (collectively the "**Letters of Credit**") issued by or on behalf of the Mortgagee for the benefit of or on account of the Mortgagor and in favour of any other party as may be requested or directed by the Mortgagor from time to time, and that the total amount of the financial obligations under each Letter of Credit will be deemed to have been advanced and fully secured under this Mortgage as of and from the date of issuance of each such Letter of Credit regardless of when the same may be called upon by the holder thereof. In the event that at any time the Mortgagee is of the opinion, in its sole and unfettered discretion, that the Lands or such part(s) thereof as remain undischarged are insufficient to secure the aggregate amount of all of the Mortgagee's outstanding obligations under, pursuant to or in connection with such Letters of Credit from time to time outstanding, the Mortgagee will be entitled to retain out of any payment received under this Mortgage or out of the proceeds of any sale or revenue received in respect of the Lands or any part(s) thereof or out of the proceeds of any amounts received by the Mortgagee upon the enforcement of this Mortgage, an amount equal to the aggregate amount of all of the Mortgagee's outstanding obligations under, pursuant to or in connection with Letters of Credit as remain from time to time outstanding without being obliged to apply any portion of such amount on account of any principal, interest or other monies otherwise outstanding and secured by this Mortgage; and the Mortgagee will be entitled to retain such amount for such period of time as any of the Letters of Credit remain outstanding and the Mortgagee is hereby irrevocably authorized and directed to utilize the same in order to satisfy payment of any amounts called upon for payment pursuant to the Letters of Credit.

29. SALE OR CHANGE OF CONTROL

29.1 In the event of any sale, conveyance or transfer of the Lands or any portion thereof, or the Mortgagor enters into an agreement for sale of transfer of the Lands or portion thereof, or if ownership of or control and direction over the majority of the

shares, units or ownership interests of the Mortgagor or any Guarantor changes by amalgamation, merger, sale, transfer of shares, units or ownership interests or otherwise, or a change in the beneficial ownership of the Lands or any portion thereof or a lease of the whole of the Lands (each of the foregoing, a "**Change of Control**"), all sums secured hereunder will, at the Mortgagee's option, become due and payable forthwith unless the prior written consent of the Mortgagee has been obtained, which consent may be arbitrarily or unreasonably withheld. The rights of the Mortgagee pursuant to this provision will not be affected or limited in any way by the acceptance of payments due under this Mortgage from the Mortgagor or any Person claiming through or under it and the rights of the Mortgagee hereunder will continue without diminution for any reason whatsoever until such time as the Mortgagee has consented in writing as required by this provision.

29.2 Provided further that no permitted sale or other dealing by the Mortgagor with the Lands or any part thereof will in any way change the liability of the Mortgagor or in any way alter the rights of the Mortgagee as against the Mortgagor or any other Person liable for payment of the monies hereby secured.

30. NO FURTHER ENCUMBRANCES

In the event that the Mortgagor enters into, creates, incurs, assumes, suffers or permits to exist any additional charge, encumbrance, pledge or other financing of the Lands, or of the chattels, equipment or personal property related to the Lands, all sums secured hereunder will, at the Mortgagee's option, become due and payable forthwith unless the prior written consent of the Mortgagee has been obtained, which consent may be arbitrarily withheld.

31. EVENTS OF DEFAULT

31.1 Without limiting any of the provisions of this Mortgage, any of the following events will constitute an Event of Default hereunder and under the other Credit Documents upon the happening of which the whole of the principal sum outstanding and all interest accruing thereon will immediately become due and payable at the option of the Mortgagee exercised by notice in writing to the Mortgagor:

31.1.1 failure by the Mortgagor to pay any instalment of principal, interest and/or Taxes under this Mortgage or under any charge or other encumbrance of the Lands, on the date upon which any of the payments for same become due;

31.1.2 failure by the Mortgagor or any Guarantor to strictly and fully observe or perform any condition, agreement, covenant, obligation or term (other than with respect to those described in paragraph 31.1.1) set out in the Terms of this Mortgage, any of the Credit Documents to which it is a party, or any other document creating a contractual relationship as between them or any of them, or if it is found at any time that any representation or warranty to the Mortgagee with respect to the loan secured by this Mortgage or in any way related thereto or under any of the other Credit Documents is incorrect or misleading when so made or deemed to have been repeated as herein or therein provided, and such

default continues for a period of ten (10) days after notice in writing of such breach is given to the Mortgagor or any Guarantor by the Mortgagee;

31.1.3 default by the Mortgagor in the observance or performance of any of the covenants, provisos, agreements or conditions contained in any charge or other encumbrance affecting the Lands, whether or not it has priority over this Mortgage;

31.1.4 upon the registration of any construction lien against the Lands which is not discharged or vacated within a period of five (5) days after the date of registration thereof;

31.1.5 in the event that any Hazardous Substance is discovered in, on or under the Lands or any part thereof and the same is not completely removed therefrom to the entire satisfaction of the Mortgagee within ten (10) days after demand therefor by the Mortgagee;

31.1.6 in the event that the Lands are abandoned or there is any cessation or threat of cessation of the business activities or any material part thereof now being conducted upon the Lands by the Mortgagor or the beneficial owner of the Lands or any of their respective officers, agents, employees, tenants or invitees;

31.1.7 if a judgment, decree or order of a court of competent jurisdiction is entered against the Mortgagor or any Guarantor (i) adjudging the Mortgagor or any Guarantor bankrupt or insolvent, or approving a petition seeking its reorganization or winding-up under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) or any other bankruptcy, insolvency or analogous law, or (ii) ordering the involuntary winding up or liquidation of the affairs of the Mortgagor or any Guarantor, or (iii) if any receiver or other Person with like powers is appointed over all, or substantially all, of the property of the Mortgagor or any Guarantor, unless such appointment is stayed and of no effect against the Lands or any security provided by the Mortgagor or any Guarantor in favour of the Mortgagee and the rights of the Mortgagee thereunder or the Mortgagor or any Guarantor is actively pursuing such a stay and the Mortgagee is satisfied that there is no adverse effect in its position as a result of the Mortgagee permitting the Mortgagor or any Guarantor time to pursue such stay;

31.1.8 if, (i) an order or a resolution is passed for the dissolution, winding-up, reorganization or liquidation of the Mortgagor or any Guarantor pursuant to applicable laws, including the *Business Corporations Act* (British Columbia), or (ii) the Mortgagor or any Guarantor institutes proceedings to be adjudicated bankrupt or insolvent, or consents to the institution of bankruptcy or insolvency proceedings against it under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) or any other bankruptcy, insolvency or analogous law, or (iii) the Mortgagor or any Guarantor consents to the filing of any petition under any such law or to the appointment of a receiver, or other Person

with like powers, over all, or substantially all, of the Mortgagor's or any Guarantor's property, or (iv) the Mortgagor or any Guarantor makes a general assignment for the benefit of creditors, or becomes unable to pay its debts generally as they become due, or (v) the Mortgagor or any Guarantor takes or consents to any action in furtherance of any of the aforesaid purposes;

31.1.9 the occurrence of any action, suit or proceeding against or affecting the Mortgagor or any Guarantor before any court or before any Governmental Body which, if successful, would have, or could reasonably be expected to have, a material adverse effect on the value of the Lands or the financial stakes of the Mortgagor or any Guarantor, unless the action, suit, or proceedings will be contested diligently and in good faith and, in circumstances where a lower court or tribunal has rendered a decision adverse to the Mortgagor or any Guarantor, the Mortgagor or any Guarantor is appealing such decision, and has provided a reserve in respect thereof made in accordance with Accounting Standard, adequate in the opinion of the Mortgagee;

31.1.10 a judgment or judgments are obtained against the Mortgagor or any Guarantor for an aggregate amount in excess of $100,000, in the aggregate, which, to the extent the aggregate amount thereof exceeds $100,000, remains or remain unsatisfied and undischarged for a period or ten (10) days during which such judgment or judgments, to the extent the aggregate amount thereof exceeds $100,000, will not be on appeal or execution thereof will not be effectively stayed;

31.1.11 any execution, sequestration, expropriation or similar process is brought or threatened, by way of notice or otherwise, against, or a distress or analogous process is levied upon the whole or any part of the property of the Mortgagor or any Guarantor;

31.1.12 if any material provision of any Credit Document will at any time cease to be in full force and effect, be declared to be void or voidable or will be repudiated, or the validity or enforceability thereof will at any time be contested by the Mortgagor or any Guarantor;

31.1.13 if a Change of Control occurs and the Mortgagee has not consented to the same;

31.1.14 default by the Mortgagor or any Guarantor in the observance or performance of any non-monetary representation, warranty, covenant, proviso, agreement, condition or obligation to be observed or performed by it, pursuant to any agreement (other than the Credit Documents) to which it is a party or by which any of its property is bound, where such default would have, or could reasonably be expected to have, a material adverse effect on the value of the Lands or the financial stakes of the Mortgagor or any Guarantor; and

31.1.15 any default will have occurred and is continuing in respect of any indebtedness of the Mortgagor or any Guarantor to any lender (other

than the Mortgagee) which results in the acceleration of the payment of such indebtedness or which permits the holder thereof to accelerate the payment of such indebtedness and if there is a grace period applicable thereto arising under contract or otherwise, such default continues beyond the expiry of such grace period or if any lender (other than the Mortgagee) will demand repayment of any indebtedness owed to it by any Mortgagor or any Guarantor which is repayable on demand, and the aggregate principal amount of all such indebtedness is at least $100,000.

32. ENFORCEMENT

32.1 The Mortgagor covenants and agrees that upon the occurrence of an Event of Default under the Terms of this Mortgage, the Mortgagee may take proceedings available at law or in equity and any other legal steps to collect the amount of money due or to compel the Mortgagor to keep the Mortgagor's promises and agreements, including without limitation: making application to a court for an order that the Land be sold on terms approved by the court; making application to a court to foreclose the Mortgagor's interest in the Land and on a final order of foreclosure the Mortgagor's interest in the Land will be absolutely vested in and belong to the Mortgagee.

32.2 Provided that the Mortgagee, upon the occurrence of an Event of Default that is continuing, may on seven (7) day's notice (except in the case of an emergency to protect health, safety or preserve the Lands in which case no notice is required) enter on and lease or sell the Lands; and the Mortgagor covenants and agrees that the Mortgagee may lease or sell as aforesaid without entering into possession of the Lands; and should such Event of Default continue for two months, an entry, lease or sale may be made hereunder without notice; and when under the terms hereof a notice is necessary, such notice may be given effectually either by leaving the same with an adult Person on the Lands, if occupied, or by placing it thereon, if unoccupied, or at the option of the Mortgagee by publishing the same once in a newspaper published in the Province of British Columbia; and the Mortgagee may sell the Lands or any part thereof or any interest in the Lands on such terms as to credit and otherwise as appear to the Mortgagee most advantageous and for such price as in the opinion of the Mortgagee can reasonably be obtained therefor; and sales may be made from time to time of portions to satisfy interest or parts of the principal overdue, leaving the principal or balance thereof to run at interest, payable as aforesaid; and the Mortgagee may make any stipulations as to the title or commencement of title or otherwise as the Mortgagee deems proper; and may buy in or rescind or vary any contract for sale of any of the Lands and re-sell without being answerable for loss occasioned thereby; and in case of a sale on credit the Mortgagee will only be bound to pay the Mortgagor such monies as have been actually received from the purchasers after the satisfaction of the Mortgagee's claims; and for any of the said purposes the Mortgagee may make and execute all agreements and assurances as the Mortgagee deems fit, and the purchasers at any sale hereunder are not bound to see to the propriety or regularity thereof; and no want of notice of publication when required hereby will invalidate any sale or lease made or purporting to be made hereunder.

32.3 Provided that the Mortgagee may distrain for arrears of interest, and it is agreed that the powers of the Mortgagee under this proviso may also be exercised to enforce payment of any instalment of principal or mixed principal and interest hereby secured and in arrears and in respect of any Event of Default; and further that if an Event of Default occurs, it will be lawful for the Mortgagee (and the Mortgagor does hereby grant full power and licence to the Mortgagee) to enter, seize and distrain upon any goods upon the Lands or any part thereof and by distress warrant to recover by way of rent reserved as in the case of a demise of the Lands as much of the principal or interest or other sums due hereunder as may from time to time be or remain in arrears or unpaid together with all costs, charges and expenses attending such levy or distress as in like cases of distress for rent including, without limitation, the full amount of all legal fees on a solicitor and solicitor's own client full indemnity basis, disbursements, costs, charges and expenses incurred by the Mortgagee; and as part of the consideration aforesaid the Mortgagor hereby waives, on the exercise of such right and licence, all the rights to exemption from seizure and distress under any statute of the Province of British Columbia; notwithstanding the foregoing it is expressly understood and agreed that the right of distress will not apply to residential premises which are subject to the provisions of the *Residential Tenancy Act* (British Columbia), as amended or any statute enacted in replacement thereof, except as may be permitted thereby.

32.4 Upon the occurrence of an Event of Default, the whole of the principal sum hereby secured together with interest thereon at the Mortgage Rate, interest on overdue interest, the full amount of all legal fees on a solicitor and solicitor's own client full indemnity basis, disbursements, costs, charges and expenses incurred by the Mortgagee and all other monies owing or secured under this Mortgage will, at the option of the Mortgagee, immediately become due and be paid; and upon such indebtedness becoming due and payable as heretofore provided, the Mortgagor will refrain from collecting and receiving all rents accruing as aforesaid and upon notice from the Mortgagee, all tenants will thereafter pay such rents to the Mortgagee, and the Mortgagee may immediately cause default proceedings to be commenced under this Mortgage in the manner prescribed by law and will be entitled to have a receiver, receiver-manager or a receiver and manager appointed, and without proof of any other ground for his appointment than the said default, to take possession and charge of the Lands and to fully and effectively operate the business which the Lands comprise including, without limiting the generality of the foregoing, the right to rent the same and receive and collect the rents, issues and profits thereof, under direction of the court, and any amount so collected by such receiver will be applied under direction of the court to the payment of any judgment rendered, or amounts found due, according to the Terms of this Mortgage including the cost of collection and the full amount of all legal fees on a solicitor and solicitor's own client full indemnity basis, disbursements, costs, charges and expenses incurred by the Mortgagee; and upon the occurrence of an Event of Default, the Mortgagee will have the right forthwith after the occurrence of such Event of Default to enter upon, take possession of and rent the Lands and receive the rents, issues and profits thereof and apply the same after payment of all necessary charges and expenses, on account of the indebtedness hereby secured.

32.5 In addition to the foregoing rights and powers, the Mortgagee may apply to a court or may appoint by instrument in writing a receiver, receiver-manager or receiver and manager (herein called the "**Receiver**") of the Lands, with or without bond, and may from time to time remove the Receiver and appoint another in his stead. Any Receiver appointed by the Mortgagee as aforesaid is deemed to be the agent of the Mortgagor and the Mortgagor will be solely responsible for the Receiver's acts or defaults and the Mortgagee will not be liable to the Receiver for his remuneration, costs, charges or expenses.

32.6 It is further specifically understood and agreed that the Receiver appointed by the Mortgagee will have the following powers, subject to any limitations in the instrument in writing or Order of the Court, if any, appointing him, namely to:

32.6.1 take possession of the Lands;

32.6.2 carry on or concur in carrying on the business of the Mortgagor in operating the business comprised of the Lands;

32.6.3 sell or lease or concur in selling or leasing any or all of the Lands;

32.6.4 make any arrangements or compromises which the Receiver considers expedient;

32.6.5 borrow money to carry on the business of the Mortgagor comprised of the Lands or to maintain the whole or any part of the Lands in a manner that will, in the opinion of the Receiver, be sufficient to obtain, upon the security of the whole or any part of the Lands, the amounts from time to time required in the opinion of the Receiver and in so doing the Receiver may issue certificates (each herein called a "**Receiver's Certificate**") that may be payable as the Receiver considers expedient and bear interest as stated therein and the amounts from time to time payable under any Receiver's Certificate will charge the Lands in priority to this Mortgage and the Mortgagor hereby charges the Lands with the debt, if any, owing from time to time under any Receiver's Certificate; and

32.6.6 institute and prosecute all suits, proceedings and actions which the Receiver considers necessary for the proper protection of the Lands, to defend all suits, proceedings and actions against the Mortgagor or the Receiver, to appear in and conduct the prosecution and defence of any suit, proceeding or action then pending or thereafter instituted and to appeal any suit, proceeding or action.

32.7 The net revenue of the business comprised of the Lands and the net proceeds of sale of the Lands will be applied by the Receiver subject to the claims of creditors, if any, ranking in priority to this Mortgage as follows:

32.7.1 firstly, in payment of all costs, charges and expenses of and incidental to the appointment of the Receiver and the exercise by him of all or any of the powers aforesaid including the reasonable remuneration of the Receiver and all amounts properly payable to him;

32.7.2 secondly, in payment to the Mortgagee of the principal sum owing hereunder;

32.7.3 thirdly, in payment to the Mortgagee of all costs and charges owing hereunder and interest and arrears of interest remaining unpaid hereunder; and

32.7.4 fourthly, any surplus will be paid to the Mortgagor.

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

32.8 Neither the provisions of this Mortgage nor the exercise of the powers provided in this Mortgage will render the Mortgagee a mortgagee in possession. Any money spent and liabilities incurred by the Mortgagee in taking any such actions will be added to the principal amount, will bear interest at the Mortgage Rate from the date so spent or incurred, will be immediately due and payable by the Mortgagor to the Mortgagee, and will be secured by this Mortgage.

32.9 Notwithstanding any other provisions herein it is understood and agreed by the Mortgagor that upon the occurrence of an Event of Default, the whole of the principal sum hereby secured together with interest thereon at the Mortgage Rate, interest on overdue interest, the full amount of all legal fees on a solicitor and solicitor's own client full indemnity basis, disbursements, costs, charges and expenses incurred by the Mortgagee and all other monies owing or secured under this Mortgage will, at the option of the Mortgagee, immediately become due and be paid and the Mortgagee may exercise any and all rights, remedies, powers and privileges under this Mortgage or under any other Credit Document, or afforded by applicable law, or otherwise available to the Mortgagee.

33. PAYMENT OF LIENS

33.1 The Mortgagor covenants and agrees that the Mortgagee will have the right to:

33.1.1 pay any liens or claims of lien in respect of the Lands whether to the lien claimant or into court in order to obtain a discharge of such liens or claims of lien (without taking or defending any action or proceedings to determine the validity of any lien or claim of lien or the rights or priorities of any lien claimants to or under any such liens or claims of lien); and

33.1.2 pay the Taxes, charges or encumbrances upon the Lands and premiums for insurance and mortgage or any other tax imposed, or that may be imposed on the Mortgagee in respect to the Lands or this Mortgage or monies hereby secured.

33.2 The amounts so paid pursuant to paragraph 33.1 above and also all costs, charges and expenses including the full amount of all legal fees on a solicitor and solicitor's own client full indemnity basis, disbursements, costs, charges and expenses incurred by the Mortgagee which may be incurred before, when or after action is commenced in collecting, procuring or enforcing payment of any of the monies in

default hereunder or in any way enforcing or protecting the security of this Mortgage or enforcing any of the Terms of this Mortgage, or travelling expenses of the Mortgagee, the Mortgagee's servants and agents, and commissions on collection of rent, which may be incurred in the taking, recovering and keeping possession of the Lands or in inspecting the same and generally in any other measures or proceedings taken to realize or collect the monies hereby secured or to perfect the title of the Lands and also all monies paid and expenses incurred by the Mortgagee in connection with the application for this Mortgage loan and in the preparation and perfection of this Mortgage security and in the satisfaction of any charge on the Lands will be secured by the charge hereby granted on the Lands in favour of the Mortgagee and be payable forthwith by the Mortgagor to the Mortgagee with interest at the Mortgage Rate until paid and in default the power of sale hereby given will be exercisable in addition to all other remedies of the Mortgagee. In the event of the monies hereby advanced or any part thereof being applied to the payment of any liens or claims of lien, charges or encumbrances, the Mortgagee will stand in the position and be entitled to all equities of the Person or Persons so paid off, provided that if any liens or claims of lien, charges or encumbrances are filed or recorded against the Lands which may be prior to or for which priority may be claimed over the charge created on the Lands by this Mortgage or any monies advanced or secured under this Mortgage, then upon the filing or recording of any such liens or claims of lien, charges or encumbrances the whole of the principal sum hereby secured together with interest thereon at the Mortgage Rate, interest on overdue interest, the full amount of all legal fees on a solicitor and solicitor's own client full indemnity basis, disbursements, costs, charges and expenses incurred by the Mortgagee and all other monies owing or secured under this Mortgage will, at the option of the Mortgagee, immediately become due and be paid without any action or proceedings to determine the rights and priorities of such liens or claims of lien, charges and encumbrances and the Mortgagee may exercise all remedies to enforce this Mortgage unless the Mortgagor gives and delivers to the Mortgagee within such time as the Mortgagee may from time to time limit such security or monies as the Mortgagee may require from time to time to secure the payment of any such liens or claims of lien, charges and encumbrances and to indemnify the Mortgagee against the payment thereof.

34. OTHER RIGHTS OF THE MORTGAGEE

34.1 The Mortgagor covenants that the Mortgagee may, but will be under no obligation to, at such time or times as the Mortgagee deems necessary and without the concurrence of the Mortgagor or any other Person make such arrangements for the repairing, finishing and putting in order of the Lands, including, without limitation, such repairs, replacements and improvements as are necessary so that the Mortgagor and the Lands comply with Environmental Laws, and for inspecting, maintaining, leasing, collecting the rents of and managing generally the Lands as the Mortgagee deems expedient and all reasonable costs, charges and expenses including an allowance for the time and services of the Mortgagee, the Mortgagee's servants or agents and any other Person or Persons appointed for the above purposes including, without limitation, the full amount of all legal fees on a solicitor and solicitor's own client full indemnity basis, disbursements, costs, charges and expenses incurred by the Mortgagee, will be payable forthwith to the Mortgagee and be a charge upon the Lands and bear interest at the Mortgage Rate until paid.

34.2 The Mortgagor further covenants with the Mortgagee that the Mortgagee may, without any order or direction of the Mortgagor, pay to contractors, subcontractors, materialmen, labourers and other Persons supplying or having a claim for work, services and/or materials supplied in and about the construction, repairing, altering or replacing of the Property or any part thereof on the Lands, any monies due to them for work, services and/or materials, out of the monies being advanced by the Mortgagee under this Mortgage or the Mortgagee may pay for the work, services and/or materials and add all monies so paid to the principal owing under this Mortgage, but nothing herein contained obligates the Mortgagee to pay or advance or continue to pay or advance any such monies after the Mortgagee has paid or advanced any such monies under this Mortgage.

34.3 The Mortgagee may at the Mortgagee's discretion at all times release any part or parts of the Lands or any other security for the monies hereby secured either with or without any consideration therefor and without being accountable for the value thereof or for any monies except those actually received by the Mortgagee and without thereby releasing any other of the Lands or any of the covenants herein contained.

35. BANKRUPTCY AND INSOLVENCY ACT

35.1 The Mortgagor hereby acknowledges and agrees that the security held by the Mortgagee is not all or substantially all of the inventory, accounts receivable or other property of the Mortgagor acquired for or used in relation to any business carried on by the Mortgagor. The Mortgagor hereby further acknowledges and agrees that notwithstanding any act of the Mortgagee by way of appointment of any Person or Persons for the purposes of taking possession of the Lands as agent on behalf of the Mortgagor or otherwise or by taking possession of the Lands itself pursuant to any rights that the Mortgagee may have with respect thereto will not constitute the Mortgagee or any such Person, a receiver within the meaning of subsection 243(2) of the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**"), and that any and all requirements of Part XI of the BIA as it may pertain to obligations of receivers will not be applicable to the Mortgagee with respect to the transaction pursuant to which this Mortgage has been given or with respect to enforcement of this Mortgage or any other security held by the Mortgagee. The Mortgagor hereby acknowledges and agrees that no action will lie against the Mortgagee as a receiver and manager or otherwise for any loss or damage arising from non-compliance with any obligations of a receiver pursuant to the provisions of the BIA whether or not the Mortgagee had reasonable grounds to believe that the Mortgagor was not insolvent.

35.2 The Mortgagor further acknowledges and agrees that any and all costs as may be incurred from time to time by the Mortgagee in order to effect compliance or avoid any adverse ramifications of the BIA will be entirely for the account of the Mortgagor. The Mortgagee will be entitled to incur any such costs, including any costs of its personnel in administering any requirements of the BIA and to add the same to the indebtedness owing pursuant hereto and the same will be secured hereunder and under any and all security held by the Mortgagee for the indebtedness owing to the Mortgagee in the same manner and in the same priority as the principal secured hereunder.

36. INDEMNIFICATION

36.1 The Mortgagor hereby agrees to indemnify and save harmless the Mortgagee, its officers, agents, trustees, employees, contractors, licensees or invitees from and against any and all losses, damages, injuries, expenses, suits, actions, claims and demands of every nature and kind whatsoever and howsoever arising out of the provisions of the Commitment and the other Credit Documents, any letters of credit or letters of guarantee issued, sale or lease of the Lands and/or the use or occupation of the Lands including, without limitation, those arising from the right to enter the Lands from time to time and to carry out the various tests, inspections, management and other activities permitted by the Commitment and the other Credit Documents.

36.2 In addition to any liability imposed on the Mortgagor under any instrument evidencing or securing the indebtedness hereunder, the Mortgagor will be liable for any and all of the Mortgagee's costs, expenses, damages or liabilities, including, without limitation, all reasonable legal fees, directly or indirectly arising out of or attributable to the use, generation, storage, release, threatened release, discharge, disposal or presence on, under or about the Lands of any hazardous or noxious substances. The Mortgagor will be further bound by the representations, warranties and indemnity set out herein.

36.3 The representations, warranties, covenants and agreements of the Mortgagor set forth in this paragraph 36:

36.3.1 are separate and distinct obligations from the Mortgagor's other obligations;

36.3.2 survive the payment and satisfaction of its other obligations and the discharge of the security from time to time taken as security therefor;

36.3.3 are not discharged or satisfied by foreclosure of the charges created by any of the security; and

36.3.4 will continue in effect after any transfer of the Lands including, without limitation, transfers pursuant to foreclosure proceedings (whether judicial or non-judicial) or by any transfer in lieu of foreclosure.

37. NON-MERGER

The Mortgagor's and each Guarantor's obligations as contained in the Commitment and the other Credit Documents will survive the execution and registration of this Mortgage and all advances under this Mortgage, and the Mortgagor agrees that those obligations will not be deemed to be merged in the execution and registration of this Mortgage. All terms and conditions of this Mortgage and other security documentation will be deemed to be incorporated in and form part of the Commitment, except to the extent provided for herein. In the event of conflict between the terms of the Commitment and this Mortgage, the terms of the Commitment will prevail.

38. NOTICES

All notices or other communications to be given pursuant to or in connection with this Mortgage will be in writing, signed by the party giving such notice or by its solicitors, and will be personally delivered or sent by registered mail or facsimile transmission to the party or parties intended at its or their respective addresses for service as set out in this Mortgage. The date of receipt of such notice or demand, if served personally or by facsimile, will be deemed to be the date of the delivery thereof, or if mailed as aforesaid, the date of mailing thereof. For the purposes hereof, personal service on the Mortgagor or any Guarantor will be effectively given by delivery to any officer, director or employee of such Mortgagor or Guarantor. Any party may from time to time by notice given as provided herein change its address for the purpose of this provision.

39. CONSENT OF MORTGAGEE

Whenever the Mortgagor is required by this Mortgage to obtain the consent or approval of the Mortgagee, it is agreed that, subject to any other specific provision contained in this Mortgage to the contrary, the Mortgagee may give or withhold its consent or approval for any reason that it may see fit in its sole and absolute discretion, and the Mortgagee will not be liable to the Mortgagor in damages or otherwise for its failure or refusal to give or withhold such consent or approval, and all costs of obtaining such approval will be for the account of the Mortgagor.

40. DISCHARGE

40.1 The Mortgagee will have a reasonable period of time after payment in full of the monies hereby secured within which to prepare and execute a discharge of this Mortgage; and interest as aforesaid will continue to run and accrue until actual payment in full has been received by the Mortgagee; and all legal and other expenses for the preparation and execution of such discharge will, together with the Mortgagee's fee for providing same, be borne by the Mortgagor. The discharge will be prepared and executed by such Persons as are specifically authorized by the Mortgagee and the Mortgagee will not be obligated to execute any discharge other than a discharge which has been so authorized.

40.2 If this Mortgage, the Commitment or any other document provides for the giving of partial discharges of this Mortgage, it is agreed that, notwithstanding any other provision to the contrary, the Mortgagor will not be entitled to request or receive any such partial discharge if and for so long as the Mortgagor is in default under this Mortgage, the Commitment or any other Credit Document.

41. SERVICING FEES

All servicing fees as herein provided are intended to and will be in an amount sufficient in the sole opinion of the Mortgagee to compensate the Mortgagee for its administrative costs and will not be deemed a penalty. The amount of such servicing fees if not paid will be added to the principal amount secured hereunder, and will bear interest at the rate aforesaid and the Mortgagee will have the same rights with respect to collection of same as it does with respect to collection of principal and interest hereunder or at law.

42. LEASES

The Mortgagor covenants with the Mortgagee to keep, observe and perform and to require all tenants to keep, observe and perform all of the covenants, agreements, provisos, terms, conditions and provisions of any present or future leases, subleases and tenancy agreements of any portion of the Lands on their respective parts to be kept, observed and performed and in case the Mortgagor neglects or refuses to do so, then the Mortgagee may perform and comply with or require performance and compliance by the tenants with any of the covenants, agreements, provisos, terms, conditions and provisions of such leases, subleases and tenancy agreements and any sums expended by the Mortgagee in performance or compliance therewith or in enforcing such performance or compliance by the tenants, including, without limitation, the full amount of all legal fees on a solicitor and solicitor's own client full indemnity basis, disbursements, costs, charges and expenses incurred by the Mortgagee, will bear interest from the date of such expenditures at the Mortgage Rate and be paid by the Mortgagor to the Mortgagee upon demand and will be a part of the mortgage debt secured hereby and recoverable as such in all respects.

42.1 The Mortgagor hereby covenants with the Mortgagee that unless the Mortgagee will have otherwise agreed with the Mortgagor in writing the Mortgagor will not execute nor deliver any new leases, subleases or tenancy agreements with or in favour of any tenants unless such tenants will agree in writing with the Mortgagor as a condition of any lease, sublease or tenancy agreement to enter into agreements with the Mortgagee, or any *bona fide* purchaser therefrom, to the effect that, upon the written request and at the sole discretion of the Mortgagee, or any *bona fide* purchaser therefrom, such tenants will preserve their respective leases, subleases or tenancy agreements for the respective terms thereof and any extensions or renewals thereof which may be effective in accordance with any option therefor or otherwise, and that they will attorn to the Mortgagee or such bona fide purchaser in the event of a foreclosure or other legal proceedings which might otherwise result in the loss or cancellation or termination of any such leases, subleases or tenancy agreements.

42.2 The Mortgagor covenants with the Mortgagee that the Mortgagor will not, subsequent to the execution of this Mortgage, execute or deliver any mortgage, debenture or financial encumbrance charging the Lands, or any part thereof, which is or may be subordinate hereto unless the Mortgagor first obtains from the owner of such mortgage, debenture or financial encumbrance an agreement in writing to continue to recognize any present or future tenants, leases, subleases, and tenancy agreements of or pertaining to the Lands, or any part thereof, which the Mortgagee herein requires to be recognized or preserved in the event of foreclosure, even after a foreclosure by the owner of any such mortgage, debenture or financial encumbrance for the balance of the terms of the respective leases, subleases or tenancy agreements and any extensions or renewals thereof which may be effected in accordance with any option therefor or otherwise.

42.3 The Mortgagor covenants with the Mortgagee that the Mortgagor will not request, obtain or permit the subordination or postponement of any lease, sublease or tenancy agreement to any mortgage, debenture or other financial encumbrance registered subsequent to this Mortgage without the prior written consent of the Mortgagee hereunder.

42.4 The Mortgagor covenants with the Mortgagee that the Mortgagor will not lease or agree to lease all or any part of the Lands except at a rent, on terms and conditions and to tenants which are not less favourable or desirable to the Mortgagor than those which a prudent landlord would expect to receive for the premises to be leased.

43. LEASEHOLD MORTGAGE

43.1 If the Lands comprise the interest of the Mortgagor in and to a lease, agreement to lease, tenancy, right of use or occupation or licence of the Lands (collectively, the "**Lease**") the charge created by this Mortgage will include the unexpired term of the Lease and any renewal thereof from the date of this Mortgage except the last day thereof, and the mortgage and charge created hereby will be by way of sub-demise and the Mortgagor will stand possessed of the last day of the term or any renewal term of the Lease in trust for the Mortgagee, and will sell and assign the last day of the term or any renewal term as the Mortgagee may direct, but subject to the same right of redemption and other rights as are hereby given to the Mortgagor. Nothing in this section nor the acts of the Mortgagor or Mortgagee contemplated by this section will constitute the Mortgagee as a mortgagee in possession.

43.2 The Mortgagor releases to the Mortgagee all claim and right to the Lease and assigns to the Mortgagee the full benefit of all covenants, rights and powers contained in the Lease subject to the same right of redemption as granted by the Terms of this Mortgage.

43.3 The Mortgagor represents, warrants and covenants that:

43.3.1 the Mortgagor will pay the rent due under the Lease and observe all promises, covenants and obligations contained in the Lease and will not commit any acts or default which may cause the Lease to be forfeited or determined and agrees to indemnify the Mortgagee for all actions, claims and demand in respect of the said rent, promises, covenants and obligations;

43.3.2 the Lease is valid and subsisting and the Mortgagor has not done, omitted or permitted anything to be done which would cause the Lease to become in any way impaired or invalid;

43.3.3 the Mortgagor has a good and valid right to assign and sublet the Lease and has obtained the consent of the lessor to the extent required under the Lease;

43.3.4 the Mortgagor will not, during the continuance of this Mortgage, surrender or terminate the Lease or permit any amendments of the terms of the Lease or otherwise deal with or assign the Lease other than as allowed herein;

43.3.5 a default under the Lease will be an Event of Default; and

43.3.6 reference in this Mortgage to charges payable will include all taxes, assessments, rates, costs payable by the Mortgagor under the Lease.

44. ASSIGNMENT OF RENTS

44.1 For good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by the Mortgagor), and in order to induce the Mortgagee to make the loan secured by this Mortgage, and as additional security for the payment of principal and interest owing under this Mortgage and the observance and performance of all of the Terms of this Mortgage, the Mortgagor hereby assigns, transfers, sets over and grants to the Mortgagee any and all rents or other moneys (herein collectively called the "**Rents**") due or accruing due or at any time hereafter to become due under any and all leases, agreements to lease and tenancy agreements whether written or verbal, now or hereafter existing, with respect to the Lands (herein collectively called the "**Leases**") and all benefits and advantages to be derived from the Leases, and all guarantees of and security for payment of amounts due under the Leases and all covenants of the tenants, guarantors, covenantors and indemnifiers therein contained, and the right to collect and receive payment of the Rents, together with all the right, title and interest of the Mortgagor, as landlord, in the Leases and any renewals thereof and options to lease or purchase, if any therein contained, to have and to hold and to receive the same unto the Mortgagee, its successors and assigns, until the whole of the principal sum, interest and other costs, charges and moneys owing under this Mortgage have been fully paid and satisfied and all obligations and covenants of the Mortgagor under this Mortgage have been duly performed and satisfied.

44.2 The Mortgagor hereby covenants and agrees with the Mortgagee that:

44.2.1 The Mortgagor will be permitted to collect and receive the Rents as and when they will become due and payable according to the terms of the Leases, unless and until there will be default made in any payment provided for in this Mortgage or any security collateral hereto or until the breach of any covenant on the part of the Mortgagor contained in this Mortgage or any security collateral hereto in which case the Mortgagee may give notice in writing to the tenant, sub-tenant, occupier, licensee or guarantor advising of default. In such event the Mortgagor hereby irrevocably directs such tenant, sub-tenant, occupier, licensee or guarantor to make payments of the Rents to the Mortgagee or as the Mortgagee may direct, upon being furnished with a copy of this Mortgage and the aforesaid notice in writing, without any further direction or authority being required by such tenant, sub-tenant, occupier, licensee or guarantor.

44.2.2 Upon the occurrence of an Event of Default, the Mortgagee, its successors or assigns at its or their option and without further consent thereto by the Mortgagor or any subsequent owner of the Lands, may enter in and upon the Lands and take possession thereof and collect the Rents thereof, and do every act and thing that such Mortgagor or any subsequent owner of the Lands might or could do.

44.2.3 Neither the execution and delivery of this Mortgage, including the Assignment contained in paragraph 44 hereof (herein called the "**Assignment**"), nor anything done by virtue hereof will render the Mortgagee in possession or in any way accountable or liable as such, nor will the Mortgagee be or be deemed to be, or to have assumed the status of a landlord by virtue of the Assignment or of anything done by virtue hereof.

44.2.4 Nothing herein contained will be deemed to have the effect of making the Mortgagee, its successors and assigns, responsible for the collection of the Rents or any part or parts thereof or for the observance or performance of any of the covenants, terms or conditions either by the Mortgagor or the respective tenants or sub-tenants under the Leases to be observed and performed.

44.2.5 The Mortgagee will be liable to account only for such moneys as may actually come into its hands by virtue of the Assignment, less proper collection fees and charges, including legal fees on a solicitor and solicitor's own client full indemnity basis, and such moneys when so received by the Mortgagee will be applied on account of the moneys secured by this Mortgage, provided that the Mortgagee will not be responsible for any act or default of any agent employed by the Mortgagee for the collection of the Rents or for the care of or dealing with the Lands.

44.2.6 The giving of the Assignment is by way of additional and equal ranking security for the moneys secured by the mortgage of the Lands granted pursuant to paragraph 3.1 hereof and not in substitution for or in satisfaction of the same and that this mortgage of the Lands or any other security collateral hereto will not be merged thereby and in case of default in any of the provisions of any security for the said moneys loaned, including, without limitation, the Assignment, proceedings may be taken under either the mortgage of the Lands or any security collateral thereto, including the Assignment, or all or any of them in any order, at the sole option and discretion of the Mortgagee.

44.2.7 The Mortgagor will not, without the consent in writing of the Mortgagee, accept prepayment of any of the Rents due or to accrue due in respect of the Leases, or any of them, but will accept payment thereof only in the amounts and on the days and at the times and in the manner stipulated in the Leases.

44.2.8 The Mortgagor will not, without the consent in writing of the Mortgagee, assign, pledge, or hypothecate any of the Leases or the Rents, or any part thereof, other than to the Mortgagee and will not do or omit to do or permit any act to be done which either directly or indirectly has the effect of waiving, releasing, reducing or abating any rights or remedies of the Mortgagor or obligations of any other party thereunder or in connection therewith without the consent in writing of the Mortgagee.

44.2.9 The Assignment will be deemed to apply to and have effect in respect of any further or other lease, renewal of lease, agreement for lease or tenancy agreement of the Lands (including any addition to or extension of the Lands) or any part or parts thereof which may exist during the currency of this Mortgage, whether in substitution for or in addition to the original Leases.

44.2.10 Should the Mortgagee in its absolute discretion deem it advisable to take proceedings, either judicial or extra-judicial by way of distress or otherwise for the enforcement of the payment of the Rents herein assigned, the Mortgagor will join with the Mortgagee in such proceedings and does hereby grant to the Mortgagee irrevocable authority to joint the Mortgagor in such proceedings.

44.2.11 There is or has been no default, right of set-off, previous assignment (except to the Mortgagee), commutation or prepayment of, or with respect to, the Rents, and that the Mortgagor will not, without the consent in writing of the Mortgagee, permit any cancellation, surrender or variation of any of the Leases or of the terms, covenants, provisos, or conditions thereof.

44.2.12 The Mortgagor will from time to time on demand furnish to the Mortgagee a current list of all of the Leases and the Rents in such detail as the Mortgagee may reasonably require.

44.2.13 The Mortgagor will at the request of the Mortgagee from time to time give any other party to any of the Leases notice of the Assignment or any specific assignment of any of the Leases and will obtain from such other party acknowledgements of such notice, such notice and acknowledgement to be in the forms delivered to the Mortgagor by the Mortgagee.

44.2.14 The Mortgagor will execute such further assurances as may be reasonably required by the Mortgagee from time to time to perfect the Assignment.

45. FURTHER ASSIGNMENT OF RENTS AND SECURITY AGREEMENT

45.1 The Mortgagor covenants and agrees with the Mortgagee that:

45.1.1 The Mortgagor will, at the request of the Mortgagee, forthwith execute and deliver to the Mortgagee a general assignment of rents and leases and a specific assignment of rents and leases with respect to all leases and tenancies of any or all parts of the Lands, such assignment or assignments to be in favour of the Mortgagee, in form and content acceptable to the Mortgagee and to constitute the only assignment of rents and leases of the Lands other than the Assignment granted pursuant to paragraph 44 of the Terms of this Mortgage, and the Mortgagor will pay on demand to the Mortgagee the full amount of all legal fees, disbursements, costs, charges, registration fees and other

expenses incurred by the Mortgagee in the preparation, registration and renewal of registration of the said assignments from time to time.

45.1.2 The Mortgagor will, at the request of the Mortgagee, forthwith execute and deliver to the Mortgagee such security agreements as the Mortgagee may require from time to time in order to create in favour of the Mortgagee a valid, enforceable and perfected security interest in all present and future property, assets, rights and undertaking in which the Mortgagor now or hereafter has any interest and located on, arising from, relating to or in connection with the Lands or any part thereof (herein collectively called the "**Collateral**"), such security agreements to be in favour of the Mortgagee, in form and content acceptable to the Mortgagee and to constitute at all times a valid first mortgage, charge and security interest in the Collateral, and the Mortgagor will pay on demand to the Mortgagee the full amount of all legal fees, disbursements, costs, charges, registration fees and other expenses incurred by the Mortgagee in the preparation, registration and renewal of registration of the said security agreements and security interests from time to time.

46. STRATA TITLE PROVISIONS

46.1 The Mortgagor covenants and agrees with the Mortgagee that if the Lands or any part thereof charged by this Mortgage are a strata lot or strata lots or are at any time subdivided into a strata lot or strata lots under the provisions of the *Strata Property Act* (British Columbia) and any amendments thereto or any statute enacted in replacement thereof (herein called "***Strata Property Act***") then and in such event:

46.2 The Mortgagor will observe and perform all the covenants, agreements, provisos, terms, conditions and provisions required to be observed and performed under or pursuant to this Mortgage, the *Strata Property Act*, and any bylaws, rules and regulations that may be passed by the strata corporation of which the Mortgagor is a member by virtue of his interest in the strata lot or lots hereby charged (herein called the "**Strata Corporation**") or any special interest section thereof.

46.3 The Mortgagor will pay on or before the due dates thereof the share of common expenses and each and every assessment, contribution or levy made by the Strata Corporation or any special interest section thereof against the strata lot or lots and interest in the common property hereby charged. In the event that the Mortgagor fails to pay the share of the common expenses or fails to pay any one or more assessments, contributions or levies on or before their due date, or in the event that the Strata Corporation or any special interest section thereof registers a certificate in Form B of the Schedule to the *Strata Property Act* in any Land Title Office, such event will constitute an Event of Default under this Mortgage and at the option of the Mortgagee, the whole of the principal balance, interest, costs and charges then owing hereunder will forthwith become due and be paid. Should the Mortgagor fail to pay the share of any common expenses, assessments, contributions or levies, the Mortgagee may make the payments but will not be obliged to do so. Any amount so paid by the Mortgagee will be added to and form

part of the principal owing hereunder and that amount together with the interest thereon will be paid to the Mortgagee forthwith without demand.

46.4 The Mortgagor will provide to the Mortgagee within ten (10) days of demand by the Mortgagee a certificate in Form A of the Schedule to the *Strata Property Act* certifying that no moneys are owing to the Strata Corporation by the Mortgagor.

46.5 The Mortgagor will not without the prior written consent of the Mortgagee:

46.5.1 assign any of the Mortgagor's rights, powers, duties or obligations under the *Strata Property Act* or the bylaws created under the *Strata Property Act*; or

46.5.2 give possession of the strata lot or lots hereby charged to any person on the basis of an agreement providing for the purchase of the strata lot or lots hereby charged by the occupier or on the basis of a lease, sublease or assignment of lease for a term of three years or more.

46.6 The Mortgagor hereby grants to the Mortgagee all the right and power to vote conferred on the Mortgagor by the *Strata Property Act*, but it is agreed that neither this provision nor anything done by virtue thereof will render the Mortgagee a Mortgagee in possession. The Mortgagor hereby acknowledges receipt of written notice that the Mortgagee intends to exercise its power to vote on any matters relating to insurance, maintenance, finance or other matters affecting the security for the Mortgage hereby granted, and the Mortgagor agrees that no additional notice need be given to the Mortgagor to permit the Mortgagee to exercise the right and power to vote conferred on the Mortgagor in respect of such matters. It is understood that the Mortgagor may at any duly called meeting of the Strata Corporation of which the Mortgagee has received written notice, exercise the right to vote on the aforesaid matters if the Mortgagee is not, by its authorized representative, agent or proxy, present at such meeting.

46.7 The right and power to vote granted herein to the Mortgagee does not impose upon the Mortgagee any duty or obligation whatsoever to protect the interest of the Mortgagor, and the Mortgagee will not be responsible for the consequences of any exercise of the right to vote or any failure to exercise the right to vote.

46.8 Pursuant to the *Strata Property Act*, the Mortgagor hereby authorizes in writing the Mortgagee or any officer of the Mortgagee to apply at any time and from time to time during the term hereof to the Strata Corporation to have the bylaws for the time being in force governing the strata lot and interest in the common property hereby mortgaged made available for inspection by the Mortgagee or such officer of the Mortgagee.

46.9 Pursuant to the *Strata Property Act*, the Mortgagor hereby authorizes in writing the Mortgagee or any officer of the Mortgagee to apply at any time and from time to time to the Strata Corporation for certification to the Mortgagee of the following, and hereby authorizes the Strata Corporation to give such certifications:

46.9.1 the amount of any contribution determined as the contribution of the Mortgagor under the *Strata Property Act*;

46.9.2 the manner in which the contribution is payable;

46.9.3 the extent to which the contribution has been paid;

46.9.4 the amount of any money expended by the Strata Corporation on behalf of the Mortgagor under the *Strata Property Act* and not recovered by it;

46.9.5 the amount, if any, by which the expenses of the Strata Corporation for the current fiscal year are expected to exceed the expenses budgeted for the fiscal year;

46.9.6 the amount of the contingency reserve fund;

46.9.7 that there are no amendments to the bylaws not filed in the Land Title Office other than those certified;

46.9.8 that no notices have been given for a unanimous or special resolution that has not been voted on, other than those certified; and

46.9.9 that there are no pending proceedings against the Strata Corporation of which the Strata Corporation is aware other than those certified.

46.10 The Mortgagor hereby appoints the Mortgagee to be the Mortgagor's agent to examine, inspect and obtain copies of any and all records, minutes, books of account or other documents of any nature and kind whatsoever which the Mortgagor is entitled to examine or inspect.

47. NO PREPAYMENTS

Save and except as otherwise provided for in the Commitment or any schedule to a specific charge, the Mortgagor will have no right to prepay all or any part of the amount outstanding under this Mortgage prior to the maturity date thereof.

48. NO PARTIAL DISCHARGES

Save and except as otherwise provided for in the Commitment or any schedule to a specific charge, the Mortgagor will have no right to obtain a partial discharge(s) of this Mortgage.

49. ABANDONMENT

In the event of abandonment of the Project for a period in excess of fifteen (15) consecutive days, the Mortgagee will be entitled, after giving the Mortgagor written notice of any abandonment and provided the Mortgagor fails to rectify same within ten (10) days after such notice, has been given, to forthwith withdraw and cancel its obligations hereunder and/or decline to advance further funds as the case may be and in addition to declare any funds advanced to forthwith become due and payable plus interest all at the Mortgagee's option.

50. MISCELLANEOUS

50.1 The Mortgagor covenants and agrees with the Mortgagee that any payments under this Mortgage, whether of principal, interest or other sums received by the Mortgagee after 12:00 p.m. (Vancouver, British Columbia time) on any day will be deemed to have been received by the Mortgagee and credited to the Mortgagor's account under this Mortgage on the next following business day of the Mortgagee in Toronto, Ontario.

50.2 No extension of time given by the Mortgagee to the Mortgagor or to anyone claiming under the Mortgagor or any other dealing by the Mortgagee with the owner of the equity of redemption of the Lands will in any way affect or prejudice the rights of the Mortgagee as against the Mortgagor or any covenantor, guarantor, surety, or any other person liable for the payment of the moneys hereby secured.

50.3 Until the occurrence of an Event of Default hereunder the Mortgagor will have quiet possession of the Lands, but nothing herein contained will create the relationship of landlord and tenant between the Mortgagee and the Mortgagor.

50.4 The Mortgagor agrees that this Mortgage secures a current or running account and any portion of the principal amount of this Mortgage may be advanced or re-advanced by the Mortgagee in one or more instalments at any future date or dates and the amount of such advances and re-advances when so made will be secured by this Mortgage and be repayable with interest at the Mortgage Rate and this Mortgage is deemed to be security for the ultimate balance of moneys advanced hereunder together with interest, costs and other charges, if any. This Mortgage will not be considered to have been redeemed only because the advances and readvances made to the Mortgagor have been repaid or the accounts of the Mortgagor with the Mortgagee cease to be in debit.

50.5 The Mortgagee's rights of consolidation will be deemed not to be diminished or limited in any way by Section 31 of the *Property Law Act* (British Columbia) and any amendments thereto or provisions enacted in replacement thereof.

50.6 The provisions of the Commitment which are not expressly restated herein or in any collateral or other security documentation which is to be executed and delivered to the Mortgagee by the Mortgagor or any Guarantor or guarantor, will survive the execution and registration of this Mortgage and there will be no merger of such provisions in this Mortgage or the collateral or other security documents, until the Mortgagor and the Mortgagee, by an appropriate instrument in writing so declare. If there will exist any conflict between the terms of the Commitment and the Terms of this Mortgage, then the Terms of this Mortgage will govern and take precedence. It is understood and agreed that a default under the terms of the Commitment or any other Credit Document will constitute an Event of Default under this Mortgage and will entitle the Mortgagee to exercise all of its rights and remedies contained in this Mortgage and the other Credit Documents.

50.7 The Mortgagor covenants and agrees with the Mortgagee that:

50.7.1 the Mortgagor will pay all costs, charges and expenses incurred in enabling the Mortgagor's title to the Lands to be registered in the Land

Title Office and in the preparation and registration of this Mortgage, which costs, charges and expenses will become payable forthwith and be a charge upon the Lands and bear interest at the Mortgage Rate until paid and the Mortgagee upon the payment of the principal moneys or part thereof will have the right to prepare the release of this Mortgage from the Lands or any portion of the Lands and the costs, charges and expenses, legal or otherwise, of the preparation of such release will be paid by the Mortgagor before such release is delivered to the Mortgagor; and

50.7.2 the Mortgagor will pay, and indemnify the Mortgagee in respect of the full amount of all fees, costs, charges and expenses including the full amount of all legal fees on a solicitor and solicitor's own client full indemnity basis, disbursements, costs, charges and expenses which may be incurred by the Mortgagee before or after action is commenced in collecting, procuring or enforcing payment of any of the moneys in default under this Mortgage or in any way enforcing or protecting the security of this Mortgage or enforcing any of the Terms of this Mortgage, travelling expenses of the Mortgagee, the Mortgagee's servants and agents and commissions on collection of rent, which may be incurred in the taking, recovering and keeping possession of the Lands or in inspecting the same and generally in any other measures or proceedings taken to realize or collect the moneys hereby secured or to perfect the title of the Lands, all of which such amounts will be a charge on the Lands in favour of the Mortgagee and will be payable forthwith by the Mortgagor to the Mortgagee with interest at the Mortgage Rate until paid and in default of payment, the Mortgagee may exercise any and all remedies of the Mortgagee under this Mortgage or otherwise available to the Mortgagee. The Mortgagor hereby irrevocably consents and agrees to an award of legal costs and expenses on a solicitor and solicitor's own client full indemnity basis by any court under Section 20 of the *Law and Equity Act* (British Columbia), as amended, or any provision enacted in replacement therefor, in any foreclosure proceeding in respect of this Mortgage.

50.8 The Mortgagor and the Mortgagee acknowledge and agree that it is their express intention and desire that in no event will the total payment to the Mortgagee whether for interest, fees, bonus, additional consideration or otherwise exceed the maximum payment permitted under Section 347 of the Criminal Code (Canada), as amended, or any provision enacted in replacement therefor, and the parties further acknowledge and agree that notwithstanding any other terms or conditions of this Mortgage or any additional security documents or agreements, the interest payable on the credit advanced under this Mortgage (as "interest" and "credit advanced" are defined in Section 347 of the Criminal Code (Canada), as amended, or any provision enacted in replacement therefor), will not exceed an effective annual rate of interest of sixty (60%) percent calculated in accordance with generally accepted actuarial practices and principles. In the event that the Mortgagor would, but for this clause, be obligated to pay interest on the credit advanced under this Mortgage at a criminal rate (as "interest", "credit advanced" and "criminal rate" are defined in Section 347 of the Criminal Code (Canada), as amended, or any provision enacted in replacement therefor), the interest payable

on the credit advanced hereunder will be reduced to an effective annual rate of sixty (60%) percent, calculated in accordance with generally accepted actuarial practices and principles, firstly by reducing to the extent necessary the amount of any bonus payable hereunder, secondly (if required) by reducing to the extent necessary the amount of fees or commissions or other consideration other than interest payable hereunder, and thirdly (if required) by reducing to the extent necessary the Mortgage Rate. In the event that the Mortgagor has paid to the Mortgagee interest at a criminal rate on the credit advanced under this Mortgage (as "interest", "credit advanced" and "criminal rate" are defined in Section 347 of the Criminal Code (Canada), as amended, or any provision enacted in replacement therefor), the Mortgagee will at the request of the Mortgagor refund to the Mortgagor an amount equal to the amount by which such interest exceeds the criminal rate. The provisions of this Mortgage will be modified and are deemed to be modified to the extent necessary to effect the foregoing.

51. GENERAL (DOCUMENT/DRAFTING ISSUES)

51.1 The implied covenants deemed to be included in a mortgage under column 2 of section 15 of Schedule 6 of the *Land Transfer Form Act*, R.S.B.C. 1996 c.252 (as amended from time to time), are expressly excluded and replaced by the Terms of this Mortgage.

51.2 If the Mortgagor consists of more than one Person, then the covenants herein contained of the Mortgagor will be and be deemed to be several as well as joint.

51.3 Paragraph titles are inserted in the Terms of this Mortgage for convenience only and are not to be taken into account or looked at for the purpose of interpreting and giving full effect to the true meaning and intent of this Mortgage.

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

51.5 This Mortgage will be governed by and construed in accordance with the laws of the Province of British Columbia.

51.6 All grants, covenants, provisos, agreements, rights, powers, privileges and liabilities contained in this Mortgage are to be read and held as made by, with, granted to and imposed upon the parties hereto and their respective heirs, executors, administrators, successors and assigns as if the words had been inscribed in all the necessary places.

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

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

52. COUNTERPARTS

The Mortgage may be executed and/or registered in counterparts, each of which, so executed, and/or registered will be deemed to be an original and such counterparts together will constitute one and the same instrument, and notwithstanding their date of execution will be deemed to bear date as of the date above written.

End Of Document

This is **Exhibit "** K **"** referred to in the 1st Affidavit of Raymond Ng sworn before me at Vancouver, British Columbia, on this 25th day of August, 2025.

A Commissioner for taking Affidavits for British Columbia

Colin Brousson
Barrister & Solicitor
DLA Piper (Canada) LLP
1133 Melville Street, Suite 2700
Vancouver, BC V6E 4E5
604.687.9444

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SECURITY AGREEMENT

1/20/2023 | 6:55 下午 PST

This Security Agreement dated for reference January ____, 2023 made by Keltic (Prior) Development Limited Partnership and 1319191 B.C. Ltd. as general partner and on its own behalf (together, the "**Debtor**"), having their chief executive offices at 2338-666 Burrard Street, Vancouver, British Columbia, to and in favour of Shape Capital Corp. on behalf of TS Alpha Venture Limited Partnership (collectively, the "**Secured Party**"), as lender under the Commitment hereinafter referred to, having an address at 2020 One Bentall Centre, Box 206, 505 Burrard Street, Vancouver, British Columbia V7X 1M6.

WHEREAS:

A. The Secured Party has agreed to advance certain credit facilities (the "**Credit Facilities**") to the Debtor on the terms and conditions set out in the Commitment and the Mortgage.

B. It is a condition of the advance of the Credit Facilities by the Secured Party that, in addition to other security being taken, the Debtor execute and deliver this Security Agreement to the Secured Party as collateral security for the payment and performance of the Obligations.

NOW THEREFORE WITNESSETH that, in consideration of these premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Debtor, the Debtor covenants, declares and agrees as follows:

ARTICLE 1
INTERPRETATION

1.1 Terms Incorporated for Reference. All capitalized terms used but not otherwise defined in this Security Agreement shall have the meanings attributed to them in the Commitment or, as applicable, in the Mortgage. Terms defined in the British Columbia *Personal Property Security Act* (including the regulations thereto and all as amended from time to time, collectively, the "**PPSA**") and used but not otherwise defined in this Security Agreement shall have the same meaning herein.

1.2 Defined Terms. In this Security Agreement, unless there is something in the subject matter or context inconsistent therewith, the following words and terms shall have the following meanings:

"**Affiliate**" means, with respect to any Person, any other Person who directly or indirectly controls, is controlled by, or is under direct or indirect common control with, such Person, and includes any Person in like relation to an Affiliate. A Person will be deemed to control another Person if such first Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such other Person, whether through the ownership of voting securities, by contract or otherwise;

"**Authorization**" means any permit, licence, approval, consent, order, right, certificate, judgment, writ, injunction, award, determination, direction, decree, authorization, franchise, privilege, grant, waiver, exemption and other concession or by-law, rule or regulation, whether or not having the force of Law, of, by or from any Official Body, all as amended, supplemented or otherwise modified or replaced from time to time;

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"**Book Accounts**" means all debts, accounts, monies, demands and choses in action which are now due, owing or accruing due or which may hereafter become due, owing or accruing due to the Debtor and all claims of whatsoever nature or kind which the Debtor now has or may hereafter have, in each case in respect of or arising out of or in connection with the Business, including claims against the Crown and claims under insurance policies and all the proceeds and other monies payable thereunder (including bonuses, additions, profits, interest and all other such amounts); and all Contracts, securities, bills, notes, lien notes, judgments, chattel mortgages, mortgages and all other rights and benefits which now are or may hereafter be vested in the Debtor or anyone on behalf of the Debtor in respect of or as security for any of the said debts, accounts, monies, demands, choses in action and claims or any part thereof; and also all books, accounts, invoices, letters, papers and documents recording or in any way evidencing or relating to any of the said debts, accounts, monies, demands, choses in action and claims or any part thereof, and "**Book Account**" means any one of them;

"**Business**" means the business of the Debtor as conducted by it as at the date hereof and as proposed to be conducted by it hereafter including the ownership, operation and lease of assets and property in connection therewith and the investment therein and all other activities necessary, useful, incidental or ancillary to the foregoing;

"**Business Day**" means any day of the year, other than a Saturday, Sunday or other day on which banks are required or authorized to close for business in Vancouver, British Columbia;

"**Collateral**" has the meaning set forth in Section 2.1;

"**Commitment**" means the commitment letter dated November 24, 2022, delivered by the Secured Party, and accepted by the Debtor and the Guarantor, *inter alia*, as amended, supplemented, extended or otherwise modified or restated from time to time;

"**Consent**" means any permit, licence, approval, consent, order, right, certificate, judgment, writ, injunction, award, determination, direction, decree, authorization, franchise, privilege, grant, waiver, exemption, and other concession or by-law, rule or regulation, whether or not having the force of Law, of, by or from any Person other than an Official Body, all as amended, supplemented or otherwise modified or replaced from time to time;

"**Contracts**" means all contracts or agreements relating to or arising in connection with the acquisition, ownership, use or operation of the Lands or the Business (including, without limitation, all contractual rights and benefits, options or rights to acquire options under such contracts or agreements to which the Debtor is a party (whether by way of assignment or otherwise) in any form whatsoever, written or verbal, now in existence or hereafter entered into (including leases, options to purchase and rights of first refusal), together in each case with any amendments, supplements, modifications, extensions, renewals or replacements thereof, and "**Contract**" means any one of them;

"**Credit Documents**" means this Agreement, the Commitment, the Mortgage, the other Security Documents and all other documents to be executed and delivered to the Secured Party by the Debtor, a Guarantor or a Subsidiary or an Affiliate thereof hereunder or thereunder, all as amended, restated, supplemented or replaced from time to time;

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"**Guarantor**" means those parties collectively listed as "Guarantor" in the Commitment and any other Affiliates of the Debtor as the Secured Party may from time to time require in its sole discretion;

"**Intellectual Property**" means all intellectual property owned by the Debtor or in which the Debtor has rights including, without limitation, all Trademarks, copyrights, copyright applications and registrations, patents, patent applications, industrial designs, industrial design applications and registrations, inventions, know how, trade secrets, technical processes, recipes, formulae or rights therein or related thereto used in or necessary for the conduct of the Business, and all related licences or other Consents held by the Debtor with respect to the Business or the use of technology relating to the Business;

"**Inventory**" means all inventories of the Debtor wheresoever located (including, without limitation, such inventory located at, on or about the Lands or any leasehold property) including, without limitation, finished goods, work in progress, raw materials, cut trees, gravel, stores, supplies, spare parts and other maintenance items and merchandise, and all other materials and supplies wherever located, including on or about or in transit to or from the Lands (or otherwise on hand), to be used or consumed in connection with the processing, manufacture, packing, shipping, selling or furnishing of products in the Business;

"**Lands**" means all real property or interests in real property (including, without limitation, any leasehold estates pursuant to a lease or statutory rights of way), together with the buildings and improvements situate thereon or fixtures forming a part thereof and all attendant easements, rights-of-way, licences, leases, leasehold estates and other interests located at 220 Prior Street, Vancouver, British Columbia and legally described in Schedule A hereto;

"**Law**" includes any law (including common law and equity), constitution, statute, treaty, regulation, rule, ordinance, order, injunction, writ, decree or award of any Official Body;

"**Lien**" includes any mortgage, pledge, lien, hypothecation, security interest or other encumbrance or charge (whether fixed, floating or otherwise) or title retention, any right of set-off (arising otherwise than by operation of Law) and any deposit of monies under any agreement or arrangement whereby such monies may be withdrawn only upon fulfilment of any conditions as to the discharge of any other indebtedness or other obligation to any creditor, or any right of or arrangement of any kind with any creditor to have its claims satisfied prior to other creditors with or from the proceeds of any properties, assets or revenues of any kind now owned or hereafter acquired;

"**Mortgage**" means the mortgage of the Lands dated as of the date hereof granted by Keltic (Prior) GP Ltd. in favour of the Secured Party, as amended, supplemented or otherwise replaced from time to time;

"**Negotiable Collateral**" has the meaning set forth in Section 2.3(b);

"**Obligations**" has the meaning set forth in Section 2.2(a);

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"**Official Body**" means any government or political subdivision or any agency, authority, bureau, central bank, monetary authority, commission, department or instrumentality thereof, or any court, tribunal, grand jury or arbitrator, whether foreign or domestic;

"**Permitted Liens**" means:

(i) undetermined or inchoate Liens arising in the ordinary course of and incidental to construction or current operations which have not been filed pursuant to law against the Debtor or any Affiliate of the Debtor or in respect of which no steps or proceedings to enforce such lien have been initiated or which relate to obligations which are not due or delinquent are being contested by the Debtor or any Affiliate of the Debtor;

(ii) the Liens granted by the Debtor in favour of the Secured Party;

(iii) the interest of any Person under any purchase money security interest;

(iv) public and statutory Liens for charges not yet due arising by operation of Law; and

(v) any Lien permitted in writing by the Secured Party;

"**Person**" means an individual, partnership, corporation (including a business trust), joint stock company, trust, unincorporated association, joint venture or other entity, or a foreign state or political subdivision thereof or any agency of such state or subdivision;

"**PPSA**" has the meaning set forth in Section 1.1;

"**Security**" means the security given to the Secured Party at any time and from time to time to secure the indebtedness, liabilities and obligations of the Debtor under the Commitment and the Mortgage, including, without limitation, the security referred to in Section 9 of the Commitment, all as amended, restated, supplemented or replaced from time to time;

"**Security Agreement**" means this agreement as supplemented, amended or otherwise modified, renewed or replaced from time to time;

"**Security Documents**" means this Security Agreement and the other documents referred to in Section 20 of the Commitment, the Mortgage and the agreements, instruments and documents delivered from time to time to the Secured Party by the Debtor, a Guarantor and other Persons, for the purpose of establishing, perfecting, preserving and protecting the Security, all as amended, restated, supplemented or replaced from time to time;

"**Security Interest**" has the meaning set forth in Section 2.2(a);

"**Subsidiaries**" means, at any time, in respect of a Person, any corporation, partnership or other entity of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other Persons performing similar functions are at such time directly or indirectly owned by such Person;

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"**Trademarks**" means (i) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos, design marks, certification marks, distinguishing guises and other source or business identifiers, and the goodwill associated therewith, (ii) all registrations and recordings thereof, and all applications in connection therewith, (iii) all extensions, renewals and continuations thereof, and (iv) all rights to sue for past, present or future infringements of, dilution or depreciation of value to and passing off of or injury to any thereof.

ARTICLE 2
SECURITY

2.1 **Grant of Security**. Subject to Section 2.4, the Debtor hereby (i) mortgages and charges to the Secured Party as and by way of a fixed mortgage and charge; (ii) pledges to the Secured Party; (iii) assigns and transfers to the Secured Party as and by way of a specific transfer and assignment (except any assignment or transfer of Intellectual Property); and (iv) grants to the Secured Party, a security interest in, all of the Debtor's right, title and interest in and to all personal property and undertaking of the Debtor, present and future, now owned or hereafter acquired used in, located on or in connection with the Lands (collectively, the "**Collateral**", and all references thereto herein include any part thereof) including, without limitation, any and all of the Debtor's:

(a) goods of every kind, type and description whatsoever now or hereafter owned, leased or otherwise held by it, including, without limitation, fixtures and equipment (including, without limitation, the equipment described in Schedule B Part I hereto), goods held for sale or lease, goods furnished or to be furnished to Persons under contracts of lease, sale or consignment, goods which are raw materials or work in progress, goods used in or procured for packing, goods which are materials used or to be used or consumed in the Business, goods which are service equipment, office equipment, computer equipment, consumables, machinery, plant, vehicles (including the serial numbered goods described in Schedule B Part II hereto) and all licences and other rights and other tangible personal property now or hereafter owned, leased or otherwise held by it and all records, files, charts, plans, drawings, specifications, manuals and documents relating to any of the foregoing;

(b) bank accounts related to the Lands and construction on the Lands;

(c) Inventory, including, without limitation, such goods held for sale or lease, goods furnished or to be furnished to third Persons under contracts of lease, consignment or service and the Inventory described in Schedule C hereto;

(d) all Book Accounts and Contracts, including all Book Accounts and Contracts with respect to such account;

(e) documents of title, chattel paper, instruments, investment property and money, including, without limitation, all proceeds of all policies of insurance payable as indemnity or compensation for loss of or damage to any of the Collateral;

(f) intangibles, including, without limitation, all security interests, goodwill, choses in action and other contractual benefits and all Intellectual Property, including, without limitation, the intellectual property described in Schedule D hereto;

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(g) substitutions and replacements of and increases, additions and, where applicable, accessions to the property described in Sections 2.1(a) through 2.1(f) inclusive;

(h) proceeds in any form derived directly or indirectly from any dealing with all or any part of the property described in Sections 2.1(a) through (g) inclusive or the proceeds therefrom; and

(i) as and by way of a floating charge to and in favour of the Secured Party, a security interest in and to:

(i) all the Debtor's right, title and interest in and to all its presently owned or held and after acquired or held real and leasehold property and all interests therein, and all easements, rights-of-way, privileges, benefits, licences, improvements and rights whether connected therewith or appurtenant thereto or separately owned or held, including all structures, plants and other fixtures (all of which is hereinafter collectively called "**Real Property**"); and

(ii) all property, assets and undertakings of the Debtor, both present and future, of whatsoever nature or kind and wheresoever situated, and all Proceeds thereof and therefrom, other than such of its property, assets and undertakings as are otherwise validly and effectively subject to the charges and security interests in favour of the Secured Party created pursuant to the foregoing Sections 2.1(a) through (h) inclusive.

2.2 Obligations Secured.

(a) The mortgages, charges, pledges, transfers, assignments and security interests granted hereby (collectively, the "**Security Interest**") shall be continuing collateral security for the due payment and performance of all debts, liabilities and obligations of the Debtor, whether present or future, direct or indirect, absolute or contingent, matured or unmatured, joint or several or joint and several, at any time due or accruing due or owing by the Debtor to the Secured Party hereunder or under the Commitment, the Mortgage and any other Credit Documents or otherwise howsoever incurred, and whether incurred as principal or surety (collectively, and together with the expenses, costs and charges set out in Section 2.2(b), the "**Obligations**"); provided that payments owing by the Debtor to the Secured Party hereunder shall be made in accordance with the terms and conditions of the Commitment and the Mortgage.

(b) All expenses, costs and charges incurred by or on behalf of the Secured Party in connection with the preparation and issuance of this Security Agreement, the perfection, preservation and protection of the Security Interest and the enforcement of the Secured Party's rights and remedies hereunder, including the realization of the Collateral, and including all legal fees (on a solicitor and solicitor's own client full indemnity basis), disbursements, court costs, receiver's or agent's remuneration and other expenses of taking possession of, repairing, protecting, insuring, preparing for disposition, realizing, collecting, selling, transferring, delivering or obtaining payment of the Collateral, shall be added to and form a part of the Obligations.

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2.3 Attachment.

(a) The Debtor and the Secured Party hereby acknowledge that (i) value has been given; (ii) the Debtor has rights in the Collateral (other than after-acquired Collateral); and (iii) they have not agreed to postpone the time of attachment of the Security Interest.

(b) If the Debtor acquires Collateral consisting of chattel paper, instruments, investment property or negotiable documents of title (collectively, "**Negotiable Collateral**") after the date hereof, the Debtor will, forthwith upon receipt by the Debtor, deliver to the Secured Party (or as the Secured Party may direct) such Negotiable Collateral and shall, at the request of the Secured Party (i) cause the transfer thereof to the Secured Party to be registered wherever, in the reasonable opinion of the Secured Party, such registration may be required or advisable, (ii) duly endorse the same for transfer in blank or as the Secured Party may direct, and (iii) forthwith deliver to the Secured Party all Consents or other instruments or documents which may be necessary to effect the transfer of the Negotiable Collateral to the Secured Party or its nominee or, upon the enforcement of the Security Interest, any third party.

(c) The Debtor agrees to promptly inform the Secured Party in writing of the acquisition by the Debtor of any personal property which is not adequately described herein, and the Debtor agrees to execute and deliver at its own expense from time to time amendments to this Security Agreement or the schedules hereto or additional security agreements or schedules as may be required by the Secured Party in order that the Security Interest shall attach to such personal property.

2.4 Scope of Security Interest.

(a) Nothing in Section 2.1 shall be construed as an assignment by the Debtor (which term shall include a sub-lease, mortgage, pledge or charge) of any Contract, Book Account, claim, demand or chose in action which, as a matter of Law or by its terms, is non-assignable without the Consent or Authorization of some other Person unless such Consent or Authorization has been obtained. To the extent that the creation of the Security Interest would constitute a breach or permit the acceleration of any agreement right, license or permit to which the Debtor is a party, the Security Interest shall not attach thereto but the Debtor shall hold its interest therein in trust for the Secured Party, and, in the case of any such potential breach or acceleration of any agreement, right, license or permit, shall use all reasonable efforts to obtain the consent of the other party thereto. Upon the Debtor obtaining the consent of such other party, the Security Interest shall be deemed to have automatically attached to such agreement, right, license or permit, as the case may be, without the necessity of any further action or assurance on the part of any Person.

(b) Until the Security Interest shall have become enforceable, the grant of the Security Interest in the Intellectual Property shall not affect in any way the Debtor's rights to commercially exploit the Intellectual Property, to defend the Intellectual Property, to enforce the Debtor's rights therein or with respect thereto against third parties

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in any court or to claim and be entitled to receive any damages with respect to any infringement thereof.

(c) The Security Interest shall not extend to consumer goods.

(d) The Security Interest shall not extend or apply to the last day of any term of years reserved by a lease, verbal or written, or any agreement therefor, now held or hereafter acquired by the Debtor in respect of real property but the Debtor shall stand possessed of any such reversion in trust to assign and dispose thereof as the Secured Party may direct.

(e) The Secured Party will not be deemed in any manner to have assumed any obligation of the Debtor under any Authorization or Contract nor shall the Secured Party be liable to any Official Body or contract counterparties by reason of any default by any Person under any Authorization or Contract. The Debtor agrees to indemnify and hold the Secured Party harmless of and from any and all liability, loss, damage or expense which it may or might incur by reason of any claim or demand against it based on its alleged assumption of the Debtor's duty and obligation to perform and discharge the terms, covenants and agreements in any Authorization or Contract.

(f) It is expressly acknowledged by the Debtor that, notwithstanding any right or authority granted to the Debtor herein or in any other agreement or instrument to deal with the Collateral, it is the intention of the Debtor and the Secured Party that (i) the Security Interest shall operate and be construed as a fixed and specific charge of all Collateral in respect of which the Debtor presently has rights, and as a fixed and specific charge of all after-acquired Collateral which shall attach forthwith upon the Debtor acquiring rights therein, and (ii) the Security Interest shall neither operate nor be construed as a floating charge.

2.5 <u>The Secured Party's Care and Custody of Collateral</u>.

(a) Except as required by any mandatory provision of the PPSA, the Secured Party shall not be bound to collect, dispose of, realize, protect or enforce any of the Debtor's right, title and interest in and to the Collateral or to institute proceedings for the purpose thereof and, without limiting the generality of the foregoing, the Secured Party shall not be required to take any steps necessary to preserve rights against prior parties or other Persons in respect of any Negotiable Collateral.

(b) The Secured Party shall have no obligation to keep Collateral in its possession identifiable.

(c) The Secured Party may, both before and after the Security Interest shall have become enforceable, (i) notify any Person obligated on a Book Account or on chattel paper or any obligor on an instrument to make payment thereunder to the Secured Party, whether or not the Debtor was theretofore making collections thereon, and (ii) assume control of any proceeds arising from the Collateral.

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2.6 Representations and Warranties of the Debtor. The Debtor represents and warrants to the Secured Party that, as of the date of this Agreement:

(a) except for Permitted Liens, the Debtor owns the Collateral free and clear of any Liens. The Debtor is the record and beneficial owner of all Collateral that is investment property. No security agreement, financing statement or other notice with respect to any or all of the Collateral is on file or on record in any public office, except for filings with respect to Permitted Liens;

(b) the amount represented by the Debtor to the Secured Party from time to time as owing by each account debtor or by all account debtors in respect of the Book Accounts will at such time be the correct amount so owing by such account debtor or debtors and, unless disclosed in writing by the Debtor to the Secured Party at that time, will be owed free of any dispute, set-off or counterclaim. Except as disclosed in writing by the Debtor to the Secured Party, neither the Debtor nor (to the best of the Debtor's knowledge) any other party to any Book Account or Contract is in default or is likely to become in default in the performance or observance of any of the terms of such Book Account or Contract where such default is or could reasonably be expected to be materially adverse to the Debtor or the Secured Party;

(c) the Debtor is a partnership formed as a limited partnership and validly exists in all jurisdictions where the Debtor carries on business;

(d) the Debtor has full power and authority to grant to the Secured Party the Security Interest and to execute, deliver and perform its obligations under this Agreement, and such execution, delivery and performance does not contravene any of the Debtor's organizational or constating documents or any agreement, instrument or restriction to which the Debtor is a party or by which the Debtor or any of the Collateral is bound; and

(e) this Agreement has been duly authorized, executed and delivered by the Debtor and is a valid and binding obligation of the Debtor enforceable against the Debtor in accordance with its terms, subject only to bankruptcy, insolvency, liquidation, reorganization, moratorium and other similar laws generally affecting the enforcement of creditors' rights, and to the fact that equitable remedies (such as specific performance and injunction) are discretionary remedies.

2.7 Covenants of The Debtor. The Debtor covenants with the Secured Party the following:

(a) the Debtor shall not, without the prior written consent of the Secured Party or except as permitted by the Commitment, the Mortgage and the other Credit Documents, sell, transfer, exchange, lease, release or abandon or otherwise dispose of any of the Collateral except (i) for collateral consisting of Inventory sold or leased in the ordinary course of the Debtor's business, and (ii) as otherwise agreed to in writing by the Secured Party, or create, assume or permit to remain outstanding any Lien in, on or of the Collateral except (i) for Permitted Liens, and (ii) as otherwise agreed to in writing by the Secured Party. Any proceeds of such sale, exchange, lease, release, abandonment or disposal except as permitted by

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this Section shall be held by the Debtor in trust for the Secured Party and, at the request of the Secured Party, shall be paid immediately to the Secured Party;

(b) the Debtor shall not move or transfer the Collateral from the Lands or enter into any agreement or undertaking to move or transfer the Collateral from the Lands;

(c) the Debtor shall not permit any material Collateral to be affixed to real or personal property not owned by the Debtor so as to become a fixture or accession, without prior written notice to the Secured Party and without a waiver of interest in such fixture or accession from the applicable third party prior to affixation;

(d) the Debtor shall defend the Collateral against all reasonable claims and demands of all persons claiming the Collateral or an interest therein;

(e) upon the demand by the Secured Party, the Debtor shall furnish in writing to the Secured Party all reasonable information requests concerning the Collateral;

(f) the Secured Party shall have the reasonable right, during regular business hours, either by its officers or authorized agents to enter upon the Debtor's premises and to inspect the Collateral and all books of account and records of the Debtor relating to the Collateral;

(g) the Debtor shall pay all reasonable costs, charges and expenses of and incidental to registering notice (and any amendments and renewals of such notice) of this Security Agreement and in taking, recovering, keeping possession of or inspecting the Collateral and generally in any other proceedings taken in enforcing the remedies in this Security Agreement or otherwise in connection with this Security Agreement or by reason of non payment or procuring payment of the monies hereby secured;

(h) if the Debtor makes default in any covenant to be performed by it hereunder, the Secured Party may perform any covenant of the Debtor capable of being performed by the Secured Party and if the Secured Party is put to any costs, charges, expenses or outlays to perform any such covenant, the Debtor will indemnify the Secured Party for such costs, charges, expenses or outlays and such costs, charges, expenses or outlays (including solicitors' fees and charges incurred by the Secured Party on a "solicitor/client" basis) will be payable immediately by the Debtor to the Secured Party, and will form part of the Obligations secured by this Security Agreement;

(i) the Debtor shall pay all taxes, rates, levies, charges, assessments, statute labour or other imposition whatsoever now or hereafter rated, charged, assessed, levied or imposed by any lawful authority or otherwise howsoever on it, on the Collateral or on the Secured Party in respect of the Collateral or any part or parts thereof, or any other matter or thing in connection with this Security Agreement, save and except when and so long as the validity of such taxes, rates, levies, charges, assessments, statute labour or other imposition is in good faith contested by it, and will, if and when required in writing by the Secured Party, furnish for inspection the receipts for any such payments;

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(j) the Debtor shall promptly pay or remit all amounts which if left unpaid or unremitted might give rise to a lien or charge on any of the Collateral ranking or purporting to rank in priority to any security interest created by this Security Agreement;

(k) the Debtor shall do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered, such further acts, deeds, mortgages, transfers and assurances as the Secured Party will reasonably require for the better assuring, charging, assigning and conferring unto the Secured Party the Collateral and the security interests intended to be created hereunder, for the purpose of accomplishing and effecting the intention of this Security Agreement;

(l) the Debtor shall keep all tangible Collateral in good operating condition and repair and will provide all maintenance, service and repairs necessary for such purpose; and

(m) the Debtor will keep the Collateral insured with financially sound and reputable companies to its full insurable value against loss or damage by fire, explosion, theft and such other risks as are customarily insured against by Persons carrying on similar businesses or owning similar property within the vicinity in which the Debtor's applicable business or property is located. The applicable insurance policies will be in form and substance satisfactory to the Secured Party and will name the Secured Party as loss payee, as its interest may appear, and the Debtor shall pay all premiums for such insurance. The Debtor will, from time to time at the Secured Party's request, deliver the applicable insurance policies (or satisfactory evidence of such policies) to the Secured Party. If the Debtor does not obtain or maintain such insurance, the Secured Party may, but need not, do so, in which event the Debtor will immediately on demand reimburse the Secured Party for all payments made by the Secured Party in connection with obtaining and maintaining such insurance, and until reimbursed any such payment will form part of the Obligations and will be secured by the Security Interest. The Secured Party nor its agents will be responsible for the character, adequacy, validity or genuineness of any insurance, the solvency of any insurer, or any other risk connected with insurance;

(n) the Debtor will not (i) enter into any merger, consolidation, reorganization, or recapitalization, (ii) liquidate, wind up, or dissolve itself (or suffer any liquidation or dissolution), (iii) make any change in the principal nature of its business, or (iv) cause, permit, or suffer, directly or indirectly, any change of control; and

(o) the Debtor will not change its name, registration number or province of formation; provided, however, that the Debtor may change its name upon at least 30 days prior written notice by it to the Secured Party of such change and so long as, at the time of such written notification, the Debtor provides any financing statements necessary to perfect and continue perfected the Security Interest.

2.8 Right of Set-Off. The Obligations secured by this Security Agreement shall be paid, when due, by the Debtor to the Secured Party without regard to any equities existing among the Debtor and the Secured Party and without regard to any right of set-off or cross-claim or of any claim or demand of the Debtor against the Secured Party or otherwise.

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2.9 Protective Disbursements. If the Debtor fails to perform any covenant on its part contained in this Security Agreement then the Secured Party may, in its absolute discretion, perform any such covenant capable of being performed by it and, if any such covenant requires the payment or expenditure of money, the Secured Party may make such payment but shall be under no obligation to do so, and all sums so paid or expended by the Secured Party shall be immediately payable by the Debtor, shall bear interest at the highest rate set forth in the Commitment and the Mortgage until paid and shall be secured hereby, having the benefit of the Security Interest in priority to the indebtedness evidenced by this Security Agreement. No such performance or payment shall relieve the Debtor from any default under this Security Agreement or any consequences of such default.

ARTICLE 3
ENFORCEMENT

3.1 Default. The Security Interest shall be and become enforceable against the Debtor upon an Event of Default.

3.2 Remedies. Whenever the Security Interest has become enforceable, the Secured Party may realize upon the Collateral and enforce the rights of the Secured Party by any remedy or proceeding authorized or permitted by Law (subject to any mandatory provision of the PPSA) including, without limitation, by:

(a) entry onto the Lands and any other premises where Collateral consisting of tangible personal property may be located;

(b) entry into possession of the Collateral and removal of Collateral consisting of tangible personal property by any method permitted by Law;

(c) sale, assignment, lease, sub-lease, granting options or options to purchase or any other disposal of the Collateral;

(d) collection of any proceeds arising in respect of the Collateral;

(e) collection, realization or sale of or other dealing with the Book Accounts or any of them;

(f) the exercise of any contractual, legal or other rights or interests of the Debtor under or in respect of the Collateral;

(g) the payment of any Lien that may exist or be threatened against the Collateral, in which event such amount and any costs, charges and expenses incurred in connection therewith shall be added to the Obligations;

(h) the appointment by instrument in writing of a receiver (which term as used in this Security Agreement includes a receiver and manager) or agent of the Collateral and the removal or replacement of such receiver or agent from time to time;

(i) the institution of proceedings in any court of competent jurisdiction for the appointment of a receiver of the Collateral;

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(j) the institution of proceedings in any court of competent jurisdiction for sale or foreclosure of the Collateral;

(k) filing proofs of claim and other documents to establish claims in any proceeding relating to the Debtor;

(l) the set-off and application against the Obligations, to the fullest extent permitted by Law, of any monies to be paid by the Secured Party to the Debtor under the Credit Documents or any other agreement between the Secured Party and the Debtor; and

(m) any other remedy or proceeding authorized or permitted by applicable Law.

Such remedies may be exercised from time to time separately or in combination with respect to or all or any part of the Collateral and are in addition to and not in substitution for any other rights of the Secured Party however created. The Secured Party may proceed by way of any action, suit or other proceeding available at Law and no right, remedy or power of the Secured Party shall be exclusive of or dependent on any other. The Secured Party may exercise any of its rights, remedies or powers separately or in combination and at any time. The Secured Party shall not be bound to exercise any such right, remedy or power, and the exercise of such right, remedy and power shall be without prejudice to the rights of the Secured Party in respect of the Obligations including the right to claim for any deficiency.

3.3 Additional Rights. In addition to the remedies of the Secured Party set forth in Section 3.2, the Secured Party may, whenever the Security Interest has become enforceable:

(a) require the Debtor, at the Debtor's expense, to gather or assemble the Collateral consisting of tangible personal property at a place or places designated by notice in writing given by the Secured Party to the Debtor;

(b) require the Debtor, by notice in writing given by the Secured Party to the Debtor, to disclose to the Secured Party the location or locations of the Collateral consisting of tangible personal property;

(c) repair, process, modify, improve, complete or otherwise deal with the Collateral and prepare for the disposition of the Collateral, whether on the premises of the Debtor or otherwise;

(d) subject to applicable Law, carry on all or any part of the Business or businesses of the Debtor and, to the exclusion of all others including the Debtor, enter upon, occupy and use all or any of the premises, buildings, plant, undertaking and other property of or used by the Debtor for such time as the Secured Party sees fit, free of charge, and the Secured Party shall not be liable to the Debtor for any act, omission or negligence in so doing or for any rent, charges, depreciation or damages incurred in connection therewith or resulting therefrom;

(e) subject to applicable Law, borrow for the purpose of carrying on the Business or businesses of the Debtor or for the maintenance, preservation or protection of the Collateral and mortgage, charge, pledge or grant a Lien in, on or of the Collateral, whether or not in priority to the Security Interest, to secure repayment;

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(f) demand, commence, continue or defend any judicial or administrative proceedings for the purpose of protecting, seizing, collecting, realizing or obtaining possession or payment of the Collateral, and give valid and effectual receipts and discharges therefor and make any arrangement or compromise or give time for the payment or performance of all or any part of the Book Accounts or any Contract or any other obligation of any third party to the Debtor; and

(g) participate in any recapitalization, reclassification, reorganization, consolidation, redemption, share split, merger or liquidation of any issuer of securities which constitute Collateral, and in connection therewith may deposit or surrender control of the Collateral, accept money or other property in exchange for the Collateral, and take such action as it deems proper in connection therewith, and any other money or property received in exchange for the Collateral shall be held by the Secured Party thereafter as part of the Collateral pursuant to the provisions hereof.

3.4 Concerning the Receiver.

(a) Any receiver appointed by the Secured Party shall be vested with the rights and remedies which could be exercised by the Secured Party in respect of the Debtor or the Collateral and such other powers and discretions as are granted in the instrument of appointment and any instrument or instruments supplemental thereto. The identity of the receiver, any replacement thereof and any remuneration thereof shall be within the sole and unfettered discretion of the Secured Party.

(b) Any receiver appointed by the Secured Party shall act as agent for the Secured Party for the purposes of taking possession of the Collateral, but otherwise and for all other purposes (except as provided below and with respect to its discharge), as agent for the Debtor. The receiver may sell, lease, or otherwise dispose of Collateral as agent for the Debtor or as agent for the Secured Party (but in all cases shall take direction from the Secured Party) as the Secured Party may determine in its sole and unfettered discretion. The Debtor agrees to ratify and confirm all actions of the receiver acting as agent for the Debtor, and to release and indemnify the receiver in respect of all such actions.

(c) The Secured Party, in appointing or refraining from appointing any receiver, shall not incur liability to the receiver, the Debtor or otherwise and shall not be responsible for any misconduct or negligence of such receiver.

3.5 Appointment of Attorney. The Debtor hereby irrevocably appoints the Secured Party (and any officer thereof) as attorney of the Debtor (with full power of substitution) to exercise, whenever the Security Interest has become enforceable, in the name of and on behalf of the Debtor, any of the Debtor's right (including the right of disposal), title and interest in and to the Collateral including the execution, endorsement and delivery of any agreements, documents, instruments, securities, documents of title and chattel paper and any notices, receipts, assignments or verifications of the Book Accounts. All acts of any such attorney are hereby ratified and approved, and such attorney shall not be liable for any act, failure to act, omission or negligence in so doing or any other matter or thing in connection therewith, except for its own negligence or wilful misconduct.

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3.6 The Secured Party's Dealings with Collateral.

(a) The Secured Party shall not be obliged to exhaust its recourses against the Debtor or any other Person or Persons or against any other security it may hold in respect of the Obligations before realizing upon or otherwise dealing with the Collateral in such manner as the Secured Party may consider desirable.

(b) The Secured Party may grant extensions or other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Debtor and with other Persons, sureties or securities as the Secured Party may see fit, all without prejudice to the Obligations or the rights of the Secured Party in respect of the Collateral.

(c) The Secured Party shall not be (i) bound under any circumstance to realize upon the Collateral; (ii) liable or accountable for any failure to collect, realize or obtain payment in respect of the Collateral; (iii) bound to institute proceedings for the purpose of collecting, enforcing, realizing or obtaining payment of the Collateral or for the purpose of preserving any rights of the Secured Party, the Debtor or any other Persons in respect thereof; (iv) responsible for any loss occasioned by any sale or other dealing with the Collateral or by the retention of or failure to sell or otherwise deal therewith; or (v) bound to protect the Collateral from depreciating in value or becoming worthless.

(d) All monies from time to time received by the Secured Party or the receiver may be applied as follows: first, in discharge of all operating expenses and other ongoings affecting the Collateral; second, in keeping in good standing all Liens on the Collateral having priority over the Security Interest; third, in payment of the remuneration and disbursements of the receiver (if any); fourth, in payment to the Secured Party of monies payable hereunder and under the Commitment, the Mortgage and the other Credit Documents or any other agreements between the Secured Party and the Debtor entered into pursuant thereto; and the balance, if any, shall be paid to the Debtor or as a court of competent jurisdiction may direct. If there shall be a deficiency, the Debtor shall remain liable for such deficiency and shall pay the amount of such deficiency to the Secured Party forthwith.

3.7 Standards of Sale. Without prejudice to the ability of the Secured Party to dispose of the Collateral in any manner which is commercially reasonable, the Debtor acknowledges that a disposition of Collateral by the Secured Party which takes place substantially in accordance with the following provisions shall be deemed to be commercially reasonable:

(a) Collateral may be disposed of in whole or in part whether or not the Secured Party has taken possession thereof;

(b) Collateral may be disposed of by public auction, public tender or private contract, with or without advertising and without any other formality;

(c) any purchaser or lessee of such Collateral may be a customer or related Person of the Secured Party;

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(d) a disposition of Collateral may be on such terms and conditions as to credit, deferred payment or otherwise as the Secured Party, in its sole discretion, may deem advantageous;

(e) the Secured Party may establish an upset or reserve bid or price in respect of the Collateral; and

(f) the Secured Party may buy in, rescind or vary any contract for the disposition of Collateral and may dispose of any Collateral again without being obligated to account or answer for any gain or loss occasioned thereby.

3.8 Dealings by Third Parties.

(a) No Person dealing with the Secured Party or its agent or a receiver shall be required (i) to determine whether the Security Interest has become enforceable; (ii) to determine whether the powers which the Secured Party or such agent or receiver on behalf of the Secured Party is purporting to exercise have become exercisable; (iii) to determine whether any money remains due to the Secured Party by the Debtor; (iv) to determine the necessity or expediency of the stipulations and conditions subject to which any sale or lease shall be made; (v) to determine the propriety or regularity of any sale or of any other dealing by the Secured Party or such agent or receiver with the Collateral; or (vi) to see to the application of any money paid to the Secured Party or such agent or receiver.

(b) Any purchaser of the Collateral from the Secured Party shall hold the Collateral absolutely free from any claim or right of whatever kind including any equity of redemption of the Debtor, and the Debtor hereby specifically waives, to the fullest extent permitted by Law, as against any such purchaser, all right of redemption, stay or appraisal which the Debtor now has or may have under any rule of Law now existing or hereafter adopted. To the fullest extent permitted by Law, the Debtor waives all of the rights, benefits and protection provided to it by any statute which imposes limitations upon the rights, remedies or powers of a secured party.

ARTICLE 4
GENERAL

4.1 Discharge. The Security Interest shall be released and discharged upon, but only upon, full payment in cash, satisfaction and performance of the Obligations and at the request and expense of the Debtor. The Secured Party shall execute and deliver to the Debtor, at the request and expense of the Debtor, such releases and discharges as the Debtor may reasonably require.

4.2 No Merger, etc. No judgment recovered by the Secured Party shall operate by way of merger of or in any way affect the Security Interest, which is in addition to and not in substitution for any other security now or hereafter held by the Secured Party in respect of the Obligations.

4.3 Waivers, etc. No amendment, consent or waiver by the Secured Party shall be effective unless made in writing and signed by an authorized officer of the Secured Party and then such amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

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4.4 Further Assurances. The Debtor shall from time to time, whether before or after the Security Interest shall have become enforceable, do all such acts and things and execute and deliver all such deeds, transfers, assignments and instruments as the Secured Party may reasonably require for protecting the Collateral or perfecting the Security Interest and for exercising all rights, remedies, powers, authorities and discretions hereby conferred upon the Secured Party, and the Debtor shall, from time to time after the Security Interest has become enforceable, do all such acts and things and execute and deliver all such deeds, transfers, assignments and instruments as the Secured Party may require for facilitating the sale of or other dealing with the Collateral in connection with any realization thereof.

4.5 Notice. All notices, requests, demands, directions and communications (in this Section 4.5, "**Notices**") hereunder shall be sent by e-mail, facsimile or similar means of recorded communication or hand delivery and shall be effective when hand delivered or, in the case of successful e-mail, facsimile or similar means of recorded communication, when received. All Notices shall be given to the respective addresses on page 1 of this Security Agreement or, in either case, in accordance with any unrevoked written direction as to a change of address given in accordance with this Section 4.5.

4.6 Successors and Assigns. This Security Agreement shall be binding upon the Debtor, its successors and permitted assigns, and shall enure to the benefit of the Secured Party and its successors and assigns. The Debtor may not assign or novate any of its rights or obligations under this Security Agreement without the prior written consent of the Secured Party. All rights of the Secured Party hereunder shall be assignable in accordance with the terms of the Commitment and the Mortgage and in any action brought by an assignee to enforce any such right, the Debtor shall not assert against such assignee any claim or defence which the Debtor now has or hereafter may have against the Secured Party.

4.7 Headings, etc. The division of this Security Agreement into sections and subsections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation thereof.

4.8 Severability. If and to the extent that any provision hereof shall conflict with any mandatory provision of the PPSA (including, without limitation, an exclusion or purported exclusion of a duty or onus imposed by the PPSA or a limitation or purported limitation of the liability of or the amount of damages recoverable from a Person who has failed to discharge a duty or obligation imposed by the PPSA), such provision of the PPSA shall govern. The provisions of this Security Agreement are intended to be severable. If any provision of this Security Agreement shall be deemed by any court of competent jurisdiction or held to be invalid or void or unenforceable in whole or in part in any jurisdiction, such provision shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without in any manner affecting the validity or enforceability thereof in any other jurisdiction or the remaining provisions hereof in any jurisdiction.

4.9 Governing Law. This Security Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and of Canada applicable therein and shall be treated in all respects as a British Columbia contract.

4.10 Incorporation of Schedules. Schedules A, B, C and D attached hereto shall, for all purposes hereof, form an integral part of this Security Agreement.

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4.11 Conflict. In the event of a conflict or inconsistency between the provisions of this Security Agreement and the provisions of any of the other Credit Documents, the provisions of the Commitment will govern to the extent necessary to eliminate such conflict or inconsistency.

4.12 Acknowledgement of Receipt/Waiver. The Debtor acknowledges receipt of an executed copy of this Security Agreement. The Debtor waives, to the extent permitted by Law, the right to receive a copy of any financing statement, financing change statement or verification statement registered with or issued by any personal property registry or other Official Body in connection with this Security Agreement.

[Signature page follows]

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IN WITNESS WHEREOF the Debtor has duly executed this Security Agreement as of the date first above written.

KELTIC (PRIOR) DEVELOPMENT LIMITED PARTNERSHIP, by its general partner, **1319191 B.C. LTD.**

DocuSigned by:

Per: _____
31D5937AD5B5443...

Name: Li Lei
Title:

Per: _____
Name:
Title:

1319191 B.C. LTD., on its own behalf

DocuSigned by:

Per: _____
31D5937AD5B5443

Name: Li Lei
Title:

Per: _____
Name:
Title:

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SCHEDULE A

LOCATION

PID	Legal Description
031-756-093	Lot 1 District Lots 196 And 2037 Group 1 New Westminster District Plan EPP111791

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SCHEDULE B

GOODS

I. EQUIPMENT

II. SERIAL NUMBERED GOODS

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SCHEDULE C

INVENTORY

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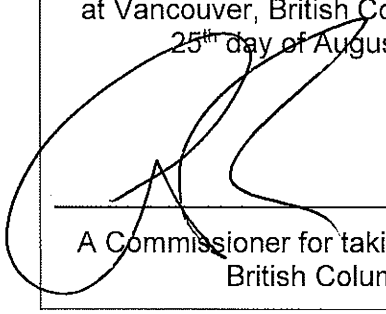
SCHEDULE D

INTELLECTUAL PROPERTY

This is **Exhibit "L"** referred to in the 1st Affidavit of Raymond Ng sworn before me at Vancouver, British Columbia, on this 25th day of August, 2025.



A Commissioner for taking Affidavits for British Columbia

Colin Brousson
Barrister & Solicitor
DLA Piper (Canada) LLP
1133 Melville Street, Suite 2700
Vancouver, BC V6E 4E5
604.687.9444

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SECURITY AGREEMENT

1/20/2023 | 6:55 下午 PST

This Security Agreement dated for reference January ___, 2023 made by Keltic (Prior) GP Ltd. (the "**Debtor**"), having their chief executive offices at 2338-666 Burrard Street, Vancouver, British Columbia, to and in favour of Shape Capital Corp. on behalf of TS Alpha Venture Limited Partnership (collectively, the "**Secured Party**"), as lender under the Commitment hereinafter referred to, having an address at 2020 One Bentall Centre, Box 206, 505 Burrard Street, Vancouver, British Columbia V7X 1M6.

WHEREAS:

A. The Secured Party has agreed to advance certain credit facilities (the "**Credit Facilities**") to Keltic (Prior) Development Limited Partnership and 1319191 B.C. Ltd. (collectively, the "**Borrower**") on the terms and conditions set out in the Commitment and the Mortgage.

B. The Debtor has granted a guarantee (the "**Guarantee**") of the obligations of the Borrower under the Credit Facilities as of the date of this Agreement.

C. It is a condition of the advance of the Credit Facilities by the Secured Party that, in addition to other security being taken, the Debtor execute and deliver this Security Agreement to the Secured Party as collateral security for the payment and performance of the Obligations.

NOW THEREFORE WITNESSETH that, in consideration of these premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Debtor, the Debtor covenants, declares and agrees as follows:

ARTICLE 1
INTERPRETATION

1.1 Terms Incorporated for Reference. All capitalized terms used but not otherwise defined in this Security Agreement shall have the meanings attributed to them in the Commitment or, as applicable, in the Mortgage. Terms defined in the British Columbia *Personal Property Security Act* (including the regulations thereto and all as amended from time to time, collectively, the "**PPSA**") and used but not otherwise defined in this Security Agreement shall have the same meaning herein.

1.2 Defined Terms. In this Security Agreement, unless there is something in the subject matter or context inconsistent therewith, the following words and terms shall have the following meanings:

"**Affiliate**" means, with respect to any Person, any other Person who directly or indirectly controls, is controlled by, or is under direct or indirect common control with, such Person, and includes any Person in like relation to an Affiliate. A Person will be deemed to control another Person if such first Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such other Person, whether through the ownership of voting securities, by contract or otherwise;

"**Authorization**" means any permit, licence, approval, consent, order, right, certificate, judgment, writ, injunction, award, determination, direction, decree, authorization, franchise, privilege, grant, waiver, exemption and other concession or by-law, rule or

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regulation, whether or not having the force of Law, of, by or from any Official Body, all as amended, supplemented or otherwise modified or replaced from time to time;

"**Book Accounts**" means all debts, accounts, monies, demands and choses in action which are now due, owing or accruing due or which may hereafter become due, owing or accruing due to the Debtor and all claims of whatsoever nature or kind which the Debtor now has or may hereafter have, in each case in respect of or arising out of or in connection with the Business, including claims against the Crown and claims under insurance policies and all the proceeds and other monies payable thereunder (including bonuses, additions, profits, interest and all other such amounts); and all Contracts, securities, bills, notes, lien notes, judgments, chattel mortgages, mortgages and all other rights and benefits which now are or may hereafter be vested in the Debtor or anyone on behalf of the Debtor in respect of or as security for any of the said debts, accounts, monies, demands, choses in action and claims or any part thereof; and also all books, accounts, invoices, letters, papers and documents recording or in any way evidencing or relating to any of the said debts, accounts, monies, demands, choses in action and claims or any part thereof, and "**Book Account**" means any one of them;

"**Business**" means the business of the Debtor as conducted by it as at the date hereof and as proposed to be conducted by it hereafter including the ownership, operation and lease of assets and property in connection therewith and the investment therein and all other activities necessary, useful, incidental or ancillary to the foregoing;

"**Business Day**" means any day of the year, other than a Saturday, Sunday or other day on which banks are required or authorized to close for business in Vancouver, British Columbia;

"**Collateral**" has the meaning set forth in Section 2.1;

"**Commitment**" means the commitment letter dated November 24, 2022, delivered by the Secured Party, and accepted by the Debtor and the Guarantor, *inter alia*, as amended, supplemented, extended or otherwise modified or restated from time to time;

"**Consent**" means any permit, licence, approval, consent, order, right, certificate, judgment, writ, injunction, award, determination, direction, decree, authorization, franchise, privilege, grant, waiver, exemption, and other concession or by-law, rule or regulation, whether or not having the force of Law, of, by or from any Person other than an Official Body, all as amended, supplemented or otherwise modified or replaced from time to time;

"**Contracts**" means all contracts or agreements relating to or arising in connection with the acquisition, ownership, use or operation of the Lands or the Business (including, without limitation, all contractual rights and benefits, options or rights to acquire options under such contracts or agreements to which the Debtor is a party (whether by way of assignment or otherwise) in any form whatsoever, written or verbal, now in existence or hereafter entered into (including leases, options to purchase and rights of first refusal), together in each case with any amendments, supplements, modifications, extensions, renewals or replacements thereof, and "**Contract**" means any one of them;

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"**Credit Documents**" means this Agreement, the Commitment, the Mortgage, the other Security Documents and all other documents to be executed and delivered to the Secured Party by the Debtor, a Guarantor or a Subsidiary or an Affiliate thereof hereunder or thereunder, all as amended, restated, supplemented or replaced from time to time;

"**Guarantor**" means those parties collectively listed as "Guarantor" in the Commitment and any other Affiliates of the Debtor as the Secured Party may from time to time require in its sole discretion;

"**Intellectual Property**" means all intellectual property owned by the Debtor or in which the Debtor has rights including, without limitation, all Trademarks, copyrights, copyright applications and registrations, patents, patent applications, industrial designs, industrial design applications and registrations, inventions, know how, trade secrets, technical processes, recipes, formulae or rights therein or related thereto used in or necessary for the conduct of the Business, and all related licences or other Consents held by the Debtor with respect to the Business or the use of technology relating to the Business;

"**Inventory**" means all inventories of the Debtor wheresoever located (including, without limitation, such inventory located at, on or about the Lands or any leasehold property) including, without limitation, finished goods, work in progress, raw materials, cut trees, gravel, stores, supplies, spare parts and other maintenance items and merchandise, and all other materials and supplies wherever located, including on or about or in transit to or from the Lands (or otherwise on hand), to be used or consumed in connection with the processing, manufacture, packing, shipping, selling or furnishing of products in the Business;

"**Lands**" means all real property or interests in real property (including, without limitation, any leasehold estates pursuant to a lease or statutory rights of way), together with the buildings and improvements situate thereon or fixtures forming a part thereof and all attendant easements, rights-of-way, licences, leases, leasehold estates and other interests located at 220 Prior Street, Vancouver, British Columbia and legally described in Schedule A hereto;

"**Law**" includes any law (including common law and equity), constitution, statute, treaty, regulation, rule, ordinance, order, injunction, writ, decree or award of any Official Body;

"**Lien**" includes any mortgage, pledge, lien, hypothecation, security interest or other encumbrance or charge (whether fixed, floating or otherwise) or title retention, any right of set-off (arising otherwise than by operation of Law) and any deposit of monies under any agreement or arrangement whereby such monies may be withdrawn only upon fulfilment of any conditions as to the discharge of any other indebtedness or other obligation to any creditor, or any right of or arrangement of any kind with any creditor to have its claims satisfied prior to other creditors with or from the proceeds of any properties, assets or revenues of any kind now owned or hereafter acquired;

"**Mortgage**" means the mortgage of the Lands dated as of the date hereof granted by the Debtor in favour of the Secured Party, as amended, supplemented or otherwise replaced from time to time;

"**Negotiable Collateral**" has the meaning set forth in Section 2.3(b);

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"**Obligations**" has the meaning set forth in Section 2.2(a);

"**Official Body**" means any government or political subdivision or any agency, authority, bureau, central bank, monetary authority, commission, department or instrumentality thereof, or any court, tribunal, grand jury or arbitrator, whether foreign or domestic;

"**Permitted Liens**" means:

(i) undetermined or inchoate Liens arising in the ordinary course of and incidental to construction or current operations which have not been filed pursuant to law against the Debtor or any Affiliate of the Debtor or in respect of which no steps or proceedings to enforce such lien have been initiated or which relate to obligations which are not due or delinquent are being contested by the Debtor or any Affiliate of the Debtor;

(ii) the Liens granted by the Debtor in favour of the Secured Party;

(iii) the interest of any Person under any purchase money security interest;

(iv) public and statutory Liens for charges not yet due arising by operation of Law; and

(v) any Lien permitted in writing by the Secured Party;

"**Person**" means an individual, partnership, corporation (including a business trust), joint stock company, trust, unincorporated association, joint venture or other entity, or a foreign state or political subdivision thereof or any agency of such state or subdivision;

"**PPSA**" has the meaning set forth in Section 1.1;

"**Security**" means the security given to the Secured Party at any time and from time to time to secure the indebtedness, liabilities and obligations of the Debtor under the Commitment and the Mortgage, including, without limitation, the security referred to in Section 9 of the Commitment, all as amended, restated, supplemented or replaced from time to time;

"**Security Agreement**" means this agreement as supplemented, amended or otherwise modified, renewed or replaced from time to time;

"**Security Documents**" means this Security Agreement and the other documents referred to in Section 20 of the Commitment, the Mortgage and the agreements, instruments and documents delivered from time to time to the Secured Party by the Debtor, a Guarantor and other Persons, for the purpose of establishing, perfecting, preserving and protecting the Security, all as amended, restated, supplemented or replaced from time to time;

"**Security Interest**" has the meaning set forth in Section 2.2(a);

"**Subsidiaries**" means, at any time, in respect of a Person, any corporation, partnership or other entity of which securities or other ownership interests having ordinary voting

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power to elect a majority of the board of directors or other Persons performing similar functions are at such time directly or indirectly owned by such Person;

"**Trademarks**" means (i) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos, design marks, certification marks, distinguishing guises and other source or business identifiers, and the goodwill associated therewith, (ii) all registrations and recordings thereof, and all applications in connection therewith, (iii) all extensions, renewals and continuations thereof, and (iv) all rights to sue for past, present or future infringements of, dilution or depreciation of value to and passing off of or injury to any thereof.

ARTICLE 2
SECURITY

2.1 **Grant of Security**. Subject to Section 2.4, the Debtor hereby (i) mortgages and charges to the Secured Party as and by way of a fixed mortgage and charge; (ii) pledges to the Secured Party; (iii) assigns and transfers to the Secured Party as and by way of a specific transfer and assignment (except any assignment or transfer of Intellectual Property); and (iv) grants to the Secured Party, a security interest in, all of the Debtor's right, title and interest in and to all personal property and undertaking of the Debtor, present and future, now owned or hereafter acquired used in, located on or in connection with the Lands (collectively, the "**Collateral**", and all references thereto herein include any part thereof) including, without limitation, any and all of the Debtor's:

(a) goods of every kind, type and description whatsoever now or hereafter owned, leased or otherwise held by it, including, without limitation, fixtures and equipment (including, without limitation, the equipment described in Schedule B Part I hereto), goods held for sale or lease, goods furnished or to be furnished to Persons under contracts of lease, sale or consignment, goods which are raw materials or work in progress, goods used in or procured for packing, goods which are materials used or to be used or consumed in the Business, goods which are service equipment, office equipment, computer equipment, consumables, machinery, plant, vehicles (including the serial numbered goods described in Schedule B Part II hereto) and all licences and other rights and other tangible personal property now or hereafter owned, leased or otherwise held by it and all records, files, charts, plans, drawings, specifications, manuals and documents relating to any of the foregoing;

(b) bank accounts related to the Lands and construction on the Lands;

(c) Inventory, including, without limitation, such goods held for sale or lease, goods furnished or to be furnished to third Persons under contracts of lease, consignment or service and the Inventory described in Schedule C hereto;

(d) all Book Accounts and Contracts, including all Book Accounts and Contracts with respect to such account;

(e) documents of title, chattel paper, instruments, investment property and money, including, without limitation, all proceeds of all policies of insurance payable as indemnity or compensation for loss of or damage to any of the Collateral;

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(f) intangibles, including, without limitation, all security interests, goodwill, choses in action and other contractual benefits and all Intellectual Property, including, without limitation, the intellectual property described in Schedule D hereto;

(g) substitutions and replacements of and increases, additions and, where applicable, accessions to the property described in Sections 2.1(a) through 2.1(f) inclusive;

(h) proceeds in any form derived directly or indirectly from any dealing with all or any part of the property described in Sections 2.1(a) through (g) inclusive or the proceeds therefrom; and

(i) as and by way of a floating charge to and in favour of the Secured Party, a security interest in and to:

(i) all the Debtor's right, title and interest in and to all its presently owned or held and after acquired or held real and leasehold property and all interests therein, and all easements, rights-of-way, privileges, benefits, licences, improvements and rights whether connected therewith or appurtenant thereto or separately owned or held, including all structures, plants and other fixtures (all of which is hereinafter collectively called "**Real Property**"); and

(ii) all property, assets and undertakings of the Debtor, both present and future, of whatsoever nature or kind and wheresoever situated, and all Proceeds thereof and therefrom, other than such of its property, assets and undertakings as are otherwise validly and effectively subject to the charges and security interests in favour of the Secured Party created pursuant to the foregoing Sections 2.1(a) through (h) inclusive.

2.2 Obligations Secured.

(a) The mortgages, charges, pledges, transfers, assignments and security interests granted hereby (collectively, the "**Security Interest**") shall be continuing collateral security for the due payment and performance of all debts, liabilities and obligations of the Debtor, whether present or future, direct or indirect, absolute or contingent, matured or unmatured, joint or several or joint and several, at any time due or accruing due or owing by the Debtor to the Secured Party hereunder or under the Commitment, the Mortgage, the Guarantee and any other Credit Documents or otherwise howsoever incurred, and whether incurred as principal or surety (collectively, and together with the expenses, costs and charges set out in Section 2.2(b), the "**Obligations**"); provided that payments owing by the Debtor to the Secured Party hereunder shall be made in accordance with the terms and conditions of the Commitment and the Mortgage.

(b) All expenses, costs and charges incurred by or on behalf of the Secured Party in connection with the preparation and issuance of this Security Agreement, the perfection, preservation and protection of the Security Interest and the enforcement of the Secured Party's rights and remedies hereunder, including the realization of the Collateral, and including all legal fees (on a solicitor and solicitor's own client full indemnity basis), disbursements, court costs, receiver's or agent's

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remuneration and other expenses of taking possession of, repairing, protecting, insuring, preparing for disposition, realizing, collecting, selling, transferring, delivering or obtaining payment of the Collateral, shall be added to and form a part of the Obligations.

2.3 Attachment.

(a) The Debtor and the Secured Party hereby acknowledge that (i) value has been given; (ii) the Debtor has rights in the Collateral (other than after-acquired Collateral); and (iii) they have not agreed to postpone the time of attachment of the Security Interest.

(b) If the Debtor acquires Collateral consisting of chattel paper, instruments, investment property or negotiable documents of title (collectively, "**Negotiable Collateral**") after the date hereof, the Debtor will, forthwith upon receipt by the Debtor, deliver to the Secured Party (or as the Secured Party may direct) such Negotiable Collateral and shall, at the request of the Secured Party (i) cause the transfer thereof to the Secured Party to be registered wherever, in the reasonable opinion of the Secured Party, such registration may be required or advisable, (ii) duly endorse the same for transfer in blank or as the Secured Party may direct, and (iii) forthwith deliver to the Secured Party all Consents or other instruments or documents which may be necessary to effect the transfer of the Negotiable Collateral to the Secured Party or its nominee or, upon the enforcement of the Security Interest, any third party.

(c) The Debtor agrees to promptly inform the Secured Party in writing of the acquisition by the Debtor of any personal property which is not adequately described herein, and the Debtor agrees to execute and deliver at its own expense from time to time amendments to this Security Agreement or the schedules hereto or additional security agreements or schedules as may be required by the Secured Party in order that the Security Interest shall attach to such personal property.

2.4 Scope of Security Interest.

(a) Nothing in Section 2.1 shall be construed as an assignment by the Debtor (which term shall include a sub-lease, mortgage, pledge or charge) of any Contract, Book Account, claim, demand or chose in action which, as a matter of Law or by its terms, is non-assignable without the Consent or Authorization of some other Person unless such Consent or Authorization has been obtained. To the extent that the creation of the Security Interest would constitute a breach or permit the acceleration of any agreement right, license or permit to which the Debtor is a party, the Security Interest shall not attach thereto but the Debtor shall hold its interest therein in trust for the Secured Party, and, in the case of any such potential breach or acceleration of any agreement, right, license or permit, shall use all reasonable efforts to obtain the consent of the other party thereto. Upon the Debtor obtaining the consent of such other party, the Security Interest shall be deemed to have automatically attached to such agreement, right, license or permit, as the case may be, without the necessity of any further action or assurance on the part of any Person.

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(b) Until the Security Interest shall have become enforceable, the grant of the Security Interest in the Intellectual Property shall not affect in any way the Debtor's rights to commercially exploit the Intellectual Property, to defend the Intellectual Property, to enforce the Debtor's rights therein or with respect thereto against third parties in any court or to claim and be entitled to receive any damages with respect to any infringement thereof.

(c) The Security Interest shall not extend to consumer goods.

(d) The Security Interest shall not extend or apply to the last day of any term of years reserved by a lease, verbal or written, or any agreement therefor, now held or hereafter acquired by the Debtor in respect of real property but the Debtor shall stand possessed of any such reversion in trust to assign and dispose thereof as the Secured Party may direct.

(e) The Secured Party will not be deemed in any manner to have assumed any obligation of the Debtor under any Authorization or Contract nor shall the Secured Party be liable to any Official Body or contract counterparties by reason of any default by any Person under any Authorization or Contract. The Debtor agrees to indemnify and hold the Secured Party harmless of and from any and all liability, loss, damage or expense which it may or might incur by reason of any claim or demand against it based on its alleged assumption of the Debtor's duty and obligation to perform and discharge the terms, covenants and agreements in any Authorization or Contract.

(f) It is expressly acknowledged by the Debtor that, notwithstanding any right or authority granted to the Debtor herein or in any other agreement or instrument to deal with the Collateral, it is the intention of the Debtor and the Secured Party that (i) the Security Interest shall operate and be construed as a fixed and specific charge of all Collateral in respect of which the Debtor presently has rights, and as a fixed and specific charge of all after-acquired Collateral which shall attach forthwith upon the Debtor acquiring rights therein, and (ii) the Security Interest shall neither operate nor be construed as a floating charge.

2.5 <u>The Secured Party's Care and Custody of Collateral</u>.

(a) Except as required by any mandatory provision of the PPSA, the Secured Party shall not be bound to collect, dispose of, realize, protect or enforce any of the Debtor's right, title and interest in and to the Collateral or to institute proceedings for the purpose thereof and, without limiting the generality of the foregoing, the Secured Party shall not be required to take any steps necessary to preserve rights against prior parties or other Persons in respect of any Negotiable Collateral.

(b) The Secured Party shall have no obligation to keep Collateral in its possession identifiable.

(c) The Secured Party may, both before and after the Security Interest shall have become enforceable, (i) notify any Person obligated on a Book Account or on chattel paper or any obligor on an instrument to make payment thereunder to the

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Secured Party, whether or not the Debtor was theretofore making collections thereon, and (ii) assume control of any proceeds arising from the Collateral.

2.6 Representations and Warranties of the Debtor. The Debtor represents and warrants to the Secured Party that, as of the date of this Agreement:

(a) except for Permitted Liens, the Debtor owns the Collateral free and clear of any Liens. The Debtor is the record and beneficial owner of all Collateral that is investment property. No security agreement, financing statement or other notice with respect to any or all of the Collateral is on file or on record in any public office, except for filings with respect to Permitted Liens;

(b) the amount represented by the Debtor to the Secured Party from time to time as owing by each account debtor or by all account debtors in respect of the Book Accounts will at such time be the correct amount so owing by such account debtor or debtors and, unless disclosed in writing by the Debtor to the Secured Party at that time, will be owed free of any dispute, set-off or counterclaim. Except as disclosed in writing by the Debtor to the Secured Party, neither the Debtor nor (to the best of the Debtor's knowledge) any other party to any Book Account or Contract is in default or is likely to become in default in the performance or observance of any of the terms of such Book Account or Contract where such default is or could reasonably be expected to be materially adverse to the Debtor or the Secured Party;

(c) the Debtor is a corporation duly formed and is validly subsisting and in good standing in all jurisdictions where the Debtor carries on business;

(d) the Debtor has full power and authority to grant to the Secured Party the Security Interest and to execute, deliver and perform its obligations under this Agreement, and such execution, delivery and performance does not contravene any of the Debtor's organizational or constating documents or any agreement, instrument or restriction to which the Debtor is a party or by which the Debtor or any of the Collateral is bound; and

(e) this Agreement has been duly authorized, executed and delivered by the Debtor and is a valid and binding obligation of the Debtor enforceable against the Debtor in accordance with its terms, subject only to bankruptcy, insolvency, liquidation, reorganization, moratorium and other similar laws generally affecting the enforcement of creditors' rights, and to the fact that equitable remedies (such as specific performance and injunction) are discretionary remedies.

2.7 Covenants of The Debtor. The Debtor covenants with the Secured Party the following:

(a) the Debtor shall not, without the prior written consent of the Secured Party or except as permitted by the Commitment, the Mortgage and the other Credit Documents, sell, transfer, exchange, lease, release or abandon or otherwise dispose of any of the Collateral except (i) for collateral consisting of Inventory sold or leased in the ordinary course of the Debtor's business, and (ii) as otherwise agreed to in writing by the Secured Party, or create, assume or permit to remain outstanding any Lien in, on or of the Collateral except (i) for Permitted Liens, and

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(ii) as otherwise agreed to in writing by the Secured Party. Any proceeds of such sale, exchange, lease, release, abandonment or disposal except as permitted by this Section shall be held by the Debtor in trust for the Secured Party and, at the request of the Secured Party, shall be paid immediately to the Secured Party;

(b) the Debtor shall not move or transfer the Collateral from the Lands or enter into any agreement or undertaking to move or transfer the Collateral from the Lands;

(c) the Debtor shall not permit any material Collateral to be affixed to real or personal property not owned by the Debtor so as to become a fixture or accession, without prior written notice to the Secured Party and without a waiver of interest in such fixture or accession from the applicable third party prior to affixation;

(d) the Debtor shall defend the Collateral against all reasonable claims and demands of all persons claiming the Collateral or an interest therein;

(e) upon the demand by the Secured Party, the Debtor shall furnish in writing to the Secured Party all reasonable information requests concerning the Collateral;

(f) the Secured Party shall have the reasonable right, during regular business hours, either by its officers or authorized agents to enter upon the Debtor's premises and to inspect the Collateral and all books of account and records of the Debtor relating to the Collateral;

(g) the Debtor shall pay all reasonable costs, charges and expenses of and incidental to registering notice (and any amendments and renewals of such notice) of this Security Agreement and in taking, recovering, keeping possession of or inspecting the Collateral and generally in any other proceedings taken in enforcing the remedies in this Security Agreement or otherwise in connection with this Security Agreement or by reason of non payment or procuring payment of the monies hereby secured;

(h) if the Debtor makes default in any covenant to be performed by it hereunder, the Secured Party may perform any covenant of the Debtor capable of being performed by the Secured Party and if the Secured Party is put to any costs, charges, expenses or outlays to perform any such covenant, the Debtor will indemnify the Secured Party for such costs, charges, expenses or outlays and such costs, charges, expenses or outlays (including solicitors' fees and charges incurred by the Secured Party on a "solicitor/client" basis) will be payable immediately by the Debtor to the Secured Party, and will form part of the Obligations secured by this Security Agreement;

(i) the Debtor shall pay all taxes, rates, levies, charges, assessments, statute labour or other imposition whatsoever now or hereafter rated, charged, assessed, levied or imposed by any lawful authority or otherwise howsoever on it, on the Collateral or on the Secured Party in respect of the Collateral or any part or parts thereof, or any other matter or thing in connection with this Security Agreement, save and except when and so long as the validity of such taxes, rates, levies, charges, assessments, statute labour or other imposition is in good faith contested by it, and

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will, if and when required in writing by the Secured Party, furnish for inspection the receipts for any such payments;

(j) the Debtor shall promptly pay or remit all amounts which if left unpaid or unremitted might give rise to a lien or charge on any of the Collateral ranking or purporting to rank in priority to any security interest created by this Security Agreement;

(k) the Debtor shall do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered, such further acts, deeds, mortgages, transfers and assurances as the Secured Party will reasonably require for the better assuring, charging, assigning and conferring unto the Secured Party the Collateral and the security interests intended to be created hereunder, for the purpose of accomplishing and effecting the intention of this Security Agreement;

(l) the Debtor shall keep all tangible Collateral in good operating condition and repair and will provide all maintenance, service and repairs necessary for such purpose; and

(m) the Debtor will keep the Collateral insured with financially sound and reputable companies to its full insurable value against loss or damage by fire, explosion, theft and such other risks as are customarily insured against by Persons carrying on similar businesses or owning similar property within the vicinity in which the Debtor's applicable business or property is located. The applicable insurance policies will be in form and substance satisfactory to the Secured Party and will name the Secured Party as loss payee, as its interest may appear, and the Debtor shall pay all premiums for such insurance. The Debtor will, from time to time at the Secured Party's request, deliver the applicable insurance policies (or satisfactory evidence of such policies) to the Secured Party. If the Debtor does not obtain or maintain such insurance, the Secured Party may, but need not, do so, in which event the Debtor will immediately on demand reimburse the Secured Party for all payments made by the Secured Party in connection with obtaining and maintaining such insurance, and until reimbursed any such payment will form part of the Obligations and will be secured by the Security Interest. The Secured Party nor its agents will be responsible for the character, adequacy, validity or genuineness of any insurance, the solvency of any insurer, or any other risk connected with insurance;

(n) the Debtor will not (i) enter into any merger, consolidation, reorganization, or recapitalization, (ii) liquidate, wind up, or dissolve itself (or suffer any liquidation or dissolution), (iii) make any change in the principal nature of its business, or (iv) cause, permit, or suffer, directly or indirectly, any change of control; and

(o) the Debtor will not change its name, registration number or province of formation; provided, however, that the Debtor may change its name upon at least 30 days prior written notice by it to the Secured Party of such change and so long as, at the time of such written notification, the Debtor provides any financing statements necessary to perfect and continue perfected the Security Interest.

2.8 Right of Set-Off. The Obligations secured by this Security Agreement shall be paid, when due, by the Debtor to the Secured Party without regard to any equities existing among the Debtor

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and the Secured Party and without regard to any right of set-off or cross-claim or of any claim or demand of the Debtor against the Secured Party or otherwise.

2.9 Protective Disbursements. If the Debtor fails to perform any covenant on its part contained in this Security Agreement then the Secured Party may, in its absolute discretion, perform any such covenant capable of being performed by it and, if any such covenant requires the payment or expenditure of money, the Secured Party may make such payment but shall be under no obligation to do so, and all sums so paid or expended by the Secured Party shall be immediately payable by the Debtor, shall bear interest at the highest rate set forth in the Commitment and the Mortgage until paid and shall be secured hereby, having the benefit of the Security Interest in priority to the indebtedness evidenced by this Security Agreement. No such performance or payment shall relieve the Debtor from any default under this Security Agreement or any consequences of such default.

ARTICLE 3
ENFORCEMENT

3.1 Default. The Security Interest shall be and become enforceable against the Debtor upon an Event of Default.

3.2 Remedies. Whenever the Security Interest has become enforceable, the Secured Party may realize upon the Collateral and enforce the rights of the Secured Party by any remedy or proceeding authorized or permitted by Law (subject to any mandatory provision of the PPSA) including, without limitation, by:

(a) entry onto the Lands and any other premises where Collateral consisting of tangible personal property may be located;

(b) entry into possession of the Collateral and removal of Collateral consisting of tangible personal property by any method permitted by Law;

(c) sale, assignment, lease, sub-lease, granting options or options to purchase or any other disposal of the Collateral;

(d) collection of any proceeds arising in respect of the Collateral;

(e) collection, realization or sale of or other dealing with the Book Accounts or any of them;

(f) the exercise of any contractual, legal or other rights or interests of the Debtor under or in respect of the Collateral;

(g) the payment of any Lien that may exist or be threatened against the Collateral, in which event such amount and any costs, charges and expenses incurred in connection therewith shall be added to the Obligations;

(h) the appointment by instrument in writing of a receiver (which term as used in this Security Agreement includes a receiver and manager) or agent of the Collateral and the removal or replacement of such receiver or agent from time to time;

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(i) the institution of proceedings in any court of competent jurisdiction for the appointment of a receiver of the Collateral;

(j) the institution of proceedings in any court of competent jurisdiction for sale or foreclosure of the Collateral;

(k) filing proofs of claim and other documents to establish claims in any proceeding relating to the Debtor;

(l) the set-off and application against the Obligations, to the fullest extent permitted by Law, of any monies to be paid by the Secured Party to the Debtor under the Credit Documents or any other agreement between the Secured Party and the Debtor; and

(m) any other remedy or proceeding authorized or permitted by applicable Law.

Such remedies may be exercised from time to time separately or in combination with respect to or all or any part of the Collateral and are in addition to and not in substitution for any other rights of the Secured Party however created. The Secured Party may proceed by way of any action, suit or other proceeding available at Law and no right, remedy or power of the Secured Party shall be exclusive of or dependent on any other. The Secured Party may exercise any of its rights, remedies or powers separately or in combination and at any time. The Secured Party shall not be bound to exercise any such right, remedy or power, and the exercise of such right, remedy and power shall be without prejudice to the rights of the Secured Party in respect of the Obligations including the right to claim for any deficiency.

3.3 Additional Rights. In addition to the remedies of the Secured Party set forth in Section 3.2, the Secured Party may, whenever the Security Interest has become enforceable:

(a) require the Debtor, at the Debtor's expense, to gather or assemble the Collateral consisting of tangible personal property at a place or places designated by notice in writing given by the Secured Party to the Debtor;

(b) require the Debtor, by notice in writing given by the Secured Party to the Debtor, to disclose to the Secured Party the location or locations of the Collateral consisting of tangible personal property;

(c) repair, process, modify, improve, complete or otherwise deal with the Collateral and prepare for the disposition of the Collateral, whether on the premises of the Debtor or otherwise;

(d) subject to applicable Law, carry on all or any part of the Business or businesses of the Debtor and, to the exclusion of all others including the Debtor, enter upon, occupy and use all or any of the premises, buildings, plant, undertaking and other property of or used by the Debtor for such time as the Secured Party sees fit, free of charge, and the Secured Party shall not be liable to the Debtor for any act, omission or negligence in so doing or for any rent, charges, depreciation or damages incurred in connection therewith or resulting therefrom;

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(e) subject to applicable Law, borrow for the purpose of carrying on the Business or businesses of the Debtor or for the maintenance, preservation or protection of the Collateral and mortgage, charge, pledge or grant a Lien in, on or of the Collateral, whether or not in priority to the Security Interest, to secure repayment;

(f) demand, commence, continue or defend any judicial or administrative proceedings for the purpose of protecting, seizing, collecting, realizing or obtaining possession or payment of the Collateral, and give valid and effectual receipts and discharges therefor and make any arrangement or compromise or give time for the payment or performance of all or any part of the Book Accounts or any Contract or any other obligation of any third party to the Debtor; and

(g) participate in any recapitalization, reclassification, reorganization, consolidation, redemption, share split, merger or liquidation of any issuer of securities which constitute Collateral, and in connection therewith may deposit or surrender control of the Collateral, accept money or other property in exchange for the Collateral, and take such action as it deems proper in connection therewith, and any other money or property received in exchange for the Collateral shall be held by the Secured Party thereafter as part of the Collateral pursuant to the provisions hereof.

3.4 Concerning the Receiver.

(a) Any receiver appointed by the Secured Party shall be vested with the rights and remedies which could be exercised by the Secured Party in respect of the Debtor or the Collateral and such other powers and discretions as are granted in the instrument of appointment and any instrument or instruments supplemental thereto. The identity of the receiver, any replacement thereof and any remuneration thereof shall be within the sole and unfettered discretion of the Secured Party.

(b) Any receiver appointed by the Secured Party shall act as agent for the Secured Party for the purposes of taking possession of the Collateral, but otherwise and for all other purposes (except as provided below and with respect to its discharge), as agent for the Debtor. The receiver may sell, lease, or otherwise dispose of Collateral as agent for the Debtor or as agent for the Secured Party (but in all cases shall take direction from the Secured Party) as the Secured Party may determine in its sole and unfettered discretion. The Debtor agrees to ratify and confirm all actions of the receiver acting as agent for the Debtor, and to release and indemnify the receiver in respect of all such actions.

(c) The Secured Party, in appointing or refraining from appointing any receiver, shall not incur liability to the receiver, the Debtor or otherwise and shall not be responsible for any misconduct or negligence of such receiver.

3.5 Appointment of Attorney. The Debtor hereby irrevocably appoints the Secured Party (and any officer thereof) as attorney of the Debtor (with full power of substitution) to exercise, whenever the Security Interest has become enforceable, in the name of and on behalf of the Debtor, any of the Debtor's right (including the right of disposal), title and interest in and to the Collateral including the execution, endorsement and delivery of any agreements, documents, instruments, securities, documents of title and chattel paper and any notices, receipts,

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assignments or verifications of the Book Accounts. All acts of any such attorney are hereby ratified and approved, and such attorney shall not be liable for any act, failure to act, omission or negligence in so doing or any other matter or thing in connection therewith, except for its own negligence or wilful misconduct.

3.6 The Secured Party's Dealings with Collateral.

(a) The Secured Party shall not be obliged to exhaust its recourses against the Debtor or any other Person or Persons or against any other security it may hold in respect of the Obligations before realizing upon or otherwise dealing with the Collateral in such manner as the Secured Party may consider desirable.

(b) The Secured Party may grant extensions or other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Debtor and with other Persons, sureties or securities as the Secured Party may see fit, all without prejudice to the Obligations or the rights of the Secured Party in respect of the Collateral.

(c) The Secured Party shall not be (i) bound under any circumstance to realize upon the Collateral; (ii) liable or accountable for any failure to collect, realize or obtain payment in respect of the Collateral; (iii) bound to institute proceedings for the purpose of collecting, enforcing, realizing or obtaining payment of the Collateral or for the purpose of preserving any rights of the Secured Party, the Debtor or any other Persons in respect thereof; (iv) responsible for any loss occasioned by any sale or other dealing with the Collateral or by the retention of or failure to sell or otherwise deal therewith; or (v) bound to protect the Collateral from depreciating in value or becoming worthless.

(d) All monies from time to time received by the Secured Party or the receiver may be applied as follows: first, in discharge of all operating expenses and other ongoings affecting the Collateral; second, in keeping in good standing all Liens on the Collateral having priority over the Security Interest; third, in payment of the remuneration and disbursements of the receiver (if any); fourth, in payment to the Secured Party of monies payable hereunder and under the Commitment, the Mortgage and the other Credit Documents or any other agreements between the Secured Party and the Debtor entered into pursuant thereto; and the balance, if any, shall be paid to the Debtor or as a court of competent jurisdiction may direct. If there shall be a deficiency, the Debtor shall remain liable for such deficiency and shall pay the amount of such deficiency to the Secured Party forthwith.

3.7 Standards of Sale. Without prejudice to the ability of the Secured Party to dispose of the Collateral in any manner which is commercially reasonable, the Debtor acknowledges that a disposition of Collateral by the Secured Party which takes place substantially in accordance with the following provisions shall be deemed to be commercially reasonable:

(a) Collateral may be disposed of in whole or in part whether or not the Secured Party has taken possession thereof;

(b) Collateral may be disposed of by public auction, public tender or private contract, with or without advertising and without any other formality;

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(c) any purchaser or lessee of such Collateral may be a customer or related Person of the Secured Party;

(d) a disposition of Collateral may be on such terms and conditions as to credit, deferred payment or otherwise as the Secured Party, in its sole discretion, may deem advantageous;

(e) the Secured Party may establish an upset or reserve bid or price in respect of the Collateral; and

(f) the Secured Party may buy in, rescind or vary any contract for the disposition of Collateral and may dispose of any Collateral again without being obligated to account or answer for any gain or loss occasioned thereby.

3.8 Dealings by Third Parties.

(a) No Person dealing with the Secured Party or its agent or a receiver shall be required (i) to determine whether the Security Interest has become enforceable; (ii) to determine whether the powers which the Secured Party or such agent or receiver on behalf of the Secured Party is purporting to exercise have become exercisable; (iii) to determine whether any money remains due to the Secured Party by the Debtor; (iv) to determine the necessity or expediency of the stipulations and conditions subject to which any sale or lease shall be made; (v) to determine the propriety or regularity of any sale or of any other dealing by the Secured Party or such agent or receiver with the Collateral; or (vi) to see to the application of any money paid to the Secured Party or such agent or receiver.

(b) Any purchaser of the Collateral from the Secured Party shall hold the Collateral absolutely free from any claim or right of whatever kind including any equity of redemption of the Debtor, and the Debtor hereby specifically waives, to the fullest extent permitted by Law, as against any such purchaser, all right of redemption, stay or appraisal which the Debtor now has or may have under any rule of Law now existing or hereafter adopted. To the fullest extent permitted by Law, the Debtor waives all of the rights, benefits and protection provided to it by any statute which imposes limitations upon the rights, remedies or powers of a secured party.

ARTICLE 4
GENERAL

4.1 Discharge. The Security Interest shall be released and discharged upon, but only upon, full payment in cash, satisfaction and performance of the Obligations and at the request and expense of the Debtor. The Secured Party shall execute and deliver to the Debtor, at the request and expense of the Debtor, such releases and discharges as the Debtor may reasonably require.

4.2 No Merger, etc. No judgment recovered by the Secured Party shall operate by way of merger of or in any way affect the Security Interest, which is in addition to and not in substitution for any other security now or hereafter held by the Secured Party in respect of the Obligations.

4.3 Waivers, etc. No amendment, consent or waiver by the Secured Party shall be effective unless made in writing and signed by an authorized officer of the Secured Party and then such

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amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

4.4 Further Assurances. The Debtor shall from time to time, whether before or after the Security Interest shall have become enforceable, do all such acts and things and execute and deliver all such deeds, transfers, assignments and instruments as the Secured Party may reasonably require for protecting the Collateral or perfecting the Security Interest and for exercising all rights, remedies, powers, authorities and discretions hereby conferred upon the Secured Party, and the Debtor shall, from time to time after the Security Interest has become enforceable, do all such acts and things and execute and deliver all such deeds, transfers, assignments and instruments as the Secured Party may require for facilitating the sale of or other dealing with the Collateral in connection with any realization thereof.

4.5 Notice. All notices, requests, demands, directions and communications (in this Section 4.5, "**Notices**") hereunder shall be sent by e-mail, facsimile or similar means of recorded communication or hand delivery and shall be effective when hand delivered or, in the case of successful e-mail, facsimile or similar means of recorded communication, when received. All Notices shall be given to the respective addresses on page 1 of this Security Agreement or, in either case, in accordance with any unrevoked written direction as to a change of address given in accordance with this Section 4.5.

4.6 Successors and Assigns. This Security Agreement shall be binding upon the Debtor, its successors and permitted assigns, and shall enure to the benefit of the Secured Party and its successors and assigns. The Debtor may not assign or novate any of its rights or obligations under this Security Agreement without the prior written consent of the Secured Party. All rights of the Secured Party hereunder shall be assignable in accordance with the terms of the Commitment and the Mortgage and in any action brought by an assignee to enforce any such right, the Debtor shall not assert against such assignee any claim or defence which the Debtor now has or hereafter may have against the Secured Party.

4.7 Headings, etc. The division of this Security Agreement into sections and subsections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation thereof.

4.8 Severability. If and to the extent that any provision hereof shall conflict with any mandatory provision of the PPSA (including, without limitation, an exclusion or purported exclusion of a duty or onus imposed by the PPSA or a limitation or purported limitation of the liability of or the amount of damages recoverable from a Person who has failed to discharge a duty or obligation imposed by the PPSA), such provision of the PPSA shall govern. The provisions of this Security Agreement are intended to be severable. If any provision of this Security Agreement shall be deemed by any court of competent jurisdiction or held to be invalid or void or unenforceable in whole or in part in any jurisdiction, such provision shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without in any manner affecting the validity or enforceability thereof in any other jurisdiction or the remaining provisions hereof in any jurisdiction.

4.9 Governing Law. This Security Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and of Canada applicable therein and shall be treated in all respects as a British Columbia contract.

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4.10 Incorporation of Schedules. Schedules A, B, C and D attached hereto shall, for all purposes hereof, form an integral part of this Security Agreement.

4.11 Conflict. In the event of a conflict or inconsistency between the provisions of this Security Agreement and the provisions of any of the other Credit Documents, the provisions of the Commitment will govern to the extent necessary to eliminate such conflict or inconsistency.

4.12 Acknowledgement of Receipt/Waiver. The Debtor acknowledges receipt of an executed copy of this Security Agreement. The Debtor waives, to the extent permitted by Law, the right to receive a copy of any financing statement, financing change statement or verification statement registered with or issued by any personal property registry or other Official Body in connection with this Security Agreement.

[Signature page follows]

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IN WITNESS WHEREOF the Debtor has duly executed this Security Agreement as of the date first above written.

KELTIC (PRIOR) GP LTD.

DocuSigned by:

Per: _____

31D5937AD5B5443...

Name:

Title: Li Lei

Per: _____

Name:

Title:

SCHEDULE A

LOCATION

PID	Legal Description
031-756-093	Lot 1 District Lots 196 And 2037 Group 1 New Westminster District Plan EPP111791

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SCHEDULE B

GOODS

I. EQUIPMENT

II. SERIAL NUMBERED GOODS

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SCHEDULE C

INVENTORY

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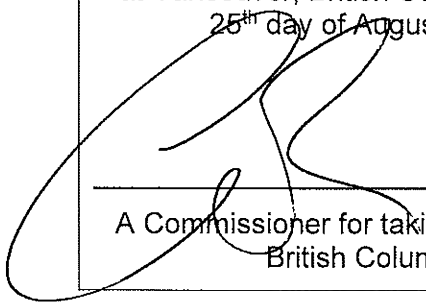
SCHEDULE D

INTELLECTUAL PROPERTY

This is **Exhibit "M"** referred to in the 1st Affidavit of Raymond Ng sworn before me at Vancouver, British Columbia, on this 25th day of August, 2025.



A Commissioner for taking Affidavits for British Columbia

Colin Brousson
Barrister & Solicitor
DLA Piper (Canada) LLP
1133 Melville Street, Suite 2700
Vancouver, BC V6E 4E5
604.687.9444

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SPECIFIC ASSIGNMENT OF CASH

WHEREAS:

A. Keltic (Prior) Development Limited Partnership and 1319191 B.C. Ltd. as general partner and on its own behalf (collectively, the "**Borrower**") as borrower, and Shape Capital Corp., on behalf of TS Alpha Venture Limited Partnership (collectively, the "**Lender**"), as lender, and certain others have entered into a commitment letter dated November 24, 2022 as amended, restated or replaced from time to time (the "**Commitment Letter**").

B. The Borrower applied to Canadian Western Bank (the "**Issuer**") for the issuance of, and the Issuer issued, a letter of credit dated June 30, 2022 in the amount of $1,116,000.00 in favour of the City of Vancouver (the "**June LOC**") and a letter of credit dated August 24, 2022 in the amount of $92,700.00 in favour of the City of Vancouver (together with the June LOC, the "**Letter of Credit**").

C. Cash deposits in the amount of $1,116,000.00 and $92,700.00 (collectively, the "**Security**") have been provided by the Borrower to the Issuer as security for the Letter of Credit.

D. The Borrower has agreed that the Security is to be repayable to the Lender when released by the Issuer.

NOW, THEREFORE, in consideration of the sum of one dollar ($1.00) and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties hereto covenant and agree as follows:

1. The Borrower hereby unconditionally and irrevocably assigns, transfers and sets over, to and in favour of the Lender as and by way of a fixed and specific assignment and grants a security interest in all of the right, title, estate and interest of the Borrower in, to, under and in respect of the Security as at the date hereof and from time to time thereafter (whether arising pursuant thereto or available to the Borrower at law or in equity) with full power and authority to demand, collect, sue for, recover, receive and give receipts of payments and to enforce payment of the same in accordance with and subject to the terms of this Assignment.

2. The Borrower hereby directs the Issuer, any agent of the Issuer or any other party which holds the Security that upon release of any portion or the whole of the Security, to release such amount to the Lender and no other party and this shall be sufficient and complete authority to the Issuer to release such amount without further instruction.

3. The Borrower represents and warrants that:

   (a) this Assignment is a valid, legal and binding obligation and agreement of the Borrower and is enforceable against the Borrower in accordance with its terms;

   (b) the Borrower has full right and authority to assign to the Lender all of its right, title, estate and interest in, to, under and in respect of the Security and the granting and assignment thereof does not and will not violate or result in a breach or default (with the giving of notice, the passage of time, or otherwise)

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under any applicable statute, rule or regulation or bylaw or any other agreement, law or regulation that is applicable to the Security; and

(c) The Borrower has not assigned or pledged, and shall not assign or pledge, any of its right, title or interest in or to the Security, except in favor of the Lender.

4. The Borrower hereby, irrevocably directs and authorizes the Issuer to pay to the Lender or as the Lender directs, any of the Security which is released by the Issuer at any time.

5. The Borrower shall not waive, excuse, condone or forgive or in any manner release or discharge any obligations, covenants, conditions or agreements on the part of the Issuer to repay the Security without the prior written consent of the Lender, and the Borrower agrees that any such act without such purported consent shall be void.

6. It is expressly agreed that, notwithstanding this Assignment or anything contained herein the Lender has not assumed any of the obligations, duties or liabilities of the Borrower whatsoever with respect to the obligations or payment of any liabilities in respect of such Letter of Credit and the Lender shall have no obligations or liabilities whatsoever with respect thereto by reason of or arising out of this Assignment.

7. The execution and delivery of this Assignment shall not subject the Lender to, or transfer or pass to the Lender, or in any way affect or modify, the liability of Borrower to the Issuer with respect to the Letter of Credit.

8. Any release of or payments made to the Borrower or received by the Borrower on account of the Security shall be held by the Borrower in trust for the Lender so as to give effect to the assignment provided for herein and will be paid over or otherwise provided to the Lender forthwith without demand or request. The failure to pay over such amounts to the Lender shall be an event of default by the Borrower under the Commitment Letter and the Lender will have all remedies against the Borrower under the Commitment Letter and loan documents arising under the Commitment Letter.

9. Notwithstanding anything to the contrary in this Assignment, the Lender agrees that the Borrower is entitled to earn deposit interest on the Security.

10. All expenses, costs and charges incurred by or on behalf of the Lender in connection with the preparation of this Assignment, the perfection, preservation and protection of this Assignment and the enforcement of the Lender's rights and remedies hereunder, including realization and enforcement hereunder, and including all legal fees (on a solicitor and solicitor's own client basis), disbursements, court costs, receivers or agents' remuneration and other expenses of taking possession of, protecting, insuring, preparing for disposition, realizing, collecting, selling, transferring, delivering or obtaining payment of all premises charged hereby, shall be for the sole account of the Borrower.

11. The Borrower agrees that at any time and from time to time, upon the Lender's or its successor's or assign's reasonable request, each will promptly execute and deliver such further documents and do such other acts and things as the Lender (or its successor or assign) reasonably may request in order to effect further the purposes of this Assignment.

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12. The Borrower further covenants and agrees that it will give the Lender prompt written notice of any notices which the Borrower receives from the Issuer in connection with the Security.

13. This Assignment shall be binding on the Borrower and its respective successors and assigns and enure to the benefit of the Lender and its respective successors and assigns. The Lender shall have the right to assign to any person, from time to time, all or any portion of the Security and its rights hereunder and thereunder to the extent permitted at law.

14. This Assignment will be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable in that Province and will be treated, in all respects, as a British Columbia contract.

IN WITNESS WHEREOF the Borrower has duly executed this Assignment as of the ___ day of January, 2023.

KELTIC (PRIOR) DEVELOPMENT LIMITED PARTNERSHIP, by its general partner,
1319191 B.C. LTD.

By: DocuSigned by: 31D5937AD5B5443...
Name: Li Lei
Title:

By: _____
Name:
Title:

1319191 B.C. LTD., on its own behalf

By: DocuSigned by: 31D5937AD5B5443...
Name: Li Lei
Title:

By: _____
Name:
Title:

SHAPE CAPITAL CORP.

By: _____
Name: IAN CULLEN
Title: MANAGING PARTNER

By: _____
Name:
Title:

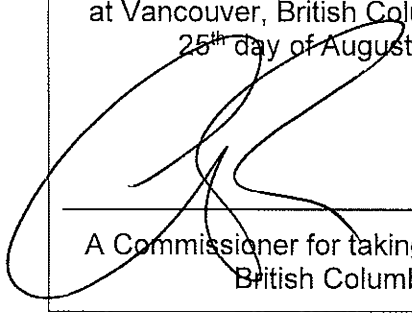
Acknowledged, agreed and consented to this 24th day of January, 2023 by:

CANADIAN WESTERN BANK

By: _____
Name: DANIEL JAY
Title:

_____
SAMUEL GAN.

This is **Exhibit "N"** referred to in the 1st Affidavit of Raymond Ng sworn before me at Vancouver, British Columbia, on this 25th day of August, 2025.



A Commissioner for taking Affidavits for British Columbia

Colin Brousson
Barrister & Solicitor
DLA Piper (Canada) LLP
1133 Melville Street, Suite 2700
Vancouver, BC V6E 4E5
604.687.9444

Land Title Act

Mortgage

Part 1 Province of British Columbia

1. Application

Westgrove Law Corporation
204-26 Bastion Square
Victoria BC V8W 1H9

2. Description of Land

PID/Plan Number	Legal Description
004-919-742	**LOT 116 EXCEPT: PART DEDICATED ROAD ON PLAN LMP11314, SECTION 6 BLOCK 4 NORTH RANGE 6 WEST NEW WESTMINSTER DISTRICT PLAN 49857**
004-919-718	**LOT 117 EXCEPT: PART ROAD ON PLAN LMP11314, SECTION 6 BLOCK 4 NORTH RANGE 6 WEST NEW WESTMINSTER DISTRICT PLAN 52092**
004-919-521	**LOT 119 SECTION 6 BLOCK 4 NORTH RANGE 6 WEST NEW WESTMINSTER DISTRICT PLAN 55678**
004-919-556	**LOT 120 EXCEPT: PARCEL 1 (BYLAW PLAN LMP11412), SECTION 6 BLOCK 4 NORTH RANGE 6 WEST NEW WESTMINSTER DISTRICT PLAN 55678**

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

1319188 B.C. LTD. BC1319188
#820 - 925 WEST GEORGIA STREET
VANCOUVER BC

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

SHAPE CAPITAL CORP. BC1181714
2020 ONE BENTALL CENTRE
505 BURRARD STREET, BOX 206
VANCOUVER BC V7X 1M6

5. Payment Provisions

Principal Amount	Interest Rate	Interest Adjustment Date
$30,000,000.00	**20% Per Annum**	**N/A**
Interest Calculation Period	**Payment Dates**	**First Payment Date**
Monthly, Not in Advance	**First Day of Each Month**	**N/A**
Amount of each periodic payment	**Interest Act (Canada) Statement. The equivalent rate of interest calculated half yearly not in advance is**	**Last Payment Date**
Interest Only	**N/A** % per annum	**On Demand**
Assignment of Rents which the applicant wants registered?	**Place of payment**	**Balance Due Date**
Yes	**Postal Address in Item 4**	**On Demand**

If yes, page and paragraph number:
Page 35 Paragraph 44

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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:

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

10. Additional or Modified Terms

11. Prior Encumbrances Permitted by Lender

N/A

12. Execution(s)

This mortgage charges the Borrower's interest in the land mortgaged as security for payment of all money due and performance of all obligations in accordance with the mortgage terms referred to in item 9 and the Borrower(s) and every other signatory agree(s) to be bound by, and acknowledge(s) receipt of a true copy of, those terms.

Witnessing Officer Signature	Execution Date	Borrower / Party Signature(s)
	YYYY-MM-DD **2025-05-02**	**1319188 B.C. Ltd.** By their Authorized Signatory **Rui Wang** **Rachel Lei**

Kyra McGovern
Commissioner for Taking Affidavits for British Columbia
McCarthy Tétrault LLP
Suite 2400 - 745 Thurlow Street
Vancouver BC V6E 0C5

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.

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MORTGAGE TERMS – PART 2

1. DEFINED TERMS

Unless otherwise expressly defined or otherwise required by the context, the following words and phrases will have the following meanings when used in this Mortgage:

1.1 "**$**" means such currency of Canada which, as at the time of payment or determination, is legal tender in Canada for the payment of public or private debt;

1.2 "**Accounting Standard**" means (i) the International Financial Reporting Standards (IFRS); or (ii) generally accepted accounting principles (GAAP) as published in the "CICA Handbook" by the Canadian Institute of Chartered Accountants (as amended, replaced or republished from time to time) together with generally accepted industry standards from time to time;

1.3 "**Balance Due Date**" means the balance due date set forth in the Mortgage Form;

1.4 "**Commitment**" means the Commitment dated November 24, 2022 and accepted by Keltic (Prior) Development Limited Partnership and 1319188 B.C. Ltd. on November 30, 2022 as amended by letter agreements dated December 20, 2024 and December 21, 2024, a Supplement to Commitment dated February 18, 2025, a Second Supplement to Commitment dated March 31, 2025 and a Third Supplement to Commitment dated May 2, 2025 pursuant to which this Mortgage is provided, and all amendments and supplements thereto and renewals or replacements thereof from time to time;

1.5 "**Construction Project**" has the meaning given to it in paragraph 11.2;

1.6 "**Costs**" includes all costs, fees, charges and expenses of every nature and kind whatsoever incurred by the Mortgagee or paid by the Mortgagee to any other party in connection with the protection and preservation of the Lands or any other security held by the Mortgagee, or for the purpose of preserving and maintaining the enforceability and priority of this Mortgage and any such other security, or in connection with any and all demands and enforcement proceedings of every nature and kind made or carried out by or on behalf of this Mortgage under or pursuant to this Mortgage, and includes, without limitation, legal costs incurred by the Mortgagee on a solicitor and solicitor's own client full indemnity basis;

1.7 "**Credit Documents**" means, collectively, this Mortgage, the Commitment, each of the security documents referred to in Section 20 of the Commitment, any collateral covenant agreement, and all other agreements, instruments and documents delivered from time to time to the Mortgagee by the Mortgagor or any Guarantor, each as amended, restated, supplemented or replaced from time to time;

1.8 "**Default**" means any event or condition which, with the giving of notice, lapse or upon a declaration or determination being made (or any combination thereof), would constitute an Event of Default;

1.9 "**Environmental Laws**" means, in respect of any Person, property, transaction or event, all applicable laws, statutes, rules, by-laws and regulations, and all

applicable directives, orders, codes, judgments and decrees of Governmental Bodies, whether now in existence or hereafter arising, intended to regulate and/or protect the environment and/or any living thing and/or relating to Hazardous Substances;

1.10 "**Event of Default**" means any event set forth in paragraph 31 herein;

1.11 "**Governmental Body**" means any government, parliament, legislature, or any regulatory authority, bureau, tribunal, department, instrumentality, agency, commission or board of any government, parliament or legislature, or any court, and without limiting the foregoing, any other law, regulation or rule-making entity having or purporting to act under the authority of any of the foregoing (including, without limitation, any arbitrator) and "**Governmental Bodies**" means any one or more of the foregoing collectively;

1.12 "**Guarantee**" means the guarantee dated May 5, 2025 executed by the Mortgagor and Keltic (River Garden) Development Ltd. in respect of the Guaranteed Obligations as defined therein.

1.13 "**Guarantor**" means any party to this Mortgage expressly defined as such and any and all Persons who have directly, indirectly, as principal debtor or as surety covenanted to pay or guaranteed payment of the whole or any part of the amount or amounts secured by this Mortgage or which are owing under the loan facilities referred to in the Commitment or who have covenanted to perform or guaranteed performance by the Mortgagor of its obligations under this Mortgage or under the Commitment or under any security given in connection therewith;

1.14 "**Hazardous Substance** "means any hazardous or dangerous waste or substance, pollutant, contaminant, waste or other substance without limitation, whether solid, liquid or gaseous in form, which when released into the natural environment may, based upon reasonably authoritative information then available concerning such substance, immediately or in the future directly or indirectly cause material harm or degradation to the natural environment or to the health or welfare of any living thing and includes, without limiting the generality of the foregoing,

1.14.1 any such substance as defined or designated under any Environmental Laws;

1.14.2 asbestos, urea formaldehyde, poly-chlorinated byphenyl (PCB) and materials manufactured with or containing the same; and

1.14.3 radioactive and toxic substances,

and "**Hazardous Substances**" means any one or more of the foregoing collectively;

1.15 **"interest**" means interest at the Mortgage Rate on all principal, interest in arrears and other monies owed to the Mortgagee under this Mortgage;

1.16 "**Interest Adjustment Date**" means the interest adjustment date set forth in the Mortgage Form;

1.17 "**Interest Calculation Period**" means the period or periods for calculation of interest set forth in the Mortgage Form;

1.18 "**Lands**" means the lands set forth in the Mortgage Form, and includes the Property;

1.19 "**Mortgage**" means the Mortgage Form and this set of Mortgage Terms and all schedules attached to this Mortgage and all amendments thereto and replacements thereof from time to time;

1.20 "**Mortgagee**" means all Persons in whose favour this Mortgage is given and who is or are named in this Mortgage as mortgagee and the respective successors and assigns of such Persons;

1.21 "**Mortgagor**" means all Persons who have given this Mortgage and who have executed the same as mortgagor and the respective successors and assigns of such Persons;

1.22 "**Mortgage Form**" means that certain Form B under the Land Title (Transfer Forms) Regulation pursuant to which this set of Mortgage Terms is filed under, and all schedules and addenda attached thereto;

1.23 "**Mortgage Rate**" means the rate of interest set forth in the Mortgage Form;

1.24 "**Payment Date**" means each payment date specified in the Mortgage Form, commencing on the first payment date and continuing to and including the last payment date shown in the Mortgage Form;

1.25 "**Periodic Payment**" means a payment in the amount specified as the amount of each periodic payment in the Mortgage Form;

1.26 "**Permitted Encumbrances**" means any encumbrance, lien or charge from time to time disclosed by the Mortgagor to the Mortgagee and which is consented to in writing by the Mortgagee;

1.27 "**Person**" means an individual, sole proprietorship, partnership, joint venture, syndicate, association, trust, body corporate, a natural Person in its capacity as trustee, personal representative or other legal representative, the Crown or any agency or instrumentality thereof, and/or any other entity recognized by law;

1.28 "**principal**", "**principal amount**", "**principal monies**" and "**principal sum**" each mean the amount of money in lawful money of Canada set forth as the principal amount on the Mortgage Form as reduced by payments made by the Mortgagor from time to time, or increased by the advance or re-advance of money to the Mortgagor by the Mortgagee from time to time, and includes all money that is added to the principal sum under these Mortgage Terms;

1.29 "**Property**" means the property, tenements, hereditaments and appurtenances and any estate or interest therein described in this Mortgage, and all buildings and improvements now or hereafter situate or constructed thereon, and all easements, rights-of-way and other appurtenances thereto, and all structures, additions,

improvements, machinery, equipment, decorations and other fixtures of every nature and kind (whether or not affixed in law) attached thereto or placed, installed or erected thereon or used in connection therewith;

1.30 "**Receiver**" means any receiver, receiver and manager, receiver-manager or trustee of the Lands as may be appointed from time to time by the Mortgagee pursuant to the provisions of this Mortgage or by any court of competent jurisdiction;

1.31 "**Strata Corporation**" means each corporation created or continued pursuant to the *Strata Property Act* (British Columbia) and any amendments thereto or any statute enacted in replacement thereof and pertaining to all or any part of the Lands which are governed by the said Act;

1.32 "**Taxes**" means all taxes, rates, assessments, local improvement charges, levies, penalties and other charges imposed upon or in respect of the Lands by any Governmental Body having jurisdiction; and

1.33 "**Terms of this Mortgage**" means all of the covenants, agreements, provisos, terms, conditions, warranties, representations and provisions of this Mortgage, and the agreement of the Mortgagor set forth in item 12 of the Mortgage Form to be bound by the Mortgage Terms referred to in item 9 of the Mortgage Form will apply to all of the covenants, agreements, provisos, terms, conditions, warranties, representation and provisions of this Mortgage.

2. STATUTORY REFERENCES

Unless expressly stipulated or otherwise required by the context, all references in this Mortgage to any federal, provincial or municipal statute, regulation, by-law, order, directive or other governmental enactment will be deemed to be and construed as a reference to the same as amended or re-enacted from time to time.

3. GRANT AND PROVISOS

3.1 For good and valuable consideration (the receipt and sufficiency whereof is hereby acknowledged by the Mortgagor), the Mortgagor grants and mortgages the Lands to the Mortgagee, all of the right, title and interest of the Mortgagor in and to the Lands as security for the due payment of the principal sum and interest as herein provided and all other monies owing by the Mortgagor to the Mortgagee under this Mortgage and performance of the obligations under the Guarantee.

3.2 Provided that this Mortgage will be void upon satisfaction of all of the following:

3.2.1 payment to the Mortgagee at the address of the Mortgagee set out in the Mortgage Form or to such other address or such other party or parties as the Mortgagee may from time to time require of the principal sum, with interest thereon at the Mortgage Rate, to be calculated and compounded in accordance with the Interest Calculation Period, not in advance, both before and after maturity, both before and after default, and both before and after judgment, payable as follows:

(i) interest accruing from the respective dates of advance of the principal sum will be due and payable on the Interest Adjustment Date (provided however, the Mortgagee may deduct accrued interest from any advance of principal);

(ii) a Periodic Payment will be paid on each Payment Date; and

(iii) the unpaid balance of the principal sum, together with any accrued and unpaid interest and other costs, charges and monies owing hereunder will become due and be paid on the Balance Due Date; and

3.2.2 observance and performance of all of the Terms of this Mortgage and the other Credit Documents and the payment of the Taxes and of all other monies as herein provided.

3.3 It is agreed that all interest, as well upon principal as upon interest, will be compounded on the last day of each Interest Calculation Period and all such compounded interest will be a charge on the Lands.

3.4 It is further agreed that the Mortgagee will have the right to apply any sums paid to the Mortgagee under this Mortgage in or towards the payment of accrued interest, principal or any other monies owing hereunder as the Mortgagee may determine, notwithstanding that any such sums may have been paid to the Mortgagee on account of a different amount.

3.5 For the consideration aforesaid, the Mortgagor releases to the Mortgagee all of the Mortgagor's claims upon the Lands subject to the provisos set forth in paragraph 3.2 hereof.

4. ADVANCE OF FUNDS

The Mortgagor agrees that neither the preparation, execution nor registration of this Mortgage will bind the Mortgagee to advance the monies hereby secured, nor will the advance of a part of the principal sum herein bind the Mortgagee to advance any unadvanced portion thereof, but nevertheless the estate hereby charged will take effect forthwith upon the execution of this Mortgage by the Mortgagor, and the expenses of the examination of the title and of this Mortgage and valuation are to be secured hereby in the event of the whole or any balance of the principal sum herein not being advanced, the same to be charged hereby upon the Lands, and will be without demand thereof, payable forthwith with interest at the rate provided for in this Mortgage, and upon the occurrence of an Event of Default the remedies herein will be exercisable.

5. MORTGAGOR'S COVENANTS

5.1 The Mortgagor covenants with the Mortgagee that:

5.1.1 the Mortgagor will pay the principal sum herein and interest thereon at the Mortgage Rate, including compounded interest as herein provided and observe and perform the Terms of this Mortgage, and will pay as they fall

due all Taxes and when required by this Mortgage, will transmit the receipts therefor to the Mortgagee;

5.1.2 the Mortgagor will pay all amounts which are payable hereunder or which are capable of being added to the principal sum herein pursuant to the provisions of this Mortgage including, without limiting the generality of the foregoing, all servicing or other fees, costs or charges provided for herein; all insurance premiums; the amount paid for the supply of any fuel or utilities to the Lands; all costs, commissions, fees and disbursements incurred by the Mortgagee in constructing, inspecting, appraising, selling, managing, repairing or maintaining the Lands; all Costs incurred by the Mortgagee with respect to this Mortgage or incurred by the Mortgagee arising out, of or in any way related to this Mortgage; any amounts paid by the Mortgagee on account of any encumbrance, lien or charge against the Lands and any and all Costs incurred by the Mortgagee arising out of, or in any way related to, the Mortgagee realizing on its security by sale or lease or otherwise;

5.1.3 the Mortgagor has a good indefeasible title in fee simple to the Lands, without any trusts, reservations, limitations, provisos or conditions, except those contained in the original grant from the Crown, and has good right, full power and lawful and absolute authority to grant, mortgage and convey the Lands and to grant this Mortgage to the Mortgagee upon the terms contained therein;

5.1.4 the Mortgagor has not done, committed, executed or wilfully or knowingly suffered any act, deed, matter or thing whatsoever whereby or by means whereof the Lands, or any part or parcel thereof, is or will or may be in any way impeached, charged, affected or encumbered in title, estate or otherwise, except as the records of the land registry office disclose; and free from all financial encumbrances, except the Permitted Encumbrances;

5.1.5 the Mortgagor will execute such further documents, instruments and assurances as are required by the Mortgagee to give effect to the Terms of this Mortgage and to ensure that this Mortgage is valid security for all monies and obligations secured by this Mortgage; and

5.1.6 the Mortgagor will produce the title deeds and allow copies to be made at the expense of the Mortgagor.

6. COMPLIANCE WITH LAWS AND REGULATIONS

The Mortgagor will, in its ownership, operation and use of the Lands, promptly and at all times observe, perform, execute and comply with all laws, rules, requirements, orders, directions, ordinances and regulations of every Governmental Body having jurisdiction with respect to the same, and further agrees at its cost and expense to take any and all steps or make any improvements or alterations thereto, structural or otherwise, ordinary or extraordinary, which may be required at any time hereafter by any such present or future laws, rules, requirements, orders, directions, ordinances or regulations.

7. CHANGE OF USE

The Mortgagor will not change or permit to be changed the existing use or uses of the Lands without the prior written consent of the Mortgagee.

8. REPAIR

The Mortgagor will keep the Lands including the buildings, erections and improvements thereon in good condition and repair according to the nature and description thereof, and the Mortgagee may, whenever it deems necessary, enter upon and inspect the Lands, and the cost of such inspection will be added to the indebtedness secured hereunder, and if the Mortgagor neglects to keep the Lands in good condition and repair, or commits or permits any act of waste upon or abandons the Lands (as to which the Mortgagee will be sole judge) or removes or allows to be removed from the Lands, the Property or any portion thereof without prior written consent of the Mortgagee or upon discovery by the Mortgagee that any security for the indebtedness owing under this Mortgage is inadequate or breaches any of the Terms of this Mortgage, the principal sum herein together with interest at the Mortgage Rate, interest on overdue interest, the full amount of all legal fees on a solicitor and solicitor's own client full indemnity basis, disbursements, costs, charges and expenses incurred by the Mortgagee and all other monies owing and secured under this Mortgage will, at the option of the Mortgagee, forthwith become due and payable, and in default of payment thereof, the powers of entering upon and leasing or selling hereby given and all other remedies of the Mortgagee under this Mortgage as otherwise available to the Mortgagee may be exercised forthwith and the Mortgagee, upon five (5) days notice to the Mortgagor and in the event that the Mortgagor does not in such period cause and diligently proceed with such repairs, may make such repairs as it deems necessary, and the cost thereof with interest at the rate aforesaid will be added to the monies hereby secured and will be payable forthwith and be a charge upon the Lands prior to all claims thereon subsequent to this Mortgage.

9. ALTERATIONS OR ADDITIONS

The Mortgagor will not make or permit to be made any alterations or additions to the Lands without the prior written consent of the Mortgagee, which consent may be withheld in the Mortgagee's sole discretion or may be given only subject to compliance with such terms and conditions at the cost of the Mortgagor as the Mortgagee may impose.

10. LANDS INCLUDE ALL ADDITIONS

10.1 The Lands will include all structures and installations brought or placed on the Lands for the particular use and enjoyment thereof or as an integral part of or especially adapted for the buildings thereon whether or not affixed in law to the Lands including, without limiting the generality of the foregoing, piping, plumbing, electrical equipment or systems, aerials, refrigerators, stoves, clothes washers and dryers, dishwashers, incinerators, radiators and covers, fixed mirrors, fitted blinds, window screens and screen doors, storm windows and storm doors, shutters and awnings, floor coverings, fences, air conditioning, ventilating, heating, lighting, and water heating equipment, cooking and refrigeration equipment and all component parts of any of the foregoing and that the same will become fixtures and an accession to the freehold and a part of the realty.

10.2 The Mortgagor covenants and agrees that if this Mortgage is subject to one or more prior mortgages, agreements for sale or other charges or encumbrances (herein collectively called the "**Prior Mortgage**"), the Mortgagor will pay or cause to be paid as they become due all payments whether for principal, interest, Taxes or otherwise under or by virtue of the Prior Mortgage and will otherwise observe, perform and comply with the conditions, covenants, provisos, or agreements therein contained; and that any default thereunder will be deemed to be a default hereunder and entitle the Mortgagee to exercise any and all remedies available to the Mortgagee upon an Event of Default; and that the Mortgagee may make any payment or cure any default under the Prior Mortgage and any amount or amounts so paid together with all costs, charges, expenses and outlays of the Mortgagee thereby incurred, including the full amount of all legal fees on a solicitor and solicitor's own client full indemnity basis, disbursements, costs, charges and expenses incurred by the Mortgagee, will be added to the monies payable hereunder, bear interest at the Mortgage Rate from the date expended until paid, be payable with interest as aforesaid forthwith by the Mortgagor to the Mortgagee without demand and be a charge on the Lands and the Mortgagee will have the same rights and remedies to enforce payment thereof as the Mortgagee would have upon an Event of Default.

10.3 For the aforesaid consideration to the Mortgagor, without in any way affecting or releasing the Mortgagor's liability to the Mortgagee for the repayment of monies hereby secured, the Mortgagor does hereby assign, transfer and set over to the Mortgagee all right, title, claim, demand and interest whatsoever at law, or in equity, or otherwise to indemnification, express or implied, of and from the performance and observance of any and all of the Terms of this Mortgage (including without limitation, payment of any and all monies due under this Mortgage) by any purchaser of the Lands.

11. CONSTRUCTION LOAN

11.1 If this Mortgage is intended to finance any construction, alteration or addition, the Mortgagee may make advances of the principal amount to the Mortgagor based on the progress of construction and in its sole discretion the Mortgagee will decide whether or not any advances will be made, the amount of the advances and when the advances will be made.

11.2 In the event that all or any portion of the monies hereby secured would, with the consent of the Mortgagee, be used for any construction upon or renovation, alteration, addition or repair to any building or structure on the Lands subject to paragraph 11.1, the Mortgagor will diligently proceed to complete construction in accordance with the plans and specifications approved by the Mortgagee (the "**Construction Project**") and will forthwith provide to the Mortgagee such information relating to the Lands and the construction as the Mortgagee may from time to time request. The Mortgagor will not make any material changes to the plans and specifications without the prior written consent of the Mortgagee. The Mortgagor will cause the Construction Project to be constructed in a good and workmanlike manner and in accordance with all applicable laws, including, without limitation, municipal by-laws and, without limitation, the Mortgagor will take all such steps as may be required to obtain an occupancy permit or equivalent permit or approval for the Construction Project from the applicable Governmental Bodies.

The Mortgagor will pay all expenses incurred by the Mortgagee in retaining any cost consultant with respect to the Construction Project. The Mortgagor will comply with the requirements of an Owner under the *Builders Lien Act* (British Columbia) and will, in particular, maintain any "**Holdback Account**" required to be maintained under such Act. Without in any way limiting any other rights and remedies of the Mortgagee, upon the occurrence of an Event Of Default, the Mortgagee, in addition to and not in substitution for any of its other rights and remedies, may take any one or more of the following actions:

11.2.1 enter upon the Lands and complete the Construction Project in accordance with plans and specifications approved by the Mortgagee with such further changes as the Mortgagee may deem appropriate in its sole discretion;

11.2.2 discontinue any work commenced, or change any course of action undertaken, by the Mortgagor in respect of the Lands or the Construction Project;

11.2.3 at the Mortgagee's option, enforce any construction contract made by the Mortgagor, and take over and use all or any part of the labour, materials, supplies, and equipment contracted for by the Mortgagor;

11.2.4 engage builders, contractors, architects, engineers, and other staff and trades as the Mortgagee considers necessary or desirable for the purpose of completing the Construction Project;

11.2.5 pay, settle, or compromise all bills and claims which may be or become liens (whether such liens are claims of builders liens or any other type of lien) against the Lands or any part thereof, provided that the Mortgagee will not be liable to the Mortgagor for the validity or correctness of any such claim or lien; and

11.2.6 generally, take or refrain from taking all such action in respect to the Construction Project as the Mortgagee in its sole discretion considers to be in its best interest for the purpose of preserving or enhancing the value of the Mortgagee's security.

11.3 The Mortgagor acknowledges and agrees that no steps taken by the Mortgagee to deal with the Mortgage as aforesaid will constitute or be deemed to be a waiver or condoning by the Mortgagee of the use of any monies secured by this Mortgage in contravention of the provisions contained herein, including, without limitation, any covenant or warranty by the Mortgagor that the purpose of the Mortgage is not to finance an improvement on the Lands.

11.4 The Mortgagor will be solely responsible to ensure the sufficiency of work done or to be done or material supplied or to be supplied to the Lands to justify the quantum of each advance made by the Mortgagee under the Commitment. Notwithstanding that the Commitment or any other Credit Document may provide that advances are to be made on a cost-to-complete basis or a similar basis, entitling the Mortgagee to refuse to advance where it is of the opinion that there is insufficient unadvanced funds to complete the contemplated construction, the Mortgagee will

not be responsible or liable to the Mortgagor or to anyone else where either there has been insufficient work done or material supplied to the Lands to warrant an advance, or that there are insufficient funds held back to complete the contemplated construction.

11.5 Where the Mortgagor retains the services of an engineer, or architect, or project supervisor or a similar professional construction expert, or combination of such Persons, the Mortgagee will be entitled but not obliged to rely upon such Person to instruct the Mortgagee as to the value of the work done or to be done or material supplied or to be supplied to the Lands, and the Mortgagee will have no liability whatsoever to the Mortgagor or to anyone else as a result of advances made by the Mortgagee relying in whole or in part upon such Person.

12. ENVIRONMENTAL WARRANTY AND INDEMNITY

12.1 The Mortgagor and each Guarantor jointly and severally represents, warrants, covenants and agrees that:

12.1.1 it has not, and to the best of its knowledge, information and belief after making due inquiry, no other Person has caused or permitted any Hazardous Substance to be placed, discharged, stored, located or disposed of, on, under, at or near the Lands nor to be released from the Lands except in accordance with Environmental Laws;

12.1.2 the Lands have never been used as a land fill site, waste disposal site or coal gasification site, or to store Hazardous Substances either above or below ground in storage tanks, pipes, conduits or otherwise;

12.1.3 it and, to the best of its knowledge, information and belief after making due inquiry, the tenants, invitees and all other occupiers of the Lands have at all times carried out all business and other activities upon the Lands in strict compliance with all Environmental Laws;

12.1.4 it will at all times carry out all business and other activities upon the Lands in strict compliance with all Environmental Laws, and it will at all times take all necessary measures to ensure that those for whom it is liable in law will also at all times carry out all business and other activities upon the Lands in strict compliance with all Environmental Laws.

12.1.5 to the best of its knowledge, information and belief after making due inquiry, the use and occupation of the Lands have at all times been in strict compliance with all Environmental Laws;

12.1.6 no notice, order, stop work order, inspection file, investigation, directive, enforcement action, regulatory action, suit, claim, action, proceeding or charge relating to any Hazardous Substance or to a breach or non-compliance with any Environmental Laws has been issued by any Governmental Body with respect to it or the Lands, or is otherwise threatened to be issued;

12.1.7 it will provide the Mortgagee with full and complete copies of all communications received from time to time from all Governmental Bodies with respect to the Lands;

12.1.8 it will provide to the Mortgagee on request and from time to time, information with respect to the status of the environmental matters referred to herein and will complete and deliver, on request, the Mortgagee's standard form of report, if any, on environmental matters;

12.1.9 the representations and warranties contained in this paragraph 12 are true and accurate in all respects as of the date of the first advance made pursuant to this Mortgage, and such representations and warranties will remain true and accurate in all respects and will survive the release and discharge of this Mortgage and the repayment and satisfaction of the indebtedness secured by this Mortgage; and

12.1.10 the Mortgagee may delay or refuse to make any advance to the Mortgagor if the Mortgagee believes that any of the representations and warranties set out in this Warranty and Indemnity are not presently true and accurate or if such representations and warranties have become untrue or inaccurate at any time hereafter.

12.2 The Mortgagor hereby agrees to permit the Mortgagee to conduct, at the Mortgagor's sole expense, from time to time as required, any and all tests, inspections, appraisals and environmental audits of the Lands so as to determine and ensure continuing compliance with the provisions of this paragraph 12 including, without limitation, the right to conduct soil tests and to review and copy any records relating to the Lands and/or to the businesses and other activities conducted thereon.

12.3 The Mortgagor agrees to indemnify and save fully and completely harmless the Mortgagee and its officers, directors, employees, agents and shareholders from and against any and all losses, damages, demands, claims, actions, charges, orders, directives, undertakings, costs, legal fees on a solicitor and solicitor's own client full indemnity basis and expenses, of every nature and kind, whatsoever and howsoever, which at any time or from time to time may be paid by, or incurred by, or suffered by, or asserted against, any of them as a direct or indirect result of:

12.3.1 a breach of any of the representations, warranties or covenants hereinbefore set out;

12.3.2 the presence of any Hazardous Substance in, on, under or about the Lands;

12.3.3 the breach of any Environmental Laws; and/or

12.3.4 the discharge, emission, release, spill or disposal of any Hazardous Substance from the Lands into or upon any land, the atmosphere, any watercourse, body of water or wetland or any other property.

12.4 The representations, warranties, covenants, acknowledgments and indemnifications set out in this paragraph 12 will survive the release and discharge of this Mortgage and of any other security held by the Mortgagee and the repayment and satisfaction of the indebtedness secured by this Mortgage.

13. INSPECTION

The Mortgagee will have access to and the right to inspect the Lands at all reasonable times.

14. TAXES

14.1 The Mortgagor covenants and agrees with the Mortgagee that:

14.1.1 the Mortgagee may deduct from any advance of the monies secured by this Mortgage an amount sufficient to pay all Taxes which have become due and payable during any calendar year;

14.1.2 the Mortgagee may at its sole option estimate the amount of the Taxes payable in each year and the Mortgagor will forthwith upon demand of the Mortgagee pay to the Mortgagee one-twelfth (1/12) of the estimated annual amount of such Taxes on the 1st day of each and every month during the term of this Mortgage commencing with the 1st day of the first full month of the term of this Mortgage. The Mortgagee may at its option apply such payments to the Taxes so long as the Mortgagor is not in default under any of the Terms of this Mortgage, but nothing herein contained will obligate the Mortgagee to apply such payments on account of Taxes more often than yearly. Provided however, that if the Mortgagor will pay any sum or sums to the Mortgagee to apply on account of Taxes, and if before such payments have been so applied by the Mortgagee, there will be default by the Mortgagor in respect of any payment of principal or interest as herein provided, the Mortgagee may at its option apply such sum or sums in or towards payment of the principal, interest or interest and principal in default. If the Mortgagor desires to take advantage of any discounts or avoid any penalties in connection with the payment of Taxes, the Mortgagor may pay to the Mortgagee such additional amounts as are required for that purpose;

14.1.3 in the event that the Taxes actually charged in a calendar year, together with any interest and penalties thereon, exceed the amount estimated by the Mortgagee as aforesaid, the Mortgagor will pay to the Mortgagee, on demand, the amount required to make up the deficiency. The Mortgagee may at its option, pay any of the Taxes when payable, either before or after they are due, without notice, or may make advances therefore in excess of the then amount of credit held by the Mortgagee for Taxes. Any excess amount advanced by the Mortgagee will be secured as an additional principal sum under this Mortgage and will bear interest at the rate as provided for in this Mortgage until repaid by the Mortgagor. The Mortgagor will repay to the Mortgagee all Taxes which the Mortgagee has paid in respect of the Lands and repay to the Mortgagee all other property outlays not covered by any other covenant herein;

14.1.4 the Mortgagor will transmit to the Mortgagee all assessment notices, tax bills and other notices pertaining to the imposition of Taxes forthwith after receipt thereof;

14.1.5 the Mortgagor will pay to the Mortgagee, in addition to any other amounts required to be paid hereunder, the amount required by the Mortgagee in its sole discretion for a reserve on account of future liability for Taxes;

14.1.6 in no event will the Mortgagee be liable for any interest on any amount paid to it on account of Taxes and the monies so received may be held with its own funds pending payment or application thereof as herein provided; provided that in the event that the Mortgagee does not utilize the funds received on account of Taxes in any calendar year, such amount or amounts may be held by the Mortgagee on account of any pre-estimate of Taxes required for the next succeeding calendar year, or at the Mortgagee's option, the Mortgagee may repay such amount to the Mortgagor without any interest;

14.1.7 the Mortgagor will in all instances be responsible for the payment of any and all penalties resulting from any arrears of Taxes or any late payment of current instalments thereof, and at no time will such penalties be the responsibility of the Mortgagee; and

14.1.8 in the event the Mortgagee does not collect payments on account of Taxes as aforesaid, the Mortgagor will deliver to the Mortgagee within thirty (30) days following the due date for each instalment of Taxes written evidence from all taxing authorities having jurisdiction to the effect that the then current instalment of Taxes and all other Taxes due in respect of the then current calendar year and any preceding calendar years have been paid in full, failing which, the Mortgagee will be entitled to charge a servicing fee for each written inquiry directed to such taxing authorities or the Mortgagor for the purpose of ascertaining the status of the Taxes together with any costs payable to such taxing authorities for such information.

15. UTILITIES

The Mortgagor covenants and agrees that it will pay all utility and fuel charges related to the Lands as and when they are due and that the Mortgagor will not allow or cause the supply of utilities or fuel to the Lands to be interrupted or discontinued and that, if the supply of fuel oil or utilities is interrupted or discontinued, the Mortgagor will take all steps that are necessary to ensure that the supply of utilities or fuel is restored forthwith. It is specifically agreed that the failure to pay all fuel and utility charges as and when they are due or the interruption or discontinuing of the supply of fuel or utilities to the Lands will constitute an Event of Default within the meaning of this Mortgage and in addition to all other remedies provided for herein, the principal sum of this Mortgage will, at the sole option of the Mortgagee forthwith become due and payable.

16. INSURANCE

16.1 The Mortgagor covenants and agrees that it will insure and keep insured during the term of this Mortgage the buildings and other improvements on the Lands (now or hereafter erected) on the terms required by the Commitment and in any event on an all-risks basis in an amount of not less than the greater of the full replacement value of the buildings located thereon from time to time, or the principal money herein, with no co-insurance provisions and with the Mortgagee's standard mortgage clause forming part of such insurance policies as may be approved by the Insurance Bureau of Canada from time to time and a provision requiring thirty (30) days prior written notice by the insurer to the Mortgagee of cancellation, termination, material change or non-renewal of such policies.

16.2 In the event that the evidence of continuation of such insurance as herein required has not been delivered to the Mortgagee within the required time, the Mortgagee will be entitled to a servicing fee for each written inquiry which the Mortgagee will make to the insurer or the Mortgagor pertaining to such renewal (or resulting from the Mortgagor's non-performance of the within covenant). In the event that the Mortgagee pursuant to the within provision arranges insurance coverage with respect to the Lands, the Mortgagee, in addition to the aforenoted servicing fee, will be entitled to a further servicing fee for arranging the necessary insurance coverage.

16.3 In the event of any loss or damage, the Mortgagor will forthwith notify the Mortgagee in writing and notwithstanding any other provision to the contrary, statutory or otherwise, in the event of any monies becoming payable pursuant to any insurance policy herein required, the Mortgagee may, at its option, require the said monies to be applied by the Mortgagor in making good the loss or damage in respect of which the money is received, or in the alternative, may require that any or all of the monies so received be applied in or towards satisfaction of any or all of the indebtedness hereby secured whether or not such indebtedness has become due. No damage may be repaired nor any reconstruction effected without the approval in writing of the Mortgagee in any event. If the Mortgagor fails or neglects to complete and file a proper proof of loss with the insurance company within fifteen (15) days of the date of loss, the Mortgagee is hereby authorized to file a proof of loss with the insurance company on behalf of the Mortgagor and the Mortgagee is hereby released from all liability whatsoever to the Mortgagor as a result of filing such proof of loss. Any insurance moneys received may, at the option of the Mortgagee, be applied in rebuilding, reinstating or repairing the Property or be paid to the Mortgagor or any other Person appearing by the registered indefeasible title to be or to have been the owner of the Property or be applied or paid partly in one way and partly in another or it may be applied, in the sole discretion of the Mortgagee, in whole or in part in payment of the sums owing hereunder or any part thereof whether due or not then due. To ensure that the Mortgagee may apply the insurance monies in the manner provided above, the Mortgagor hereby assigns and releases to the Mortgagee all rights of the Mortgagor to receive the insurance monies and the Mortgagor expressly waives all the rights and benefits whatsoever of the Mortgagor under the *Insurance Act* (British Columbia) and the *Fire Prevention (Metropolis) Act*, 1774, and any amendments thereto, and under any statutes of British Columbia enacted in replacement of the said statutes.

16.4 The Mortgagor, upon demand, will transfer all policies of insurance provided for herein and the indemnity which may become due therefrom to the Mortgagee. The Mortgagee will have a lien for the indebtedness hereby secured on all the said insurance proceeds and policies, and may elect to have these insurance monies applied as it may deem appropriate, including payment of monies secured hereby, whether due or not, but the Mortgagee will not be bound to accept the said monies in payment of any principal not yet due.

17. REMITTANCE AND APPLICATION OF PAYMENTS

17.1 Subject to Section 20 and 21 herein, all payments of principal, interest and other monies payable hereunder to the Mortgagee will be payable at par in lawful money of Canada at the Mortgagee's address for service as set out in this Mortgage or at such other place as the Mortgagee will designate in writing from time to time. In the event that any of the monies secured by this Mortgage are forwarded to the Mortgagee by mail, payment will not be deemed to have been made until the Mortgagee has actually received such monies and the Mortgagor will assume and be responsible for all risk of loss or delay.

17.2 Notwithstanding anything herein to the contrary, upon the occurrence of an Event of Default, the Mortgagee may apply any payments received in whatever order the Mortgagee may elect as between principal, interest, realty taxes, insurance premiums, repairs, Costs and any other advances or payments made by the Mortgagee hereunder.

18. RECEIPT OF PAYMENT

Any payment received after 12:00 p.m. (Vancouver, British Columbia time) on any date will be deemed, for the purpose of calculation of interest to have been made and received on the next business day and the Mortgagee will be entitled to interest on the amount due it, to and including the date on which the payment is deemed by this provision to have been received.

19. NO DEEMED RE-INVESTMENT

Except in the case where this Mortgage provides for blended payments of principal and interest whether paid monthly or otherwise, the parties hereto agree that the Mortgagee will not be deemed to reinvest any monthly or other payments received by it hereunder.

20. PRE-AUTHORIZED CHEQUING PLAN OR AUTOMATIC ELECTRONIC PAYMENT

If and when required by the Mortgagee, all payments made under this Mortgage by the Mortgagor will be made by a pre-authorized cheque payment plan or pre-authorized automatic electronic payments under a pre-authorized debit agreement ("**PAD**") in the form required by the Mortgagee, all as approved by the Mortgagee. The Mortgagee will not be obligated to accept any payment other than payment made by pre-authorized cheque or electronic payments. Failure to make all payments by pre-authorized cheque or electronic payment will be an Event of Default within the meaning of this Mortgage and the Mortgagee will be entitled to pursue any and all of its remedies herein and/or at law as it may deem necessary at its option.

21. POSTDATED CHEQUES

The Mortgagor will, if and when required by the Mortgagee, deliver to the Mortgagee upon the first advance of monies hereunder or upon request and thereafter on each anniversary date thereof in each year for the duration of the term of this Mortgage, postdated cheques for the payments of principal, interest and estimated realty taxes required to be made herein during the twelve month period commencing on each such anniversary date. In the event of default by the Mortgagor in delivery to the Mortgagee of the postdated cheques as herein provided, an Event of Default within the meaning of this Mortgage will be deemed to have occurred and the Mortgagee will be entitled to pursue any and all of its remedies herein and/or at law as it may deem necessary at its option. In addition, the Mortgagee upon the Mortgagor's failure to deliver such postdated cheques as required hereunder will be entitled to a servicing fee for each written request that it makes to the Mortgagor for the purpose of obtaining such postdated cheques. Any step taken by the Mortgagee hereunder by way of a request for further postdated cheques will be without prejudice to the Mortgagee's rights hereunder to declare this Mortgage to be in default in the event that such postdated cheques are not delivered within the required time.

22. DISHONOURED CHEQUES

In the event that any of the Mortgagor's cheques are not honoured when presented for payment to the drawee, the Mortgagor will pay to the Mortgagee for each such returned cheque a servicing fee to cover the Mortgagee's administration costs with respect to same. In the event that the said cheque which has not been honoured by the drawee is not forthwith replaced by the Mortgagor, the Mortgagee will be entitled to a further servicing fee for each written request therefore which may be necessitated by the Mortgagor not forthwith replacing such dishonoured cheque.

23. FINANCIAL AND OPERATING STATEMENTS

23.1 The Mortgagor covenants that, within the periods of time hereinafter specified, or within such other period(s) of time as may be specified by any of the other Credit Documents, the Mortgagor will deliver or cause to be delivered to the Mortgagee within one hundred and twenty (120) days after the end of each fiscal year of operation of the Lands, an annual operating statement in respect of the Lands for the immediately preceding fiscal year setting forth the gross rents and other income derived from the Lands, the cost and expenses of operation and maintenance of the Lands and such other information and explanations in respect of the same as may be required by the Mortgagee.

23.2 All such operating and financial statements will be prepared at the expense of the Mortgagor and in accordance with the Accounting Standard applied on a consistent basis and by a duly qualified chartered accountant or certified public accountant which is acceptable to the Mortgagee, and will be submitted in audited form if so required by the Mortgagee upon the occurrence of an Event of Default, and the completeness and correctness of such statements will be supported by an affidavit of an authorized officer of the Mortgagor or Guarantor, as the case may be.

23.3 The Mortgagee reserves the right to disclose to third parties, any of the foregoing financial information or otherwise acquired in respect to the indebtedness secured

hereby as may be required in connection with the fulfillment of its rights and/or obligations under the Commitment or this Mortgage or to carry out its terms of to enforce its security for mortgage securitization purposes.

24. ESTOPPEL ACKNOWLEDGEMENTS

If and whenever the Mortgagee requests an acknowledgement from the Mortgagor as to the statement of account with respect to this Mortgage or the status of the terms and conditions of this Mortgage, the Mortgagor will execute such an acknowledgement in such form as may be required by the Mortgagee provided that the contents of such form are correct, and the Mortgagor will do so forthwith upon request and without cost to the Mortgagee and will return such acknowledgement duly executed within two (2) business days of such request.

25. STATEMENTS OF ACCOUNT

The Mortgagor will be entitled to receive upon written request, a statement of account with respect to this Mortgage as of any payment date under this Mortgage and the Mortgagee will be entitled to a servicing fee for each such statement.

26. RENEWAL OR EXTENSION OF TIME; ATTENTION SUBSEQUENT INTERESTS

26.1 No renewal or extension of the term of this Mortgage given by the Mortgagee to the Mortgagor, or anyone claiming under it, or any other dealing by the Mortgagee with the owner of the equity of redemption of the Lands, will in any way affect or prejudice the rights of the Mortgagee against the Mortgagor or any other Person liable for the payment of the monies hereby secured. The Mortgage may be amended, extended and/or renewed by an agreement in writing at maturity for any term with or without an increased rate of interest, or amended from time to time as to any of its terms, including, without limitation, an increase of interest rate or principal amount and notwithstanding that there may be subsequent encumbrancers, and it will not be necessary to register any such agreement in order to retain priority for this Mortgage so altered over any instrument registered subsequent to this Mortgage; PROVIDED that nothing contained in this paragraph will confer any right of amendment, extension or renewal upon the Mortgagor.

26.2 The terms of this Mortgage may be amended, extended and this Mortgage may be renewed from time to time by mutual agreement between the then current owner of the Lands and the Mortgagee and the Mortgagor hereby further covenants and agrees that, notwithstanding that the Mortgagor may have disposed of its interest in the Lands, the Mortgagor will remain liable as a principal debtor and not as a surety for the observance of all of the terms and provisions herein and will in all matters pertaining to this Mortgage well and truly do, observe, fulfill and keep all of the covenants, provisos, conditions and agreements in this Mortgage and all amendment(s), extension(s) and renewal(s) thereof, and without limiting the foregoing, notwithstanding the amendment, extension and/or renewal of this Mortgage, and notwithstanding the giving of time for the payment of this Mortgage or the varying of the terms of the payment thereof or of the rate of interest thereon, and notwithstanding any other indulgence by the Mortgagee to the Mortgagor.

26.3 The Mortgagor covenants and agrees with the Mortgagee that no agreement for amendment, extension and/or renewal hereof, or for extension of the time for payment of any monies payable hereunder will result from, or be implied from, any payment or payments of any kind whatsoever made by the Mortgagor to the Mortgagee after the expiration of the original term of this Mortgage or of any subsequent term agreed to in writing between the Mortgagor and the Mortgagee, and that no amendment, extension and/or renewal hereof or any extension of the time for payment of any monies hereunder will result from, or be implied from, any other act, matter or thing, save only express agreement in writing between the Mortgagor and the then current owner of the Lands.

27. EXPROPRIATION

If the Lands or any part thereof which, in the reasonable opinion of the Mortgagee is material to the viability and operations thereon will be expropriated by any Governmental Body clothed with the powers of expropriation, the principal sum herein remaining unpaid will at the option of the Mortgagee forthwith become due and payable together with interest thereon at the Mortgage Rate to the date of payment, interest on overdue interest and all other monies owing hereunder, together with a bonus equal to the aggregate of (a) three months' interest at the said rate calculated on the amount of the principal remaining unpaid, and (b) one month's interest at the rate provided for herein calculated on the principal remaining unpaid, for each full year of the term of this Mortgage or any part of such year from the said date of payment to the date the said principal sum or balance thereof remaining unpaid would otherwise under the provisions of this Mortgage become due and payable and in any event all the proceeds of any expropriation will be paid to the Mortgagee at its option in priority to the claims of any other party.

28. LETTERS OF CREDIT

The parties to this Mortgage hereby acknowledge and agree that, in addition to all other amounts advanced and/or secured hereby, this Mortgage will stand as good and valid security with respect to any and all letters of credit, letters of guarantee or similar instruments (collectively the "**Letters of Credit**") issued by or on behalf of the Mortgagee for the benefit of or on account of the Mortgagor and in favour of any other party as may be requested or directed by the Mortgagor from time to time, and that the total amount of the financial obligations under each Letter of Credit will be deemed to have been advanced and fully secured under this Mortgage as of and from the date of issuance of each such Letter of Credit regardless of when the same may be called upon by the holder thereof. In the event that at any time the Mortgagee is of the opinion, in its sole and unfettered discretion, that the Lands or such part(s) thereof as remain undischarged are insufficient to secure the aggregate amount of all of the Mortgagee's outstanding obligations under, pursuant to or in connection with such Letters of Credit from time to time outstanding, the Mortgagee will be entitled to retain out of any payment received under this Mortgage or out of the proceeds of any sale or revenue received in respect of the Lands or any part(s) thereof or out of the proceeds of any amounts received by the Mortgagee upon the enforcement of this Mortgage, an amount equal to the aggregate amount of all of the Mortgagee's outstanding obligations under, pursuant to or in connection with Letters of Credit as remain from time to time outstanding without being obliged to apply any portion of such amount on account of any principal, interest or other monies otherwise outstanding and secured by this Mortgage; and the Mortgagee will be entitled to retain such amount for such period of time as any of the Letters of Credit remain outstanding and the

Mortgagee is hereby irrevocably authorized and directed to utilize the same in order to satisfy payment of any amounts called upon for payment pursuant to the Letters of Credit.

29. SALE OR CHANGE OF CONTROL

29.1 In the event of any sale, conveyance or transfer of the Lands or any portion thereof, or the Mortgagor enters into an agreement for sale of transfer of the Lands or portion thereof, or if ownership of or control and direction over the majority of the shares, units or ownership interests of the Mortgagor or any Guarantor changes by amalgamation, merger, sale, transfer of shares, units or ownership interests or otherwise, or a change in the beneficial ownership of the Lands or any portion thereof or a lease of the whole of the Lands (each of the foregoing, a "**Change of Control**"), all sums secured hereunder will, at the Mortgagee's option, become due and payable forthwith unless the prior written consent of the Mortgagee has been obtained, which consent may be arbitrarily or unreasonably withheld. The rights of the Mortgagee pursuant to this provision will not be affected or limited in any way by the acceptance of payments due under this Mortgage from the Mortgagor or any Person claiming through or under it and the rights of the Mortgagee hereunder will continue without diminution for any reason whatsoever until such time as the Mortgagee has consented in writing as required by this provision.

29.2 Provided further that no permitted sale or other dealing by the Mortgagor with the Lands or any part thereof will in any way change the liability of the Mortgagor or in any way alter the rights of the Mortgagee as against the Mortgagor or any other Person liable for payment of the monies hereby secured.

30. NO FURTHER ENCUMBRANCES

In the event that the Mortgagor enters into, creates, incurs, assumes, suffers or permits to exist any additional charge, encumbrance, pledge or other financing of the Lands, or of the chattels, equipment or personal property related to the Lands, all sums secured hereunder will, at the Mortgagee's option, become due and payable forthwith unless the prior written consent of the Mortgagee has been obtained, which consent may be arbitrarily withheld.

31. EVENTS OF DEFAULT

31.1 Without limiting any of the provisions of this Mortgage, any of the following events will constitute an Event of Default hereunder and under the other Credit Documents upon the happening of which the whole of the principal sum outstanding and all interest accruing thereon will immediately become due and payable at the option of the Mortgagee exercised by notice in writing to the Mortgagor:

31.1.1 failure by the Mortgagor to pay any instalment of principal, interest and/or Taxes under this Mortgage or under any charge or other encumbrance of the Lands, on the date upon which any of the payments for same become due;

31.1.2 failure by the Mortgagor or any Guarantor to strictly and fully observe or perform any condition, agreement, covenant, obligation or term (other

than with respect to those described in paragraph 31.1.1) set out in the Terms of this Mortgage, any of the Credit Documents to which it is a party, or any other document creating a contractual relationship as between them or any of them, or if it is found at any time that any representation or warranty to the Mortgagee with respect to the loan secured by this Mortgage or in any way related thereto or under any of the other Credit Documents is incorrect or misleading when so made or deemed to have been repeated as herein or therein provided, and such default continues for a period of ten (10) days after notice in writing of such breach is given to the Mortgagor or any Guarantor by the Mortgagee;

31.1.3 default by the Mortgagor in the observance or performance of any of the covenants, provisos, agreements or conditions contained in any charge or other encumbrance affecting the Lands, whether or not it has priority over this Mortgage;

31.1.4 upon the registration of any construction lien against the Lands which is not discharged or vacated within a period of five (5) days after the date of registration thereof;

31.1.5 in the event that any Hazardous Substance is discovered in, on or under the Lands or any part thereof and the same is not completely removed therefrom to the entire satisfaction of the Mortgagee within ten (10) days after demand therefor by the Mortgagee;

31.1.6 in the event that the Lands are abandoned or there is any cessation or threat of cessation of the business activities or any material part thereof now being conducted upon the Lands by the Mortgagor or the beneficial owner of the Lands or any of their respective officers, agents, employees, tenants or invitees;

31.1.7 if a judgment, decree or order of a court of competent jurisdiction is entered against the Mortgagor or any Guarantor (i) adjudging the Mortgagor or any Guarantor bankrupt or insolvent, or approving a petition seeking its reorganization or winding-up under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) or any other bankruptcy, insolvency or analogous law, or (ii) ordering the involuntary winding up or liquidation of the affairs of the Mortgagor or any Guarantor, or (iii) if any receiver or other Person with like powers is appointed over all, or substantially all, of the property of the Mortgagor or any Guarantor, unless such appointment is stayed and of no effect against the Lands or any security provided by the Mortgagor or any Guarantor in favour of the Mortgagee and the rights of the Mortgagee thereunder or the Mortgagor or any Guarantor is actively pursuing such a stay and the Mortgagee is satisfied that there is no adverse effect in its position as a result of the Mortgagee permitting the Mortgagor or any Guarantor time to pursue such stay;

31.1.8 if, (i) an order or a resolution is passed for the dissolution, winding-up, reorganization or liquidation of the Mortgagor or any Guarantor pursuant

to applicable laws, including the *Business Corporations Act* (British Columbia), or (ii) the Mortgagor or any Guarantor institutes proceedings to be adjudicated bankrupt or insolvent, or consents to the institution of bankruptcy or insolvency proceedings against it under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) or any other bankruptcy, insolvency or analogous law, or (iii) the Mortgagor or any Guarantor consents to the filing of any petition under any such law or to the appointment of a receiver, or other Person with like powers, over all, or substantially all, of the Mortgagor's or any Guarantor's property, or (iv) the Mortgagor or any Guarantor makes a general assignment for the benefit of creditors, or becomes unable to pay its debts generally as they become due, or (v) the Mortgagor or any Guarantor takes or consents to any action in furtherance of any of the aforesaid purposes;

31.1.9 the occurrence of any action, suit or proceeding against or affecting the Mortgagor or any Guarantor before any court or before any Governmental Body which, if successful, would have, or could reasonably be expected to have, a material adverse effect on the value of the Lands or the financial stakes of the Mortgagor or any Guarantor, unless the action, suit, or proceedings will be contested diligently and in good faith and, in circumstances where a lower court or tribunal has rendered a decision adverse to the Mortgagor or any Guarantor, the Mortgagor or any Guarantor is appealing such decision, and has provided a reserve in respect thereof made in accordance with Accounting Standard, adequate in the opinion of the Mortgagee;

31.1.10 a judgment or judgments are obtained against the Mortgagor or any Guarantor for an aggregate amount in excess of $100,000, in the aggregate, which, to the extent the aggregate amount thereof exceeds $100,000, remains or remain unsatisfied and undischarged for a period or ten (10) days during which such judgment or judgments, to the extent the aggregate amount thereof exceeds $100,000, will not be on appeal or execution thereof will not be effectively stayed;

31.1.11 any execution, sequestration, expropriation or similar process is brought or threatened, by way of notice or otherwise, against, or a distress or analogous process is levied upon the whole or any part of the property of the Mortgagor or any Guarantor;

31.1.12 if any material provision of any Credit Document will at any time cease to be in full force and effect, be declared to be void or voidable or will be repudiated, or the validity or enforceability thereof will at any time be contested by the Mortgagor or any Guarantor;

31.1.13 if a Change of Control occurs and the Mortgagee has not consented to the same;

31.1.14 default by the Mortgagor or any Guarantor in the observance or performance of any non-monetary representation, warranty, covenant, proviso, agreement, condition or obligation to be observed or performed

by it, pursuant to any agreement (other than the Credit Documents) to which it is a party or by which any of its property is bound, where such default would have, or could reasonably be expected to have, a material adverse effect on the value of the Lands or the financial stakes of the Mortgagor or any Guarantor; and

31.1.15 any default will have occurred and is continuing in respect of any indebtedness of the Mortgagor or any Guarantor to any lender (other than the Mortgagee) which results in the acceleration of the payment of such indebtedness or which permits the holder thereof to accelerate the payment of such indebtedness and if there is a grace period applicable thereto arising under contract or otherwise, such default continues beyond the expiry of such grace period or if any lender (other than the Mortgagee) will demand repayment of any indebtedness owed to it by any Mortgagor or any Guarantor which is repayable on demand, and the aggregate principal amount of all such indebtedness is at least $100,000.

32. ENFORCEMENT

32.1 The Mortgagor covenants and agrees that upon the occurrence of an Event of Default under the Terms of this Mortgage, the Mortgagee may take proceedings available at law or in equity and any other legal steps to collect the amount of money due or to compel the Mortgagor to keep the Mortgagor's promises and agreements, including without limitation: making application to a court for an order that the Land be sold on terms approved by the court; making application to a court to foreclose the Mortgagor's interest in the Land and on a final order of foreclosure the Mortgagor's interest in the Land will be absolutely vested in and belong to the Mortgagee.

32.2 Provided that the Mortgagee, upon the occurrence of an Event of Default that is continuing, may on seven (7) day's notice (except in the case of an emergency to protect health, safety or preserve the Lands in which case no notice is required) enter on and lease or sell the Lands; and the Mortgagor covenants and agrees that the Mortgagee may lease or sell as aforesaid without entering into possession of the Lands; and should such Event of Default continue for two months, an entry, lease or sale may be made hereunder without notice; and when under the terms hereof a notice is necessary, such notice may be given effectually either by leaving the same with an adult Person on the Lands, if occupied, or by placing it thereon, if unoccupied, or at the option of the Mortgagee by publishing the same once in a newspaper published in the Province of British Columbia; and the Mortgagee may sell the Lands or any part thereof or any interest in the Lands on such terms as to credit and otherwise as appear to the Mortgagee most advantageous and for such price as in the opinion of the Mortgagee can reasonably be obtained therefor; and sales may be made from time to time of portions to satisfy interest or parts of the principal overdue, leaving the principal or balance thereof to run at interest, payable as aforesaid; and the Mortgagee may make any stipulations as to the title or commencement of title or otherwise as the Mortgagee deems proper; and may buy in or rescind or vary any contract for sale of any of the Lands and re-sell without being answerable for loss occasioned thereby; and in case of a sale on credit the Mortgagee will only be bound to pay the Mortgagor such monies as have been

actually received from the purchasers after the satisfaction of the Mortgagee's claims; and for any of the said purposes the Mortgagee may make and execute all agreements and assurances as the Mortgagee deems fit, and the purchasers at any sale hereunder are not bound to see to the propriety or regularity thereof; and no want of notice of publication when required hereby will invalidate any sale or lease made or purporting to be made hereunder.

32.3 Provided that the Mortgagee may distrain for arrears of interest, and it is agreed that the powers of the Mortgagee under this proviso may also be exercised to enforce payment of any instalment of principal or mixed principal and interest hereby secured and in arrears and in respect of any Event of Default; and further that if an Event of Default occurs, it will be lawful for the Mortgagee (and the Mortgagor does hereby grant full power and licence to the Mortgagee) to enter, seize and distrain upon any goods upon the Lands or any part thereof and by distress warrant to recover by way of rent reserved as in the case of a demise of the Lands as much of the principal or interest or other sums due hereunder as may from time to time be or remain in arrears or unpaid together with all costs, charges and expenses attending such levy or distress as in like cases of distress for rent including, without limitation, the full amount of all legal fees on a solicitor and solicitor's own client full indemnity basis, disbursements, costs, charges and expenses incurred by the Mortgagee; and as part of the consideration aforesaid the Mortgagor hereby waives, on the exercise of such right and licence, all the rights to exemption from seizure and distress under any statute of the Province of British Columbia; notwithstanding the foregoing it is expressly understood and agreed that the right of distress will not apply to residential premises which are subject to the provisions of the *Residential Tenancy Act* (British Columbia), as amended or any statute enacted in replacement thereof, except as may be permitted thereby.

32.4 Upon the occurrence of an Event of Default, the whole of the principal sum hereby secured together with interest thereon at the Mortgage Rate, interest on overdue interest, the full amount of all legal fees on a solicitor and solicitor's own client full indemnity basis, disbursements, costs, charges and expenses incurred by the Mortgagee and all other monies owing or secured under this Mortgage will, at the option of the Mortgagee, immediately become due and be paid; and upon such indebtedness becoming due and payable as heretofore provided, the Mortgagor will refrain from collecting and receiving all rents accruing as aforesaid and upon notice from the Mortgagee, all tenants will thereafter pay such rents to the Mortgagee, and the Mortgagee may immediately cause default proceedings to be commenced under this Mortgage in the manner prescribed by law and will be entitled to have a receiver, receiver-manager or a receiver and manager appointed, and without proof of any other ground for his appointment than the said default, to take possession and charge of the Lands and to fully and effectively operate the business which the Lands comprise including, without limiting the generality of the foregoing, the right to rent the same and receive and collect the rents, issues and profits thereof, under direction of the court, and any amount so collected by such receiver will be applied under direction of the court to the payment of any judgment rendered, or amounts found due, according to the Terms of this Mortgage including the cost of collection and the full amount of all legal fees on a solicitor and solicitor's own client full indemnity basis, disbursements, costs, charges and expenses incurred by the Mortgagee; and upon the occurrence of an

Event of Default, the Mortgagee will have the right forthwith after the occurrence of such Event of Default to enter upon, take possession of and rent the Lands and receive the rents, issues and profits thereof and apply the same after payment of all necessary charges and expenses, on account of the indebtedness hereby secured.

32.5 In addition to the foregoing rights and powers, the Mortgagee may apply to a court or may appoint by instrument in writing a receiver, receiver-manager or receiver and manager (herein called the "**Receiver**") of the Lands, with or without bond, and may from time to time remove the Receiver and appoint another in his stead. Any Receiver appointed by the Mortgagee as aforesaid is deemed to be the agent of the Mortgagor and the Mortgagor will be solely responsible for the Receiver's acts or defaults and the Mortgagee will not be liable to the Receiver for his remuneration, costs, charges or expenses.

32.6 It is further specifically understood and agreed that the Receiver appointed by the Mortgagee will have the following powers, subject to any limitations in the instrument in writing or Order of the Court, if any, appointing him, namely to:

32.6.1 take possession of the Lands;

32.6.2 carry on or concur in carrying on the business of the Mortgagor in operating the business comprised of the Lands;

32.6.3 sell or lease or concur in selling or leasing any or all of the Lands;

32.6.4 make any arrangements or compromises which the Receiver considers expedient;

32.6.5 borrow money to carry on the business of the Mortgagor comprised of the Lands or to maintain the whole or any part of the Lands in a manner that will, in the opinion of the Receiver, be sufficient to obtain, upon the security of the whole or any part of the Lands, the amounts from time to time required in the opinion of the Receiver and in so doing the Receiver may issue certificates (each herein called a "**Receiver's Certificate**") that may be payable as the Receiver considers expedient and bear interest as stated therein and the amounts from time to time payable under any Receiver's Certificate will charge the Lands in priority to this Mortgage and the Mortgagor hereby charges the Lands with the debt, if any, owing from time to time under any Receiver's Certificate; and

32.6.6 institute and prosecute all suits, proceedings and actions which the Receiver considers necessary for the proper protection of the Lands, to defend all suits, proceedings and actions against the Mortgagor or the Receiver, to appear in and conduct the prosecution and defence of any suit, proceeding or action then pending or thereafter instituted and to appeal any suit, proceeding or action.

32.7 The net revenue of the business comprised of the Lands and the net proceeds of sale of the Lands will be applied by the Receiver subject to the claims of creditors, if any, ranking in priority to this Mortgage as follows:

32.7.1 firstly, in payment of all costs, charges and expenses of and incidental to the appointment of the Receiver and the exercise by him of all or any of the powers aforesaid including the reasonable remuneration of the Receiver and all amounts properly payable to him;

32.7.2 secondly, in payment to the Mortgagee of the principal sum owing hereunder;

32.7.3 thirdly, in payment to the Mortgagee of all costs and charges owing hereunder and interest and arrears of interest remaining unpaid hereunder; and

32.7.4 fourthly, any surplus will be paid to the Mortgagor.

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

32.8 Neither the provisions of this Mortgage nor the exercise of the powers provided in this Mortgage will render the Mortgagee a mortgagee in possession. Any money spent and liabilities incurred by the Mortgagee in taking any such actions will be added to the principal amount, will bear interest at the Mortgage Rate from the date so spent or incurred, will be immediately due and payable by the Mortgagor to the Mortgagee, and will be secured by this Mortgage.

32.9 Notwithstanding any other provisions herein it is understood and agreed by the Mortgagor that upon the occurrence of an Event of Default, the whole of the principal sum hereby secured together with interest thereon at the Mortgage Rate, interest on overdue interest, the full amount of all legal fees on a solicitor and solicitor's own client full indemnity basis, disbursements, costs, charges and expenses incurred by the Mortgagee and all other monies owing or secured under this Mortgage will, at the option of the Mortgagee, immediately become due and be paid and the Mortgagee may exercise any and all rights, remedies, powers and privileges under this Mortgage or under any other Credit Document, or afforded by applicable law, or otherwise available to the Mortgagee.

33. PAYMENT OF LIENS

33.1 The Mortgagor covenants and agrees that the Mortgagee will have the right to:

33.1.1 pay any liens or claims of lien in respect of the Lands whether to the lien claimant or into court in order to obtain a discharge of such liens or claims of lien (without taking or defending any action or proceedings to determine the validity of any lien or claim of lien or the rights or priorities of any lien claimants to or under any such liens or claims of lien); and

33.1.2 pay the Taxes, charges or encumbrances upon the Lands and premiums for insurance and mortgage or any other tax imposed, or that may be imposed on the Mortgagee in respect to the Lands or this Mortgage or monies hereby secured.

33.2 The amounts so paid pursuant to paragraph 33.1 above and also all costs, charges and expenses including the full amount of all legal fees on a solicitor and solicitor's own client full indemnity basis, disbursements, costs, charges and expenses incurred by the Mortgagee which may be incurred before, when or after action is commenced in collecting, procuring or enforcing payment of any of the monies in default hereunder or in any way enforcing or protecting the security of this Mortgage or enforcing any of the Terms of this Mortgage, or travelling expenses of the Mortgagee, the Mortgagee's servants and agents, and commissions on collection of rent, which may be incurred in the taking, recovering and keeping possession of the Lands or in inspecting the same and generally in any other measures or proceedings taken to realize or collect the monies hereby secured or to perfect the title of the Lands and also all monies paid and expenses incurred by the Mortgagee in connection with the application for this Mortgage loan and in the preparation and perfection of this Mortgage security and in the satisfaction of any charge on the Lands will be secured by the charge hereby granted on the Lands in favour of the Mortgagee and be payable forthwith by the Mortgagor to the Mortgagee with interest at the Mortgage Rate until paid and in default the power of sale hereby given will be exercisable in addition to all other remedies of the Mortgagee. In the event of the monies hereby advanced or any part thereof being applied to the payment of any liens or claims of lien, charges or encumbrances, the Mortgagee will stand in the position and be entitled to all equities of the Person or Persons so paid off, provided that if any liens or claims of lien, charges or encumbrances are filed or recorded against the Lands which may be prior to or for which priority may be claimed over the charge created on the Lands by this Mortgage or any monies advanced or secured under this Mortgage, then upon the filing or recording of any such liens or claims of lien, charges or encumbrances the whole of the principal sum hereby secured together with interest thereon at the Mortgage Rate, interest on overdue interest, the full amount of all legal fees on a solicitor and solicitor's own client full indemnity basis, disbursements, costs, charges and expenses incurred by the Mortgagee and all other monies owing or secured under this Mortgage will, at the option of the Mortgagee, immediately become due and be paid without any action or proceedings to determine the rights and priorities of such liens or claims of lien, charges and encumbrances and the Mortgagee may exercise all remedies to enforce this Mortgage unless the Mortgagor gives and delivers to the Mortgagee within such time as the Mortgagee may from time to time limit such security or monies as the Mortgagee may require from time to time to secure the payment of any such liens or claims of lien, charges and encumbrances and to indemnify the Mortgagee against the payment thereof.

34. OTHER RIGHTS OF THE MORTGAGEE

34.1 The Mortgagor covenants that the Mortgagee may, but will be under no obligation to, at such time or times as the Mortgagee deems necessary and without the concurrence of the Mortgagor or any other Person make such arrangements for the repairing, finishing and putting in order of the Lands, including, without limitation, such repairs, replacements and improvements as are necessary so that the Mortgagor and the Lands comply with Environmental Laws, and for inspecting, maintaining, leasing, collecting the rents of and managing generally the Lands as the Mortgagee deems expedient and all reasonable costs, charges and expenses including an allowance for the time and services of the Mortgagee, the Mortgagee's servants or agents and any other Person or Persons appointed for the above

purposes including, without limitation, the full amount of all legal fees on a solicitor and solicitor's own client full indemnity basis, disbursements, costs, charges and expenses incurred by the Mortgagee, will be payable forthwith to the Mortgagee and be a charge upon the Lands and bear interest at the Mortgage Rate until paid.

34.2 The Mortgagor further covenants with the Mortgagee that the Mortgagee may, without any order or direction of the Mortgagor, pay to contractors, subcontractors, materialmen, labourers and other Persons supplying or having a claim for work, services and/or materials supplied in and about the construction, repairing, altering or replacing of the Property or any part thereof on the Lands, any monies due to them for work, services and/or materials, out of the monies being advanced by the Mortgagee under this Mortgage or the Mortgagee may pay for the work, services and/or materials and add all monies so paid to the principal owing under this Mortgage, but nothing herein contained obligates the Mortgagee to pay or advance or continue to pay or advance any such monies after the Mortgagee has paid or advanced any such monies under this Mortgage.

34.3 The Mortgagee may at the Mortgagee's discretion at all times release any part or parts of the Lands or any other security for the monies hereby secured either with or without any consideration therefor and without being accountable for the value thereof or for any monies except those actually received by the Mortgagee and without thereby releasing any other of the Lands or any of the covenants herein contained.

35. BANKRUPTCY AND INSOLVENCY ACT

35.1 The Mortgagor hereby acknowledges and agrees that the security held by the Mortgagee is not all or substantially all of the inventory, accounts receivable or other property of the Mortgagor acquired for or used in relation to any business carried on by the Mortgagor. The Mortgagor hereby further acknowledges and agrees that notwithstanding any act of the Mortgagee by way of appointment of any Person or Persons for the purposes of taking possession of the Lands as agent on behalf of the Mortgagor or otherwise or by taking possession of the Lands itself pursuant to any rights that the Mortgagee may have with respect thereto will not constitute the Mortgagee or any such Person, a receiver within the meaning of subsection 243(2) of the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**"), and that any and all requirements of Part XI of the BIA as it may pertain to obligations of receivers will not be applicable to the Mortgagee with respect to the transaction pursuant to which this Mortgage has been given or with respect to enforcement of this Mortgage or any other security held by the Mortgagee. The Mortgagor hereby acknowledges and agrees that no action will lie against the Mortgagee as a receiver and manager or otherwise for any loss or damage arising from non-compliance with any obligations of a receiver pursuant to the provisions of the BIA whether or not the Mortgagee had reasonable grounds to believe that the Mortgagor was not insolvent.

35.2 The Mortgagor further acknowledges and agrees that any and all costs as may be incurred from time to time by the Mortgagee in order to effect compliance or avoid any adverse ramifications of the BIA will be entirely for the account of the Mortgagor. The Mortgagee will be entitled to incur any such costs, including any costs of its personnel in administering any requirements of the BIA and to add the

same to the indebtedness owing pursuant hereto and the same will be secured hereunder and under any and all security held by the Mortgagee for the indebtedness owing to the Mortgagee in the same manner and in the same priority as the principal secured hereunder.

36. INDEMNIFICATION

36.1 The Mortgagor hereby agrees to indemnify and save harmless the Mortgagee, its officers, agents, trustees, employees, contractors, licensees or invitees from and against any and all losses, damages, injuries, expenses, suits, actions, claims and demands of every nature and kind whatsoever and howsoever arising out of the provisions of the Commitment and the other Credit Documents, any letters of credit or letters of guarantee issued, sale or lease of the Lands and/or the use or occupation of the Lands including, without limitation, those arising from the right to enter the Lands from time to time and to carry out the various tests, inspections, management and other activities permitted by the Commitment and the other Credit Documents.

36.2 In addition to any liability imposed on the Mortgagor under any instrument evidencing or securing the indebtedness hereunder, the Mortgagor will be liable for any and all of the Mortgagee's costs, expenses, damages or liabilities, including, without limitation, all reasonable legal fees, directly or indirectly arising out of or attributable to the use, generation, storage, release, threatened release, discharge, disposal or presence on, under or about the Lands of any hazardous or noxious substances. The Mortgagor will be further bound by the representations, warranties and indemnity set out herein.

36.3 The representations, warranties, covenants and agreements of the Mortgagor set forth in this paragraph 36:

36.3.1 are separate and distinct obligations from the Mortgagor's other obligations;

36.3.2 survive the payment and satisfaction of its other obligations and the discharge of the security from time to time taken as security therefor;

36.3.3 are not discharged or satisfied by foreclosure of the charges created by any of the security; and

36.3.4 will continue in effect after any transfer of the Lands including, without limitation, transfers pursuant to foreclosure proceedings (whether judicial or non-judicial) or by any transfer in lieu of foreclosure.

37. NON-MERGER

The Mortgagor's and each Guarantor's obligations as contained in the Commitment and the other Credit Documents will survive the execution and registration of this Mortgage and all advances under this Mortgage, and the Mortgagor agrees that those obligations will not be deemed to be merged in the execution and registration of this Mortgage. All terms and conditions of this Mortgage and other security documentation will be deemed to be incorporated in and form part of the Commitment, except to the extent provided for

herein. In the event of conflict between the terms of the Commitment and this Mortgage, the terms of the Commitment will prevail.

38. NOTICES

All notices or other communications to be given pursuant to or in connection with this Mortgage will be in writing, signed by the party giving such notice or by its solicitors, and will be personally delivered or sent by registered mail or facsimile transmission to the party or parties intended at its or their respective addresses for service as set out in this Mortgage. The date of receipt of such notice or demand, if served personally or by facsimile, will be deemed to be the date of the delivery thereof, or if mailed as aforesaid, the date of mailing thereof. For the purposes hereof, personal service on the Mortgagor or any Guarantor will be effectively given by delivery to any officer, director or employee of such Mortgagor or Guarantor. Any party may from time to time by notice given as provided herein change its address for the purpose of this provision.

39. CONSENT OF MORTGAGEE

Whenever the Mortgagor is required by this Mortgage to obtain the consent or approval of the Mortgagee, it is agreed that, subject to any other specific provision contained in this Mortgage to the contrary, the Mortgagee may give or withhold its consent or approval for any reason that it may see fit in its sole and absolute discretion, and the Mortgagee will not be liable to the Mortgagor in damages or otherwise for its failure or refusal to give or withhold such consent or approval, and all costs of obtaining such approval will be for the account of the Mortgagor.

40. DISCHARGE

40.1 The Mortgagee will have a reasonable period of time after payment in full of the monies hereby secured within which to prepare and execute a discharge of this Mortgage; and interest as aforesaid will continue to run and accrue until actual payment in full has been received by the Mortgagee; and all legal and other expenses for the preparation and execution of such discharge will, together with the Mortgagee's fee for providing same, be borne by the Mortgagor. The discharge will be prepared and executed by such Persons as are specifically authorized by the Mortgagee and the Mortgagee will not be obligated to execute any discharge other than a discharge which has been so authorized.

40.2 If this Mortgage, the Commitment or any other document provides for the giving of partial discharges of this Mortgage, it is agreed that, notwithstanding any other provision to the contrary, the Mortgagor will not be entitled to request or receive any such partial discharge if and for so long as the Mortgagor is in default under this Mortgage, the Commitment or any other Credit Document.

41. SERVICING FEES

All servicing fees as herein provided are intended to and will be in an amount sufficient in the sole opinion of the Mortgagee to compensate the Mortgagee for its administrative costs and will not be deemed a penalty. The amount of such servicing fees if not paid will be added to the principal amount secured hereunder, and will bear interest at the rate

aforesaid and the Mortgagee will have the same rights with respect to collection of same as it does with respect to collection of principal and interest hereunder or at law.

42. LEASES

The Mortgagor covenants with the Mortgagee to keep, observe and perform and to require all tenants to keep, observe and perform all of the covenants, agreements, provisos, terms, conditions and provisions of any present or future leases, subleases and tenancy agreements of any portion of the Lands on their respective parts to be kept, observed and performed and in case the Mortgagor neglects or refuses to do so, then the Mortgagee may perform and comply with or require performance and compliance by the tenants with any of the covenants, agreements, provisos, terms, conditions and provisions of such leases, subleases and tenancy agreements and any sums expended by the Mortgagee in performance or compliance therewith or in enforcing such performance or compliance by the tenants, including, without limitation, the full amount of all legal fees on a solicitor and solicitor's own client full indemnity basis, disbursements, costs, charges and expenses incurred by the Mortgagee, will bear interest from the date of such expenditures at the Mortgage Rate and be paid by the Mortgagor to the Mortgagee upon demand and will be a part of the mortgage debt secured hereby and recoverable as such in all respects.

42.1 The Mortgagor hereby covenants with the Mortgagee that unless the Mortgagee will have otherwise agreed with the Mortgagor in writing the Mortgagor will not execute nor deliver any new leases, subleases or tenancy agreements with or in favour of any tenants unless such tenants will agree in writing with the Mortgagor as a condition of any lease, sublease or tenancy agreement to enter into agreements with the Mortgagee, or any *bona fide* purchaser therefrom, to the effect that, upon the written request and at the sole discretion of the Mortgagee, or any *bona fide* purchaser therefrom, such tenants will preserve their respective leases, subleases or tenancy agreements for the respective terms thereof and any extensions or renewals thereof which may be effective in accordance with any option therefor or otherwise, and that they will attorn to the Mortgagee or such bona fide purchaser in the event of a foreclosure or other legal proceedings which might otherwise result in the loss or cancellation or termination of any such leases, subleases or tenancy agreements.

42.2 The Mortgagor covenants with the Mortgagee that the Mortgagor will not, subsequent to the execution of this Mortgage, execute or deliver any mortgage, debenture or financial encumbrance charging the Lands, or any part thereof, which is or may be subordinate hereto unless the Mortgagor first obtains from the owner of such mortgage, debenture or financial encumbrance an agreement in writing to continue to recognize any present or future tenants, leases, subleases, and tenancy agreements of or pertaining to the Lands, or any part thereof, which the Mortgagee herein requires to be recognized or preserved in the event of foreclosure, even after a foreclosure by the owner of any such mortgage, debenture or financial encumbrance for the balance of the terms of the respective leases, subleases or tenancy agreements and any extensions or renewals thereof which may be effected in accordance with any option therefor or otherwise.

42.3 The Mortgagor covenants with the Mortgagee that the Mortgagor will not request, obtain or permit the subordination or postponement of any lease, sublease or tenancy agreement to any mortgage, debenture or other financial encumbrance

registered subsequent to this Mortgage without the prior written consent of the Mortgagee hereunder.

42.4 The Mortgagor covenants with the Mortgagee that the Mortgagor will not lease or agree to lease all or any part of the Lands except at a rent, on terms and conditions and to tenants which are not less favourable or desirable to the Mortgagor than those which a prudent landlord would expect to receive for the premises to be leased.

43. LEASEHOLD MORTGAGE

43.1 If the Lands comprise the interest of the Mortgagor in and to a lease, agreement to lease, tenancy, right of use or occupation or licence of the Lands (collectively, the "**Lease**") the charge created by this Mortgage will include the unexpired term of the Lease and any renewal thereof from the date of this Mortgage except the last day thereof, and the mortgage and charge created hereby will be by way of sub-demise and the Mortgagor will stand possessed of the last day of the term or any renewal term of the Lease in trust for the Mortgagee, and will sell and assign the last day of the term or any renewal term as the Mortgagee may direct, but subject to the same right of redemption and other rights as are hereby given to the Mortgagor. Nothing in this section nor the acts of the Mortgagor or Mortgagee contemplated by this section will constitute the Mortgagee as a mortgagee in possession.

43.2 The Mortgagor releases to the Mortgagee all claim and right to the Lease and assigns to the Mortgagee the full benefit of all covenants, rights and powers contained in the Lease subject to the same right of redemption as granted by the Terms of this Mortgage.

43.3 The Mortgagor represents, warrants and covenants that:

43.3.1 the Mortgagor will pay the rent due under the Lease and observe all promises, covenants and obligations contained in the Lease and will not commit any acts or default which may cause the Lease to be forfeited or determined and agrees to indemnify the Mortgagee for all actions, claims and demand in respect of the said rent, promises, covenants and obligations;

43.3.2 the Lease is valid and subsisting and the Mortgagor has not done, omitted or permitted anything to be done which would cause the Lease to become in any way impaired or invalid;

43.3.3 the Mortgagor has a good and valid right to assign and sublet the Lease and has obtained the consent of the lessor to the extent required under the Lease;

43.3.4 the Mortgagor will not, during the continuance of this Mortgage, surrender or terminate the Lease or permit any amendments of the terms of the Lease or otherwise deal with or assign the Lease other than as allowed herein;

43.3.5 a default under the Lease will be an Event of Default; and

43.3.6 reference in this Mortgage to charges payable will include all taxes, assessments, rates, costs payable by the Mortgagor under the Lease.

44. ASSIGNMENT OF RENTS

44.1 For good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by the Mortgagor), and in order to induce the Mortgagee to make the loan secured by this Mortgage, and as additional security for the payment of principal and interest owing under this Mortgage and the observance and performance of all of the Terms of this Mortgage, the Mortgagor hereby assigns, transfers, sets over and grants to the Mortgagee any and all rents or other moneys (herein collectively called the "**Rents**") due or accruing due or at any time hereafter to become due under any and all leases, agreements to lease and tenancy agreements whether written or verbal, now or hereafter existing, with respect to the Lands (herein collectively called the "**Leases**") and all benefits and advantages to be derived from the Leases, and all guarantees of and security for payment of amounts due under the Leases and all covenants of the tenants, guarantors, covenantors and indemnifiers therein contained, and the right to collect and receive payment of the Rents, together with all the right, title and interest of the Mortgagor, as landlord, in the Leases and any renewals thereof and options to lease or purchase, if any therein contained, to have and to hold and to receive the same unto the Mortgagee, its successors and assigns, until the whole of the principal sum, interest and other costs, charges and moneys owing under this Mortgage have been fully paid and satisfied and all obligations and covenants of the Mortgagor under this Mortgage have been duly performed and satisfied.

44.2 The Mortgagor hereby covenants and agrees with the Mortgagee that:

44.2.1 The Mortgagor will be permitted to collect and receive the Rents as and when they will become due and payable according to the terms of the Leases, unless and until there will be default made in any payment provided for in this Mortgage or any security collateral hereto or until the breach of any covenant on the part of the Mortgagor contained in this Mortgage or any security collateral hereto in which case the Mortgagee may give notice in writing to the tenant, sub-tenant, occupier, licensee or guarantor advising of default. In such event the Mortgagor hereby irrevocably directs such tenant, sub-tenant, occupier, licensee or guarantor to make payments of the Rents to the Mortgagee or as the Mortgagee may direct, upon being furnished with a copy of this Mortgage and the aforesaid notice in writing, without any further direction or authority being required by such tenant, sub-tenant, occupier, licensee or guarantor.

44.2.2 Upon the occurrence of an Event of Default, the Mortgagee, its successors or assigns at its or their option and without further consent thereto by the Mortgagor or any subsequent owner of the Lands, may enter in and upon the Lands and take possession thereof and collect the Rents thereof, and do every act and thing that such Mortgagor or any subsequent owner of the Lands might or could do.

44.2.3 Neither the execution and delivery of this Mortgage, including the Assignment contained in paragraph 44 hereof (herein called the "**Assignment**"), nor anything done by virtue hereof will render the Mortgagee in possession or in any way accountable or liable as such, nor will the Mortgagee be or be deemed to be, or to have assumed the status of a landlord by virtue of the Assignment or of anything done by virtue hereof.

44.2.4 Nothing herein contained will be deemed to have the effect of making the Mortgagee, its successors and assigns, responsible for the collection of the Rents or any part or parts thereof or for the observance or performance of any of the covenants, terms or conditions either by the Mortgagor or the respective tenants or sub-tenants under the Leases to be observed and performed.

44.2.5 The Mortgagee will be liable to account only for such moneys as may actually come into its hands by virtue of the Assignment, less proper collection fees and charges, including legal fees on a solicitor and solicitor's own client full indemnity basis, and such moneys when so received by the Mortgagee will be applied on account of the moneys secured by this Mortgage, provided that the Mortgagee will not be responsible for any act or default of any agent employed by the Mortgagee for the collection of the Rents or for the care of or dealing with the Lands.

44.2.6 The giving of the Assignment is by way of additional and equal ranking security for the moneys secured by the mortgage of the Lands granted pursuant to paragraph 3.1 hereof and not in substitution for or in satisfaction of the same and that this mortgage of the Lands or any other security collateral hereto will not be merged thereby and in case of default in any of the provisions of any security for the said moneys loaned, including, without limitation, the Assignment, proceedings may be taken under either the mortgage of the Lands or any security collateral thereto, including the Assignment, or all or any of them in any order, at the sole option and discretion of the Mortgagee.

44.2.7 The Mortgagor will not, without the consent in writing of the Mortgagee, accept prepayment of any of the Rents due or to accrue due in respect of the Leases, or any of them, but will accept payment thereof only in the amounts and on the days and at the times and in the manner stipulated in the Leases.

44.2.8 The Mortgagor will not, without the consent in writing of the Mortgagee, assign, pledge, or hypothecate any of the Leases or the Rents, or any part thereof, other than to the Mortgagee and will not do or omit to do or permit any act to be done which either directly or indirectly has the effect of waiving, releasing, reducing or abating any rights or remedies of the Mortgagor or obligations of any other party thereunder or in connection therewith without the consent in writing of the Mortgagee.

44.2.9 The Assignment will be deemed to apply to and have effect in respect of any further or other lease, renewal of lease, agreement for lease or tenancy agreement of the Lands (including any addition to or extension of the Lands) or any part or parts thereof which may exist during the currency of this Mortgage, whether in substitution for or in addition to the original Leases.

44.2.10 Should the Mortgagee in its absolute discretion deem it advisable to take proceedings, either judicial or extra-judicial by way of distress or otherwise for the enforcement of the payment of the Rents herein assigned, the Mortgagor will join with the Mortgagee in such proceedings and does hereby grant to the Mortgagee irrevocable authority to joint the Mortgagor in such proceedings.

44.2.11 There is or has been no default, right of set-off, previous assignment (except to the Mortgagee), commutation or prepayment of, or with respect to, the Rents, and that the Mortgagor will not, without the consent in writing of the Mortgagee, permit any cancellation, surrender or variation of any of the Leases or of the terms, covenants, provisos, or conditions thereof.

44.2.12 The Mortgagor will from time to time on demand furnish to the Mortgagee a current list of all of the Leases and the Rents in such detail as the Mortgagee may reasonably require.

44.2.13 The Mortgagor will at the request of the Mortgagee from time to time give any other party to any of the Leases notice of the Assignment or any specific assignment of any of the Leases and will obtain from such other party acknowledgements of such notice, such notice and acknowledgement to be in the forms delivered to the Mortgagor by the Mortgagee.

44.2.14 The Mortgagor will execute such further assurances as may be reasonably required by the Mortgagee from time to time to perfect the Assignment.

45. FURTHER ASSIGNMENT OF RENTS AND SECURITY AGREEMENT

45.1 The Mortgagor covenants and agrees with the Mortgagee that:

45.1.1 The Mortgagor will, at the request of the Mortgagee, forthwith execute and deliver to the Mortgagee a general assignment of rents and leases and a specific assignment of rents and leases with respect to all leases and tenancies of any or all parts of the Lands, such assignment or assignments to be in favour of the Mortgagee, in form and content acceptable to the Mortgagee and to constitute the only assignment of rents and leases of the Lands other than the Assignment granted pursuant to paragraph 44 of the Terms of this Mortgage, and the Mortgagor will pay on demand to the Mortgagee the full amount of all legal fees, disbursements, costs, charges, registration fees and other

expenses incurred by the Mortgagee in the preparation, registration and renewal of registration of the said assignments from time to time.

45.1.2 The Mortgagor will, at the request of the Mortgagee, forthwith execute and deliver to the Mortgagee such security agreements as the Mortgagee may require from time to time in order to create in favour of the Mortgagee a valid, enforceable and perfected security interest in all present and future property, assets, rights and undertaking in which the Mortgagor now or hereafter has any interest and located on, arising from, relating to or in connection with the Lands or any part thereof (herein collectively called the "**Collateral**"), such security agreements to be in favour of the Mortgagee, in form and content acceptable to the Mortgagee and to constitute at all times a valid first mortgage, charge and security interest in the Collateral, and the Mortgagor will pay on demand to the Mortgagee the full amount of all legal fees, disbursements, costs, charges, registration fees and other expenses incurred by the Mortgagee in the preparation, registration and renewal of registration of the said security agreements and security interests from time to time.

46. STRATA TITLE PROVISIONS

46.1 The Mortgagor covenants and agrees with the Mortgagee that if the Lands or any part thereof charged by this Mortgage are a strata lot or strata lots or are at any time subdivided into a strata lot or strata lots under the provisions of the *Strata Property Act* (British Columbia) and any amendments thereto or any statute enacted in replacement thereof (herein called "***Strata Property Act***") then and in such event:

46.2 The Mortgagor will observe and perform all the covenants, agreements, provisos, terms, conditions and provisions required to be observed and performed under or pursuant to this Mortgage, the *Strata Property Act*, and any bylaws, rules and regulations that may be passed by the strata corporation of which the Mortgagor is a member by virtue of his interest in the strata lot or lots hereby charged (herein called the "**Strata Corporation**") or any special interest section thereof.

46.3 The Mortgagor will pay on or before the due dates thereof the share of common expenses and each and every assessment, contribution or levy made by the Strata Corporation or any special interest section thereof against the strata lot or lots and interest in the common property hereby charged. In the event that the Mortgagor fails to pay the share of the common expenses or fails to pay any one or more assessments, contributions or levies on or before their due date, or in the event that the Strata Corporation or any special interest section thereof registers a certificate in Form B of the Schedule to the *Strata Property Act* in any Land Title Office, such event will constitute an Event of Default under this Mortgage and at the option of the Mortgagee, the whole of the principal balance, interest, costs and charges then owing hereunder will forthwith become due and be paid. Should the Mortgagor fail to pay the share of any common expenses, assessments, contributions or levies, the Mortgagee may make the payments but will not be obliged to do so. Any amount so paid by the Mortgagee will be added to and form

part of the principal owing hereunder and that amount together with the interest thereon will be paid to the Mortgagee forthwith without demand.

46.4 The Mortgagor will provide to the Mortgagee within ten (10) days of demand by the Mortgagee a certificate in Form A of the Schedule to the *Strata Property Act* certifying that no moneys are owing to the Strata Corporation by the Mortgagor.

46.5 The Mortgagor will not without the prior written consent of the Mortgagee:

46.5.1 assign any of the Mortgagor's rights, powers, duties or obligations under the *Strata Property Act* or the bylaws created under the *Strata Property Act*; or

46.5.2 give possession of the strata lot or lots hereby charged to any person on the basis of an agreement providing for the purchase of the strata lot or lots hereby charged by the occupier or on the basis of a lease, sublease or assignment of lease for a term of three years or more.

46.6 The Mortgagor hereby grants to the Mortgagee all the right and power to vote conferred on the Mortgagor by the *Strata Property Act*, but it is agreed that neither this provision nor anything done by virtue thereof will render the Mortgagee a Mortgagee in possession. The Mortgagor hereby acknowledges receipt of written notice that the Mortgagee intends to exercise its power to vote on any matters relating to insurance, maintenance, finance or other matters affecting the security for the Mortgage hereby granted, and the Mortgagor agrees that no additional notice need be given to the Mortgagor to permit the Mortgagee to exercise the right and power to vote conferred on the Mortgagor in respect of such matters. It is understood that the Mortgagor may at any duly called meeting of the Strata Corporation of which the Mortgagee has received written notice, exercise the right to vote on the aforesaid matters if the Mortgagee is not, by its authorized representative, agent or proxy, present at such meeting.

46.7 The right and power to vote granted herein to the Mortgagee does not impose upon the Mortgagee any duty or obligation whatsoever to protect the interest of the Mortgagor, and the Mortgagee will not be responsible for the consequences of any exercise of the right to vote or any failure to exercise the right to vote.

46.8 Pursuant to the *Strata Property Act*, the Mortgagor hereby authorizes in writing the Mortgagee or any officer of the Mortgagee to apply at any time and from time to time during the term hereof to the Strata Corporation to have the bylaws for the time being in force governing the strata lot and interest in the common property hereby mortgaged made available for inspection by the Mortgagee or such officer of the Mortgagee.

46.9 Pursuant to the *Strata Property Act*, the Mortgagor hereby authorizes in writing the Mortgagee or any officer of the Mortgagee to apply at any time and from time to time to the Strata Corporation for certification to the Mortgagee of the following, and hereby authorizes the Strata Corporation to give such certifications:

46.9.1 the amount of any contribution determined as the contribution of the Mortgagor under the *Strata Property Act*;

46.9.2 the manner in which the contribution is payable;

46.9.3 the extent to which the contribution has been paid;

46.9.4 the amount of any money expended by the Strata Corporation on behalf of the Mortgagor under the *Strata Property Act* and not recovered by it;

46.9.5 the amount, if any, by which the expenses of the Strata Corporation for the current fiscal year are expected to exceed the expenses budgeted for the fiscal year;

46.9.6 the amount of the contingency reserve fund;

46.9.7 that there are no amendments to the bylaws not filed in the Land Title Office other than those certified;

46.9.8 that no notices have been given for a unanimous or special resolution that has not been voted on, other than those certified; and

46.9.9 that there are no pending proceedings against the Strata Corporation of which the Strata Corporation is aware other than those certified.

46.10 The Mortgagor hereby appoints the Mortgagee to be the Mortgagor's agent to examine, inspect and obtain copies of any and all records, minutes, books of account or other documents of any nature and kind whatsoever which the Mortgagor is entitled to examine or inspect.

47. NO PREPAYMENTS

Save and except as otherwise provided for in the Commitment or any schedule to a specific charge, the Mortgagor will have no right to prepay all or any part of the amount outstanding under this Mortgage prior to the maturity date thereof.

48. NO PARTIAL DISCHARGES

Save and except as otherwise provided for in the Commitment or any schedule to a specific charge, the Mortgagor will have no right to obtain a partial discharge(s) of this Mortgage.

49. ABANDONMENT

In the event of abandonment of the Project for a period in excess of fifteen (15) consecutive days, the Mortgagee will be entitled, after giving the Mortgagor written notice of any abandonment and provided the Mortgagor fails to rectify same within ten (10) days after such notice, has been given, to forthwith withdraw and cancel its obligations hereunder and/or decline to advance further funds as the case may be and in addition to declare any funds advanced to forthwith become due and payable plus interest all at the Mortgagee's option.

50. MISCELLANEOUS

50.1 The Mortgagor covenants and agrees with the Mortgagee that any payments under this Mortgage, whether of principal, interest or other sums received by the Mortgagee after 12:00 p.m. (Vancouver, British Columbia time) on any day will be deemed to have been received by the Mortgagee and credited to the Mortgagor's account under this Mortgage on the next following business day of the Mortgagee in Toronto, Ontario.

50.2 No extension of time given by the Mortgagee to the Mortgagor or to anyone claiming under the Mortgagor or any other dealing by the Mortgagee with the owner of the equity of redemption of the Lands will in any way affect or prejudice the rights of the Mortgagee as against the Mortgagor or any covenantor, guarantor, surety, or any other person liable for the payment of the moneys hereby secured.

50.3 Until the occurrence of an Event of Default hereunder the Mortgagor will have quiet possession of the Lands, but nothing herein contained will create the relationship of landlord and tenant between the Mortgagee and the Mortgagor.

50.4 The Mortgagor agrees that this Mortgage secures a current or running account and any portion of the principal amount of this Mortgage may be advanced or re-advanced by the Mortgagee in one or more instalments at any future date or dates and the amount of such advances and re-advances when so made will be secured by this Mortgage and be repayable with interest at the Mortgage Rate and this Mortgage is deemed to be security for the ultimate balance of moneys advanced hereunder together with interest, costs and other charges, if any. This Mortgage will not be considered to have been redeemed only because the advances and readvances made to the Mortgagor have been repaid or the accounts of the Mortgagor with the Mortgagee cease to be in debit.

50.5 The Mortgagee's rights of consolidation will be deemed not to be diminished or limited in any way by Section 31 of the *Property Law Act* (British Columbia) and any amendments thereto or provisions enacted in replacement thereof.

50.6 The provisions of the Commitment and the Guarantee which are not expressly restated herein or in any collateral or other security documentation which is to be executed and delivered to the Mortgagee by the Mortgagor or any Guarantor or guarantor, will survive the execution and registration of this Mortgage and there will be no merger of such provisions in this Mortgage or the collateral or other security documents, until the Mortgagor and the Mortgagee, by an appropriate instrument in writing so declare. If there will exist any conflict between the terms of the Commitment and the Terms of this Mortgage, then the terms of the Commitment govern and take precedence. It is understood and agreed that a default under the terms of the Commitment or any other Credit Document will constitute an Event of Default under this Mortgage and will entitle the Mortgagee to exercise all of its rights and remedies contained in this Mortgage and the other Credit Documents.

50.7 The Mortgagor covenants and agrees with the Mortgagee that:

50.7.1 the Mortgagor will pay all costs, charges and expenses incurred in enabling the Mortgagor's title to the Lands to be registered in the Land Title Office and in the preparation and registration of this Mortgage, which costs, charges and expenses will become payable forthwith and be a charge upon the Lands and bear interest at the Mortgage Rate until paid and the Mortgagee upon the payment of the principal moneys or part thereof will have the right to prepare the release of this Mortgage from the Lands or any portion of the Lands and the costs, charges and expenses, legal or otherwise, of the preparation of such release will be paid by the Mortgagor before such release is delivered to the Mortgagor; and

50.7.2 the Mortgagor will pay, and indemnify the Mortgagee in respect of the full amount of all fees, costs, charges and expenses including the full amount of all legal fees on a solicitor and solicitor's own client full indemnity basis, disbursements, costs, charges and expenses which may be incurred by the Mortgagee before or after action is commenced in collecting, procuring or enforcing payment of any of the moneys in default under this Mortgage or in any way enforcing or protecting the security of this Mortgage or enforcing any of the Terms of this Mortgage, travelling expenses of the Mortgagee, the Mortgagee's servants and agents and commissions on collection of rent, which may be incurred in the taking, recovering and keeping possession of the Lands or in inspecting the same and generally in any other measures or proceedings taken to realize or collect the moneys hereby secured or to perfect the title of the Lands, all of which such amounts will be a charge on the Lands in favour of the Mortgagee and will be payable forthwith by the Mortgagor to the Mortgagee with interest at the Mortgage Rate until paid and in default of payment, the Mortgagee may exercise any and all remedies of the Mortgagee under this Mortgage or otherwise available to the Mortgagee. The Mortgagor hereby irrevocably consents and agrees to an award of legal costs and expenses on a solicitor and solicitor's own client full indemnity basis by any court under Section 20 of the *Law and Equity Act* (British Columbia), as amended, or any provision enacted in replacement therefor, in any foreclosure proceeding in respect of this Mortgage.

50.8 The Mortgagor and the Mortgagee acknowledge and agree that it is their express intention and desire that in no event will the total payment to the Mortgagee whether for interest, fees, bonus, additional consideration or otherwise exceed the maximum payment permitted under Section 347 of the Criminal Code (Canada), as amended, or any provision enacted in replacement therefor, and the parties further acknowledge and agree that notwithstanding any other terms or conditions of this Mortgage or any additional security documents or agreements, the interest payable on the credit advanced under this Mortgage (as "interest" and "credit advanced" are defined in Section 347 of the Criminal Code (Canada), as amended, or any provision enacted in replacement therefor), will not exceed an effective annual rate of interest of sixty (60%) percent calculated in accordance with generally accepted actuarial practices and principles. In the event that the Mortgagor would, but for this clause, be obligated to pay interest on the credit advanced under this Mortgage at a criminal rate (as "interest", "credit advanced"

and "criminal rate" are defined in Section 347 of the Criminal Code (Canada), as amended, or any provision enacted in replacement therefor), the interest payable on the credit advanced hereunder will be reduced to an effective annual rate of sixty (60%) percent, calculated in accordance with generally accepted actuarial practices and principles, firstly by reducing to the extent necessary the amount of any bonus payable hereunder, secondly (if required) by reducing to the extent necessary the amount of fees or commissions or other consideration other than interest payable hereunder, and thirdly (if required) by reducing to the extent necessary the Mortgage Rate. In the event that the Mortgagor has paid to the Mortgagee interest at a criminal rate on the credit advanced under this Mortgage (as "interest", "credit advanced" and "criminal rate" are defined in Section 347 of the Criminal Code (Canada), as amended, or any provision enacted in replacement therefor), the Mortgagee will at the request of the Mortgagor refund to the Mortgagor an amount equal to the amount by which such interest exceeds the criminal rate. The provisions of this Mortgage will be modified and are deemed to be modified to the extent necessary to effect the foregoing.

51. GENERAL (DOCUMENT/DRAFTING ISSUES)

51.1 The implied covenants deemed to be included in a mortgage under column 2 of section 15 of Schedule 6 of the *Land Transfer Form Act*, R.S.B.C. 1996 c.252 (as amended from time to time), are expressly excluded and replaced by the Terms of this Mortgage.

51.2 If the Mortgagor consists of more than one Person, then the covenants herein contained of the Mortgagor will be and be deemed to be several as well as joint.

51.3 Paragraph titles are inserted in the Terms of this Mortgage for convenience only and are not to be taken into account or looked at for the purpose of interpreting and giving full effect to the true meaning and intent of this Mortgage.

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

51.5 This Mortgage will be governed by and construed in accordance with the laws of the Province of British Columbia.

51.6 All grants, covenants, provisos, agreements, rights, powers, privileges and liabilities contained in this Mortgage are to be read and held as made by, with, granted to and imposed upon the parties hereto and their respective heirs, executors, administrators, successors and assigns as if the words had been inscribed in all the necessary places.

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

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

52. COUNTERPARTS

The Mortgage may be executed and/or registered in counterparts, each of which, so executed, and/or registered will be deemed to be an original and such counterparts together will constitute one and the same instrument, and notwithstanding their date of execution will be deemed to bear date as of the date above written.

End Of Document

AMENDED AND RESTATED MORTGAGE TERMS – PART 2

1. DEFINED TERMS

Unless otherwise expressly defined or otherwise required by the context, the following words and phrases will have the following meanings when used in this Mortgage:

1.1 "**$**" means such currency of Canada which, as at the time of payment or determination, is legal tender in Canada for the payment of public or private debt;

1.2 "**Accounting Standard**" means (i) the International Financial Reporting Standards (IFRS); or (ii) generally accepted accounting principles (GAAP) as published in the "CICA Handbook" by the Canadian Institute of Chartered Accountants (as amended, replaced or republished from time to time) together with generally accepted industry standards from time to time;

1.3 "**Balance Due Date**" means the balance due date set forth in the Mortgage Form;

1.4 "**Commitment**" means the Commitment dated November 24, 2022 and accepted by Keltic (Prior) Development Limited Partnership and 1319188 B.C. Ltd. on November 30, 2022 as amended by letter agreements dated December 20, 2024 and December 21, 2024, a Supplement to Commitment dated February 18, 2025, a Second Supplement to Commitment dated March 31, 2025, a Third Supplement to Commitment dated May 2, 2025 and an Amendment to Third Supplement to Commitment dated August ____, 2025, pursuant to which this Mortgage is provided, and all amendments and supplements thereto and renewals or replacements thereof from time to time;

1.5 "**Construction Project**" has the meaning given to it in paragraph 11.2;

1.6 "**Costs**" includes all costs, fees, charges and expenses of every nature and kind whatsoever incurred by the Mortgagee or paid by the Mortgagee to any other party in connection with the protection and preservation of the Lands or any other security held by the Mortgagee, or for the purpose of preserving and maintaining the enforceability and priority of this Mortgage and any such other security, or in connection with any and all demands and enforcement proceedings of every nature and kind made or carried out by or on behalf of this Mortgage under or pursuant to this Mortgage, and includes, without limitation, legal costs incurred by the Mortgagee on a solicitor and solicitor's own client full indemnity basis;

1.7 "**Credit Documents**" means, collectively, this Mortgage, the Commitment, each of the security documents referred to in Section 20 of the Commitment, any collateral covenant agreement, and all other agreements, instruments and documents delivered from time to time to the Mortgagee by the Mortgagor or any Guarantor, each as such may be amended, modified, supplemented, restated or replaced from time to time;

1.8 "**Default**" means any event or condition which, with the giving of notice, lapse or upon a declaration or determination being made (or any combination thereof), would constitute an Event of Default;

1.9 "**Environmental Laws**" means, in respect of any Person, property, transaction or event, all applicable laws, statutes, rules, by-laws and regulations, and all applicable directives, orders, codes, judgments and decrees of Governmental Bodies, whether now in existence or hereafter arising, intended to regulate and/or protect the environment and/or any living thing and/or relating to Hazardous Substances;

1.10 "**Event of Default**" means any event set forth in paragraph 31 herein;

1.11 "**Governmental Body**" means any government, parliament, legislature, or any regulatory authority, bureau, tribunal, department, instrumentality, agency, commission or board of any government, parliament or legislature, or any court, and without limiting the foregoing, any other law, regulation or rule-making entity having or purporting to act under the authority of any of the foregoing (including, without limitation, any arbitrator) and "**Governmental Bodies**" means any one or more of the foregoing collectively;

1.12 "**Guarantee**" means the amended and restated guarantee dated for reference August _____, 2025 made by the Mortgagor and Keltic (River Garden) Development Ltd. to and in favour of the Mortgagee on behalf of TS Alpha Venture Limited Partnership in respect of the Guaranteed Obligations as defined therein, as such may be amended, modified, supplemented, restated or replaced from time to time.

1.13 "**Guarantor**" means any party to this Mortgage expressly defined as such and any and all Persons who have directly, indirectly, as principal debtor or as surety covenanted to pay or guaranteed payment of the whole or any part of the amount or amounts secured by this Mortgage or which are owing under the loan facilities referred to in the Commitment or who have covenanted to perform or guaranteed performance by the Mortgagor of its obligations under this Mortgage or under the Commitment or under any security given in connection therewith;

1.14 "**Hazardous Substance** "means any hazardous or dangerous waste or substance, pollutant, contaminant, waste or other substance without limitation, whether solid, liquid or gaseous in form, which when released into the natural environment may, based upon reasonably authoritative information then available concerning such substance, immediately or in the future directly or indirectly cause material harm or degradation to the natural environment or to the health or welfare of any living thing and includes, without limiting the generality of the foregoing,

1.14.1 any such substance as defined or designated under any Environmental Laws;

1.14.2 asbestos, urea formaldehyde, poly-chlorinated byphenyl (PCB) and materials manufactured with or containing the same; and

1.14.3 radioactive and toxic substances,

and "**Hazardous Substances**" means any one or more of the foregoing collectively;

1.15 **"interest"** means interest at the Mortgage Rate on all principal, interest in arrears and other monies owed to the Mortgagee under this Mortgage;

1.16 "**Interest Adjustment Date**" means the interest adjustment date set forth in the Mortgage Form;

1.17 "**Interest Calculation Period**" means the period or periods for calculation of interest set forth in the Mortgage Form;

1.18 "**Lands**" means the lands set forth in the Mortgage Form, and includes the Property;

1.19 "**Mortgage**" means the Mortgage Form and this set of Mortgage Terms and all schedules attached to this Mortgage and all amendments thereto and replacements thereof from time to time;

1.20 "**Mortgagee**" means all Persons in whose favour this Mortgage is given and who is or are named in this Mortgage as mortgagee and the respective successors and assigns of such Persons;

1.21 "**Mortgagor**" means all Persons who have given this Mortgage and who have executed the same as mortgagor and the respective successors and assigns of such Persons;

1.22 "**Mortgage Form**" means that certain Form B under the Land Title (Transfer Forms) Regulation pursuant to which this set of Mortgage Terms is filed under, and all schedules and addenda attached thereto;

1.23 "**Mortgage Rate**" means the rate of interest set forth in the Mortgage Form;

1.24 "**Payment Date**" means each payment date specified in the Mortgage Form, commencing on the first payment date and continuing to and including the last payment date shown in the Mortgage Form;

1.25 "**Periodic Payment**" means a payment in the amount specified as the amount of each periodic payment in the Mortgage Form;

1.26 "**Permitted Encumbrances**" means any encumbrance, lien or charge from time to time disclosed by the Mortgagor to the Mortgagee and which is consented to in writing by the Mortgagee;

1.27 "**Person**" means an individual, sole proprietorship, partnership, joint venture, syndicate, association, trust, body corporate, a natural Person in its capacity as trustee, personal representative or other legal representative, the Crown or any agency or instrumentality thereof, and/or any other entity recognized by law;

1.28 "**principal**", "**principal amount**", "**principal monies**" and "**principal sum**" each mean the amount of money in lawful money of Canada set forth as the principal amount on the Mortgage Form as reduced by payments made by the Mortgagor from time to time, or increased by the advance or re-advance of money to the

Mortgagor by the Mortgagee from time to time, and includes all money that is added to the principal sum under these Mortgage Terms;

1.29 "**Property**" means the property, tenements, hereditaments and appurtenances and any estate or interest therein described in this Mortgage, and all buildings and improvements now or hereafter situate or constructed thereon, and all easements, rights-of-way and other appurtenances thereto, and all structures, additions, improvements, machinery, equipment, decorations and other fixtures of every nature and kind (whether or not affixed in law) attached thereto or placed, installed or erected thereon or used in connection therewith;

1.30 "**Receiver**" means any receiver, receiver and manager, receiver-manager or trustee of the Lands as may be appointed from time to time by the Mortgagee pursuant to the provisions of this Mortgage or by any court of competent jurisdiction;

1.31 "**Strata Corporation**" means each corporation created or continued pursuant to the *Strata Property Act* (British Columbia) and any amendments thereto or any statute enacted in replacement thereof and pertaining to all or any part of the Lands which are governed by the said Act;

1.32 "**Taxes**" means all taxes, rates, assessments, local improvement charges, levies, penalties and other charges imposed upon or in respect of the Lands by any Governmental Body having jurisdiction; and

1.33 "**Terms of this Mortgage**" means all of the covenants, agreements, provisos, terms, conditions, warranties, representations and provisions of this Mortgage, and the agreement of the Mortgagor set forth in item 12 of the Mortgage Form to be bound by the Mortgage Terms referred to in item 9 of the Mortgage Form will apply to all of the covenants, agreements, provisos, terms, conditions, warranties, representation and provisions of this Mortgage.

2. STATUTORY REFERENCES

Unless expressly stipulated or otherwise required by the context, all references in this Mortgage to any federal, provincial or municipal statute, regulation, by-law, order, directive or other governmental enactment will be deemed to be and construed as a reference to the same as amended or re-enacted from time to time.

3. GRANT AND PROVISOS

3.1 For good and valuable consideration (the receipt and sufficiency whereof is hereby acknowledged by the Mortgagor), the Mortgagor grants and mortgages the Lands to the Mortgagee, all of the right, title and interest of the Mortgagor in and to the Lands as security for the due payment of the principal sum and interest as herein provided and all other monies owing by the Mortgagor to the Mortgagee under this Mortgage and performance of the obligations under the Guarantee.

3.2 Provided that this Mortgage will be void upon satisfaction of all of the following:

3.2.1 payment to the Mortgagee at the address of the Mortgagee set out in the Mortgage Form or to such other address or such other party or parties as the Mortgagee may from time to time require of the principal sum, with interest thereon at the Mortgage Rate, to be calculated and compounded in accordance with the Interest Calculation Period, not in advance, both before and after maturity, both before and after default, and both before and after judgment, payable as follows:

(i) interest accruing from the respective dates of advance of the principal sum will be due and payable on the Interest Adjustment Date (provided however, the Mortgagee may deduct accrued interest from any advance of principal);

(ii) a Periodic Payment will be paid on each Payment Date; and

(iii) the unpaid balance of the principal sum, together with any accrued and unpaid interest and other costs, charges and monies owing hereunder will become due and be paid on the Balance Due Date; and

3.2.2 observance and performance of all of the Terms of this Mortgage and the other Credit Documents and the payment of the Taxes and of all other monies as herein provided.

3.3 It is agreed that all interest, as well upon principal as upon interest, will be compounded on the last day of each Interest Calculation Period and all such compounded interest will be a charge on the Lands.

3.4 It is further agreed that the Mortgagee will have the right to apply any sums paid to the Mortgagee under this Mortgage in or towards the payment of accrued interest, principal or any other monies owing hereunder as the Mortgagee may determine, notwithstanding that any such sums may have been paid to the Mortgagee on account of a different amount.

3.5 For the consideration aforesaid, the Mortgagor releases to the Mortgagee all of the Mortgagor's claims upon the Lands subject to the provisos set forth in paragraph 3.2 hereof.

4. ADVANCE OF FUNDS

The Mortgagor agrees that neither the preparation, execution nor registration of this Mortgage will bind the Mortgagee to advance the monies hereby secured, nor will the advance of a part of the principal sum herein bind the Mortgagee to advance any unadvanced portion thereof, but nevertheless the estate hereby charged will take effect forthwith upon the execution of this Mortgage by the Mortgagor, and the expenses of the examination of the title and of this Mortgage and valuation are to be secured hereby in the event of the whole or any balance of the principal sum herein not being advanced, the same to be charged hereby upon the Lands, and will be without demand thereof, payable forthwith with interest at the rate provided for in this Mortgage, and upon the occurrence of an Event of Default the remedies herein will be exercisable.

5. MORTGAGOR'S COVENANTS

5.1 The Mortgagor covenants with the Mortgagee that:

5.1.1 the Mortgagor will pay the principal sum herein and interest thereon at the Mortgage Rate, including compounded interest as herein provided and observe and perform the Terms of this Mortgage, and will pay as they fall due all Taxes and when required by this Mortgage, will transmit the receipts therefor to the Mortgagee;

5.1.2 the Mortgagor will pay all amounts which are payable hereunder or which are capable of being added to the principal sum herein pursuant to the provisions of this Mortgage including, without limiting the generality of the foregoing, all servicing or other fees, costs or charges provided for herein; all insurance premiums; the amount paid for the supply of any fuel or utilities to the Lands; all costs, commissions, fees and disbursements incurred by the Mortgagee in constructing, inspecting, appraising, selling, managing, repairing or maintaining the Lands; all Costs incurred by the Mortgagee with respect to this Mortgage or incurred by the Mortgagee arising out, of or in any way related to this Mortgage; any amounts paid by the Mortgagee on account of any encumbrance, lien or charge against the Lands and any and all Costs incurred by the Mortgagee arising out of, or in any way related to, the Mortgagee realizing on its security by sale or lease or otherwise;

5.1.3 the Mortgagor has a good indefeasible title in fee simple to the Lands, without any trusts, reservations, limitations, provisos or conditions, except those contained in the original grant from the Crown, and has good right, full power and lawful and absolute authority to grant, mortgage and convey the Lands and to grant this Mortgage to the Mortgagee upon the terms contained therein;

5.1.4 the Mortgagor has not done, committed, executed or wilfully or knowingly suffered any act, deed, matter or thing whatsoever whereby or by means whereof the Lands, or any part or parcel thereof, is or will or may be in any way impeached, charged, affected or encumbered in title, estate or otherwise, except as the records of the land registry office disclose; and free from all financial encumbrances, except the Permitted Encumbrances;

5.1.5 the Mortgagor will execute such further documents, instruments and assurances as are required by the Mortgagee to give effect to the Terms of this Mortgage and to ensure that this Mortgage is valid security for all monies and obligations secured by this Mortgage; and

5.1.6 the Mortgagor will produce the title deeds and allow copies to be made at the expense of the Mortgagor.

6. COMPLIANCE WITH LAWS AND REGULATIONS

The Mortgagor will, in its ownership, operation and use of the Lands, promptly and at all times observe, perform, execute and comply with all laws, rules, requirements, orders,

directions, ordinances and regulations of every Governmental Body having jurisdiction with respect to the same, and further agrees at its cost and expense to take any and all steps or make any improvements or alterations thereto, structural or otherwise, ordinary or extraordinary, which may be required at any time hereafter by any such present or future laws, rules, requirements, orders, directions, ordinances or regulations.

7. CHANGE OF USE

The Mortgagor will not change or permit to be changed the existing use or uses of the Lands without the prior written consent of the Mortgagee.

8. REPAIR

The Mortgagor will keep the Lands including the buildings, erections and improvements thereon in good condition and repair according to the nature and description thereof, and the Mortgagee may, whenever it deems necessary, enter upon and inspect the Lands, and the cost of such inspection will be added to the indebtedness secured hereunder, and if the Mortgagor neglects to keep the Lands in good condition and repair, or commits or permits any act of waste upon or abandons the Lands (as to which the Mortgagee will be sole judge) or removes or allows to be removed from the Lands, the Property or any portion thereof without prior written consent of the Mortgagee or upon discovery by the Mortgagee that any security for the indebtedness owing under this Mortgage is inadequate or breaches any of the Terms of this Mortgage, the principal sum herein together with interest at the Mortgage Rate, interest on overdue interest, the full amount of all legal fees on a solicitor and solicitor's own client full indemnity basis, disbursements, costs, charges and expenses incurred by the Mortgagee and all other monies owing and secured under this Mortgage will, at the option of the Mortgagee, forthwith become due and payable, and in default of payment thereof, the powers of entering upon and leasing or selling hereby given and all other remedies of the Mortgagee under this Mortgage as otherwise available to the Mortgagee may be exercised forthwith and the Mortgagee, upon five (5) days notice to the Mortgagor and in the event that the Mortgagor does not in such period cause and diligently proceed with such repairs, may make such repairs as it deems necessary, and the cost thereof with interest at the rate aforesaid will be added to the monies hereby secured and will be payable forthwith and be a charge upon the Lands prior to all claims thereon subsequent to this Mortgage.

9. ALTERATIONS OR ADDITIONS

The Mortgagor will not make or permit to be made any alterations or additions to the Lands without the prior written consent of the Mortgagee, which consent may be withheld in the Mortgagee's sole discretion or may be given only subject to compliance with such terms and conditions at the cost of the Mortgagor as the Mortgagee may impose.

10. LANDS INCLUDE ALL ADDITIONS

10.1 The Lands will include all structures and installations brought or placed on the Lands for the particular use and enjoyment thereof or as an integral part of or especially adapted for the buildings thereon whether or not affixed in law to the Lands including, without limiting the generality of the foregoing, piping, plumbing, electrical equipment or systems, aerials, refrigerators, stoves, clothes washers and dryers, dishwashers, incinerators, radiators and covers, fixed mirrors, fitted blinds,

window screens and screen doors, storm windows and storm doors, shutters and awnings, floor coverings, fences, air conditioning, ventilating, heating, lighting, and water heating equipment, cooking and refrigeration equipment and all component parts of any of the foregoing and that the same will become fixtures and an accession to the freehold and a part of the realty.

10.2 The Mortgagor covenants and agrees that if this Mortgage is subject to one or more prior mortgages, agreements for sale or other charges or encumbrances (herein collectively called the "**Prior Mortgage**"), the Mortgagor will pay or cause to be paid as they become due all payments whether for principal, interest, Taxes or otherwise under or by virtue of the Prior Mortgage and will otherwise observe, perform and comply with the conditions, covenants, provisos, or agreements therein contained; and that any default thereunder will be deemed to be a default hereunder and entitle the Mortgagee to exercise any and all remedies available to the Mortgagee upon an Event of Default; and that the Mortgagee may make any payment or cure any default under the Prior Mortgage and any amount or amounts so paid together with all costs, charges, expenses and outlays of the Mortgagee thereby incurred, including the full amount of all legal fees on a solicitor and solicitor's own client full indemnity basis, disbursements, costs, charges and expenses incurred by the Mortgagee, will be added to the monies payable hereunder, bear interest at the Mortgage Rate from the date expended until paid, be payable with interest as aforesaid forthwith by the Mortgagor to the Mortgagee without demand and be a charge on the Lands and the Mortgagee will have the same rights and remedies to enforce payment thereof as the Mortgagee would have upon an Event of Default.

10.3 For the aforesaid consideration to the Mortgagor, without in any way affecting or releasing the Mortgagor's liability to the Mortgagee for the repayment of monies hereby secured, the Mortgagor does hereby assign, transfer and set over to the Mortgagee all right, title, claim, demand and interest whatsoever at law, or in equity, or otherwise to indemnification, express or implied, of and from the performance and observance of any and all of the Terms of this Mortgage (including without limitation, payment of any and all monies due under this Mortgage) by any purchaser of the Lands.

11. CONSTRUCTION LOAN

11.1 If this Mortgage is intended to finance any construction, alteration or addition, the Mortgagee may make advances of the principal amount to the Mortgagor based on the progress of construction and in its sole discretion the Mortgagee will decide whether or not any advances will be made, the amount of the advances and when the advances will be made.

11.2 In the event that all or any portion of the monies hereby secured would, with the consent of the Mortgagee, be used for any construction upon or renovation, alteration, addition or repair to any building or structure on the Lands subject to paragraph 11.1, the Mortgagor will diligently proceed to complete construction in accordance with the plans and specifications approved by the Mortgagee (the "**Construction Project**") and will forthwith provide to the Mortgagee such information relating to the Lands and the construction as the Mortgagee may from time to time request. The Mortgagor will not make any material changes to the

plans and specifications without the prior written consent of the Mortgagee. The Mortgagor will cause the Construction Project to be constructed in a good and workmanlike manner and in accordance with all applicable laws, including, without limitation, municipal by-laws and, without limitation, the Mortgagor will take all such steps as may be required to obtain an occupancy permit or equivalent permit or approval for the Construction Project from the applicable Governmental Bodies. The Mortgagor will pay all expenses incurred by the Mortgagee in retaining any cost consultant with respect to the Construction Project. The Mortgagor will comply with the requirements of an Owner under the *Builders Lien Act* (British Columbia) and will, in particular, maintain any "**Holdback Account**" required to be maintained under such Act. Without in any way limiting any other rights and remedies of the Mortgagee, upon the occurrence of an Event Of Default, the Mortgagee, in addition to and not in substitution for any of its other rights and remedies, may take any one or more of the following actions:

11.2.1 enter upon the Lands and complete the Construction Project in accordance with plans and specifications approved by the Mortgagee with such further changes as the Mortgagee may deem appropriate in its sole discretion;

11.2.2 discontinue any work commenced, or change any course of action undertaken, by the Mortgagor in respect of the Lands or the Construction Project;

11.2.3 at the Mortgagee's option, enforce any construction contract made by the Mortgagor, and take over and use all or any part of the labour, materials, supplies, and equipment contracted for by the Mortgagor;

11.2.4 engage builders, contractors, architects, engineers, and other staff and trades as the Mortgagee considers necessary or desirable for the purpose of completing the Construction Project;

11.2.5 pay, settle, or compromise all bills and claims which may be or become liens (whether such liens are claims of builders liens or any other type of lien) against the Lands or any part thereof, provided that the Mortgagee will not be liable to the Mortgagor for the validity or correctness of any such claim or lien; and

11.2.6 generally, take or refrain from taking all such action in respect to the Construction Project as the Mortgagee in its sole discretion considers to be in its best interest for the purpose of preserving or enhancing the value of the Mortgagee's security.

11.3 The Mortgagor acknowledges and agrees that no steps taken by the Mortgagee to deal with the Mortgage as aforesaid will constitute or be deemed to be a waiver or condoning by the Mortgagee of the use of any monies secured by this Mortgage in contravention of the provisions contained herein, including, without limitation, any covenant or warranty by the Mortgagor that the purpose of the Mortgage is not to finance an improvement on the Lands.

11.4 The Mortgagor will be solely responsible to ensure the sufficiency of work done or to be done or material supplied or to be supplied to the Lands to justify the quantum of each advance made by the Mortgagee under the Commitment. Notwithstanding that the Commitment or any other Credit Document may provide that advances are to be made on a cost-to-complete basis or a similar basis, entitling the Mortgagee to refuse to advance where it is of the opinion that there is insufficient unadvanced funds to complete the contemplated construction, the Mortgagee will not be responsible or liable to the Mortgagor or to anyone else where either there has been insufficient work done or material supplied to the Lands to warrant an advance, or that there are insufficient funds held back to complete the contemplated construction.

11.5 Where the Mortgagor retains the services of an engineer, or architect, or project supervisor or a similar professional construction expert, or combination of such Persons, the Mortgagee will be entitled but not obliged to rely upon such Person to instruct the Mortgagee as to the value of the work done or to be done or material supplied or to be supplied to the Lands, and the Mortgagee will have no liability whatsoever to the Mortgagor or to anyone else as a result of advances made by the Mortgagee relying in whole or in part upon such Person.

12. ENVIRONMENTAL WARRANTY AND INDEMNITY

12.1 The Mortgagor and each Guarantor jointly and severally represents, warrants, covenants and agrees that:

12.1.1 it has not, and to the best of its knowledge, information and belief after making due inquiry, no other Person has caused or permitted any Hazardous Substance to be placed, discharged, stored, located or disposed of, on, under, at or near the Lands nor to be released from the Lands except in accordance with Environmental Laws;

12.1.2 the Lands have never been used as a land fill site, waste disposal site or coal gasification site, or to store Hazardous Substances either above or below ground in storage tanks, pipes, conduits or otherwise;

12.1.3 it and, to the best of its knowledge, information and belief after making due inquiry, the tenants, invitees and all other occupiers of the Lands have at all times carried out all business and other activities upon the Lands in strict compliance with all Environmental Laws;

12.1.4 it will at all times carry out all business and other activities upon the Lands in strict compliance with all Environmental Laws, and it will at all times take all necessary measures to ensure that those for whom it is liable in law will also at all times carry out all business and other activities upon the Lands in strict compliance with all Environmental Laws.

12.1.5 to the best of its knowledge, information and belief after making due inquiry, the use and occupation of the Lands have at all times been in strict compliance with all Environmental Laws;

12.1.6 no notice, order, stop work order, inspection file, investigation, directive, enforcement action, regulatory action, suit, claim, action, proceeding or charge relating to any Hazardous Substance or to a breach or non-compliance with any Environmental Laws has been issued by any Governmental Body with respect to it or the Lands, or is otherwise threatened to be issued;

12.1.7 it will provide the Mortgagee with full and complete copies of all communications received from time to time from all Governmental Bodies with respect to the Lands;

12.1.8 it will provide to the Mortgagee on request and from time to time, information with respect to the status of the environmental matters referred to herein and will complete and deliver, on request, the Mortgagee's standard form of report, if any, on environmental matters;

12.1.9 the representations and warranties contained in this paragraph 12 are true and accurate in all respects as of the date of the first advance made pursuant to this Mortgage, and such representations and warranties will remain true and accurate in all respects and will survive the release and discharge of this Mortgage and the repayment and satisfaction of the indebtedness secured by this Mortgage; and

12.1.10 the Mortgagee may delay or refuse to make any advance to the Mortgagor if the Mortgagee believes that any of the representations and warranties set out in this Warranty and Indemnity are not presently true and accurate or if such representations and warranties have become untrue or inaccurate at any time hereafter.

12.2 The Mortgagor hereby agrees to permit the Mortgagee to conduct, at the Mortgagor's sole expense, from time to time as required, any and all tests, inspections, appraisals and environmental audits of the Lands so as to determine and ensure continuing compliance with the provisions of this paragraph 12 including, without limitation, the right to conduct soil tests and to review and copy any records relating to the Lands and/or to the businesses and other activities conducted thereon.

12.3 The Mortgagor agrees to indemnify and save fully and completely harmless the Mortgagee and its officers, directors, employees, agents and shareholders from and against any and all losses, damages, demands, claims, actions, charges, orders, directives, undertakings, costs, legal fees on a solicitor and solicitor's own client full indemnity basis and expenses, of every nature and kind, whatsoever and howsoever, which at any time or from time to time may be paid by, or incurred by, or suffered by, or asserted against, any of them as a direct or indirect result of:

12.3.1 a breach of any of the representations, warranties or covenants hereinbefore set out;

12.3.2 the presence of any Hazardous Substance in, on, under or about the Lands;

12.3.3 the breach of any Environmental Laws; and/or

12.3.4 the discharge, emission, release, spill or disposal of any Hazardous Substance from the Lands into or upon any land, the atmosphere, any watercourse, body of water or wetland or any other property.

12.4 The representations, warranties, covenants, acknowledgments and indemnifications set out in this paragraph 12 will survive the release and discharge of this Mortgage and of any other security held by the Mortgagee and the repayment and satisfaction of the indebtedness secured by this Mortgage.

13. INSPECTION

The Mortgagee will have access to and the right to inspect the Lands at all reasonable times.

14. TAXES

14.1 The Mortgagor covenants and agrees with the Mortgagee that:

14.1.1 the Mortgagee may deduct from any advance of the monies secured by this Mortgage an amount sufficient to pay all Taxes which have become due and payable during any calendar year;

14.1.2 the Mortgagee may at its sole option estimate the amount of the Taxes payable in each year and the Mortgagor will forthwith upon demand of the Mortgagee pay to the Mortgagee one-twelfth (1/12) of the estimated annual amount of such Taxes on the 1st day of each and every month during the term of this Mortgage commencing with the 1st day of the first full month of the term of this Mortgage. The Mortgagee may at its option apply such payments to the Taxes so long as the Mortgagor is not in default under any of the Terms of this Mortgage, but nothing herein contained will obligate the Mortgagee to apply such payments on account of Taxes more often than yearly. Provided however, that if the Mortgagor will pay any sum or sums to the Mortgagee to apply on account of Taxes, and if before such payments have been so applied by the Mortgagee, there will be default by the Mortgagor in respect of any payment of principal or interest as herein provided, the Mortgagee may at its option apply such sum or sums in or towards payment of the principal, interest or interest and principal in default. If the Mortgagor desires to take advantage of any discounts or avoid any penalties in connection with the payment of Taxes, the Mortgagor may pay to the Mortgagee such additional amounts as are required for that purpose;

14.1.3 in the event that the Taxes actually charged in a calendar year, together with any interest and penalties thereon, exceed the amount estimated by the Mortgagee as aforesaid, the Mortgagor will pay to the Mortgagee, on demand, the amount required to make up the deficiency. The Mortgagee may at its option, pay any of the Taxes when payable, either before or after they are due, without notice, or may make advances therefore in excess of the then amount of credit held by the Mortgagee for Taxes. Any

excess amount advanced by the Mortgagee will be secured as an additional principal sum under this Mortgage and will bear interest at the rate as provided for in this Mortgage until repaid by the Mortgagor. The Mortgagor will repay to the Mortgagee all Taxes which the Mortgagee has paid in respect of the Lands and repay to the Mortgagee all other property outlays not covered by any other covenant herein;

14.1.4 the Mortgagor will transmit to the Mortgagee all assessment notices, tax bills and other notices pertaining to the imposition of Taxes forthwith after receipt thereof;

14.1.5 the Mortgagor will pay to the Mortgagee, in addition to any other amounts required to be paid hereunder, the amount required by the Mortgagee in its sole discretion for a reserve on account of future liability for Taxes;

14.1.6 in no event will the Mortgagee be liable for any interest on any amount paid to it on account of Taxes and the monies so received may be held with its own funds pending payment or application thereof as herein provided; provided that in the event that the Mortgagee does not utilize the funds received on account of Taxes in any calendar year, such amount or amounts may be held by the Mortgagee on account of any pre-estimate of Taxes required for the next succeeding calendar year, or at the Mortgagee's option, the Mortgagee may repay such amount to the Mortgagor without any interest;

14.1.7 the Mortgagor will in all instances be responsible for the payment of any and all penalties resulting from any arrears of Taxes or any late payment of current instalments thereof, and at no time will such penalties be the responsibility of the Mortgagee; and

14.1.8 in the event the Mortgagee does not collect payments on account of Taxes as aforesaid, the Mortgagor will deliver to the Mortgagee within thirty (30) days following the due date for each instalment of Taxes written evidence from all taxing authorities having jurisdiction to the effect that the then current instalment of Taxes and all other Taxes due in respect of the then current calendar year and any preceding calendar years have been paid in full, failing which, the Mortgagee will be entitled to charge a servicing fee for each written inquiry directed to such taxing authorities or the Mortgagor for the purpose of ascertaining the status of the Taxes together with any costs payable to such taxing authorities for such information.

15. UTILITIES

The Mortgagor covenants and agrees that it will pay all utility and fuel charges related to the Lands as and when they are due and that the Mortgagor will not allow or cause the supply of utilities or fuel to the Lands to be interrupted or discontinued and that, if the supply of fuel oil or utilities is interrupted or discontinued, the Mortgagor will take all steps that are necessary to ensure that the supply of utilities or fuel is restored forthwith. It is specifically agreed that the failure to pay all fuel and utility charges as and when they are

due or the interruption or discontinuing of the supply of fuel or utilities to the Lands will constitute an Event of Default within the meaning of this Mortgage and in addition to all other remedies provided for herein, the principal sum of this Mortgage will, at the sole option of the Mortgagee forthwith become due and payable.

16. INSURANCE

16.1 The Mortgagor covenants and agrees that it will insure and keep insured during the term of this Mortgage the buildings and other improvements on the Lands (now or hereafter erected) on the terms required by the Commitment and in any event on an all-risks basis in an amount of not less than the greater of the full replacement value of the buildings located thereon from time to time, or the principal money herein, with no co-insurance provisions and with the Mortgagee's standard mortgage clause forming part of such insurance policies as may be approved by the Insurance Bureau of Canada from time to time and a provision requiring thirty (30) days prior written notice by the insurer to the Mortgagee of cancellation, termination, material change or non-renewal of such policies.

16.2 In the event that the evidence of continuation of such insurance as herein required has not been delivered to the Mortgagee within the required time, the Mortgagee will be entitled to a servicing fee for each written inquiry which the Mortgagee will make to the insurer or the Mortgagor pertaining to such renewal (or resulting from the Mortgagor's non-performance of the within covenant). In the event that the Mortgagee pursuant to the within provision arranges insurance coverage with respect to the Lands, the Mortgagee, in addition to the aforenoted servicing fee, will be entitled to a further servicing fee for arranging the necessary insurance coverage.

16.3 In the event of any loss or damage, the Mortgagor will forthwith notify the Mortgagee in writing and notwithstanding any other provision to the contrary, statutory or otherwise, in the event of any monies becoming payable pursuant to any insurance policy herein required, the Mortgagee may, at its option, require the said monies to be applied by the Mortgagor in making good the loss or damage in respect of which the money is received, or in the alternative, may require that any or all of the monies so received be applied in or towards satisfaction of any or all of the indebtedness hereby secured whether or not such indebtedness has become due. No damage may be repaired nor any reconstruction effected without the approval in writing of the Mortgagee in any event. If the Mortgagor fails or neglects to complete and file a proper proof of loss with the insurance company within fifteen (15) days of the date of loss, the Mortgagee is hereby authorized to file a proof of loss with the insurance company on behalf of the Mortgagor and the Mortgagee is hereby released from all liability whatsoever to the Mortgagor as a result of filing such proof of loss. Any insurance moneys received may, at the option of the Mortgagee, be applied in rebuilding, reinstating or repairing the Property or be paid to the Mortgagor or any other Person appearing by the registered indefeasible title to be or to have been the owner of the Property or be applied or paid partly in one way and partly in another or it may be applied, in the sole discretion of the Mortgagee, in whole or in part in payment of the sums owing hereunder or any part thereof whether due or not then due. To ensure that the Mortgagee may apply the insurance monies in the manner provided above, the Mortgagor hereby assigns and releases to the Mortgagee all rights of the

Mortgagor to receive the insurance monies and the Mortgagor expressly waives all the rights and benefits whatsoever of the Mortgagor under the *Insurance Act* (British Columbia) and the *Fire Prevention (Metropolis) Act*, 1774, and any amendments thereto, and under any statutes of British Columbia enacted in replacement of the said statutes.

16.4 The Mortgagor, upon demand, will transfer all policies of insurance provided for herein and the indemnity which may become due therefrom to the Mortgagee. The Mortgagee will have a lien for the indebtedness hereby secured on all the said insurance proceeds and policies, and may elect to have these insurance monies applied as it may deem appropriate, including payment of monies secured hereby, whether due or not, but the Mortgagee will not be bound to accept the said monies in payment of any principal not yet due.

17. REMITTANCE AND APPLICATION OF PAYMENTS

17.1 Subject to Section 20 and 21 herein, all payments of principal, interest and other monies payable hereunder to the Mortgagee will be payable at par in lawful money of Canada at the Mortgagee's address for service as set out in this Mortgage or at such other place as the Mortgagee will designate in writing from time to time. In the event that any of the monies secured by this Mortgage are forwarded to the Mortgagee by mail, payment will not be deemed to have been made until the Mortgagee has actually received such monies and the Mortgagor will assume and be responsible for all risk of loss or delay.

17.2 Notwithstanding anything herein to the contrary, upon the occurrence of an Event of Default, the Mortgagee may apply any payments received in whatever order the Mortgagee may elect as between principal, interest, realty taxes, insurance premiums, repairs, Costs and any other advances or payments made by the Mortgagee hereunder.

18. RECEIPT OF PAYMENT

Any payment received after 12:00 p.m. (Vancouver, British Columbia time) on any date will be deemed, for the purpose of calculation of interest to have been made and received on the next business day and the Mortgagee will be entitled to interest on the amount due it, to and including the date on which the payment is deemed by this provision to have been received.

19. NO DEEMED RE-INVESTMENT

Except in the case where this Mortgage provides for blended payments of principal and interest whether paid monthly or otherwise, the parties hereto agree that the Mortgagee will not be deemed to reinvest any monthly or other payments received by it hereunder.

20. PRE-AUTHORIZED CHEQUING PLAN OR AUTOMATIC ELECTRONIC PAYMENT

If and when required by the Mortgagee, all payments made under this Mortgage by the Mortgagor will be made by a pre-authorized cheque payment plan or pre-authorized automatic electronic payments under a pre-authorized debit agreement ("**PAD**") in the form required by the Mortgagee, all as approved by the Mortgagee. The Mortgagee will

not be obligated to accept any payment other than payment made by pre-authorized cheque or electronic payments. Failure to make all payments by pre-authorized cheque or electronic payment will be an Event of Default within the meaning of this Mortgage and the Mortgagee will be entitled to pursue any and all of its remedies herein and/or at law as it may deem necessary at its option.

21. POSTDATED CHEQUES

The Mortgagor will, if and when required by the Mortgagee, deliver to the Mortgagee upon the first advance of monies hereunder or upon request and thereafter on each anniversary date thereof in each year for the duration of the term of this Mortgage, postdated cheques for the payments of principal, interest and estimated realty taxes required to be made herein during the twelve month period commencing on each such anniversary date. In the event of default by the Mortgagor in delivery to the Mortgagee of the postdated cheques as herein provided, an Event of Default within the meaning of this Mortgage will be deemed to have occurred and the Mortgagee will be entitled to pursue any and all of its remedies herein and/or at law as it may deem necessary at its option. In addition, the Mortgagee upon the Mortgagor's failure to deliver such postdated cheques as required hereunder will be entitled to a servicing fee for each written request that it makes to the Mortgagor for the purpose of obtaining such postdated cheques. Any step taken by the Mortgagee hereunder by way of a request for further postdated cheques will be without prejudice to the Mortgagee's rights hereunder to declare this Mortgage to be in default in the event that such postdated cheques are not delivered within the required time.

22. DISHONOURED CHEQUES

In the event that any of the Mortgagor's cheques are not honoured when presented for payment to the drawee, the Mortgagor will pay to the Mortgagee for each such returned cheque a servicing fee to cover the Mortgagee's administration costs with respect to same. In the event that the said cheque which has not been honoured by the drawee is not forthwith replaced by the Mortgagor, the Mortgagee will be entitled to a further servicing fee for each written request therefore which may be necessitated by the Mortgagor not forthwith replacing such dishonoured cheque.

23. FINANCIAL AND OPERATING STATEMENTS

23.1 The Mortgagor covenants that, within the periods of time hereinafter specified, or within such other period(s) of time as may be specified by any of the other Credit Documents, the Mortgagor will deliver or cause to be delivered to the Mortgagee within one hundred and twenty (120) days after the end of each fiscal year of operation of the Lands, an annual operating statement in respect of the Lands for the immediately preceding fiscal year setting forth the gross rents and other income derived from the Lands, the cost and expenses of operation and maintenance of the Lands and such other information and explanations in respect of the same as may be required by the Mortgagee.

23.2 All such operating and financial statements will be prepared at the expense of the Mortgagor and in accordance with the Accounting Standard applied on a consistent basis and by a duly qualified chartered accountant or certified public accountant which is acceptable to the Mortgagee, and will be submitted in audited form if so required by the Mortgagee upon the occurrence of an Event of Default,

and the completeness and correctness of such statements will be supported by an affidavit of an authorized officer of the Mortgagor or Guarantor, as the case may be.

23.3 The Mortgagee reserves the right to disclose to third parties, any of the foregoing financial information or otherwise acquired in respect to the indebtedness secured hereby as may be required in connection with the fulfillment of its rights and/or obligations under the Commitment or this Mortgage or to carry out its terms of to enforce its security for mortgage securitization purposes.

24. ESTOPPEL ACKNOWLEDGEMENTS

If and whenever the Mortgagee requests an acknowledgement from the Mortgagor as to the statement of account with respect to this Mortgage or the status of the terms and conditions of this Mortgage, the Mortgagor will execute such an acknowledgement in such form as may be required by the Mortgagee provided that the contents of such form are correct, and the Mortgagor will do so forthwith upon request and without cost to the Mortgagee and will return such acknowledgement duly executed within two (2) business days of such request.

25. STATEMENTS OF ACCOUNT

The Mortgagor will be entitled to receive upon written request, a statement of account with respect to this Mortgage as of any payment date under this Mortgage and the Mortgagee will be entitled to a servicing fee for each such statement.

26. RENEWAL OR EXTENSION OF TIME; ATTENTION SUBSEQUENT INTERESTS

26.1 No renewal or extension of the term of this Mortgage given by the Mortgagee to the Mortgagor, or anyone claiming under it, or any other dealing by the Mortgagee with the owner of the equity of redemption of the Lands, will in any way affect or prejudice the rights of the Mortgagee against the Mortgagor or any other Person liable for the payment of the monies hereby secured. The Mortgage may be amended, extended and/or renewed by an agreement in writing at maturity for any term with or without an increased rate of interest, or amended from time to time as to any of its terms, including, without limitation, an increase of interest rate or principal amount and notwithstanding that there may be subsequent encumbrancers, and it will not be necessary to register any such agreement in order to retain priority for this Mortgage so altered over any instrument registered subsequent to this Mortgage; PROVIDED that nothing contained in this paragraph will confer any right of amendment, extension or renewal upon the Mortgagor.

26.2 The terms of this Mortgage may be amended, extended and this Mortgage may be renewed from time to time by mutual agreement between the then current owner of the Lands and the Mortgagee and the Mortgagor hereby further covenants and agrees that, notwithstanding that the Mortgagor may have disposed of its interest in the Lands, the Mortgagor will remain liable as a principal debtor and not as a surety for the observance of all of the terms and provisions herein and will in all matters pertaining to this Mortgage well and truly do, observe, fulfill and keep all of the covenants, provisos, conditions and agreements in this Mortgage and all amendment(s), extension(s) and renewal(s) thereof, and without limiting the

foregoing, notwithstanding the amendment, extension and/or renewal of this Mortgage, and notwithstanding the giving of time for the payment of this Mortgage or the varying of the terms of the payment thereof or of the rate of interest thereon, and notwithstanding any other indulgence by the Mortgagee to the Mortgagor.

26.3 The Mortgagor covenants and agrees with the Mortgagee that no agreement for amendment, extension and/or renewal hereof, or for extension of the time for payment of any monies payable hereunder will result from, or be implied from, any payment or payments of any kind whatsoever made by the Mortgagor to the Mortgagee after the expiration of the original term of this Mortgage or of any subsequent term agreed to in writing between the Mortgagor and the Mortgagee, and that no amendment, extension and/or renewal hereof or any extension of the time for payment of any monies hereunder will result from, or be implied from, any other act, matter or thing, save only express agreement in writing between the Mortgagor and the then current owner of the Lands.

27. EXPROPRIATION

If the Lands or any part thereof which, in the reasonable opinion of the Mortgagee is material to the viability and operations thereon will be expropriated by any Governmental Body clothed with the powers of expropriation, the principal sum herein remaining unpaid will at the option of the Mortgagee forthwith become due and payable together with interest thereon at the Mortgage Rate to the date of payment, interest on overdue interest and all other monies owing hereunder, together with a bonus equal to the aggregate of (a) three months' interest at the said rate calculated on the amount of the principal remaining unpaid, and (b) one month's interest at the rate provided for herein calculated on the principal remaining unpaid, for each full year of the term of this Mortgage or any part of such year from the said date of payment to the date the said principal sum or balance thereof remaining unpaid would otherwise under the provisions of this Mortgage become due and payable and in any event all the proceeds of any expropriation will be paid to the Mortgagee at its option in priority to the claims of any other party.

28. LETTERS OF CREDIT

The parties to this Mortgage hereby acknowledge and agree that, in addition to all other amounts advanced and/or secured hereby, this Mortgage will stand as good and valid security with respect to any and all letters of credit, letters of guarantee or similar instruments (collectively the "**Letters of Credit**") issued by or on behalf of the Mortgagee for the benefit of or on account of the Mortgagor and in favour of any other party as may be requested or directed by the Mortgagor from time to time, and that the total amount of the financial obligations under each Letter of Credit will be deemed to have been advanced and fully secured under this Mortgage as of and from the date of issuance of each such Letter of Credit regardless of when the same may be called upon by the holder thereof. In the event that at any time the Mortgagee is of the opinion, in its sole and unfettered discretion, that the Lands or such part(s) thereof as remain undischarged are insufficient to secure the aggregate amount of all of the Mortgagee's outstanding obligations under, pursuant to or in connection with such Letters of Credit from time to time outstanding, the Mortgagee will be entitled to retain out of any payment received under this Mortgage or out of the proceeds of any sale or revenue received in respect of the Lands or any part(s) thereof or out of the proceeds of any amounts received by the Mortgagee upon the enforcement of this Mortgage, an amount equal to the aggregate amount of all of the

Mortgagee's outstanding obligations under, pursuant to or in connection with Letters of Credit as remain from time to time outstanding without being obliged to apply any portion of such amount on account of any principal, interest or other monies otherwise outstanding and secured by this Mortgage; and the Mortgagee will be entitled to retain such amount for such period of time as any of the Letters of Credit remain outstanding and the Mortgagee is hereby irrevocably authorized and directed to utilize the same in order to satisfy payment of any amounts called upon for payment pursuant to the Letters of Credit.

29. SALE OR CHANGE OF CONTROL

29.1 In the event of any sale, conveyance or transfer of the Lands or any portion thereof, or the Mortgagor enters into an agreement for sale of transfer of the Lands or portion thereof, or if ownership of or control and direction over the majority of the shares, units or ownership interests of the Mortgagor or any Guarantor changes by amalgamation, merger, sale, transfer of shares, units or ownership interests or otherwise, or a change in the beneficial ownership of the Lands or any portion thereof or a lease of the whole of the Lands (each of the foregoing, a "**Change of Control**"), all sums secured hereunder will, at the Mortgagee's option, become due and payable forthwith unless the prior written consent of the Mortgagee has been obtained, which consent may be arbitrarily or unreasonably withheld. The rights of the Mortgagee pursuant to this provision will not be affected or limited in any way by the acceptance of payments due under this Mortgage from the Mortgagor or any Person claiming through or under it and the rights of the Mortgagee hereunder will continue without diminution for any reason whatsoever until such time as the Mortgagee has consented in writing as required by this provision.

29.2 Provided further that no permitted sale or other dealing by the Mortgagor with the Lands or any part thereof will in any way change the liability of the Mortgagor or in any way alter the rights of the Mortgagee as against the Mortgagor or any other Person liable for payment of the monies hereby secured.

30. NO FURTHER ENCUMBRANCES

In the event that the Mortgagor enters into, creates, incurs, assumes, suffers or permits to exist any additional charge, encumbrance, pledge or other financing of the Lands, or of the chattels, equipment or personal property related to the Lands, all sums secured hereunder will, at the Mortgagee's option, become due and payable forthwith unless the prior written consent of the Mortgagee has been obtained, which consent may be arbitrarily withheld.

31. EVENTS OF DEFAULT

31.1 Without limiting any of the provisions of this Mortgage, any of the following events will constitute an Event of Default hereunder and under the other Credit Documents upon the happening of which the whole of the principal sum outstanding and all interest accruing thereon will immediately become due and payable at the option of the Mortgagee exercised by notice in writing to the Mortgagor:

31.1.1 failure by the Mortgagor to pay any instalment of principal, interest and/or Taxes under this Mortgage or under any charge or other

encumbrance of the Lands, on the date upon which any of the payments for same become due;

31.1.2 failure by the Mortgagor or any Guarantor to strictly and fully observe or perform any condition, agreement, covenant, obligation or term (other than with respect to those described in paragraph 31.1.1) set out in the Terms of this Mortgage, any of the Credit Documents to which it is a party, or any other document creating a contractual relationship as between them or any of them, or if it is found at any time that any representation or warranty to the Mortgagee with respect to the loan secured by this Mortgage or in any way related thereto or under any of the other Credit Documents is incorrect or misleading when so made or deemed to have been repeated as herein or therein provided, and such default continues for a period of ten (10) days after notice in writing of such breach is given to the Mortgagor or any Guarantor by the Mortgagee;

31.1.3 default by the Mortgagor in the observance or performance of any of the covenants, provisos, agreements or conditions contained in any charge or other encumbrance affecting the Lands, whether or not it has priority over this Mortgage;

31.1.4 upon the registration of any construction lien against the Lands which is not discharged or vacated within a period of five (5) days after the date of registration thereof;

31.1.5 in the event that any Hazardous Substance is discovered in, on or under the Lands or any part thereof and the same is not completely removed therefrom to the entire satisfaction of the Mortgagee within ten (10) days after demand therefor by the Mortgagee;

31.1.6 in the event that the Lands are abandoned or there is any cessation or threat of cessation of the business activities or any material part thereof now being conducted upon the Lands by the Mortgagor or the beneficial owner of the Lands or any of their respective officers, agents, employees, tenants or invitees;

31.1.7 if a judgment, decree or order of a court of competent jurisdiction is entered against the Mortgagor or any Guarantor (i) adjudging the Mortgagor or any Guarantor bankrupt or insolvent, or approving a petition seeking its reorganization or winding-up under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) or any other bankruptcy, insolvency or analogous law, or (ii) ordering the involuntary winding up or liquidation of the affairs of the Mortgagor or any Guarantor, or (iii) if any receiver or other Person with like powers is appointed over all, or substantially all, of the property of the Mortgagor or any Guarantor, unless such appointment is stayed and of no effect against the Lands or any security provided by the Mortgagor or any Guarantor in favour of the Mortgagee and the rights of the Mortgagee thereunder or the Mortgagor or any Guarantor is actively pursuing such a stay and the Mortgagee is satisfied that there is no

adverse effect in its position as a result of the Mortgagee permitting the Mortgagor or any Guarantor time to pursue such stay;

31.1.8 if, (i) an order or a resolution is passed for the dissolution, winding-up, reorganization or liquidation of the Mortgagor or any Guarantor pursuant to applicable laws, including the *Business Corporations Act* (British Columbia), or (ii) the Mortgagor or any Guarantor institutes proceedings to be adjudicated bankrupt or insolvent, or consents to the institution of bankruptcy or insolvency proceedings against it under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) or any other bankruptcy, insolvency or analogous law, or (iii) the Mortgagor or any Guarantor consents to the filing of any petition under any such law or to the appointment of a receiver, or other Person with like powers, over all, or substantially all, of the Mortgagor's or any Guarantor's property, or (iv) the Mortgagor or any Guarantor makes a general assignment for the benefit of creditors, or becomes unable to pay its debts generally as they become due, or (v) the Mortgagor or any Guarantor takes or consents to any action in furtherance of any of the aforesaid purposes;

31.1.9 the occurrence of any action, suit or proceeding against or affecting the Mortgagor or any Guarantor before any court or before any Governmental Body which, if successful, would have, or could reasonably be expected to have, a material adverse effect on the value of the Lands or the financial stakes of the Mortgagor or any Guarantor, unless the action, suit, or proceedings will be contested diligently and in good faith and, in circumstances where a lower court or tribunal has rendered a decision adverse to the Mortgagor or any Guarantor, the Mortgagor or any Guarantor is appealing such decision, and has provided a reserve in respect thereof made in accordance with Accounting Standard, adequate in the opinion of the Mortgagee;

31.1.10 a judgment or judgments are obtained against the Mortgagor or any Guarantor for an aggregate amount in excess of $100,000, in the aggregate, which, to the extent the aggregate amount thereof exceeds $100,000, remains or remain unsatisfied and undischarged for a period or ten (10) days during which such judgment or judgments, to the extent the aggregate amount thereof exceeds $100,000, will not be on appeal or execution thereof will not be effectively stayed;

31.1.11 any execution, sequestration, expropriation or similar process is brought or threatened, by way of notice or otherwise, against, or a distress or analogous process is levied upon the whole or any part of the property of the Mortgagor or any Guarantor;

31.1.12 if any material provision of any Credit Document will at any time cease to be in full force and effect, be declared to be void or voidable or will be repudiated, or the validity or enforceability thereof will at any time be contested by the Mortgagor or any Guarantor;

31.1.13 if a Change of Control occurs and the Mortgagee has not consented to the same;

31.1.14 default by the Mortgagor or any Guarantor in the observance or performance of any non-monetary representation, warranty, covenant, proviso, agreement, condition or obligation to be observed or performed by it, pursuant to any agreement (other than the Credit Documents) to which it is a party or by which any of its property is bound, where such default would have, or could reasonably be expected to have, a material adverse effect on the value of the Lands or the financial stakes of the Mortgagor or any Guarantor; and

31.1.15 any default will have occurred and is continuing in respect of any indebtedness of the Mortgagor or any Guarantor to any lender (other than the Mortgagee) which results in the acceleration of the payment of such indebtedness or which permits the holder thereof to accelerate the payment of such indebtedness and if there is a grace period applicable thereto arising under contract or otherwise, such default continues beyond the expiry of such grace period or if any lender (other than the Mortgagee) will demand repayment of any indebtedness owed to it by any Mortgagor or any Guarantor which is repayable on demand, and the aggregate principal amount of all such indebtedness is at least $100,000.

32. ENFORCEMENT

32.1 The Mortgagor covenants and agrees that upon the occurrence of an Event of Default under the Terms of this Mortgage, the Mortgagee may take proceedings available at law or in equity and any other legal steps to collect the amount of money due or to compel the Mortgagor to keep the Mortgagor's promises and agreements, including without limitation: making application to a court for an order that the Land be sold on terms approved by the court; making application to a court to foreclose the Mortgagor's interest in the Land and on a final order of foreclosure the Mortgagor's interest in the Land will be absolutely vested in and belong to the Mortgagee.

32.2 Provided that the Mortgagee, upon the occurrence of an Event of Default that is continuing, may on seven (7) day's notice (except in the case of an emergency to protect health, safety or preserve the Lands in which case no notice is required) enter on and lease or sell the Lands; and the Mortgagor covenants and agrees that the Mortgagee may lease or sell as aforesaid without entering into possession of the Lands; and should such Event of Default continue for two months, an entry, lease or sale may be made hereunder without notice; and when under the terms hereof a notice is necessary, such notice may be given effectually either by leaving the same with an adult Person on the Lands, if occupied, or by placing it thereon, if unoccupied, or at the option of the Mortgagee by publishing the same once in a newspaper published in the Province of British Columbia; and the Mortgagee may sell the Lands or any part thereof or any interest in the Lands on such terms as to credit and otherwise as appear to the Mortgagee most advantageous and for such price as in the opinion of the Mortgagee can reasonably be obtained therefor; and sales may be made from time to time of portions to satisfy interest or parts of the

principal overdue, leaving the principal or balance thereof to run at interest, payable as aforesaid; and the Mortgagee may make any stipulations as to the title or commencement of title or otherwise as the Mortgagee deems proper; and may buy in or rescind or vary any contract for sale of any of the Lands and re-sell without being answerable for loss occasioned thereby; and in case of a sale on credit the Mortgagee will only be bound to pay the Mortgagor such monies as have been actually received from the purchasers after the satisfaction of the Mortgagee's claims; and for any of the said purposes the Mortgagee may make and execute all agreements and assurances as the Mortgagee deems fit, and the purchasers at any sale hereunder are not bound to see to the propriety or regularity thereof; and no want of notice of publication when required hereby will invalidate any sale or lease made or purporting to be made hereunder.

32.3 Provided that the Mortgagee may distrain for arrears of interest, and it is agreed that the powers of the Mortgagee under this proviso may also be exercised to enforce payment of any instalment of principal or mixed principal and interest hereby secured and in arrears and in respect of any Event of Default; and further that if an Event of Default occurs, it will be lawful for the Mortgagee (and the Mortgagor does hereby grant full power and licence to the Mortgagee) to enter, seize and distrain upon any goods upon the Lands or any part thereof and by distress warrant to recover by way of rent reserved as in the case of a demise of the Lands as much of the principal or interest or other sums due hereunder as may from time to time be or remain in arrears or unpaid together with all costs, charges and expenses attending such levy or distress as in like cases of distress for rent including, without limitation, the full amount of all legal fees on a solicitor and solicitor's own client full indemnity basis, disbursements, costs, charges and expenses incurred by the Mortgagee; and as part of the consideration aforesaid the Mortgagor hereby waives, on the exercise of such right and licence, all the rights to exemption from seizure and distress under any statute of the Province of British Columbia; notwithstanding the foregoing it is expressly understood and agreed that the right of distress will not apply to residential premises which are subject to the provisions of the *Residential Tenancy Act* (British Columbia), as amended or any statute enacted in replacement thereof, except as may be permitted thereby.

32.4 Upon the occurrence of an Event of Default, the whole of the principal sum hereby secured together with interest thereon at the Mortgage Rate, interest on overdue interest, the full amount of all legal fees on a solicitor and solicitor's own client full indemnity basis, disbursements, costs, charges and expenses incurred by the Mortgagee and all other monies owing or secured under this Mortgage will, at the option of the Mortgagee, immediately become due and be paid; and upon such indebtedness becoming due and payable as heretofore provided, the Mortgagor will refrain from collecting and receiving all rents accruing as aforesaid and upon notice from the Mortgagee, all tenants will thereafter pay such rents to the Mortgagee, and the Mortgagee may immediately cause default proceedings to be commenced under this Mortgage in the manner prescribed by law and will be entitled to have a receiver, receiver-manager or a receiver and manager appointed, and without proof of any other ground for his appointment than the said default, to take possession and charge of the Lands and to fully and effectively operate the business which the Lands comprise including, without limiting the generality of the foregoing, the right to rent the same and receive and collect the

rents, issues and profits thereof, under direction of the court, and any amount so collected by such receiver will be applied under direction of the court to the payment of any judgment rendered, or amounts found due, according to the Terms of this Mortgage including the cost of collection and the full amount of all legal fees on a solicitor and solicitor's own client full indemnity basis, disbursements, costs, charges and expenses incurred by the Mortgagee; and upon the occurrence of an Event of Default, the Mortgagee will have the right forthwith after the occurrence of such Event of Default to enter upon, take possession of and rent the Lands and receive the rents, issues and profits thereof and apply the same after payment of all necessary charges and expenses, on account of the indebtedness hereby secured.

32.5 In addition to the foregoing rights and powers, the Mortgagee may apply to a court or may appoint by instrument in writing a receiver, receiver-manager or receiver and manager (herein called the "**Receiver**") of the Lands, with or without bond, and may from time to time remove the Receiver and appoint another in his stead. Any Receiver appointed by the Mortgagee as aforesaid is deemed to be the agent of the Mortgagor and the Mortgagor will be solely responsible for the Receiver's acts or defaults and the Mortgagee will not be liable to the Receiver for his remuneration, costs, charges or expenses.

32.6 It is further specifically understood and agreed that the Receiver appointed by the Mortgagee will have the following powers, subject to any limitations in the instrument in writing or Order of the Court, if any, appointing him, namely to:

32.6.1 take possession of the Lands;

32.6.2 carry on or concur in carrying on the business of the Mortgagor in operating the business comprised of the Lands;

32.6.3 sell or lease or concur in selling or leasing any or all of the Lands;

32.6.4 make any arrangements or compromises which the Receiver considers expedient;

32.6.5 borrow money to carry on the business of the Mortgagor comprised of the Lands or to maintain the whole or any part of the Lands in a manner that will, in the opinion of the Receiver, be sufficient to obtain, upon the security of the whole or any part of the Lands, the amounts from time to time required in the opinion of the Receiver and in so doing the Receiver may issue certificates (each herein called a "**Receiver's Certificate**") that may be payable as the Receiver considers expedient and bear interest as stated therein and the amounts from time to time payable under any Receiver's Certificate will charge the Lands in priority to this Mortgage and the Mortgagor hereby charges the Lands with the debt, if any, owing from time to time under any Receiver's Certificate; and

32.6.6 institute and prosecute all suits, proceedings and actions which the Receiver considers necessary for the proper protection of the Lands, to defend all suits, proceedings and actions against the Mortgagor or the Receiver, to appear in and conduct the prosecution and defence of any

suit, proceeding or action then pending or thereafter instituted and to appeal any suit, proceeding or action.

32.7 The net revenue of the business comprised of the Lands and the net proceeds of sale of the Lands will be applied by the Receiver subject to the claims of creditors, if any, ranking in priority to this Mortgage as follows:

32.7.1 firstly, in payment of all costs, charges and expenses of and incidental to the appointment of the Receiver and the exercise by him of all or any of the powers aforesaid including the reasonable remuneration of the Receiver and all amounts properly payable to him;

32.7.2 secondly, in payment to the Mortgagee of the principal sum owing hereunder;

32.7.3 thirdly, in payment to the Mortgagee of all costs and charges owing hereunder and interest and arrears of interest remaining unpaid hereunder; and

32.7.4 fourthly, any surplus will be paid to the Mortgagor.

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

32.8 Neither the provisions of this Mortgage nor the exercise of the powers provided in this Mortgage will render the Mortgagee a mortgagee in possession. Any money spent and liabilities incurred by the Mortgagee in taking any such actions will be added to the principal amount, will bear interest at the Mortgage Rate from the date so spent or incurred, will be immediately due and payable by the Mortgagor to the Mortgagee, and will be secured by this Mortgage.

32.9 Notwithstanding any other provisions herein it is understood and agreed by the Mortgagor that upon the occurrence of an Event of Default, the whole of the principal sum hereby secured together with interest thereon at the Mortgage Rate, interest on overdue interest, the full amount of all legal fees on a solicitor and solicitor's own client full indemnity basis, disbursements, costs, charges and expenses incurred by the Mortgagee and all other monies owing or secured under this Mortgage will, at the option of the Mortgagee, immediately become due and be paid and the Mortgagee may exercise any and all rights, remedies, powers and privileges under this Mortgage or under any other Credit Document, or afforded by applicable law, or otherwise available to the Mortgagee.

33. PAYMENT OF LIENS

33.1 The Mortgagor covenants and agrees that the Mortgagee will have the right to:

33.1.1 pay any liens or claims of lien in respect of the Lands whether to the lien claimant or into court in order to obtain a discharge of such liens or claims of lien (without taking or defending any action or proceedings to

determine the validity of any lien or claim of lien or the rights or priorities of any lien claimants to or under any such liens or claims of lien); and

33.1.2 pay the Taxes, charges or encumbrances upon the Lands and premiums for insurance and mortgage or any other tax imposed, or that may be imposed on the Mortgagee in respect to the Lands or this Mortgage or monies hereby secured.

33.2 The amounts so paid pursuant to paragraph 33.1 above and also all costs, charges and expenses including the full amount of all legal fees on a solicitor and solicitor's own client full indemnity basis, disbursements, costs, charges and expenses incurred by the Mortgagee which may be incurred before, when or after action is commenced in collecting, procuring or enforcing payment of any of the monies in default hereunder or in any way enforcing or protecting the security of this Mortgage or enforcing any of the Terms of this Mortgage, or travelling expenses of the Mortgagee, the Mortgagee's servants and agents, and commissions on collection of rent, which may be incurred in the taking, recovering and keeping possession of the Lands or in inspecting the same and generally in any other measures or proceedings taken to realize or collect the monies hereby secured or to perfect the title of the Lands and also all monies paid and expenses incurred by the Mortgagee in connection with the application for this Mortgage loan and in the preparation and perfection of this Mortgage security and in the satisfaction of any charge on the Lands will be secured by the charge hereby granted on the Lands in favour of the Mortgagee and be payable forthwith by the Mortgagor to the Mortgagee with interest at the Mortgage Rate until paid and in default the power of sale hereby given will be exercisable in addition to all other remedies of the Mortgagee. In the event of the monies hereby advanced or any part thereof being applied to the payment of any liens or claims of lien, charges or encumbrances, the Mortgagee will stand in the position and be entitled to all equities of the Person or Persons so paid off, provided that if any liens or claims of lien, charges or encumbrances are filed or recorded against the Lands which may be prior to or for which priority may be claimed over the charge created on the Lands by this Mortgage or any monies advanced or secured under this Mortgage, then upon the filing or recording of any such liens or claims of lien, charges or encumbrances the whole of the principal sum hereby secured together with interest thereon at the Mortgage Rate, interest on overdue interest, the full amount of all legal fees on a solicitor and solicitor's own client full indemnity basis, disbursements, costs, charges and expenses incurred by the Mortgagee and all other monies owing or secured under this Mortgage will, at the option of the Mortgagee, immediately become due and be paid without any action or proceedings to determine the rights and priorities of such liens or claims of lien, charges and encumbrances and the Mortgagee may exercise all remedies to enforce this Mortgage unless the Mortgagor gives and delivers to the Mortgagee within such time as the Mortgagee may from time to time limit such security or monies as the Mortgagee may require from time to time to secure the payment of any such liens or claims of lien, charges and encumbrances and to indemnify the Mortgagee against the payment thereof.

34. OTHER RIGHTS OF THE MORTGAGEE

34.1 The Mortgagor covenants that the Mortgagee may, but will be under no obligation to, at such time or times as the Mortgagee deems necessary and without the

concurrence of the Mortgagor or any other Person make such arrangements for the repairing, finishing and putting in order of the Lands, including, without limitation, such repairs, replacements and improvements as are necessary so that the Mortgagor and the Lands comply with Environmental Laws, and for inspecting, maintaining, leasing, collecting the rents of and managing generally the Lands as the Mortgagee deems expedient and all reasonable costs, charges and expenses including an allowance for the time and services of the Mortgagee, the Mortgagee's servants or agents and any other Person or Persons appointed for the above purposes including, without limitation, the full amount of all legal fees on a solicitor and solicitor's own client full indemnity basis, disbursements, costs, charges and expenses incurred by the Mortgagee, will be payable forthwith to the Mortgagee and be a charge upon the Lands and bear interest at the Mortgage Rate until paid.

34.2 The Mortgagor further covenants with the Mortgagee that the Mortgagee may, without any order or direction of the Mortgagor, pay to contractors, subcontractors, materialmen, labourers and other Persons supplying or having a claim for work, services and/or materials supplied in and about the construction, repairing, altering or replacing of the Property or any part thereof on the Lands, any monies due to them for work, services and/or materials, out of the monies being advanced by the Mortgagee under this Mortgage or the Mortgagee may pay for the work, services and/or materials and add all monies so paid to the principal owing under this Mortgage, but nothing herein contained obligates the Mortgagee to pay or advance or continue to pay or advance any such monies after the Mortgagee has paid or advanced any such monies under this Mortgage.

34.3 The Mortgagee may at the Mortgagee's discretion at all times release any part or parts of the Lands or any other security for the monies hereby secured either with or without any consideration therefor and without being accountable for the value thereof or for any monies except those actually received by the Mortgagee and without thereby releasing any other of the Lands or any of the covenants herein contained.

35. BANKRUPTCY AND INSOLVENCY ACT

35.1 The Mortgagor hereby acknowledges and agrees that the security held by the Mortgagee is not all or substantially all of the inventory, accounts receivable or other property of the Mortgagor acquired for or used in relation to any business carried on by the Mortgagor. The Mortgagor hereby further acknowledges and agrees that notwithstanding any act of the Mortgagee by way of appointment of any Person or Persons for the purposes of taking possession of the Lands as agent on behalf of the Mortgagor or otherwise or by taking possession of the Lands itself pursuant to any rights that the Mortgagee may have with respect thereto will not constitute the Mortgagee or any such Person, a receiver within the meaning of subsection 243(2) of the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**"), and that any and all requirements of Part XI of the BIA as it may pertain to obligations of receivers will not be applicable to the Mortgagee with respect to the transaction pursuant to which this Mortgage has been given or with respect to enforcement of this Mortgage or any other security held by the Mortgagee. The Mortgagor hereby acknowledges and agrees that no action will lie against the Mortgagee as a receiver and manager or otherwise for any loss or damage arising from non-compliance with any obligations of a receiver pursuant to the provisions of the BIA

whether or not the Mortgagee had reasonable grounds to believe that the Mortgagor was not insolvent.

35.2 The Mortgagor further acknowledges and agrees that any and all costs as may be incurred from time to time by the Mortgagee in order to effect compliance or avoid any adverse ramifications of the BIA will be entirely for the account of the Mortgagor. The Mortgagee will be entitled to incur any such costs, including any costs of its personnel in administering any requirements of the BIA and to add the same to the indebtedness owing pursuant hereto and the same will be secured hereunder and under any and all security held by the Mortgagee for the indebtedness owing to the Mortgagee in the same manner and in the same priority as the principal secured hereunder.

36. INDEMNIFICATION

36.1 The Mortgagor hereby agrees to indemnify and save harmless the Mortgagee, its officers, agents, trustees, employees, contractors, licensees or invitees from and against any and all losses, damages, injuries, expenses, suits, actions, claims and demands of every nature and kind whatsoever and howsoever arising out of the provisions of the Commitment and the other Credit Documents, any letters of credit or letters of guarantee issued, sale or lease of the Lands and/or the use or occupation of the Lands including, without limitation, those arising from the right to enter the Lands from time to time and to carry out the various tests, inspections, management and other activities permitted by the Commitment and the other Credit Documents.

36.2 In addition to any liability imposed on the Mortgagor under any instrument evidencing or securing the indebtedness hereunder, the Mortgagor will be liable for any and all of the Mortgagee's costs, expenses, damages or liabilities, including, without limitation, all reasonable legal fees, directly or indirectly arising out of or attributable to the use, generation, storage, release, threatened release, discharge, disposal or presence on, under or about the Lands of any hazardous or noxious substances. The Mortgagor will be further bound by the representations, warranties and indemnity set out herein.

36.3 The representations, warranties, covenants and agreements of the Mortgagor set forth in this paragraph 36:

36.3.1 are separate and distinct obligations from the Mortgagor's other obligations;

36.3.2 survive the payment and satisfaction of its other obligations and the discharge of the security from time to time taken as security therefor;

36.3.3 are not discharged or satisfied by foreclosure of the charges created by any of the security; and

36.3.4 will continue in effect after any transfer of the Lands including, without limitation, transfers pursuant to foreclosure proceedings (whether judicial or non-judicial) or by any transfer in lieu of foreclosure.

37. NON-MERGER

The Mortgagor's and each Guarantor's obligations as contained in the Commitment and the other Credit Documents will survive the execution and registration of this Mortgage and all advances under this Mortgage, and the Mortgagor agrees that those obligations will not be deemed to be merged in the execution and registration of this Mortgage. All terms and conditions of this Mortgage and other security documentation will be deemed to be incorporated in and form part of the Commitment, except to the extent provided for herein. In the event of conflict between the terms of the Commitment and this Mortgage, the terms of the Commitment will prevail.

38. NOTICES

All notices or other communications to be given pursuant to or in connection with this Mortgage will be in writing, signed by the party giving such notice or by its solicitors, and will be personally delivered or sent by registered mail or facsimile transmission to the party or parties intended at its or their respective addresses for service as set out in this Mortgage. The date of receipt of such notice or demand, if served personally or by facsimile, will be deemed to be the date of the delivery thereof, or if mailed as aforesaid, the date of mailing thereof. For the purposes hereof, personal service on the Mortgagor or any Guarantor will be effectively given by delivery to any officer, director or employee of such Mortgagor or Guarantor. Any party may from time to time by notice given as provided herein change its address for the purpose of this provision.

39. CONSENT OF MORTGAGEE

Whenever the Mortgagor is required by this Mortgage to obtain the consent or approval of the Mortgagee, it is agreed that, subject to any other specific provision contained in this Mortgage to the contrary, the Mortgagee may give or withhold its consent or approval for any reason that it may see fit in its sole and absolute discretion, and the Mortgagee will not be liable to the Mortgagor in damages or otherwise for its failure or refusal to give or withhold such consent or approval, and all costs of obtaining such approval will be for the account of the Mortgagor.

40. DISCHARGE

40.1 The Mortgagee will have a reasonable period of time after payment in full of the monies hereby secured within which to prepare and execute a discharge of this Mortgage; and interest as aforesaid will continue to run and accrue until actual payment in full has been received by the Mortgagee; and all legal and other expenses for the preparation and execution of such discharge will, together with the Mortgagee's fee for providing same, be borne by the Mortgagor. The discharge will be prepared and executed by such Persons as are specifically authorized by the Mortgagee and the Mortgagee will not be obligated to execute any discharge other than a discharge which has been so authorized.

40.2 If this Mortgage, the Commitment or any other document provides for the giving of partial discharges of this Mortgage, it is agreed that, notwithstanding any other provision to the contrary, the Mortgagor will not be entitled to request or receive any such partial discharge if and for so long as the Mortgagor is in default under this Mortgage, the Commitment or any other Credit Document.

41. SERVICING FEES

All servicing fees as herein provided are intended to and will be in an amount sufficient in the sole opinion of the Mortgagee to compensate the Mortgagee for its administrative costs and will not be deemed a penalty. The amount of such servicing fees if not paid will be added to the principal amount secured hereunder, and will bear interest at the rate aforesaid and the Mortgagee will have the same rights with respect to collection of same as it does with respect to collection of principal and interest hereunder or at law.

42. LEASES

The Mortgagor covenants with the Mortgagee to keep, observe and perform and to require all tenants to keep, observe and perform all of the covenants, agreements, provisos, terms, conditions and provisions of any present or future leases, subleases and tenancy agreements of any portion of the Lands on their respective parts to be kept, observed and performed and in case the Mortgagor neglects or refuses to do so, then the Mortgagee may perform and comply with or require performance and compliance by the tenants with any of the covenants, agreements, provisos, terms, conditions and provisions of such leases, subleases and tenancy agreements and any sums expended by the Mortgagee in performance or compliance therewith or in enforcing such performance or compliance by the tenants, including, without limitation, the full amount of all legal fees on a solicitor and solicitor's own client full indemnity basis, disbursements, costs, charges and expenses incurred by the Mortgagee, will bear interest from the date of such expenditures at the Mortgage Rate and be paid by the Mortgagor to the Mortgagee upon demand and will be a part of the mortgage debt secured hereby and recoverable as such in all respects.

42.1 The Mortgagor hereby covenants with the Mortgagee that unless the Mortgagee will have otherwise agreed with the Mortgagor in writing the Mortgagor will not execute nor deliver any new leases, subleases or tenancy agreements with or in favour of any tenants unless such tenants will agree in writing with the Mortgagor as a condition of any lease, sublease or tenancy agreement to enter into agreements with the Mortgagee, or any *bona fide* purchaser therefrom, to the effect that, upon the written request and at the sole discretion of the Mortgagee, or any *bona fide* purchaser therefrom, such tenants will preserve their respective leases, subleases or tenancy agreements for the respective terms thereof and any extensions or renewals thereof which may be effective in accordance with any option therefor or otherwise, and that they will attorn to the Mortgagee or such bona fide purchaser in the event of a foreclosure or other legal proceedings which might otherwise result in the loss or cancellation or termination of any such leases, subleases or tenancy agreements.

42.2 The Mortgagor covenants with the Mortgagee that the Mortgagor will not, subsequent to the execution of this Mortgage, execute or deliver any mortgage, debenture or financial encumbrance charging the Lands, or any part thereof, which is or may be subordinate hereto unless the Mortgagor first obtains from the owner of such mortgage, debenture or financial encumbrance an agreement in writing to continue to recognize any present or future tenants, leases, subleases, and tenancy agreements of or pertaining to the Lands, or any part thereof, which the Mortgagee herein requires to be recognized or preserved in the event of foreclosure, even after a foreclosure by the owner of any such mortgage, debenture or financial encumbrance for the balance of the terms of the respective

leases, subleases or tenancy agreements and any extensions or renewals thereof which may be effected in accordance with any option therefor or otherwise.

42.3 The Mortgagor covenants with the Mortgagee that the Mortgagor will not request, obtain or permit the subordination or postponement of any lease, sublease or tenancy agreement to any mortgage, debenture or other financial encumbrance registered subsequent to this Mortgage without the prior written consent of the Mortgagee hereunder.

42.4 The Mortgagor covenants with the Mortgagee that the Mortgagor will not lease or agree to lease all or any part of the Lands except at a rent, on terms and conditions and to tenants which are not less favourable or desirable to the Mortgagor than those which a prudent landlord would expect to receive for the premises to be leased.

43. LEASEHOLD MORTGAGE

43.1 If the Lands comprise the interest of the Mortgagor in and to a lease, agreement to lease, tenancy, right of use or occupation or licence of the Lands (collectively, the "**Lease**") the charge created by this Mortgage will include the unexpired term of the Lease and any renewal thereof from the date of this Mortgage except the last day thereof, and the mortgage and charge created hereby will be by way of sub-demise and the Mortgagor will stand possessed of the last day of the term or any renewal term of the Lease in trust for the Mortgagee, and will sell and assign the last day of the term or any renewal term as the Mortgagee may direct, but subject to the same right of redemption and other rights as are hereby given to the Mortgagor. Nothing in this section nor the acts of the Mortgagor or Mortgagee contemplated by this section will constitute the Mortgagee as a mortgagee in possession.

43.2 The Mortgagor releases to the Mortgagee all claim and right to the Lease and assigns to the Mortgagee the full benefit of all covenants, rights and powers contained in the Lease subject to the same right of redemption as granted by the Terms of this Mortgage.

43.3 The Mortgagor represents, warrants and covenants that:

43.3.1 the Mortgagor will pay the rent due under the Lease and observe all promises, covenants and obligations contained in the Lease and will not commit any acts or default which may cause the Lease to be forfeited or determined and agrees to indemnify the Mortgagee for all actions, claims and demand in respect of the said rent, promises, covenants and obligations;

43.3.2 the Lease is valid and subsisting and the Mortgagor has not done, omitted or permitted anything to be done which would cause the Lease to become in any way impaired or invalid;

43.3.3 the Mortgagor has a good and valid right to assign and sublet the Lease and has obtained the consent of the lessor to the extent required under the Lease;

43.3.4 the Mortgagor will not, during the continuance of this Mortgage, surrender or terminate the Lease or permit any amendments of the terms of the Lease or otherwise deal with or assign the Lease other than as allowed herein;

43.3.5 a default under the Lease will be an Event of Default; and

43.3.6 reference in this Mortgage to charges payable will include all taxes, assessments, rates, costs payable by the Mortgagor under the Lease.

44. ASSIGNMENT OF RENTS

44.1 For good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by the Mortgagor), and in order to induce the Mortgagee to make the loan secured by this Mortgage, and as additional security for the payment of principal and interest owing under this Mortgage and the observance and performance of all of the Terms of this Mortgage, the Mortgagor hereby assigns, transfers, sets over and grants to the Mortgagee any and all rents or other moneys (herein collectively called the "**Rents**") due or accruing due or at any time hereafter to become due under any and all leases, agreements to lease and tenancy agreements whether written or verbal, now or hereafter existing, with respect to the Lands (herein collectively called the "**Leases**") and all benefits and advantages to be derived from the Leases, and all guarantees of and security for payment of amounts due under the Leases and all covenants of the tenants, guarantors, covenantors and indemnifiers therein contained, and the right to collect and receive payment of the Rents, together with all the right, title and interest of the Mortgagor, as landlord, in the Leases and any renewals thereof and options to lease or purchase, if any therein contained, to have and to hold and to receive the same unto the Mortgagee, its successors and assigns, until the whole of the principal sum, interest and other costs, charges and moneys owing under this Mortgage have been fully paid and satisfied and all obligations and covenants of the Mortgagor under this Mortgage have been duly performed and satisfied.

44.2 The Mortgagor hereby covenants and agrees with the Mortgagee that:

44.2.1 The Mortgagor will be permitted to collect and receive the Rents as and when they will become due and payable according to the terms of the Leases, unless and until there will be default made in any payment provided for in this Mortgage or any security collateral hereto or until the breach of any covenant on the part of the Mortgagor contained in this Mortgage or any security collateral hereto in which case the Mortgagee may give notice in writing to the tenant, sub-tenant, occupier, licensee or guarantor advising of default. In such event the Mortgagor hereby irrevocably directs such tenant, sub-tenant, occupier, licensee or guarantor to make payments of the Rents to the Mortgagee or as the Mortgagee may direct, upon being furnished with a copy of this Mortgage and the aforesaid notice in writing, without any further direction or authority being required by such tenant, sub-tenant, occupier, licensee or guarantor.

44.2.2 Upon the occurrence of an Event of Default, the Mortgagee, its successors or assigns at its or their option and without further consent thereto by the Mortgagor or any subsequent owner of the Lands, may enter in and upon the Lands and take possession thereof and collect the Rents thereof, and do every act and thing that such Mortgagor or any subsequent owner of the Lands might or could do.

44.2.3 Neither the execution and delivery of this Mortgage, including the Assignment contained in paragraph 44 hereof (herein called the "**Assignment**"), nor anything done by virtue hereof will render the Mortgagee in possession or in any way accountable or liable as such, nor will the Mortgagee be or be deemed to be, or to have assumed the status of a landlord by virtue of the Assignment or of anything done by virtue hereof.

44.2.4 Nothing herein contained will be deemed to have the effect of making the Mortgagee, its successors and assigns, responsible for the collection of the Rents or any part or parts thereof or for the observance or performance of any of the covenants, terms or conditions either by the Mortgagor or the respective tenants or sub-tenants under the Leases to be observed and performed.

44.2.5 The Mortgagee will be liable to account only for such moneys as may actually come into its hands by virtue of the Assignment, less proper collection fees and charges, including legal fees on a solicitor and solicitor's own client full indemnity basis, and such moneys when so received by the Mortgagee will be applied on account of the moneys secured by this Mortgage, provided that the Mortgagee will not be responsible for any act or default of any agent employed by the Mortgagee for the collection of the Rents or for the care of or dealing with the Lands.

44.2.6 The giving of the Assignment is by way of additional and equal ranking security for the moneys secured by the mortgage of the Lands granted pursuant to paragraph 3.1 hereof and not in substitution for or in satisfaction of the same and that this mortgage of the Lands or any other security collateral hereto will not be merged thereby and in case of default in any of the provisions of any security for the said moneys loaned, including, without limitation, the Assignment, proceedings may be taken under either the mortgage of the Lands or any security collateral thereto, including the Assignment, or all or any of them in any order, at the sole option and discretion of the Mortgagee.

44.2.7 The Mortgagor will not, without the consent in writing of the Mortgagee, accept prepayment of any of the Rents due or to accrue due in respect of the Leases, or any of them, but will accept payment thereof only in the amounts and on the days and at the times and in the manner stipulated in the Leases.

44.2.8 The Mortgagor will not, without the consent in writing of the Mortgagee, assign, pledge, or hypothecate any of the Leases or the Rents, or any

part thereof, other than to the Mortgagee and will not do or omit to do or permit any act to be done which either directly or indirectly has the effect of waiving, releasing, reducing or abating any rights or remedies of the Mortgagor or obligations of any other party thereunder or in connection therewith without the consent in writing of the Mortgagee.

44.2.9 The Assignment will be deemed to apply to and have effect in respect of any further or other lease, renewal of lease, agreement for lease or tenancy agreement of the Lands (including any addition to or extension of the Lands) or any part or parts thereof which may exist during the currency of this Mortgage, whether in substitution for or in addition to the original Leases.

44.2.10 Should the Mortgagee in its absolute discretion deem it advisable to take proceedings, either judicial or extra-judicial by way of distress or otherwise for the enforcement of the payment of the Rents herein assigned, the Mortgagor will join with the Mortgagee in such proceedings and does hereby grant to the Mortgagee irrevocable authority to joint the Mortgagor in such proceedings.

44.2.11 There is or has been no default, right of set-off, previous assignment (except to the Mortgagee), commutation or prepayment of, or with respect to, the Rents, and that the Mortgagor will not, without the consent in writing of the Mortgagee, permit any cancellation, surrender or variation of any of the Leases or of the terms, covenants, provisos, or conditions thereof.

44.2.12 The Mortgagor will from time to time on demand furnish to the Mortgagee a current list of all of the Leases and the Rents in such detail as the Mortgagee may reasonably require.

44.2.13 The Mortgagor will at the request of the Mortgagee from time to time give any other party to any of the Leases notice of the Assignment or any specific assignment of any of the Leases and will obtain from such other party acknowledgements of such notice, such notice and acknowledgement to be in the forms delivered to the Mortgagor by the Mortgagee.

44.2.14 The Mortgagor will execute such further assurances as may be reasonably required by the Mortgagee from time to time to perfect the Assignment.

45. FURTHER ASSIGNMENT OF RENTS AND SECURITY AGREEMENT

45.1 The Mortgagor covenants and agrees with the Mortgagee that:

45.1.1 The Mortgagor will, at the request of the Mortgagee, forthwith execute and deliver to the Mortgagee a general assignment of rents and leases and a specific assignment of rents and leases with respect to all leases and tenancies of any or all parts of the Lands, such assignment or assignments to be in favour of the Mortgagee, in form and content

acceptable to the Mortgagee and to constitute the only assignment of rents and leases of the Lands other than the Assignment granted pursuant to paragraph 44 of the Terms of this Mortgage, and the Mortgagor will pay on demand to the Mortgagee the full amount of all legal fees, disbursements, costs, charges, registration fees and other expenses incurred by the Mortgagee in the preparation, registration and renewal of registration of the said assignments from time to time.

45.1.2 The Mortgagor will, at the request of the Mortgagee, forthwith execute and deliver to the Mortgagee such security agreements as the Mortgagee may require from time to time in order to create in favour of the Mortgagee a valid, enforceable and perfected security interest in all present and future property, assets, rights and undertaking in which the Mortgagor now or hereafter has any interest and located on, arising from, relating to or in connection with the Lands or any part thereof (herein collectively called the "**Collateral**"), such security agreements to be in favour of the Mortgagee, in form and content acceptable to the Mortgagee and to constitute at all times a valid first mortgage, charge and security interest in the Collateral, and the Mortgagor will pay on demand to the Mortgagee the full amount of all legal fees, disbursements, costs, charges, registration fees and other expenses incurred by the Mortgagee in the preparation, registration and renewal of registration of the said security agreements and security interests from time to time.

46. STRATA TITLE PROVISIONS

46.1 The Mortgagor covenants and agrees with the Mortgagee that if the Lands or any part thereof charged by this Mortgage are a strata lot or strata lots or are at any time subdivided into a strata lot or strata lots under the provisions of the *Strata Property Act* (British Columbia) and any amendments thereto or any statute enacted in replacement thereof (herein called "***Strata Property Act***") then and in such event:

46.2 The Mortgagor will observe and perform all the covenants, agreements, provisos, terms, conditions and provisions required to be observed and performed under or pursuant to this Mortgage, the *Strata Property Act*, and any bylaws, rules and regulations that may be passed by the strata corporation of which the Mortgagor is a member by virtue of his interest in the strata lot or lots hereby charged (herein called the "**Strata Corporation**") or any special interest section thereof.

46.3 The Mortgagor will pay on or before the due dates thereof the share of common expenses and each and every assessment, contribution or levy made by the Strata Corporation or any special interest section thereof against the strata lot or lots and interest in the common property hereby charged. In the event that the Mortgagor fails to pay the share of the common expenses or fails to pay any one or more assessments, contributions or levies on or before their due date, or in the event that the Strata Corporation or any special interest section thereof registers a certificate in Form B of the Schedule to the *Strata Property Act* in any Land Title Office, such event will constitute an Event of Default under this Mortgage and at the option of the Mortgagee, the whole of the principal balance, interest, costs and

charges then owing hereunder will forthwith become due and be paid. Should the Mortgagor fail to pay the share of any common expenses, assessments, contributions or levies, the Mortgagee may make the payments but will not be obliged to do so. Any amount so paid by the Mortgagee will be added to and form part of the principal owing hereunder and that amount together with the interest thereon will be paid to the Mortgagee forthwith without demand.

46.4 The Mortgagor will provide to the Mortgagee within ten (10) days of demand by the Mortgagee a certificate in Form A of the Schedule to the *Strata Property Act* certifying that no moneys are owing to the Strata Corporation by the Mortgagor.

46.5 The Mortgagor will not without the prior written consent of the Mortgagee:

46.5.1 assign any of the Mortgagor's rights, powers, duties or obligations under the *Strata Property Act* or the bylaws created under the *Strata Property Act*; or

46.5.2 give possession of the strata lot or lots hereby charged to any person on the basis of an agreement providing for the purchase of the strata lot or lots hereby charged by the occupier or on the basis of a lease, sublease or assignment of lease for a term of three years or more.

46.6 The Mortgagor hereby grants to the Mortgagee all the right and power to vote conferred on the Mortgagor by the *Strata Property Act*, but it is agreed that neither this provision nor anything done by virtue thereof will render the Mortgagee a Mortgagee in possession. The Mortgagor hereby acknowledges receipt of written notice that the Mortgagee intends to exercise its power to vote on any matters relating to insurance, maintenance, finance or other matters affecting the security for the Mortgage hereby granted, and the Mortgagor agrees that no additional notice need be given to the Mortgagor to permit the Mortgagee to exercise the right and power to vote conferred on the Mortgagor in respect of such matters. It is understood that the Mortgagor may at any duly called meeting of the Strata Corporation of which the Mortgagee has received written notice, exercise the right to vote on the aforesaid matters if the Mortgagee is not, by its authorized representative, agent or proxy, present at such meeting.

46.7 The right and power to vote granted herein to the Mortgagee does not impose upon the Mortgagee any duty or obligation whatsoever to protect the interest of the Mortgagor, and the Mortgagee will not be responsible for the consequences of any exercise of the right to vote or any failure to exercise the right to vote.

46.8 Pursuant to the *Strata Property Act*, the Mortgagor hereby authorizes in writing the Mortgagee or any officer of the Mortgagee to apply at any time and from time to time during the term hereof to the Strata Corporation to have the bylaws for the time being in force governing the strata lot and interest in the common property hereby mortgaged made available for inspection by the Mortgagee or such officer of the Mortgagee.

46.9 Pursuant to the *Strata Property Act*, the Mortgagor hereby authorizes in writing the Mortgagee or any officer of the Mortgagee to apply at any time and from time to

time to the Strata Corporation for certification to the Mortgagee of the following, and hereby authorizes the Strata Corporation to give such certifications:

46.9.1 the amount of any contribution determined as the contribution of the Mortgagor under the *Strata Property Act*;

46.9.2 the manner in which the contribution is payable;

46.9.3 the extent to which the contribution has been paid;

46.9.4 the amount of any money expended by the Strata Corporation on behalf of the Mortgagor under the *Strata Property Act* and not recovered by it;

46.9.5 the amount, if any, by which the expenses of the Strata Corporation for the current fiscal year are expected to exceed the expenses budgeted for the fiscal year;

46.9.6 the amount of the contingency reserve fund;

46.9.7 that there are no amendments to the bylaws not filed in the Land Title Office other than those certified;

46.9.8 that no notices have been given for a unanimous or special resolution that has not been voted on, other than those certified; and

46.9.9 that there are no pending proceedings against the Strata Corporation of which the Strata Corporation is aware other than those certified.

46.10 The Mortgagor hereby appoints the Mortgagee to be the Mortgagor's agent to examine, inspect and obtain copies of any and all records, minutes, books of account or other documents of any nature and kind whatsoever which the Mortgagor is entitled to examine or inspect.

47. NO PREPAYMENTS

Save and except as otherwise provided for in the Commitment or any schedule to a specific charge, the Mortgagor will have no right to prepay all or any part of the amount outstanding under this Mortgage prior to the maturity date thereof.

48. NO PARTIAL DISCHARGES

Save and except as otherwise provided for in the Commitment or any schedule to a specific charge, the Mortgagor will have no right to obtain a partial discharge(s) of this Mortgage.

49. ABANDONMENT

In the event of abandonment of the Project for a period in excess of fifteen (15) consecutive days, the Mortgagee will be entitled, after giving the Mortgagor written notice of any abandonment and provided the Mortgagor fails to rectify same within ten (10) days after such notice, has been given, to forthwith withdraw and cancel its obligations hereunder and/or decline to advance further funds as the case may be and in addition to

declare any funds advanced to forthwith become due and payable plus interest all at the Mortgagee's option.

50. MISCELLANEOUS

50.1 The Mortgagor covenants and agrees with the Mortgagee that any payments under this Mortgage, whether of principal, interest or other sums received by the Mortgagee after 12:00 p.m. (Vancouver, British Columbia time) on any day will be deemed to have been received by the Mortgagee and credited to the Mortgagor's account under this Mortgage on the next following business day of the Mortgagee in Toronto, Ontario.

50.2 No extension of time given by the Mortgagee to the Mortgagor or to anyone claiming under the Mortgagor or any other dealing by the Mortgagee with the owner of the equity of redemption of the Lands will in any way affect or prejudice the rights of the Mortgagee as against the Mortgagor or any covenantor, guarantor, surety, or any other person liable for the payment of the moneys hereby secured.

50.3 Until the occurrence of an Event of Default hereunder the Mortgagor will have quiet possession of the Lands, but nothing herein contained will create the relationship of landlord and tenant between the Mortgagee and the Mortgagor.

50.4 The Mortgagor agrees that this Mortgage secures a current or running account and any portion of the principal amount of this Mortgage may be advanced or re-advanced by the Mortgagee in one or more instalments at any future date or dates and the amount of such advances and re-advances when so made will be secured by this Mortgage and be repayable with interest at the Mortgage Rate and this Mortgage is deemed to be security for the ultimate balance of moneys advanced hereunder together with interest, costs and other charges, if any. This Mortgage will not be considered to have been redeemed only because the advances and readvances made to the Mortgagor have been repaid or the accounts of the Mortgagor with the Mortgagee cease to be in debit.

50.5 The Mortgagee's rights of consolidation will be deemed not to be diminished or limited in any way by Section 31 of the *Property Law Act* (British Columbia) and any amendments thereto or provisions enacted in replacement thereof.

50.6 The provisions of the Commitment and the Guarantee which are not expressly restated herein or in any collateral or other security documentation which is to be executed and delivered to the Mortgagee by the Mortgagor or any Guarantor or guarantor, will survive the execution and registration of this Mortgage and there will be no merger of such provisions in this Mortgage or the collateral or other security documents, until the Mortgagor and the Mortgagee, by an appropriate instrument in writing so declare. If there will exist any conflict between the terms of the Commitment and the Terms of this Mortgage, then the terms of the Commitment govern and take precedence. It is understood and agreed that a default under the terms of the Commitment or any other Credit Document will constitute an Event of Default under this Mortgage and will entitle the Mortgagee to exercise all of its rights and remedies contained in this Mortgage and the other Credit Documents.

50.7 The Mortgagor covenants and agrees with the Mortgagee that:

50.7.1 the Mortgagor will pay all costs, charges and expenses incurred in enabling the Mortgagor's title to the Lands to be registered in the Land Title Office and in the preparation and registration of this Mortgage, which costs, charges and expenses will become payable forthwith and be a charge upon the Lands and bear interest at the Mortgage Rate until paid and the Mortgagee upon the payment of the principal moneys or part thereof will have the right to prepare the release of this Mortgage from the Lands or any portion of the Lands and the costs, charges and expenses, legal or otherwise, of the preparation of such release will be paid by the Mortgagor before such release is delivered to the Mortgagor; and

50.7.2 the Mortgagor will pay, and indemnify the Mortgagee in respect of the full amount of all fees, costs, charges and expenses including the full amount of all legal fees on a solicitor and solicitor's own client full indemnity basis, disbursements, costs, charges and expenses which may be incurred by the Mortgagee before or after action is commenced in collecting, procuring or enforcing payment of any of the moneys in default under this Mortgage or in any way enforcing or protecting the security of this Mortgage or enforcing any of the Terms of this Mortgage, travelling expenses of the Mortgagee, the Mortgagee's servants and agents and commissions on collection of rent, which may be incurred in the taking, recovering and keeping possession of the Lands or in inspecting the same and generally in any other measures or proceedings taken to realize or collect the moneys hereby secured or to perfect the title of the Lands, all of which such amounts will be a charge on the Lands in favour of the Mortgagee and will be payable forthwith by the Mortgagor to the Mortgagee with interest at the Mortgage Rate until paid and in default of payment, the Mortgagee may exercise any and all remedies of the Mortgagee under this Mortgage or otherwise available to the Mortgagee. The Mortgagor hereby irrevocably consents and agrees to an award of legal costs and expenses on a solicitor and solicitor's own client full indemnity basis by any court under Section 20 of the *Law and Equity Act* (British Columbia), as amended, or any provision enacted in replacement therefor, in any foreclosure proceeding in respect of this Mortgage.

50.8 The Mortgagor and the Mortgagee acknowledge and agree that it is their express intention and desire that in no event will the total payment to the Mortgagee whether for interest, fees, bonus, additional consideration or otherwise exceed the maximum payment permitted under Section 347 of the Criminal Code (Canada), as amended, or any provision enacted in replacement therefor, and the parties further acknowledge and agree that notwithstanding any other terms or conditions of this Mortgage or any additional security documents or agreements, the interest payable on the credit advanced under this Mortgage (as "interest" and "credit advanced" are defined in Section 347 of the Criminal Code (Canada), as amended, or any provision enacted in replacement therefor), will not exceed an effective annual rate of interest of sixty (60%) percent calculated in accordance with generally accepted actuarial practices and principles. In the event that the

Mortgagor would, but for this clause, be obligated to pay interest on the credit advanced under this Mortgage at a criminal rate (as "interest", "credit advanced" and "criminal rate" are defined in Section 347 of the Criminal Code (Canada), as amended, or any provision enacted in replacement therefor), the interest payable on the credit advanced hereunder will be reduced to an effective annual rate of sixty (60%) percent, calculated in accordance with generally accepted actuarial practices and principles, firstly by reducing to the extent necessary the amount of any bonus payable hereunder, secondly (if required) by reducing to the extent necessary the amount of fees or commissions or other consideration other than interest payable hereunder, and thirdly (if required) by reducing to the extent necessary the Mortgage Rate. In the event that the Mortgagor has paid to the Mortgagee interest at a criminal rate on the credit advanced under this Mortgage (as "interest", "credit advanced" and "criminal rate" are defined in Section 347 of the Criminal Code (Canada), as amended, or any provision enacted in replacement therefor), the Mortgagee will at the request of the Mortgagor refund to the Mortgagor an amount equal to the amount by which such interest exceeds the criminal rate. The provisions of this Mortgage will be modified and are deemed to be modified to the extent necessary to effect the foregoing.

51. GENERAL (DOCUMENT/DRAFTING ISSUES)

51.1 The implied covenants deemed to be included in a mortgage under column 2 of section 15 of Schedule 6 of the *Land Transfer Form Act*, R.S.B.C. 1996 c.252 (as amended from time to time), are expressly excluded and replaced by the Terms of this Mortgage.

51.2 If the Mortgagor consists of more than one Person, then the covenants herein contained of the Mortgagor will be and be deemed to be several as well as joint.

51.3 Paragraph titles are inserted in the Terms of this Mortgage for convenience only and are not to be taken into account or looked at for the purpose of interpreting and giving full effect to the true meaning and intent of this Mortgage.

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

51.5 This Mortgage will be governed by and construed in accordance with the laws of the Province of British Columbia.

51.6 All grants, covenants, provisos, agreements, rights, powers, privileges and liabilities contained in this Mortgage are to be read and held as made by, with, granted to and imposed upon the parties hereto and their respective heirs, executors, administrators, successors and assigns as if the words had been inscribed in all the necessary places.

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

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

52. AMENDMENT AND RESTATEMENT

This Mortgage amends and restates the mortgage and assignment of rents registered on May 13, 2025 under registration numbers CB2038554 and CB2038555, granted by the Mortgagor to and in favour of the Mortgagee (the "**Original Mortgage**") and shall be read and construed accordingly. Notwithstanding the foregoing or any other term hereof, all of the covenants, representations and warranties on the part of the Mortgagor under the Original Security Agreement and all of the claims and causes of action arising against the Mortgagor thereunder in respect of all matters, events, circumstances and obligations arising or existing prior to the date of this Mortgage shall continue, survive and shall not be merged in the execution of this Mortgage and such covenants, representations and warranties under the Original Mortgage shall be deemed for all purposes to be the representations, warranties and covenants of the Mortgagor hereunder with respect to any time prior to the date of this Mortgage and any such claims or causes of action prior to the date of this Mortgage shall be deemed for all purposes to be claims and causes of action against the Mortgagor hereunder. The parties hereto acknowledge and agree that (a) this Mortgage and the other agreements, documents and instruments executed and delivered in connection herewith do not constitute a novation or termination of the obligations and liabilities of the Mortgagor under the Original Mortgage as in effect prior to the date hereof and (b) such obligations and liabilities are in all respects continuing in full force and effect (as amended and restated hereby) with only the terms thereof being modified as provided in this Mortgage.

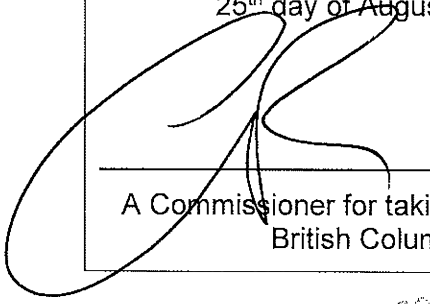
53. COUNTERPARTS

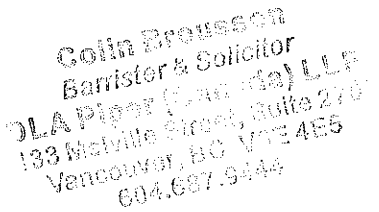
The Mortgage may be executed and/or registered in counterparts, each of which, so executed, and/or registered will be deemed to be an original and such counterparts together will constitute one and the same instrument, and notwithstanding their date of execution will be deemed to bear date as of the date above written.

End Of Document

This is **Exhibit "O"** referred to in the 1st Affidavit of Raymond Ng sworn before me at Vancouver, British Columbia, on this 25th day of August, 2025.

A Commissioner for taking Affidavits for British Columbia





BENEFICIAL CHARGE AGREEMENT AND NOMINEE DIRECTION

Dated for reference May 5, 2025

TO: **1319188 B.C. LTD.** (the "**Nominee**")

AND TO: **SHAPE CAPITAL CORP.**

The undersigned, **Keltic (River Garden) Development Ltd.** (the "**Beneficial Owner**"), for valuable consideration (the receipt and sufficiency of which are hereby acknowledged), hereby:

1. represents and warrants to Shape Capital Corp. on behalf of TS Alpha Venture Limited Partnership (collectively, the "**Lender**") that:

   (a) the Nominee holds title to the real property (the "**Real Property**") described in Schedule A hereto as trustee for the Beneficial Owner pursuant to the terms of the amended and nominee agreement dated as of **December 7, 2021** (the "**Trust Declaration**") between the Nominee and the Beneficial Owner, a true, correct and complete copy of which Trust Declaration is attached hereto as **Schedule B**;

   (b) some or all of the personal property (the "**Personal Property**") attached to, located at, or arising from, the Real Property, or otherwise relating to the Real Property or the construction, development, furnishing, operation or sale of the Project (as such term is defined in the Commitment dated November 24, 2022 provided by the Lender to, Keltic (Prior) Development Limited Partnership and amended by letter agreements dated December 20, 2024 and December 31, 2024, a Supplement to Commitment dated February 18, 2025, a Second Supplement to Commitment dated March 31, 2025 and a Third Supplement to Commitment dated May 2, 2025 (collectively, the "**Commitment**"), may be held by the Nominee as trustee for the Beneficial Owner;

   (c) the Beneficial Owner is the sole beneficial owner of the Real Property and the Personal Property and no other person other than the following has any interest, legal or equitable, in the Real Property or any part thereof:

      (i) the Nominee;

      (ii) the Beneficial Owner;

      (iii) the Lender; and

      (iv) any other person with any interest registered against title to the Real Property in the Land Title Office;

   (d) the Nominee has full power, capacity and authority to hold the Real Property and any Personal Property held by it as trustee for the Beneficial Owner and to mortgage and charge the Real Property and to assign the rents arising from the Real Property in favour of the Lender pursuant to the terms of a mortgage (the "**Mortgage**"), to grant a security interest in any and all Personal Property held by

it to the Lender pursuant to the terms of a security agreement (the "**Security Agreement**"), and to execute such other documents and instruments as may be required by the Lender;

(e) the Nominee is not carrying on a business that is a trust business as defined in Section 1(1) of the *Financial Institutions Act* of British Columbia;

2. irrevocably authorizes and directs the Nominee, together with the Beneficial Owner, to guarantee obligations of Keltic (Prior) Development Limited Partnership under the Commitment in respect of the Borrower's May Aggregate Equity and the Work In Progress Facility, as defined in the Commitment;

3. as security for, *inter alia*, the payment and performance of all obligations, debts and liabilities of the Beneficial Owner and the Nominee in connection with the guarantee entered into by the Nominee and the Beneficial Owner dated May 5, 2025 in respect of the Borrower's May Aggregate Equity and the Work In Progress Facility as defined in the Commitment (such obligations, debts and liabilities collectively referred to as the "**Indebtedness**"), irrevocably authorizes, directs and empowers the Nominee:

(a) to grant, mortgage and charge to and in favour of the Lender all of the legal and beneficial estate, right, title, interest and claim of each of the Beneficial Owner and the Nominee in and to the Real Property, and to grant, execute and deliver to the Lender the Mortgage;

(b) to assign to the Lender all rents and other money (collectively, the "**Rents**") due or accruing due under or pursuant to each and every present and future, written or unwritten lease, agreement for lease, tenancy agreement, licence, concession, franchise and right of use or occupancy of the Real Property or any part thereof and in any and all guarantees and indemnities (collectively, the "**Guarantees**") with respect thereto; and

(c) to execute and deliver to the Lender such other documents and instruments as the Lender may require;

4. agrees that:

(a) the Mortgage shall be in the form attached as Schedule C hereto; and

(b) the Security Agreement shall be in such form as may be agreed to by the Lender and executed by the Beneficial Owner;

5. adopts as its own covenants, agreements, representations and warranties each and every covenant, agreement, representation and warranty contained in the Mortgage on the part of the Nominee to be observed, performed and made and hereby covenants and agrees with the Lender to observe, perform and make and to cause the Nominee to observe, perform and make each and every such covenant, agreement, representation and warranty;

6. in addition to and without limiting section 5, covenants that, upon the occurrence of an Event of Default (as defined in the Mortgage) it shall direct and compel the Nominee to act in accordance with the instructions of the Lender and to take all steps, as required by

the Lender, in its sole discretion, in connection with any enforcement proceedings commenced by the Lender under the Mortgage;

7. for greater certainty and as further security for the payment and performance of the Indebtedness, HEREBY:

(a) GRANTS, MORTGAGES AND CHARGES as and by way of a fixed and specific mortgage and charge to and in favour of the Lender all of its estate, right, title, interest and claim in and to the Real Property and all buildings, erections, improvements, fixed apparatus, fixed equipment, fixed machinery and fixed plant now or at any time hereafter construed, erected, installed or located thereon, including any other or greater right, title or interest and claim therein or thereto or in or to any part thereof which it may acquire and hold during the currency of the Mortgage after the date hereof; PROVIDED that this mortgage and charge shall be on the same terms and conditions as are contained in the Mortgage and shall be void upon the payment and satisfaction in full of the Indebtedness and all other debts and liabilities secured by the Mortgage; and

(b) ASSIGNS to the Lender on the same terms and conditions as are contained in the Mortgage all of its estate, right, title, interest and claim in and to all Rents and Guarantees until payment and satisfaction in full of the Indebtedness and all other debts and liabilities secured by the Mortgage.

EXECUTED this _____ day of May, 2025.

Beneficial Owner:

KELTIC (RIVER ~~GARDED~~ GARDEN) DEVELOPMENT LTD.

By: _____
Name:
Title:

By: _____
Name:
Title:

Nominee:

1319188 B.C. LTD.

By: _____
Name:
Title:

By: _____
Name:
Title:

SCHEDULE A
REAL PROPERTY

(PID)	(Legal Description)
004-919-521	Lot 119 Section 6 Block 4 North Range 6 West New Westminster District Plan 55678
004-919-718	Lot 117 Except: Part Road On Plan Lmp11314, Section 6 Block 4 North Range 6 West New Westminster District Plan 52092
004-919-742	Lot 116 Except: Part Dedicated Road On Plan Lmp11314, Section 6 Block 4 North Range 6 West New Westminster District Plan 49857
004-919-556	Lot 120 Except: Parcel 1 (Bylaw Plan Lmp11412), Section 6 Block 4 North Range 6 West New Westminster District Plan 55678

SCHEDULE B
NOMINEE AGREEMENT

(see attached)

NOMINEE AGREEMENT

THIS AGREEMENT is made effective as of December 7, 2021

BETWEEN:

KELTIC (RIVER GARDEN) DEVELOPMENT LTD.

(the "**Principal**")

AND:

1319188 B.C. LTD.

(the "**Nominee**")

WHEREAS:

A. By an offer to purchase made as of August 24, 2021, as assigned by an assignment and assumption agreement made as of November 17, 2021, as amended by a first amendment to offer to purchase made effective as of November 29, 2021, as amended by a second amendment to offer to purchase made effective as of December 3, 2021, and as further amended, supplemented, assigned and/or otherwise modified from time to time (the "**Purchase Agreement**"), between the Principal, as purchaser, and 2725312 Canada Inc. (the "**Vendor**"), as vendor, the Purchaser agreed to purchase, and the Vendor agreed to sell and convey to the Purchaser, amongst other things:

(i) a fee simple interest in the lands and premises located at 5900 No. 2 Road, and 6191, 6311, and 6751 Westminster Highway, Richmond, B.C., and legally described in Schedule A hereto (the "**Freehold Lots**"); and

(ii) a leasehold interest (the "**Leasehold Interest**", and together with the Freehold Lots, the "**Assets**") in the lands and premises located at 6651 Elmbridge Way, Richmond, B.C., and legally described in Schedule B hereto (the "**Leasehold Lot**");

on the terms and conditions contained in the Purchase Agreement; and

B. The Nominee has agreed to hold registered title to the Freehold Lots, and registered Leasehold Interest in the Leasehold Lot, as nominee, agent and bare trustee for the Principal.

NOW THEREFORE THIS AGREEMENT WITNESSES that for consideration of the sum of $1.00, the receipt of which is hereby accepted and acknowledged, the parties covenant and agree as follows:

1. **Appointment.** The Principal hereby confirms the appointment of the Nominee as its nominee, agent and bare trustee to hold legal title to the Assets for and on behalf of the Principal in accordance with this Agreement, with full power to manage and deal with the Assets and execute any instrument, document or encumbrance in

respect of the Assets for the sole benefit and account of the Principal, all at the direction of the Principal as principal and beneficial owner and strictly in accordance with this Agreement, and the Nominee hereby confirms its acceptance of such appointment.

2. **Nominee, Agent and Bare Trustee.** The Nominee hereby acknowledges and agrees that the Nominee holds and will hold the legal title to the Assets as nominee, agent and bare trustee for the sole benefit and account of the Principal as principal and beneficial owner and the Nominee will have no equitable or beneficial interest in the Assets, and the equitable and beneficial interest in the Assets will be vested solely and exclusively in the Principal.

3. **Benefits Accrue to Principal.** The Nominee acknowledges and agrees that any benefit, interest, profit or advantage arising out of or accruing from the Assets is and will continue to be a benefit, interest, profit or advantage of the Principal and if received by the Nominee will be received and held by the Nominee for the sole use, benefit and advantage of the Principal and the Nominee will account to the Principal for any money or other consideration paid to or to the order of the Nominee in connection with the Assets as directed in writing by the Principal.

4. **Nominee to Act on Direction of Principal.** The Nominee agrees that it will, upon the direction of the Principal, deal with the Assets and do all acts and things in respect of the Assets at the expense of and as directed by the Principal from time to time and will assign, transfer, convey, lease, mortgage, pledge, charge, or otherwise deal with the Assets or any portion thereof at any time and from time to time in such manner as the Principal may determine, to the extent permitted under all relevant laws; without limiting the generality of the foregoing, the Nominee will transfer legal title to the Assets to or as directed by the Principal forthwith upon the written demand of the Principal.

5. **Authority of Nominee.** The Nominee acknowledges and agrees that:

   (a) the Nominee will, upon and in accordance with the direction of the Principal, act as the agent of the Principal, as undisclosed principal, in respect of any matter relating to the Assets or the performance or observance of any contract or agreement relating to the Assets;

   (b) acting under this Agreement at the direction of the Principal, the Nominee will have the full right and power to execute and deliver, under seal and otherwise, any transfer, deed, statement of adjustments, plan, lease, sublease, easement, right of way, license, restrictive covenant, building scheme, release or other instrument or document pertaining to the Assets without delivering proof to any person (including, without limitation, any other party to any such instrument or document or the Registrar of any Land Title Office) of its authority to do so and any person may act in reliance on any such instrument or document and for all purposes any such instrument or document will be binding on the Principal;

(c) acting under this Agreement at the direction of the Principal, the Nominee will have the full right and power to borrow money from time to time and to covenant to repay money borrowed by the Principal either alone or with others from time to time and to secure the repayment of any and all indebtedness and liabilities with respect to any amounts so borrowed by the grant of any charge or encumbrance (both fixed and floating) on, or security interest in, the Assets or any part thereof, by way of debenture, mortgage, assignment of rents, assignment of sale proceeds, security agreement or other instrument or document without delivering proof to any person (including, without limitation, any other party to any such instrument or document or the Registrar of any Land Title Office) of its authority to do so and any person may act in reliance on any such instrument or document and for all purposes any such instrument or document will be binding on the Principal;

(d) the Nominee will not deal with the Assets in any way or execute any instrument, document or encumbrance in respect of the Assets without the prior consent or direction of the Principal; and

(e) the Nominee will notify the Principal forthwith upon receipt by the Nominee of notice of any matter or thing in respect of the Assets or any portion thereof, including, without limitation, in respect of any tax, lien, charge or encumbrance in respect of the Assets.

6. **Reimbursement of Expenses.** Any payments or disbursements made by the Nominee in respect of the Assets in accordance with this Agreement will be made as the agent of and for the account of the Principal, as principal, and the Principal will reimburse the Nominee for any amount reasonably and properly expended by the Nominee in connection with the Assets with the consent or direction of the Principal. The Nominee will not be entitled to any remuneration or any revenue or profit in respect of the Assets for acting as nominee, agent and bare trustee under this Agreement.

7. **Nominee's Representations.** The Nominee represents and warrants to the Principal that the Nominee is a company duly incorporated under the *Business Corporations Act* (British Columbia) and neither carries on nor intends to carry on a business that is a trust business as defined in the *Financial Institutions Act* (British Columbia).

9. **Indemnity by Principal.** The Principal 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 or dealing with the Assets as directed by the Principal from time to time, except to the extent that the same results from a dishonest, fraudulent or negligent act or omission of the Nominee or its employees or agents.

10. **Notices.** Any notice given pursuant to or in connection with this Agreement will be in writing and delivered personally to the party for whom it is intended to be addressed at the address of such party last known to the other party.

11. **Further Assurances.** The Nominee will perform all such other acts and things and execute all such other documents as are necessary or desirable in the reasonable opinion of the Principal to evidence or carry out the terms or intent of this Agreement.

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

13. **Governing Law.** This Agreement and all matters arising hereunder will be governed by and construed in accordance with the laws of British Columbia, which will be deemed to be the proper law hereof, and the courts of British Columbia will have the 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.

14. **No Waiver.** No failure or delay on the part of any party in exercising any right, power or privilege under this Agreement will operate as a waiver thereof, nor will any single or partial exercise of any right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege. Except as may be limited herein, any party may, in its sole discretion, exercise any and all rights, powers, remedies and recourses available to it under this Agreement or any other remedy available to it and such rights, powers, remedies and recourses may be exercised concurrently or individually without the necessity of making any election.

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

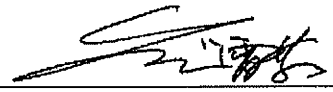
16. **Enurement.** This Agreement will enure to the benefit of and be binding upon the respective successors, legal representatives and assigns of the parties.

17. **Counterparts.** This Agreement may be executed in counterparts, including in Portable Document Format (PDF) or any other electronic signature complying with applicable law (e.g. www.docusign.com), each of which shall be deemed as an original and all counterparts together shall constitute a single document, and delivery of an executed version of this document by electronic transmission is deemed to be valid and effective.

[Remainder of page left blank intentionally; signature page follows]

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

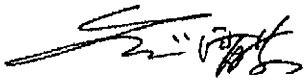
KELTIC (RIVER GARDEN) DEVELOPMENT LTD.

Per: 
Authorized Signatory

Per: _____
Authorized Signatory

I/We have authority to bind the corporation

1319188 B.C. LTD.

Per: 
Authorized Signatory

Per: _____
Authorized Signatory

I/We have authority to bind the corporation

SCHEDULE A
FREEHOLD LOTS

5900 No. 2 Road, Richmond, British Columbia

Parcel Identifier: 004-919-742,
Lot 116 Except: Part Dedicated Road On Plan LMP11314, Section 6 Block 4 North Range 6 West New Westminster District Plan 49857

6191 Westminster Highway, Richmond, British Columbia

Parcel Identifier: 004-919-718,
Lot 117 Except: Part Road On Plan LMP11314, Section 6 Block 4 North Range 6 West New Westminster District Plan 52092

6311 Westminster Highway, Richmond, British Columbia

Parcel Identifier: 004-919-521,
Lot 119 Section 6 Block 4 North Range 6 West New Westminster District Plan 55678

6751 Westminster Highway, Richmond, British Columbia

Parcel Identifier: 004-919-556,
Lot 120 Except: Parcel 1 (Bylaw Plan LMP11412), Section 6 Block 4 North Range 6 West New Westminster District Plan 55678

SCHEDULE B
LEASEHOLD LOT

6651 Elmbridge Way, Richmond, British Columbia

Parcel Identifier: 002-160-439,
Lot 107 Except: Part Subdivided By Plan 49439, Section 6 Block 4 North Range 6 West New Westminster District Plan 43886

SCHEDULE C
MORTGAGE

(see attached Form B and mortgage terms)

Land Title Act

Mortgage

Part 1 Province of British Columbia

1. Application

Westgrove Law Corporation
204-26 Bastion Square
Victoria BC V8W 1H9

2. Description of Land

PID/Plan Number	Legal Description
004-919-742	**LOT 116 EXCEPT: PART DEDICATED ROAD ON PLAN LMP11314, SECTION 6 BLOCK 4 NORTH RANGE 6 WEST NEW WESTMINSTER DISTRICT PLAN 49857**
004-919-718	**LOT 117 EXCEPT: PART ROAD ON PLAN LMP11314, SECTION 6 BLOCK 4 NORTH RANGE 6 WEST NEW WESTMINSTER DISTRICT PLAN 52092**
004-919-521	**LOT 119 SECTION 6 BLOCK 4 NORTH RANGE 6 WEST NEW WESTMINSTER DISTRICT PLAN 55678**
004-919-556	**LOT 120 EXCEPT: PARCEL 1 (BYLAW PLAN LMP11412), SECTION 6 BLOCK 4 NORTH RANGE 6 WEST NEW WESTMINSTER DISTRICT PLAN 55678**

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

1319188 B.C. LTD. BC1319188
#820 - 925 WEST GEORGIA STREET
VANCOUVER BC

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

SHAPE CAPITAL CORP. BC1181714
2020 ONE BENTALL CENTRE
505 BURRARD STREET, BOX 206
VANCOUVER BC V7X 1M6

5. Payment Provisions

Principal Amount	Interest Rate	Interest Adjustment Date
$30,000,000.00	**20% Per Annum**	**N/A**
Interest Calculation Period	Payment Dates	First Payment Date
Monthly, Not in Advance	**First Day of Each Month**	**N/A**
Amount of each periodic payment	Interest Act (Canada) Statement. The equivalent rate of interest calculated half yearly not in advance is	Last Payment Date
Interest Only	**N/A** % per annum	**On Demand**
Assignment of Rents which the applicant wants registered?	Place of payment	Balance Due Date
Yes	**Postal Address in Item 4**	**On Demand**

If yes, page and paragraph number:
Page 35 Paragraph 44

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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:

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

10. Additional or Modified Terms

11. Prior Encumbrances Permitted by Lender

N/A

12. Execution(s)

This mortgage charges the Borrower's interest in the land mortgaged as security for payment of all money due and performance of all obligations in accordance with the mortgage terms referred to in item 9 and the Borrower(s) and every other signatory agree(s) to be bound by, and acknowledge(s) receipt of a true copy of, those terms.

Witnessing Officer Signature	Execution Date	Borrower / Party Signature(s)
Kyra McGovern **Commissioner for Taking Affidavits for British Columbia** McCarthy Tétrault LLP Suite 2400 - 745 Thurlow Street Vancouver BC V6E 0C5	YYYY-MM-DD **2025-05-02**	**1319188 B.C. Ltd.** By their Authorized Signatory **Rui Wang** **Rachel Lei**

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.

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MORTGAGE TERMS – PART 2

1. DEFINED TERMS

Unless otherwise expressly defined or otherwise required by the context, the following words and phrases will have the following meanings when used in this Mortgage:

1.1 "**$**" means such currency of Canada which, as at the time of payment or determination, is legal tender in Canada for the payment of public or private debt;

1.2 "**Accounting Standard**" means (i) the International Financial Reporting Standards (IFRS); or (ii) generally accepted accounting principles (GAAP) as published in the "CICA Handbook" by the Canadian Institute of Chartered Accountants (as amended, replaced or republished from time to time) together with generally accepted industry standards from time to time;

1.3 "**Balance Due Date**" means the balance due date set forth in the Mortgage Form;

1.4 "**Commitment**" means the Commitment dated November 24, 2022 and accepted by Keltic (Prior) Development Limited Partnership and 1319188 B.C. Ltd. on November 30, 2022 as amended by letter agreements dated December 20, 2024 and December 21, 2024, a Supplement to Commitment dated February 18, 2025, a Second Supplement to Commitment dated March 31, 2025 and a Third Supplement to Commitment dated May 2, 2025 pursuant to which this Mortgage is provided, and all amendments and supplements thereto and renewals or replacements thereof from time to time;

1.5 "**Construction Project**" has the meaning given to it in paragraph 11.2;

1.6 "**Costs**" includes all costs, fees, charges and expenses of every nature and kind whatsoever incurred by the Mortgagee or paid by the Mortgagee to any other party in connection with the protection and preservation of the Lands or any other security held by the Mortgagee, or for the purpose of preserving and maintaining the enforceability and priority of this Mortgage and any such other security, or in connection with any and all demands and enforcement proceedings of every nature and kind made or carried out by or on behalf of this Mortgage under or pursuant to this Mortgage, and includes, without limitation, legal costs incurred by the Mortgagee on a solicitor and solicitor's own client full indemnity basis;

1.7 "**Credit Documents**" means, collectively, this Mortgage, the Commitment, each of the security documents referred to in Section 20 of the Commitment, any collateral covenant agreement, and all other agreements, instruments and documents delivered from time to time to the Mortgagee by the Mortgagor or any Guarantor, each as amended, restated, supplemented or replaced from time to time;

1.8 "**Default**" means any event or condition which, with the giving of notice, lapse or upon a declaration or determination being made (or any combination thereof), would constitute an Event of Default;

1.9 "**Environmental Laws**" means, in respect of any Person, property, transaction or event, all applicable laws, statutes, rules, by-laws and regulations, and all

applicable directives, orders, codes, judgments and decrees of Governmental Bodies, whether now in existence or hereafter arising, intended to regulate and/or protect the environment and/or any living thing and/or relating to Hazardous Substances;

1.10 "**Event of Default**" means any event set forth in paragraph 31 herein;

1.11 "**Governmental Body**" means any government, parliament, legislature, or any regulatory authority, bureau, tribunal, department, instrumentality, agency, commission or board of any government, parliament or legislature, or any court, and without limiting the foregoing, any other law, regulation or rule-making entity having or purporting to act under the authority of any of the foregoing (including, without limitation, any arbitrator) and "**Governmental Bodies**" means any one or more of the foregoing collectively;

1.12 "**Guarantee**" means the guarantee dated May 5, 2025 executed by the Mortgagor and Keltic (River Garden) Development Ltd. in respect of the Guaranteed Obligations as defined therein.

1.13 "**Guarantor**" means any party to this Mortgage expressly defined as such and any and all Persons who have directly, indirectly, as principal debtor or as surety covenanted to pay or guaranteed payment of the whole or any part of the amount or amounts secured by this Mortgage or which are owing under the loan facilities referred to in the Commitment or who have covenanted to perform or guaranteed performance by the Mortgagor of its obligations under this Mortgage or under the Commitment or under any security given in connection therewith;

1.14 "**Hazardous Substance** "means any hazardous or dangerous waste or substance, pollutant, contaminant, waste or other substance without limitation, whether solid, liquid or gaseous in form, which when released into the natural environment may, based upon reasonably authoritative information then available concerning such substance, immediately or in the future directly or indirectly cause material harm or degradation to the natural environment or to the health or welfare of any living thing and includes, without limiting the generality of the foregoing,

1.14.1 any such substance as defined or designated under any Environmental Laws;

1.14.2 asbestos, urea formaldehyde, poly-chlorinated byphenyl (PCB) and materials manufactured with or containing the same; and

1.14.3 radioactive and toxic substances,

and "**Hazardous Substances**" means any one or more of the foregoing collectively;

1.15 "**interest**" means interest at the Mortgage Rate on all principal, interest in arrears and other monies owed to the Mortgagee under this Mortgage;

1.16 "**Interest Adjustment Date**" means the interest adjustment date set forth in the Mortgage Form;

1.17 "**Interest Calculation Period**" means the period or periods for calculation of interest set forth in the Mortgage Form;

1.18 "**Lands**" means the lands set forth in the Mortgage Form, and includes the Property;

1.19 "**Mortgage**" means the Mortgage Form and this set of Mortgage Terms and all schedules attached to this Mortgage and all amendments thereto and replacements thereof from time to time;

1.20 "**Mortgagee**" means all Persons in whose favour this Mortgage is given and who is or are named in this Mortgage as mortgagee and the respective successors and assigns of such Persons;

1.21 "**Mortgagor**" means all Persons who have given this Mortgage and who have executed the same as mortgagor and the respective successors and assigns of such Persons;

1.22 "**Mortgage Form**" means that certain Form B under the Land Title (Transfer Forms) Regulation pursuant to which this set of Mortgage Terms is filed under, and all schedules and addenda attached thereto;

1.23 "**Mortgage Rate**" means the rate of interest set forth in the Mortgage Form;

1.24 "**Payment Date**" means each payment date specified in the Mortgage Form, commencing on the first payment date and continuing to and including the last payment date shown in the Mortgage Form;

1.25 "**Periodic Payment**" means a payment in the amount specified as the amount of each periodic payment in the Mortgage Form;

1.26 "**Permitted Encumbrances**" means any encumbrance, lien or charge from time to time disclosed by the Mortgagor to the Mortgagee and which is consented to in writing by the Mortgagee;

1.27 "**Person**" means an individual, sole proprietorship, partnership, joint venture, syndicate, association, trust, body corporate, a natural Person in its capacity as trustee, personal representative or other legal representative, the Crown or any agency or instrumentality thereof, and/or any other entity recognized by law;

1.28 "**principal**", "**principal amount**", "**principal monies**" and "**principal sum**" each mean the amount of money in lawful money of Canada set forth as the principal amount on the Mortgage Form as reduced by payments made by the Mortgagor from time to time, or increased by the advance or re-advance of money to the Mortgagor by the Mortgagee from time to time, and includes all money that is added to the principal sum under these Mortgage Terms;

1.29 "**Property**" means the property, tenements, hereditaments and appurtenances and any estate or interest therein described in this Mortgage, and all buildings and improvements now or hereafter situate or constructed thereon, and all easements, rights-of-way and other appurtenances thereto, and all structures, additions,

improvements, machinery, equipment, decorations and other fixtures of every nature and kind (whether or not affixed in law) attached thereto or placed, installed or erected thereon or used in connection therewith;

1.30 "**Receiver**" means any receiver, receiver and manager, receiver-manager or trustee of the Lands as may be appointed from time to time by the Mortgagee pursuant to the provisions of this Mortgage or by any court of competent jurisdiction;

1.31 "**Strata Corporation**" means each corporation created or continued pursuant to the *Strata Property Act* (British Columbia) and any amendments thereto or any statute enacted in replacement thereof and pertaining to all or any part of the Lands which are governed by the said Act;

1.32 "**Taxes**" means all taxes, rates, assessments, local improvement charges, levies, penalties and other charges imposed upon or in respect of the Lands by any Governmental Body having jurisdiction; and

1.33 "**Terms of this Mortgage**" means all of the covenants, agreements, provisos, terms, conditions, warranties, representations and provisions of this Mortgage, and the agreement of the Mortgagor set forth in item 12 of the Mortgage Form to be bound by the Mortgage Terms referred to in item 9 of the Mortgage Form will apply to all of the covenants, agreements, provisos, terms, conditions, warranties, representation and provisions of this Mortgage.

2. STATUTORY REFERENCES

Unless expressly stipulated or otherwise required by the context, all references in this Mortgage to any federal, provincial or municipal statute, regulation, by-law, order, directive or other governmental enactment will be deemed to be and construed as a reference to the same as amended or re-enacted from time to time.

3. GRANT AND PROVISOS

3.1 For good and valuable consideration (the receipt and sufficiency whereof is hereby acknowledged by the Mortgagor), the Mortgagor grants and mortgages the Lands to the Mortgagee, all of the right, title and interest of the Mortgagor in and to the Lands as security for the due payment of the principal sum and interest as herein provided and all other monies owing by the Mortgagor to the Mortgagee under this Mortgage and performance of the obligations under the Guarantee.

3.2 Provided that this Mortgage will be void upon satisfaction of all of the following:

3.2.1 payment to the Mortgagee at the address of the Mortgagee set out in the Mortgage Form or to such other address or such other party or parties as the Mortgagee may from time to time require of the principal sum, with interest thereon at the Mortgage Rate, to be calculated and compounded in accordance with the Interest Calculation Period, not in advance, both before and after maturity, both before and after default, and both before and after judgment, payable as follows:

(i) interest accruing from the respective dates of advance of the principal sum will be due and payable on the Interest Adjustment Date (provided however, the Mortgagee may deduct accrued interest from any advance of principal);

(ii) a Periodic Payment will be paid on each Payment Date; and

(iii) the unpaid balance of the principal sum, together with any accrued and unpaid interest and other costs, charges and monies owing hereunder will become due and be paid on the Balance Due Date; and

3.2.2 observance and performance of all of the Terms of this Mortgage and the other Credit Documents and the payment of the Taxes and of all other monies as herein provided.

3.3 It is agreed that all interest, as well upon principal as upon interest, will be compounded on the last day of each Interest Calculation Period and all such compounded interest will be a charge on the Lands.

3.4 It is further agreed that the Mortgagee will have the right to apply any sums paid to the Mortgagee under this Mortgage in or towards the payment of accrued interest, principal or any other monies owing hereunder as the Mortgagee may determine, notwithstanding that any such sums may have been paid to the Mortgagee on account of a different amount.

3.5 For the consideration aforesaid, the Mortgagor releases to the Mortgagee all of the Mortgagor's claims upon the Lands subject to the provisos set forth in paragraph 3.2 hereof.

4. ADVANCE OF FUNDS

The Mortgagor agrees that neither the preparation, execution nor registration of this Mortgage will bind the Mortgagee to advance the monies hereby secured, nor will the advance of a part of the principal sum herein bind the Mortgagee to advance any unadvanced portion thereof, but nevertheless the estate hereby charged will take effect forthwith upon the execution of this Mortgage by the Mortgagor, and the expenses of the examination of the title and of this Mortgage and valuation are to be secured hereby in the event of the whole or any balance of the principal sum herein not being advanced, the same to be charged hereby upon the Lands, and will be without demand thereof, payable forthwith with interest at the rate provided for in this Mortgage, and upon the occurrence of an Event of Default the remedies herein will be exercisable.

5. MORTGAGOR'S COVENANTS

5.1 The Mortgagor covenants with the Mortgagee that:

5.1.1 the Mortgagor will pay the principal sum herein and interest thereon at the Mortgage Rate, including compounded interest as herein provided and observe and perform the Terms of this Mortgage, and will pay as they fall

due all Taxes and when required by this Mortgage, will transmit the receipts therefor to the Mortgagee;

5.1.2 the Mortgagor will pay all amounts which are payable hereunder or which are capable of being added to the principal sum herein pursuant to the provisions of this Mortgage including, without limiting the generality of the foregoing, all servicing or other fees, costs or charges provided for herein; all insurance premiums; the amount paid for the supply of any fuel or utilities to the Lands; all costs, commissions, fees and disbursements incurred by the Mortgagee in constructing, inspecting, appraising, selling, managing, repairing or maintaining the Lands; all Costs incurred by the Mortgagee with respect to this Mortgage or incurred by the Mortgagee arising out, of or in any way related to this Mortgage; any amounts paid by the Mortgagee on account of any encumbrance, lien or charge against the Lands and any and all Costs incurred by the Mortgagee arising out of, or in any way related to, the Mortgagee realizing on its security by sale or lease or otherwise;

5.1.3 the Mortgagor has a good indefeasible title in fee simple to the Lands, without any trusts, reservations, limitations, provisos or conditions, except those contained in the original grant from the Crown, and has good right, full power and lawful and absolute authority to grant, mortgage and convey the Lands and to grant this Mortgage to the Mortgagee upon the terms contained therein;

5.1.4 the Mortgagor has not done, committed, executed or wilfully or knowingly suffered any act, deed, matter or thing whatsoever whereby or by means whereof the Lands, or any part or parcel thereof, is or will or may be in any way impeached, charged, affected or encumbered in title, estate or otherwise, except as the records of the land registry office disclose; and free from all financial encumbrances, except the Permitted Encumbrances;

5.1.5 the Mortgagor will execute such further documents, instruments and assurances as are required by the Mortgagee to give effect to the Terms of this Mortgage and to ensure that this Mortgage is valid security for all monies and obligations secured by this Mortgage; and

5.1.6 the Mortgagor will produce the title deeds and allow copies to be made at the expense of the Mortgagor.

6. COMPLIANCE WITH LAWS AND REGULATIONS

The Mortgagor will, in its ownership, operation and use of the Lands, promptly and at all times observe, perform, execute and comply with all laws, rules, requirements, orders, directions, ordinances and regulations of every Governmental Body having jurisdiction with respect to the same, and further agrees at its cost and expense to take any and all steps or make any improvements or alterations thereto, structural or otherwise, ordinary or extraordinary, which may be required at any time hereafter by any such present or future laws, rules, requirements, orders, directions, ordinances or regulations.

7. CHANGE OF USE

The Mortgagor will not change or permit to be changed the existing use or uses of the Lands without the prior written consent of the Mortgagee.

8. REPAIR

The Mortgagor will keep the Lands including the buildings, erections and improvements thereon in good condition and repair according to the nature and description thereof, and the Mortgagee may, whenever it deems necessary, enter upon and inspect the Lands, and the cost of such inspection will be added to the indebtedness secured hereunder, and if the Mortgagor neglects to keep the Lands in good condition and repair, or commits or permits any act of waste upon or abandons the Lands (as to which the Mortgagee will be sole judge) or removes or allows to be removed from the Lands, the Property or any portion thereof without prior written consent of the Mortgagee or upon discovery by the Mortgagee that any security for the indebtedness owing under this Mortgage is inadequate or breaches any of the Terms of this Mortgage, the principal sum herein together with interest at the Mortgage Rate, interest on overdue interest, the full amount of all legal fees on a solicitor and solicitor's own client full indemnity basis, disbursements, costs, charges and expenses incurred by the Mortgagee and all other monies owing and secured under this Mortgage will, at the option of the Mortgagee, forthwith become due and payable, and in default of payment thereof, the powers of entering upon and leasing or selling hereby given and all other remedies of the Mortgagee under this Mortgage as otherwise available to the Mortgagee may be exercised forthwith and the Mortgagee, upon five (5) days notice to the Mortgagor and in the event that the Mortgagor does not in such period cause and diligently proceed with such repairs, may make such repairs as it deems necessary, and the cost thereof with interest at the rate aforesaid will be added to the monies hereby secured and will be payable forthwith and be a charge upon the Lands prior to all claims thereon subsequent to this Mortgage.

9. ALTERATIONS OR ADDITIONS

The Mortgagor will not make or permit to be made any alterations or additions to the Lands without the prior written consent of the Mortgagee, which consent may be withheld in the Mortgagee's sole discretion or may be given only subject to compliance with such terms and conditions at the cost of the Mortgagor as the Mortgagee may impose.

10. LANDS INCLUDE ALL ADDITIONS

10.1 The Lands will include all structures and installations brought or placed on the Lands for the particular use and enjoyment thereof or as an integral part of or especially adapted for the buildings thereon whether or not affixed in law to the Lands including, without limiting the generality of the foregoing, piping, plumbing, electrical equipment or systems, aerials, refrigerators, stoves, clothes washers and dryers, dishwashers, incinerators, radiators and covers, fixed mirrors, fitted blinds, window screens and screen doors, storm windows and storm doors, shutters and awnings, floor coverings, fences, air conditioning, ventilating, heating, lighting, and water heating equipment, cooking and refrigeration equipment and all component parts of any of the foregoing and that the same will become fixtures and an accession to the freehold and a part of the realty.

10.2 The Mortgagor covenants and agrees that if this Mortgage is subject to one or more prior mortgages, agreements for sale or other charges or encumbrances (herein collectively called the "**Prior Mortgage**"), the Mortgagor will pay or cause to be paid as they become due all payments whether for principal, interest, Taxes or otherwise under or by virtue of the Prior Mortgage and will otherwise observe, perform and comply with the conditions, covenants, provisos, or agreements therein contained; and that any default thereunder will be deemed to be a default hereunder and entitle the Mortgagee to exercise any and all remedies available to the Mortgagee upon an Event of Default; and that the Mortgagee may make any payment or cure any default under the Prior Mortgage and any amount or amounts so paid together with all costs, charges, expenses and outlays of the Mortgagee thereby incurred, including the full amount of all legal fees on a solicitor and solicitor's own client full indemnity basis, disbursements, costs, charges and expenses incurred by the Mortgagee, will be added to the monies payable hereunder, bear interest at the Mortgage Rate from the date expended until paid, be payable with interest as aforesaid forthwith by the Mortgagor to the Mortgagee without demand and be a charge on the Lands and the Mortgagee will have the same rights and remedies to enforce payment thereof as the Mortgagee would have upon an Event of Default.

10.3 For the aforesaid consideration to the Mortgagor, without in any way affecting or releasing the Mortgagor's liability to the Mortgagee for the repayment of monies hereby secured, the Mortgagor does hereby assign, transfer and set over to the Mortgagee all right, title, claim, demand and interest whatsoever at law, or in equity, or otherwise to indemnification, express or implied, of and from the performance and observance of any and all of the Terms of this Mortgage (including without limitation, payment of any and all monies due under this Mortgage) by any purchaser of the Lands.

11. CONSTRUCTION LOAN

11.1 If this Mortgage is intended to finance any construction, alteration or addition, the Mortgagee may make advances of the principal amount to the Mortgagor based on the progress of construction and in its sole discretion the Mortgagee will decide whether or not any advances will be made, the amount of the advances and when the advances will be made.

11.2 In the event that all or any portion of the monies hereby secured would, with the consent of the Mortgagee, be used for any construction upon or renovation, alteration, addition or repair to any building or structure on the Lands subject to paragraph 11.1, the Mortgagor will diligently proceed to complete construction in accordance with the plans and specifications approved by the Mortgagee (the "**Construction Project**") and will forthwith provide to the Mortgagee such information relating to the Lands and the construction as the Mortgagee may from time to time request. The Mortgagor will not make any material changes to the plans and specifications without the prior written consent of the Mortgagee. The Mortgagor will cause the Construction Project to be constructed in a good and workmanlike manner and in accordance with all applicable laws, including, without limitation, municipal by-laws and, without limitation, the Mortgagor will take all such steps as may be required to obtain an occupancy permit or equivalent permit or approval for the Construction Project from the applicable Governmental Bodies.

The Mortgagor will pay all expenses incurred by the Mortgagee in retaining any cost consultant with respect to the Construction Project. The Mortgagor will comply with the requirements of an Owner under the *Builders Lien Act* (British Columbia) and will, in particular, maintain any "**Holdback Account**" required to be maintained under such Act. Without in any way limiting any other rights and remedies of the Mortgagee, upon the occurrence of an Event Of Default, the Mortgagee, in addition to and not in substitution for any of its other rights and remedies, may take any one or more of the following actions:

11.2.1 enter upon the Lands and complete the Construction Project in accordance with plans and specifications approved by the Mortgagee with such further changes as the Mortgagee may deem appropriate in its sole discretion;

11.2.2 discontinue any work commenced, or change any course of action undertaken, by the Mortgagor in respect of the Lands or the Construction Project;

11.2.3 at the Mortgagee's option, enforce any construction contract made by the Mortgagor, and take over and use all or any part of the labour, materials, supplies, and equipment contracted for by the Mortgagor;

11.2.4 engage builders, contractors, architects, engineers, and other staff and trades as the Mortgagee considers necessary or desirable for the purpose of completing the Construction Project;

11.2.5 pay, settle, or compromise all bills and claims which may be or become liens (whether such liens are claims of builders liens or any other type of lien) against the Lands or any part thereof, provided that the Mortgagee will not be liable to the Mortgagor for the validity or correctness of any such claim or lien; and

11.2.6 generally, take or refrain from taking all such action in respect to the Construction Project as the Mortgagee in its sole discretion considers to be in its best interest for the purpose of preserving or enhancing the value of the Mortgagee's security.

11.3 The Mortgagor acknowledges and agrees that no steps taken by the Mortgagee to deal with the Mortgage as aforesaid will constitute or be deemed to be a waiver or condoning by the Mortgagee of the use of any monies secured by this Mortgage in contravention of the provisions contained herein, including, without limitation, any covenant or warranty by the Mortgagor that the purpose of the Mortgage is not to finance an improvement on the Lands.

11.4 The Mortgagor will be solely responsible to ensure the sufficiency of work done or to be done or material supplied or to be supplied to the Lands to justify the quantum of each advance made by the Mortgagee under the Commitment. Notwithstanding that the Commitment or any other Credit Document may provide that advances are to be made on a cost-to-complete basis or a similar basis, entitling the Mortgagee to refuse to advance where it is of the opinion that there is insufficient unadvanced funds to complete the contemplated construction, the Mortgagee will

not be responsible or liable to the Mortgagor or to anyone else where either there has been insufficient work done or material supplied to the Lands to warrant an advance, or that there are insufficient funds held back to complete the contemplated construction.

11.5 Where the Mortgagor retains the services of an engineer, or architect, or project supervisor or a similar professional construction expert, or combination of such Persons, the Mortgagee will be entitled but not obliged to rely upon such Person to instruct the Mortgagee as to the value of the work done or to be done or material supplied or to be supplied to the Lands, and the Mortgagee will have no liability whatsoever to the Mortgagor or to anyone else as a result of advances made by the Mortgagee relying in whole or in part upon such Person.

12. ENVIRONMENTAL WARRANTY AND INDEMNITY

12.1 The Mortgagor and each Guarantor jointly and severally represents, warrants, covenants and agrees that:

12.1.1 it has not, and to the best of its knowledge, information and belief after making due inquiry, no other Person has caused or permitted any Hazardous Substance to be placed, discharged, stored, located or disposed of, on, under, at or near the Lands nor to be released from the Lands except in accordance with Environmental Laws;

12.1.2 the Lands have never been used as a land fill site, waste disposal site or coal gasification site, or to store Hazardous Substances either above or below ground in storage tanks, pipes, conduits or otherwise;

12.1.3 it and, to the best of its knowledge, information and belief after making due inquiry, the tenants, invitees and all other occupiers of the Lands have at all times carried out all business and other activities upon the Lands in strict compliance with all Environmental Laws;

12.1.4 it will at all times carry out all business and other activities upon the Lands in strict compliance with all Environmental Laws, and it will at all times take all necessary measures to ensure that those for whom it is liable in law will also at all times carry out all business and other activities upon the Lands in strict compliance with all Environmental Laws.

12.1.5 to the best of its knowledge, information and belief after making due inquiry, the use and occupation of the Lands have at all times been in strict compliance with all Environmental Laws;

12.1.6 no notice, order, stop work order, inspection file, investigation, directive, enforcement action, regulatory action, suit, claim, action, proceeding or charge relating to any Hazardous Substance or to a breach or non-compliance with any Environmental Laws has been issued by any Governmental Body with respect to it or the Lands, or is otherwise threatened to be issued;

12.1.7 it will provide the Mortgagee with full and complete copies of all communications received from time to time from all Governmental Bodies with respect to the Lands;

12.1.8 it will provide to the Mortgagee on request and from time to time, information with respect to the status of the environmental matters referred to herein and will complete and deliver, on request, the Mortgagee's standard form of report, if any, on environmental matters;

12.1.9 the representations and warranties contained in this paragraph 12 are true and accurate in all respects as of the date of the first advance made pursuant to this Mortgage, and such representations and warranties will remain true and accurate in all respects and will survive the release and discharge of this Mortgage and the repayment and satisfaction of the indebtedness secured by this Mortgage; and

12.1.10 the Mortgagee may delay or refuse to make any advance to the Mortgagor if the Mortgagee believes that any of the representations and warranties set out in this Warranty and Indemnity are not presently true and accurate or if such representations and warranties have become untrue or inaccurate at any time hereafter.

12.2 The Mortgagor hereby agrees to permit the Mortgagee to conduct, at the Mortgagor's sole expense, from time to time as required, any and all tests, inspections, appraisals and environmental audits of the Lands so as to determine and ensure continuing compliance with the provisions of this paragraph 12 including, without limitation, the right to conduct soil tests and to review and copy any records relating to the Lands and/or to the businesses and other activities conducted thereon.

12.3 The Mortgagor agrees to indemnify and save fully and completely harmless the Mortgagee and its officers, directors, employees, agents and shareholders from and against any and all losses, damages, demands, claims, actions, charges, orders, directives, undertakings, costs, legal fees on a solicitor and solicitor's own client full indemnity basis and expenses, of every nature and kind, whatsoever and howsoever, which at any time or from time to time may be paid by, or incurred by, or suffered by, or asserted against, any of them as a direct or indirect result of:

12.3.1 a breach of any of the representations, warranties or covenants hereinbefore set out;

12.3.2 the presence of any Hazardous Substance in, on, under or about the Lands;

12.3.3 the breach of any Environmental Laws; and/or

12.3.4 the discharge, emission, release, spill or disposal of any Hazardous Substance from the Lands into or upon any land, the atmosphere, any watercourse, body of water or wetland or any other property.

12.4 The representations, warranties, covenants, acknowledgments and indemnifications set out in this paragraph 12 will survive the release and discharge of this Mortgage and of any other security held by the Mortgagee and the repayment and satisfaction of the indebtedness secured by this Mortgage.

13. INSPECTION

The Mortgagee will have access to and the right to inspect the Lands at all reasonable times.

14. TAXES

14.1 The Mortgagor covenants and agrees with the Mortgagee that:

14.1.1 the Mortgagee may deduct from any advance of the monies secured by this Mortgage an amount sufficient to pay all Taxes which have become due and payable during any calendar year;

14.1.2 the Mortgagee may at its sole option estimate the amount of the Taxes payable in each year and the Mortgagor will forthwith upon demand of the Mortgagee pay to the Mortgagee one-twelfth (1/12) of the estimated annual amount of such Taxes on the 1st day of each and every month during the term of this Mortgage commencing with the 1st day of the first full month of the term of this Mortgage. The Mortgagee may at its option apply such payments to the Taxes so long as the Mortgagor is not in default under any of the Terms of this Mortgage, but nothing herein contained will obligate the Mortgagee to apply such payments on account of Taxes more often than yearly. Provided however, that if the Mortgagor will pay any sum or sums to the Mortgagee to apply on account of Taxes, and if before such payments have been so applied by the Mortgagee, there will be default by the Mortgagor in respect of any payment of principal or interest as herein provided, the Mortgagee may at its option apply such sum or sums in or towards payment of the principal, interest or interest and principal in default. If the Mortgagor desires to take advantage of any discounts or avoid any penalties in connection with the payment of Taxes, the Mortgagor may pay to the Mortgagee such additional amounts as are required for that purpose;

14.1.3 in the event that the Taxes actually charged in a calendar year, together with any interest and penalties thereon, exceed the amount estimated by the Mortgagee as aforesaid, the Mortgagor will pay to the Mortgagee, on demand, the amount required to make up the deficiency. The Mortgagee may at its option, pay any of the Taxes when payable, either before or after they are due, without notice, or may make advances therefore in excess of the then amount of credit held by the Mortgagee for Taxes. Any excess amount advanced by the Mortgagee will be secured as an additional principal sum under this Mortgage and will bear interest at the rate as provided for in this Mortgage until repaid by the Mortgagor. The Mortgagor will repay to the Mortgagee all Taxes which the Mortgagee has paid in respect of the Lands and repay to the Mortgagee all other property outlays not covered by any other covenant herein;

14.1.4 the Mortgagor will transmit to the Mortgagee all assessment notices, tax bills and other notices pertaining to the imposition of Taxes forthwith after receipt thereof;

14.1.5 the Mortgagor will pay to the Mortgagee, in addition to any other amounts required to be paid hereunder, the amount required by the Mortgagee in its sole discretion for a reserve on account of future liability for Taxes;

14.1.6 in no event will the Mortgagee be liable for any interest on any amount paid to it on account of Taxes and the monies so received may be held with its own funds pending payment or application thereof as herein provided; provided that in the event that the Mortgagee does not utilize the funds received on account of Taxes in any calendar year, such amount or amounts may be held by the Mortgagee on account of any pre-estimate of Taxes required for the next succeeding calendar year, or at the Mortgagee's option, the Mortgagee may repay such amount to the Mortgagor without any interest;

14.1.7 the Mortgagor will in all instances be responsible for the payment of any and all penalties resulting from any arrears of Taxes or any late payment of current instalments thereof, and at no time will such penalties be the responsibility of the Mortgagee; and

14.1.8 in the event the Mortgagee does not collect payments on account of Taxes as aforesaid, the Mortgagor will deliver to the Mortgagee within thirty (30) days following the due date for each instalment of Taxes written evidence from all taxing authorities having jurisdiction to the effect that the then current instalment of Taxes and all other Taxes due in respect of the then current calendar year and any preceding calendar years have been paid in full, failing which, the Mortgagee will be entitled to charge a servicing fee for each written inquiry directed to such taxing authorities or the Mortgagor for the purpose of ascertaining the status of the Taxes together with any costs payable to such taxing authorities for such information.

15. UTILITIES

The Mortgagor covenants and agrees that it will pay all utility and fuel charges related to the Lands as and when they are due and that the Mortgagor will not allow or cause the supply of utilities or fuel to the Lands to be interrupted or discontinued and that, if the supply of fuel oil or utilities is interrupted or discontinued, the Mortgagor will take all steps that are necessary to ensure that the supply of utilities or fuel is restored forthwith. It is specifically agreed that the failure to pay all fuel and utility charges as and when they are due or the interruption or discontinuing of the supply of fuel or utilities to the Lands will constitute an Event of Default within the meaning of this Mortgage and in addition to all other remedies provided for herein, the principal sum of this Mortgage will, at the sole option of the Mortgagee forthwith become due and payable.

16. INSURANCE

16.1 The Mortgagor covenants and agrees that it will insure and keep insured during the term of this Mortgage the buildings and other improvements on the Lands (now or hereafter erected) on the terms required by the Commitment and in any event on an all-risks basis in an amount of not less than the greater of the full replacement value of the buildings located thereon from time to time, or the principal money herein, with no co-insurance provisions and with the Mortgagee's standard mortgage clause forming part of such insurance policies as may be approved by the Insurance Bureau of Canada from time to time and a provision requiring thirty (30) days prior written notice by the insurer to the Mortgagee of cancellation, termination, material change or non-renewal of such policies.

16.2 In the event that the evidence of continuation of such insurance as herein required has not been delivered to the Mortgagee within the required time, the Mortgagee will be entitled to a servicing fee for each written inquiry which the Mortgagee will make to the insurer or the Mortgagor pertaining to such renewal (or resulting from the Mortgagor's non-performance of the within covenant). In the event that the Mortgagee pursuant to the within provision arranges insurance coverage with respect to the Lands, the Mortgagee, in addition to the aforenoted servicing fee, will be entitled to a further servicing fee for arranging the necessary insurance coverage.

16.3 In the event of any loss or damage, the Mortgagor will forthwith notify the Mortgagee in writing and notwithstanding any other provision to the contrary, statutory or otherwise, in the event of any monies becoming payable pursuant to any insurance policy herein required, the Mortgagee may, at its option, require the said monies to be applied by the Mortgagor in making good the loss or damage in respect of which the money is received, or in the alternative, may require that any or all of the monies so received be applied in or towards satisfaction of any or all of the indebtedness hereby secured whether or not such indebtedness has become due. No damage may be repaired nor any reconstruction effected without the approval in writing of the Mortgagee in any event. If the Mortgagor fails or neglects to complete and file a proper proof of loss with the insurance company within fifteen (15) days of the date of loss, the Mortgagee is hereby authorized to file a proof of loss with the insurance company on behalf of the Mortgagor and the Mortgagee is hereby released from all liability whatsoever to the Mortgagor as a result of filing such proof of loss. Any insurance moneys received may, at the option of the Mortgagee, be applied in rebuilding, reinstating or repairing the Property or be paid to the Mortgagor or any other Person appearing by the registered indefeasible title to be or to have been the owner of the Property or be applied or paid partly in one way and partly in another or it may be applied, in the sole discretion of the Mortgagee, in whole or in part in payment of the sums owing hereunder or any part thereof whether due or not then due. To ensure that the Mortgagee may apply the insurance monies in the manner provided above, the Mortgagor hereby assigns and releases to the Mortgagee all rights of the Mortgagor to receive the insurance monies and the Mortgagor expressly waives all the rights and benefits whatsoever of the Mortgagor under the *Insurance Act* (British Columbia) and the *Fire Prevention (Metropolis) Act*, 1774, and any amendments thereto, and under any statutes of British Columbia enacted in replacement of the said statutes.

16.4 The Mortgagor, upon demand, will transfer all policies of insurance provided for herein and the indemnity which may become due therefrom to the Mortgagee. The Mortgagee will have a lien for the indebtedness hereby secured on all the said insurance proceeds and policies, and may elect to have these insurance monies applied as it may deem appropriate, including payment of monies secured hereby, whether due or not, but the Mortgagee will not be bound to accept the said monies in payment of any principal not yet due.

17. REMITTANCE AND APPLICATION OF PAYMENTS

17.1 Subject to Section 20 and 21 herein, all payments of principal, interest and other monies payable hereunder to the Mortgagee will be payable at par in lawful money of Canada at the Mortgagee's address for service as set out in this Mortgage or at such other place as the Mortgagee will designate in writing from time to time. In the event that any of the monies secured by this Mortgage are forwarded to the Mortgagee by mail, payment will not be deemed to have been made until the Mortgagee has actually received such monies and the Mortgagor will assume and be responsible for all risk of loss or delay.

17.2 Notwithstanding anything herein to the contrary, upon the occurrence of an Event of Default, the Mortgagee may apply any payments received in whatever order the Mortgagee may elect as between principal, interest, realty taxes, insurance premiums, repairs, Costs and any other advances or payments made by the Mortgagee hereunder.

18. RECEIPT OF PAYMENT

Any payment received after 12:00 p.m. (Vancouver, British Columbia time) on any date will be deemed, for the purpose of calculation of interest to have been made and received on the next business day and the Mortgagee will be entitled to interest on the amount due it, to and including the date on which the payment is deemed by this provision to have been received.

19. NO DEEMED RE-INVESTMENT

Except in the case where this Mortgage provides for blended payments of principal and interest whether paid monthly or otherwise, the parties hereto agree that the Mortgagee will not be deemed to reinvest any monthly or other payments received by it hereunder.

20. PRE-AUTHORIZED CHEQUING PLAN OR AUTOMATIC ELECTRONIC PAYMENT

If and when required by the Mortgagee, all payments made under this Mortgage by the Mortgagor will be made by a pre-authorized cheque payment plan or pre-authorized automatic electronic payments under a pre-authorized debit agreement ("**PAD**") in the form required by the Mortgagee, all as approved by the Mortgagee. The Mortgagee will not be obligated to accept any payment other than payment made by pre-authorized cheque or electronic payments. Failure to make all payments by pre-authorized cheque or electronic payment will be an Event of Default within the meaning of this Mortgage and the Mortgagee will be entitled to pursue any and all of its remedies herein and/or at law as it may deem necessary at its option.

21. POSTDATED CHEQUES

The Mortgagor will, if and when required by the Mortgagee, deliver to the Mortgagee upon the first advance of monies hereunder or upon request and thereafter on each anniversary date thereof in each year for the duration of the term of this Mortgage, postdated cheques for the payments of principal, interest and estimated realty taxes required to be made herein during the twelve month period commencing on each such anniversary date. In the event of default by the Mortgagor in delivery to the Mortgagee of the postdated cheques as herein provided, an Event of Default within the meaning of this Mortgage will be deemed to have occurred and the Mortgagee will be entitled to pursue any and all of its remedies herein and/or at law as it may deem necessary at its option. In addition, the Mortgagee upon the Mortgagor's failure to deliver such postdated cheques as required hereunder will be entitled to a servicing fee for each written request that it makes to the Mortgagor for the purpose of obtaining such postdated cheques. Any step taken by the Mortgagee hereunder by way of a request for further postdated cheques will be without prejudice to the Mortgagee's rights hereunder to declare this Mortgage to be in default in the event that such postdated cheques are not delivered within the required time.

22. DISHONOURED CHEQUES

In the event that any of the Mortgagor's cheques are not honoured when presented for payment to the drawee, the Mortgagor will pay to the Mortgagee for each such returned cheque a servicing fee to cover the Mortgagee's administration costs with respect to same. In the event that the said cheque which has not been honoured by the drawee is not forthwith replaced by the Mortgagor, the Mortgagee will be entitled to a further servicing fee for each written request therefore which may be necessitated by the Mortgagor not forthwith replacing such dishonoured cheque.

23. FINANCIAL AND OPERATING STATEMENTS

23.1 The Mortgagor covenants that, within the periods of time hereinafter specified, or within such other period(s) of time as may be specified by any of the other Credit Documents, the Mortgagor will deliver or cause to be delivered to the Mortgagee within one hundred and twenty (120) days after the end of each fiscal year of operation of the Lands, an annual operating statement in respect of the Lands for the immediately preceding fiscal year setting forth the gross rents and other income derived from the Lands, the cost and expenses of operation and maintenance of the Lands and such other information and explanations in respect of the same as may be required by the Mortgagee.

23.2 All such operating and financial statements will be prepared at the expense of the Mortgagor and in accordance with the Accounting Standard applied on a consistent basis and by a duly qualified chartered accountant or certified public accountant which is acceptable to the Mortgagee, and will be submitted in audited form if so required by the Mortgagee upon the occurrence of an Event of Default, and the completeness and correctness of such statements will be supported by an affidavit of an authorized officer of the Mortgagor or Guarantor, as the case may be.

23.3 The Mortgagee reserves the right to disclose to third parties, any of the foregoing financial information or otherwise acquired in respect to the indebtedness secured

hereby as may be required in connection with the fulfillment of its rights and/or obligations under the Commitment or this Mortgage or to carry out its terms of to enforce its security for mortgage securitization purposes.

24. ESTOPPEL ACKNOWLEDGEMENTS

If and whenever the Mortgagee requests an acknowledgement from the Mortgagor as to the statement of account with respect to this Mortgage or the status of the terms and conditions of this Mortgage, the Mortgagor will execute such an acknowledgement in such form as may be required by the Mortgagee provided that the contents of such form are correct, and the Mortgagor will do so forthwith upon request and without cost to the Mortgagee and will return such acknowledgement duly executed within two (2) business days of such request.

25. STATEMENTS OF ACCOUNT

The Mortgagor will be entitled to receive upon written request, a statement of account with respect to this Mortgage as of any payment date under this Mortgage and the Mortgagee will be entitled to a servicing fee for each such statement.

26. RENEWAL OR EXTENSION OF TIME; ATTENTION SUBSEQUENT INTERESTS

26.1 No renewal or extension of the term of this Mortgage given by the Mortgagee to the Mortgagor, or anyone claiming under it, or any other dealing by the Mortgagee with the owner of the equity of redemption of the Lands, will in any way affect or prejudice the rights of the Mortgagee against the Mortgagor or any other Person liable for the payment of the monies hereby secured. The Mortgage may be amended, extended and/or renewed by an agreement in writing at maturity for any term with or without an increased rate of interest, or amended from time to time as to any of its terms, including, without limitation, an increase of interest rate or principal amount and notwithstanding that there may be subsequent encumbrancers, and it will not be necessary to register any such agreement in order to retain priority for this Mortgage so altered over any instrument registered subsequent to this Mortgage; PROVIDED that nothing contained in this paragraph will confer any right of amendment, extension or renewal upon the Mortgagor.

26.2 The terms of this Mortgage may be amended, extended and this Mortgage may be renewed from time to time by mutual agreement between the then current owner of the Lands and the Mortgagee and the Mortgagor hereby further covenants and agrees that, notwithstanding that the Mortgagor may have disposed of its interest in the Lands, the Mortgagor will remain liable as a principal debtor and not as a surety for the observance of all of the terms and provisions herein and will in all matters pertaining to this Mortgage well and truly do, observe, fulfill and keep all of the covenants, provisos, conditions and agreements in this Mortgage and all amendment(s), extension(s) and renewal(s) thereof, and without limiting the foregoing, notwithstanding the amendment, extension and/or renewal of this Mortgage, and notwithstanding the giving of time for the payment of this Mortgage or the varying of the terms of the payment thereof or of the rate of interest thereon, and notwithstanding any other indulgence by the Mortgagee to the Mortgagor.

26.3 The Mortgagor covenants and agrees with the Mortgagee that no agreement for amendment, extension and/or renewal hereof, or for extension of the time for payment of any monies payable hereunder will result from, or be implied from, any payment or payments of any kind whatsoever made by the Mortgagor to the Mortgagee after the expiration of the original term of this Mortgage or of any subsequent term agreed to in writing between the Mortgagor and the Mortgagee, and that no amendment, extension and/or renewal hereof or any extension of the time for payment of any monies hereunder will result from, or be implied from, any other act, matter or thing, save only express agreement in writing between the Mortgagor and the then current owner of the Lands.

27. EXPROPRIATION

If the Lands or any part thereof which, in the reasonable opinion of the Mortgagee is material to the viability and operations thereon will be expropriated by any Governmental Body clothed with the powers of expropriation, the principal sum herein remaining unpaid will at the option of the Mortgagee forthwith become due and payable together with interest thereon at the Mortgage Rate to the date of payment, interest on overdue interest and all other monies owing hereunder, together with a bonus equal to the aggregate of (a) three months' interest at the said rate calculated on the amount of the principal remaining unpaid, and (b) one month's interest at the rate provided for herein calculated on the principal remaining unpaid, for each full year of the term of this Mortgage or any part of such year from the said date of payment to the date the said principal sum or balance thereof remaining unpaid would otherwise under the provisions of this Mortgage become due and payable and in any event all the proceeds of any expropriation will be paid to the Mortgagee at its option in priority to the claims of any other party.

28. LETTERS OF CREDIT

The parties to this Mortgage hereby acknowledge and agree that, in addition to all other amounts advanced and/or secured hereby, this Mortgage will stand as good and valid security with respect to any and all letters of credit, letters of guarantee or similar instruments (collectively the "**Letters of Credit**") issued by or on behalf of the Mortgagee for the benefit of or on account of the Mortgagor and in favour of any other party as may be requested or directed by the Mortgagor from time to time, and that the total amount of the financial obligations under each Letter of Credit will be deemed to have been advanced and fully secured under this Mortgage as of and from the date of issuance of each such Letter of Credit regardless of when the same may be called upon by the holder thereof. In the event that at any time the Mortgagee is of the opinion, in its sole and unfettered discretion, that the Lands or such part(s) thereof as remain undischarged are insufficient to secure the aggregate amount of all of the Mortgagee's outstanding obligations under, pursuant to or in connection with such Letters of Credit from time to time outstanding, the Mortgagee will be entitled to retain out of any payment received under this Mortgage or out of the proceeds of any sale or revenue received in respect of the Lands or any part(s) thereof or out of the proceeds of any amounts received by the Mortgagee upon the enforcement of this Mortgage, an amount equal to the aggregate amount of all of the Mortgagee's outstanding obligations under, pursuant to or in connection with Letters of Credit as remain from time to time outstanding without being obliged to apply any portion of such amount on account of any principal, interest or other monies otherwise outstanding and secured by this Mortgage; and the Mortgagee will be entitled to retain such amount for such period of time as any of the Letters of Credit remain outstanding and the

Mortgagee is hereby irrevocably authorized and directed to utilize the same in order to satisfy payment of any amounts called upon for payment pursuant to the Letters of Credit.

29. SALE OR CHANGE OF CONTROL

29.1 In the event of any sale, conveyance or transfer of the Lands or any portion thereof, or the Mortgagor enters into an agreement for sale of transfer of the Lands or portion thereof, or if ownership of or control and direction over the majority of the shares, units or ownership interests of the Mortgagor or any Guarantor changes by amalgamation, merger, sale, transfer of shares, units or ownership interests or otherwise, or a change in the beneficial ownership of the Lands or any portion thereof or a lease of the whole of the Lands (each of the foregoing, a "**Change of Control**"), all sums secured hereunder will, at the Mortgagee's option, become due and payable forthwith unless the prior written consent of the Mortgagee has been obtained, which consent may be arbitrarily or unreasonably withheld. The rights of the Mortgagee pursuant to this provision will not be affected or limited in any way by the acceptance of payments due under this Mortgage from the Mortgagor or any Person claiming through or under it and the rights of the Mortgagee hereunder will continue without diminution for any reason whatsoever until such time as the Mortgagee has consented in writing as required by this provision.

29.2 Provided further that no permitted sale or other dealing by the Mortgagor with the Lands or any part thereof will in any way change the liability of the Mortgagor or in any way alter the rights of the Mortgagee as against the Mortgagor or any other Person liable for payment of the monies hereby secured.

30. NO FURTHER ENCUMBRANCES

In the event that the Mortgagor enters into, creates, incurs, assumes, suffers or permits to exist any additional charge, encumbrance, pledge or other financing of the Lands, or of the chattels, equipment or personal property related to the Lands, all sums secured hereunder will, at the Mortgagee's option, become due and payable forthwith unless the prior written consent of the Mortgagee has been obtained, which consent may be arbitrarily withheld.

31. EVENTS OF DEFAULT

31.1 Without limiting any of the provisions of this Mortgage, any of the following events will constitute an Event of Default hereunder and under the other Credit Documents upon the happening of which the whole of the principal sum outstanding and all interest accruing thereon will immediately become due and payable at the option of the Mortgagee exercised by notice in writing to the Mortgagor:

31.1.1 failure by the Mortgagor to pay any instalment of principal, interest and/or Taxes under this Mortgage or under any charge or other encumbrance of the Lands, on the date upon which any of the payments for same become due;

31.1.2 failure by the Mortgagor or any Guarantor to strictly and fully observe or perform any condition, agreement, covenant, obligation or term (other

than with respect to those described in paragraph 31.1.1) set out in the Terms of this Mortgage, any of the Credit Documents to which it is a party, or any other document creating a contractual relationship as between them or any of them, or if it is found at any time that any representation or warranty to the Mortgagee with respect to the loan secured by this Mortgage or in any way related thereto or under any of the other Credit Documents is incorrect or misleading when so made or deemed to have been repeated as herein or therein provided, and such default continues for a period of ten (10) days after notice in writing of such breach is given to the Mortgagor or any Guarantor by the Mortgagee;

31.1.3 default by the Mortgagor in the observance or performance of any of the covenants, provisos, agreements or conditions contained in any charge or other encumbrance affecting the Lands, whether or not it has priority over this Mortgage;

31.1.4 upon the registration of any construction lien against the Lands which is not discharged or vacated within a period of five (5) days after the date of registration thereof;

31.1.5 in the event that any Hazardous Substance is discovered in, on or under the Lands or any part thereof and the same is not completely removed therefrom to the entire satisfaction of the Mortgagee within ten (10) days after demand therefor by the Mortgagee;

31.1.6 in the event that the Lands are abandoned or there is any cessation or threat of cessation of the business activities or any material part thereof now being conducted upon the Lands by the Mortgagor or the beneficial owner of the Lands or any of their respective officers, agents, employees, tenants or invitees;

31.1.7 if a judgment, decree or order of a court of competent jurisdiction is entered against the Mortgagor or any Guarantor (i) adjudging the Mortgagor or any Guarantor bankrupt or insolvent, or approving a petition seeking its reorganization or winding-up under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) or any other bankruptcy, insolvency or analogous law, or (ii) ordering the involuntary winding up or liquidation of the affairs of the Mortgagor or any Guarantor, or (iii) if any receiver or other Person with like powers is appointed over all, or substantially all, of the property of the Mortgagor or any Guarantor, unless such appointment is stayed and of no effect against the Lands or any security provided by the Mortgagor or any Guarantor in favour of the Mortgagee and the rights of the Mortgagee thereunder or the Mortgagor or any Guarantor is actively pursuing such a stay and the Mortgagee is satisfied that there is no adverse effect in its position as a result of the Mortgagee permitting the Mortgagor or any Guarantor time to pursue such stay;

31.1.8 if, (i) an order or a resolution is passed for the dissolution, winding-up, reorganization or liquidation of the Mortgagor or any Guarantor pursuant

to applicable laws, including the *Business Corporations Act* (British Columbia), or (ii) the Mortgagor or any Guarantor institutes proceedings to be adjudicated bankrupt or insolvent, or consents to the institution of bankruptcy or insolvency proceedings against it under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) or any other bankruptcy, insolvency or analogous law, or (iii) the Mortgagor or any Guarantor consents to the filing of any petition under any such law or to the appointment of a receiver, or other Person with like powers, over all, or substantially all, of the Mortgagor's or any Guarantor's property, or (iv) the Mortgagor or any Guarantor makes a general assignment for the benefit of creditors, or becomes unable to pay its debts generally as they become due, or (v) the Mortgagor or any Guarantor takes or consents to any action in furtherance of any of the aforesaid purposes;

31.1.9 the occurrence of any action, suit or proceeding against or affecting the Mortgagor or any Guarantor before any court or before any Governmental Body which, if successful, would have, or could reasonably be expected to have, a material adverse effect on the value of the Lands or the financial stakes of the Mortgagor or any Guarantor, unless the action, suit, or proceedings will be contested diligently and in good faith and, in circumstances where a lower court or tribunal has rendered a decision adverse to the Mortgagor or any Guarantor, the Mortgagor or any Guarantor is appealing such decision, and has provided a reserve in respect thereof made in accordance with Accounting Standard, adequate in the opinion of the Mortgagee;

31.1.10 a judgment or judgments are obtained against the Mortgagor or any Guarantor for an aggregate amount in excess of $100,000, in the aggregate, which, to the extent the aggregate amount thereof exceeds $100,000, remains or remain unsatisfied and undischarged for a period or ten (10) days during which such judgment or judgments, to the extent the aggregate amount thereof exceeds $100,000, will not be on appeal or execution thereof will not be effectively stayed;

31.1.11 any execution, sequestration, expropriation or similar process is brought or threatened, by way of notice or otherwise, against, or a distress or analogous process is levied upon the whole or any part of the property of the Mortgagor or any Guarantor;

31.1.12 if any material provision of any Credit Document will at any time cease to be in full force and effect, be declared to be void or voidable or will be repudiated, or the validity or enforceability thereof will at any time be contested by the Mortgagor or any Guarantor;

31.1.13 if a Change of Control occurs and the Mortgagee has not consented to the same;

31.1.14 default by the Mortgagor or any Guarantor in the observance or performance of any non-monetary representation, warranty, covenant, proviso, agreement, condition or obligation to be observed or performed

by it, pursuant to any agreement (other than the Credit Documents) to which it is a party or by which any of its property is bound, where such default would have, or could reasonably be expected to have, a material adverse effect on the value of the Lands or the financial stakes of the Mortgagor or any Guarantor; and

31.1.15 any default will have occurred and is continuing in respect of any indebtedness of the Mortgagor or any Guarantor to any lender (other than the Mortgagee) which results in the acceleration of the payment of such indebtedness or which permits the holder thereof to accelerate the payment of such indebtedness and if there is a grace period applicable thereto arising under contract or otherwise, such default continues beyond the expiry of such grace period or if any lender (other than the Mortgagee) will demand repayment of any indebtedness owed to it by any Mortgagor or any Guarantor which is repayable on demand, and the aggregate principal amount of all such indebtedness is at least $100,000.

32. ENFORCEMENT

32.1 The Mortgagor covenants and agrees that upon the occurrence of an Event of Default under the Terms of this Mortgage, the Mortgagee may take proceedings available at law or in equity and any other legal steps to collect the amount of money due or to compel the Mortgagor to keep the Mortgagor's promises and agreements, including without limitation: making application to a court for an order that the Land be sold on terms approved by the court; making application to a court to foreclose the Mortgagor's interest in the Land and on a final order of foreclosure the Mortgagor's interest in the Land will be absolutely vested in and belong to the Mortgagee.

32.2 Provided that the Mortgagee, upon the occurrence of an Event of Default that is continuing, may on seven (7) day's notice (except in the case of an emergency to protect health, safety or preserve the Lands in which case no notice is required) enter on and lease or sell the Lands; and the Mortgagor covenants and agrees that the Mortgagee may lease or sell as aforesaid without entering into possession of the Lands; and should such Event of Default continue for two months, an entry, lease or sale may be made hereunder without notice; and when under the terms hereof a notice is necessary, such notice may be given effectually either by leaving the same with an adult Person on the Lands, if occupied, or by placing it thereon, if unoccupied, or at the option of the Mortgagee by publishing the same once in a newspaper published in the Province of British Columbia; and the Mortgagee may sell the Lands or any part thereof or any interest in the Lands on such terms as to credit and otherwise as appear to the Mortgagee most advantageous and for such price as in the opinion of the Mortgagee can reasonably be obtained therefor; and sales may be made from time to time of portions to satisfy interest or parts of the principal overdue, leaving the principal or balance thereof to run at interest, payable as aforesaid; and the Mortgagee may make any stipulations as to the title or commencement of title or otherwise as the Mortgagee deems proper; and may buy in or rescind or vary any contract for sale of any of the Lands and re-sell without being answerable for loss occasioned thereby; and in case of a sale on credit the Mortgagee will only be bound to pay the Mortgagor such monies as have been

actually received from the purchasers after the satisfaction of the Mortgagee's claims; and for any of the said purposes the Mortgagee may make and execute all agreements and assurances as the Mortgagee deems fit, and the purchasers at any sale hereunder are not bound to see to the propriety or regularity thereof; and no want of notice of publication when required hereby will invalidate any sale or lease made or purporting to be made hereunder.

32.3 Provided that the Mortgagee may distrain for arrears of interest, and it is agreed that the powers of the Mortgagee under this proviso may also be exercised to enforce payment of any instalment of principal or mixed principal and interest hereby secured and in arrears and in respect of any Event of Default; and further that if an Event of Default occurs, it will be lawful for the Mortgagee (and the Mortgagor does hereby grant full power and licence to the Mortgagee) to enter, seize and distrain upon any goods upon the Lands or any part thereof and by distress warrant to recover by way of rent reserved as in the case of a demise of the Lands as much of the principal or interest or other sums due hereunder as may from time to time be or remain in arrears or unpaid together with all costs, charges and expenses attending such levy or distress as in like cases of distress for rent including, without limitation, the full amount of all legal fees on a solicitor and solicitor's own client full indemnity basis, disbursements, costs, charges and expenses incurred by the Mortgagee; and as part of the consideration aforesaid the Mortgagor hereby waives, on the exercise of such right and licence, all the rights to exemption from seizure and distress under any statute of the Province of British Columbia; notwithstanding the foregoing it is expressly understood and agreed that the right of distress will not apply to residential premises which are subject to the provisions of the *Residential Tenancy Act* (British Columbia), as amended or any statute enacted in replacement thereof, except as may be permitted thereby.

32.4 Upon the occurrence of an Event of Default, the whole of the principal sum hereby secured together with interest thereon at the Mortgage Rate, interest on overdue interest, the full amount of all legal fees on a solicitor and solicitor's own client full indemnity basis, disbursements, costs, charges and expenses incurred by the Mortgagee and all other monies owing or secured under this Mortgage will, at the option of the Mortgagee, immediately become due and be paid; and upon such indebtedness becoming due and payable as heretofore provided, the Mortgagor will refrain from collecting and receiving all rents accruing as aforesaid and upon notice from the Mortgagee, all tenants will thereafter pay such rents to the Mortgagee, and the Mortgagee may immediately cause default proceedings to be commenced under this Mortgage in the manner prescribed by law and will be entitled to have a receiver, receiver-manager or a receiver and manager appointed, and without proof of any other ground for his appointment than the said default, to take possession and charge of the Lands and to fully and effectively operate the business which the Lands comprise including, without limiting the generality of the foregoing, the right to rent the same and receive and collect the rents, issues and profits thereof, under direction of the court, and any amount so collected by such receiver will be applied under direction of the court to the payment of any judgment rendered, or amounts found due, according to the Terms of this Mortgage including the cost of collection and the full amount of all legal fees on a solicitor and solicitor's own client full indemnity basis, disbursements, costs, charges and expenses incurred by the Mortgagee; and upon the occurrence of an

Event of Default, the Mortgagee will have the right forthwith after the occurrence of such Event of Default to enter upon, take possession of and rent the Lands and receive the rents, issues and profits thereof and apply the same after payment of all necessary charges and expenses, on account of the indebtedness hereby secured.

32.5 In addition to the foregoing rights and powers, the Mortgagee may apply to a court or may appoint by instrument in writing a receiver, receiver-manager or receiver and manager (herein called the "**Receiver**") of the Lands, with or without bond, and may from time to time remove the Receiver and appoint another in his stead. Any Receiver appointed by the Mortgagee as aforesaid is deemed to be the agent of the Mortgagor and the Mortgagor will be solely responsible for the Receiver's acts or defaults and the Mortgagee will not be liable to the Receiver for his remuneration, costs, charges or expenses.

32.6 It is further specifically understood and agreed that the Receiver appointed by the Mortgagee will have the following powers, subject to any limitations in the instrument in writing or Order of the Court, if any, appointing him, namely to:

32.6.1 take possession of the Lands;

32.6.2 carry on or concur in carrying on the business of the Mortgagor in operating the business comprised of the Lands;

32.6.3 sell or lease or concur in selling or leasing any or all of the Lands;

32.6.4 make any arrangements or compromises which the Receiver considers expedient;

32.6.5 borrow money to carry on the business of the Mortgagor comprised of the Lands or to maintain the whole or any part of the Lands in a manner that will, in the opinion of the Receiver, be sufficient to obtain, upon the security of the whole or any part of the Lands, the amounts from time to time required in the opinion of the Receiver and in so doing the Receiver may issue certificates (each herein called a "**Receiver's Certificate**") that may be payable as the Receiver considers expedient and bear interest as stated therein and the amounts from time to time payable under any Receiver's Certificate will charge the Lands in priority to this Mortgage and the Mortgagor hereby charges the Lands with the debt, if any, owing from time to time under any Receiver's Certificate; and

32.6.6 institute and prosecute all suits, proceedings and actions which the Receiver considers necessary for the proper protection of the Lands, to defend all suits, proceedings and actions against the Mortgagor or the Receiver, to appear in and conduct the prosecution and defence of any suit, proceeding or action then pending or thereafter instituted and to appeal any suit, proceeding or action.

32.7 The net revenue of the business comprised of the Lands and the net proceeds of sale of the Lands will be applied by the Receiver subject to the claims of creditors, if any, ranking in priority to this Mortgage as follows:

32.7.1 firstly, in payment of all costs, charges and expenses of and incidental to the appointment of the Receiver and the exercise by him of all or any of the powers aforesaid including the reasonable remuneration of the Receiver and all amounts properly payable to him;

32.7.2 secondly, in payment to the Mortgagee of the principal sum owing hereunder;

32.7.3 thirdly, in payment to the Mortgagee of all costs and charges owing hereunder and interest and arrears of interest remaining unpaid hereunder; and

32.7.4 fourthly, any surplus will be paid to the Mortgagor.

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

32.8 Neither the provisions of this Mortgage nor the exercise of the powers provided in this Mortgage will render the Mortgagee a mortgagee in possession. Any money spent and liabilities incurred by the Mortgagee in taking any such actions will be added to the principal amount, will bear interest at the Mortgage Rate from the date so spent or incurred, will be immediately due and payable by the Mortgagor to the Mortgagee, and will be secured by this Mortgage.

32.9 Notwithstanding any other provisions herein it is understood and agreed by the Mortgagor that upon the occurrence of an Event of Default, the whole of the principal sum hereby secured together with interest thereon at the Mortgage Rate, interest on overdue interest, the full amount of all legal fees on a solicitor and solicitor's own client full indemnity basis, disbursements, costs, charges and expenses incurred by the Mortgagee and all other monies owing or secured under this Mortgage will, at the option of the Mortgagee, immediately become due and be paid and the Mortgagee may exercise any and all rights, remedies, powers and privileges under this Mortgage or under any other Credit Document, or afforded by applicable law, or otherwise available to the Mortgagee.

33. PAYMENT OF LIENS

33.1 The Mortgagor covenants and agrees that the Mortgagee will have the right to:

33.1.1 pay any liens or claims of lien in respect of the Lands whether to the lien claimant or into court in order to obtain a discharge of such liens or claims of lien (without taking or defending any action or proceedings to determine the validity of any lien or claim of lien or the rights or priorities of any lien claimants to or under any such liens or claims of lien); and

33.1.2 pay the Taxes, charges or encumbrances upon the Lands and premiums for insurance and mortgage or any other tax imposed, or that may be imposed on the Mortgagee in respect to the Lands or this Mortgage or monies hereby secured.

33.2 The amounts so paid pursuant to paragraph 33.1 above and also all costs, charges and expenses including the full amount of all legal fees on a solicitor and solicitor's own client full indemnity basis, disbursements, costs, charges and expenses incurred by the Mortgagee which may be incurred before, when or after action is commenced in collecting, procuring or enforcing payment of any of the monies in default hereunder or in any way enforcing or protecting the security of this Mortgage or enforcing any of the Terms of this Mortgage, or travelling expenses of the Mortgagee, the Mortgagee's servants and agents, and commissions on collection of rent, which may be incurred in the taking, recovering and keeping possession of the Lands or in inspecting the same and generally in any other measures or proceedings taken to realize or collect the monies hereby secured or to perfect the title of the Lands and also all monies paid and expenses incurred by the Mortgagee in connection with the application for this Mortgage loan and in the preparation and perfection of this Mortgage security and in the satisfaction of any charge on the Lands will be secured by the charge hereby granted on the Lands in favour of the Mortgagee and be payable forthwith by the Mortgagor to the Mortgagee with interest at the Mortgage Rate until paid and in default the power of sale hereby given will be exercisable in addition to all other remedies of the Mortgagee. In the event of the monies hereby advanced or any part thereof being applied to the payment of any liens or claims of lien, charges or encumbrances, the Mortgagee will stand in the position and be entitled to all equities of the Person or Persons so paid off, provided that if any liens or claims of lien, charges or encumbrances are filed or recorded against the Lands which may be prior to or for which priority may be claimed over the charge created on the Lands by this Mortgage or any monies advanced or secured under this Mortgage, then upon the filing or recording of any such liens or claims of lien, charges or encumbrances the whole of the principal sum hereby secured together with interest thereon at the Mortgage Rate, interest on overdue interest, the full amount of all legal fees on a solicitor and solicitor's own client full indemnity basis, disbursements, costs, charges and expenses incurred by the Mortgagee and all other monies owing or secured under this Mortgage will, at the option of the Mortgagee, immediately become due and be paid without any action or proceedings to determine the rights and priorities of such liens or claims of lien, charges and encumbrances and the Mortgagee may exercise all remedies to enforce this Mortgage unless the Mortgagor gives and delivers to the Mortgagee within such time as the Mortgagee may from time to time limit such security or monies as the Mortgagee may require from time to time to secure the payment of any such liens or claims of lien, charges and encumbrances and to indemnify the Mortgagee against the payment thereof.

34. OTHER RIGHTS OF THE MORTGAGEE

34.1 The Mortgagor covenants that the Mortgagee may, but will be under no obligation to, at such time or times as the Mortgagee deems necessary and without the concurrence of the Mortgagor or any other Person make such arrangements for the repairing, finishing and putting in order of the Lands, including, without limitation, such repairs, replacements and improvements as are necessary so that the Mortgagor and the Lands comply with Environmental Laws, and for inspecting, maintaining, leasing, collecting the rents of and managing generally the Lands as the Mortgagee deems expedient and all reasonable costs, charges and expenses including an allowance for the time and services of the Mortgagee, the Mortgagee's servants or agents and any other Person or Persons appointed for the above

purposes including, without limitation, the full amount of all legal fees on a solicitor and solicitor's own client full indemnity basis, disbursements, costs, charges and expenses incurred by the Mortgagee, will be payable forthwith to the Mortgagee and be a charge upon the Lands and bear interest at the Mortgage Rate until paid.

34.2 The Mortgagor further covenants with the Mortgagee that the Mortgagee may, without any order or direction of the Mortgagor, pay to contractors, subcontractors, materialmen, labourers and other Persons supplying or having a claim for work, services and/or materials supplied in and about the construction, repairing, altering or replacing of the Property or any part thereof on the Lands, any monies due to them for work, services and/or materials, out of the monies being advanced by the Mortgagee under this Mortgage or the Mortgagee may pay for the work, services and/or materials and add all monies so paid to the principal owing under this Mortgage, but nothing herein contained obligates the Mortgagee to pay or advance or continue to pay or advance any such monies after the Mortgagee has paid or advanced any such monies under this Mortgage.

34.3 The Mortgagee may at the Mortgagee's discretion at all times release any part or parts of the Lands or any other security for the monies hereby secured either with or without any consideration therefor and without being accountable for the value thereof or for any monies except those actually received by the Mortgagee and without thereby releasing any other of the Lands or any of the covenants herein contained.

35. BANKRUPTCY AND INSOLVENCY ACT

35.1 The Mortgagor hereby acknowledges and agrees that the security held by the Mortgagee is not all or substantially all of the inventory, accounts receivable or other property of the Mortgagor acquired for or used in relation to any business carried on by the Mortgagor. The Mortgagor hereby further acknowledges and agrees that notwithstanding any act of the Mortgagee by way of appointment of any Person or Persons for the purposes of taking possession of the Lands as agent on behalf of the Mortgagor or otherwise or by taking possession of the Lands itself pursuant to any rights that the Mortgagee may have with respect thereto will not constitute the Mortgagee or any such Person, a receiver within the meaning of subsection 243(2) of the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**"), and that any and all requirements of Part XI of the BIA as it may pertain to obligations of receivers will not be applicable to the Mortgagee with respect to the transaction pursuant to which this Mortgage has been given or with respect to enforcement of this Mortgage or any other security held by the Mortgagee. The Mortgagor hereby acknowledges and agrees that no action will lie against the Mortgagee as a receiver and manager or otherwise for any loss or damage arising from non-compliance with any obligations of a receiver pursuant to the provisions of the BIA whether or not the Mortgagee had reasonable grounds to believe that the Mortgagor was not insolvent.

35.2 The Mortgagor further acknowledges and agrees that any and all costs as may be incurred from time to time by the Mortgagee in order to effect compliance or avoid any adverse ramifications of the BIA will be entirely for the account of the Mortgagor. The Mortgagee will be entitled to incur any such costs, including any costs of its personnel in administering any requirements of the BIA and to add the

same to the indebtedness owing pursuant hereto and the same will be secured hereunder and under any and all security held by the Mortgagee for the indebtedness owing to the Mortgagee in the same manner and in the same priority as the principal secured hereunder.

36. INDEMNIFICATION

36.1 The Mortgagor hereby agrees to indemnify and save harmless the Mortgagee, its officers, agents, trustees, employees, contractors, licensees or invitees from and against any and all losses, damages, injuries, expenses, suits, actions, claims and demands of every nature and kind whatsoever and howsoever arising out of the provisions of the Commitment and the other Credit Documents, any letters of credit or letters of guarantee issued, sale or lease of the Lands and/or the use or occupation of the Lands including, without limitation, those arising from the right to enter the Lands from time to time and to carry out the various tests, inspections, management and other activities permitted by the Commitment and the other Credit Documents.

36.2 In addition to any liability imposed on the Mortgagor under any instrument evidencing or securing the indebtedness hereunder, the Mortgagor will be liable for any and all of the Mortgagee's costs, expenses, damages or liabilities, including, without limitation, all reasonable legal fees, directly or indirectly arising out of or attributable to the use, generation, storage, release, threatened release, discharge, disposal or presence on, under or about the Lands of any hazardous or noxious substances. The Mortgagor will be further bound by the representations, warranties and indemnity set out herein.

36.3 The representations, warranties, covenants and agreements of the Mortgagor set forth in this paragraph 36:

36.3.1 are separate and distinct obligations from the Mortgagor's other obligations;

36.3.2 survive the payment and satisfaction of its other obligations and the discharge of the security from time to time taken as security therefor;

36.3.3 are not discharged or satisfied by foreclosure of the charges created by any of the security; and

36.3.4 will continue in effect after any transfer of the Lands including, without limitation, transfers pursuant to foreclosure proceedings (whether judicial or non-judicial) or by any transfer in lieu of foreclosure.

37. NON-MERGER

The Mortgagor's and each Guarantor's obligations as contained in the Commitment and the other Credit Documents will survive the execution and registration of this Mortgage and all advances under this Mortgage, and the Mortgagor agrees that those obligations will not be deemed to be merged in the execution and registration of this Mortgage. All terms and conditions of this Mortgage and other security documentation will be deemed to be incorporated in and form part of the Commitment, except to the extent provided for

herein. In the event of conflict between the terms of the Commitment and this Mortgage, the terms of the Commitment will prevail.

38. NOTICES

All notices or other communications to be given pursuant to or in connection with this Mortgage will be in writing, signed by the party giving such notice or by its solicitors, and will be personally delivered or sent by registered mail or facsimile transmission to the party or parties intended at its or their respective addresses for service as set out in this Mortgage. The date of receipt of such notice or demand, if served personally or by facsimile, will be deemed to be the date of the delivery thereof, or if mailed as aforesaid, the date of mailing thereof. For the purposes hereof, personal service on the Mortgagor or any Guarantor will be effectively given by delivery to any officer, director or employee of such Mortgagor or Guarantor. Any party may from time to time by notice given as provided herein change its address for the purpose of this provision.

39. CONSENT OF MORTGAGEE

Whenever the Mortgagor is required by this Mortgage to obtain the consent or approval of the Mortgagee, it is agreed that, subject to any other specific provision contained in this Mortgage to the contrary, the Mortgagee may give or withhold its consent or approval for any reason that it may see fit in its sole and absolute discretion, and the Mortgagee will not be liable to the Mortgagor in damages or otherwise for its failure or refusal to give or withhold such consent or approval, and all costs of obtaining such approval will be for the account of the Mortgagor.

40. DISCHARGE

40.1 The Mortgagee will have a reasonable period of time after payment in full of the monies hereby secured within which to prepare and execute a discharge of this Mortgage; and interest as aforesaid will continue to run and accrue until actual payment in full has been received by the Mortgagee; and all legal and other expenses for the preparation and execution of such discharge will, together with the Mortgagee's fee for providing same, be borne by the Mortgagor. The discharge will be prepared and executed by such Persons as are specifically authorized by the Mortgagee and the Mortgagee will not be obligated to execute any discharge other than a discharge which has been so authorized.

40.2 If this Mortgage, the Commitment or any other document provides for the giving of partial discharges of this Mortgage, it is agreed that, notwithstanding any other provision to the contrary, the Mortgagor will not be entitled to request or receive any such partial discharge if and for so long as the Mortgagor is in default under this Mortgage, the Commitment or any other Credit Document.

41. SERVICING FEES

All servicing fees as herein provided are intended to and will be in an amount sufficient in the sole opinion of the Mortgagee to compensate the Mortgagee for its administrative costs and will not be deemed a penalty. The amount of such servicing fees if not paid will be added to the principal amount secured hereunder, and will bear interest at the rate

aforesaid and the Mortgagee will have the same rights with respect to collection of same as it does with respect to collection of principal and interest hereunder or at law.

42. LEASES

The Mortgagor covenants with the Mortgagee to keep, observe and perform and to require all tenants to keep, observe and perform all of the covenants, agreements, provisos, terms, conditions and provisions of any present or future leases, subleases and tenancy agreements of any portion of the Lands on their respective parts to be kept, observed and performed and in case the Mortgagor neglects or refuses to do so, then the Mortgagee may perform and comply with or require performance and compliance by the tenants with any of the covenants, agreements, provisos, terms, conditions and provisions of such leases, subleases and tenancy agreements and any sums expended by the Mortgagee in performance or compliance therewith or in enforcing such performance or compliance by the tenants, including, without limitation, the full amount of all legal fees on a solicitor and solicitor's own client full indemnity basis, disbursements, costs, charges and expenses incurred by the Mortgagee, will bear interest from the date of such expenditures at the Mortgage Rate and be paid by the Mortgagor to the Mortgagee upon demand and will be a part of the mortgage debt secured hereby and recoverable as such in all respects.

42.1 The Mortgagor hereby covenants with the Mortgagee that unless the Mortgagee will have otherwise agreed with the Mortgagor in writing the Mortgagor will not execute nor deliver any new leases, subleases or tenancy agreements with or in favour of any tenants unless such tenants will agree in writing with the Mortgagor as a condition of any lease, sublease or tenancy agreement to enter into agreements with the Mortgagee, or any *bona fide* purchaser therefrom, to the effect that, upon the written request and at the sole discretion of the Mortgagee, or any *bona fide* purchaser therefrom, such tenants will preserve their respective leases, subleases or tenancy agreements for the respective terms thereof and any extensions or renewals thereof which may be effective in accordance with any option therefor or otherwise, and that they will attorn to the Mortgagee or such bona fide purchaser in the event of a foreclosure or other legal proceedings which might otherwise result in the loss or cancellation or termination of any such leases, subleases or tenancy agreements.

42.2 The Mortgagor covenants with the Mortgagee that the Mortgagor will not, subsequent to the execution of this Mortgage, execute or deliver any mortgage, debenture or financial encumbrance charging the Lands, or any part thereof, which is or may be subordinate hereto unless the Mortgagor first obtains from the owner of such mortgage, debenture or financial encumbrance an agreement in writing to continue to recognize any present or future tenants, leases, subleases, and tenancy agreements of or pertaining to the Lands, or any part thereof, which the Mortgagee herein requires to be recognized or preserved in the event of foreclosure, even after a foreclosure by the owner of any such mortgage, debenture or financial encumbrance for the balance of the terms of the respective leases, subleases or tenancy agreements and any extensions or renewals thereof which may be effected in accordance with any option therefor or otherwise.

42.3 The Mortgagor covenants with the Mortgagee that the Mortgagor will not request, obtain or permit the subordination or postponement of any lease, sublease or tenancy agreement to any mortgage, debenture or other financial encumbrance

registered subsequent to this Mortgage without the prior written consent of the Mortgagee hereunder.

42.4 The Mortgagor covenants with the Mortgagee that the Mortgagor will not lease or agree to lease all or any part of the Lands except at a rent, on terms and conditions and to tenants which are not less favourable or desirable to the Mortgagor than those which a prudent landlord would expect to receive for the premises to be leased.

43. LEASEHOLD MORTGAGE

43.1 If the Lands comprise the interest of the Mortgagor in and to a lease, agreement to lease, tenancy, right of use or occupation or licence of the Lands (collectively, the "**Lease**") the charge created by this Mortgage will include the unexpired term of the Lease and any renewal thereof from the date of this Mortgage except the last day thereof, and the mortgage and charge created hereby will be by way of sub-demise and the Mortgagor will stand possessed of the last day of the term or any renewal term of the Lease in trust for the Mortgagee, and will sell and assign the last day of the term or any renewal term as the Mortgagee may direct, but subject to the same right of redemption and other rights as are hereby given to the Mortgagor. Nothing in this section nor the acts of the Mortgagor or Mortgagee contemplated by this section will constitute the Mortgagee as a mortgagee in possession.

43.2 The Mortgagor releases to the Mortgagee all claim and right to the Lease and assigns to the Mortgagee the full benefit of all covenants, rights and powers contained in the Lease subject to the same right of redemption as granted by the Terms of this Mortgage.

43.3 The Mortgagor represents, warrants and covenants that:

43.3.1 the Mortgagor will pay the rent due under the Lease and observe all promises, covenants and obligations contained in the Lease and will not commit any acts or default which may cause the Lease to be forfeited or determined and agrees to indemnify the Mortgagee for all actions, claims and demand in respect of the said rent, promises, covenants and obligations;

43.3.2 the Lease is valid and subsisting and the Mortgagor has not done, omitted or permitted anything to be done which would cause the Lease to become in any way impaired or invalid;

43.3.3 the Mortgagor has a good and valid right to assign and sublet the Lease and has obtained the consent of the lessor to the extent required under the Lease;

43.3.4 the Mortgagor will not, during the continuance of this Mortgage, surrender or terminate the Lease or permit any amendments of the terms of the Lease or otherwise deal with or assign the Lease other than as allowed herein;

43.3.5 a default under the Lease will be an Event of Default; and

43.3.6 reference in this Mortgage to charges payable will include all taxes, assessments, rates, costs payable by the Mortgagor under the Lease.

44. ASSIGNMENT OF RENTS

44.1 For good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by the Mortgagor), and in order to induce the Mortgagee to make the loan secured by this Mortgage, and as additional security for the payment of principal and interest owing under this Mortgage and the observance and performance of all of the Terms of this Mortgage, the Mortgagor hereby assigns, transfers, sets over and grants to the Mortgagee any and all rents or other moneys (herein collectively called the "**Rents**") due or accruing due or at any time hereafter to become due under any and all leases, agreements to lease and tenancy agreements whether written or verbal, now or hereafter existing, with respect to the Lands (herein collectively called the "**Leases**") and all benefits and advantages to be derived from the Leases, and all guarantees of and security for payment of amounts due under the Leases and all covenants of the tenants, guarantors, covenantors and indemnifiers therein contained, and the right to collect and receive payment of the Rents, together with all the right, title and interest of the Mortgagor, as landlord, in the Leases and any renewals thereof and options to lease or purchase, if any therein contained, to have and to hold and to receive the same unto the Mortgagee, its successors and assigns, until the whole of the principal sum, interest and other costs, charges and moneys owing under this Mortgage have been fully paid and satisfied and all obligations and covenants of the Mortgagor under this Mortgage have been duly performed and satisfied.

44.2 The Mortgagor hereby covenants and agrees with the Mortgagee that:

44.2.1 The Mortgagor will be permitted to collect and receive the Rents as and when they will become due and payable according to the terms of the Leases, unless and until there will be default made in any payment provided for in this Mortgage or any security collateral hereto or until the breach of any covenant on the part of the Mortgagor contained in this Mortgage or any security collateral hereto in which case the Mortgagee may give notice in writing to the tenant, sub-tenant, occupier, licensee or guarantor advising of default. In such event the Mortgagor hereby irrevocably directs such tenant, sub-tenant, occupier, licensee or guarantor to make payments of the Rents to the Mortgagee or as the Mortgagee may direct, upon being furnished with a copy of this Mortgage and the aforesaid notice in writing, without any further direction or authority being required by such tenant, sub-tenant, occupier, licensee or guarantor.

44.2.2 Upon the occurrence of an Event of Default, the Mortgagee, its successors or assigns at its or their option and without further consent thereto by the Mortgagor or any subsequent owner of the Lands, may enter in and upon the Lands and take possession thereof and collect the Rents thereof, and do every act and thing that such Mortgagor or any subsequent owner of the Lands might or could do.

44.2.3 Neither the execution and delivery of this Mortgage, including the Assignment contained in paragraph 44 hereof (herein called the "**Assignment**"), nor anything done by virtue hereof will render the Mortgagee in possession or in any way accountable or liable as such, nor will the Mortgagee be or be deemed to be, or to have assumed the status of a landlord by virtue of the Assignment or of anything done by virtue hereof.

44.2.4 Nothing herein contained will be deemed to have the effect of making the Mortgagee, its successors and assigns, responsible for the collection of the Rents or any part or parts thereof or for the observance or performance of any of the covenants, terms or conditions either by the Mortgagor or the respective tenants or sub-tenants under the Leases to be observed and performed.

44.2.5 The Mortgagee will be liable to account only for such moneys as may actually come into its hands by virtue of the Assignment, less proper collection fees and charges, including legal fees on a solicitor and solicitor's own client full indemnity basis, and such moneys when so received by the Mortgagee will be applied on account of the moneys secured by this Mortgage, provided that the Mortgagee will not be responsible for any act or default of any agent employed by the Mortgagee for the collection of the Rents or for the care of or dealing with the Lands.

44.2.6 The giving of the Assignment is by way of additional and equal ranking security for the moneys secured by the mortgage of the Lands granted pursuant to paragraph 3.1 hereof and not in substitution for or in satisfaction of the same and that this mortgage of the Lands or any other security collateral hereto will not be merged thereby and in case of default in any of the provisions of any security for the said moneys loaned, including, without limitation, the Assignment, proceedings may be taken under either the mortgage of the Lands or any security collateral thereto, including the Assignment, or all or any of them in any order, at the sole option and discretion of the Mortgagee.

44.2.7 The Mortgagor will not, without the consent in writing of the Mortgagee, accept prepayment of any of the Rents due or to accrue due in respect of the Leases, or any of them, but will accept payment thereof only in the amounts and on the days and at the times and in the manner stipulated in the Leases.

44.2.8 The Mortgagor will not, without the consent in writing of the Mortgagee, assign, pledge, or hypothecate any of the Leases or the Rents, or any part thereof, other than to the Mortgagee and will not do or omit to do or permit any act to be done which either directly or indirectly has the effect of waiving, releasing, reducing or abating any rights or remedies of the Mortgagor or obligations of any other party thereunder or in connection therewith without the consent in writing of the Mortgagee.

44.2.9 The Assignment will be deemed to apply to and have effect in respect of any further or other lease, renewal of lease, agreement for lease or tenancy agreement of the Lands (including any addition to or extension of the Lands) or any part or parts thereof which may exist during the currency of this Mortgage, whether in substitution for or in addition to the original Leases.

44.2.10 Should the Mortgagee in its absolute discretion deem it advisable to take proceedings, either judicial or extra-judicial by way of distress or otherwise for the enforcement of the payment of the Rents herein assigned, the Mortgagor will join with the Mortgagee in such proceedings and does hereby grant to the Mortgagee irrevocable authority to joint the Mortgagor in such proceedings.

44.2.11 There is or has been no default, right of set-off, previous assignment (except to the Mortgagee), commutation or prepayment of, or with respect to, the Rents, and that the Mortgagor will not, without the consent in writing of the Mortgagee, permit any cancellation, surrender or variation of any of the Leases or of the terms, covenants, provisos, or conditions thereof.

44.2.12 The Mortgagor will from time to time on demand furnish to the Mortgagee a current list of all of the Leases and the Rents in such detail as the Mortgagee may reasonably require.

44.2.13 The Mortgagor will at the request of the Mortgagee from time to time give any other party to any of the Leases notice of the Assignment or any specific assignment of any of the Leases and will obtain from such other party acknowledgements of such notice, such notice and acknowledgement to be in the forms delivered to the Mortgagor by the Mortgagee.

44.2.14 The Mortgagor will execute such further assurances as may be reasonably required by the Mortgagee from time to time to perfect the Assignment.

45. FURTHER ASSIGNMENT OF RENTS AND SECURITY AGREEMENT

45.1 The Mortgagor covenants and agrees with the Mortgagee that:

45.1.1 The Mortgagor will, at the request of the Mortgagee, forthwith execute and deliver to the Mortgagee a general assignment of rents and leases and a specific assignment of rents and leases with respect to all leases and tenancies of any or all parts of the Lands, such assignment or assignments to be in favour of the Mortgagee, in form and content acceptable to the Mortgagee and to constitute the only assignment of rents and leases of the Lands other than the Assignment granted pursuant to paragraph 44 of the Terms of this Mortgage, and the Mortgagor will pay on demand to the Mortgagee the full amount of all legal fees, disbursements, costs, charges, registration fees and other

expenses incurred by the Mortgagee in the preparation, registration and renewal of registration of the said assignments from time to time.

45.1.2 The Mortgagor will, at the request of the Mortgagee, forthwith execute and deliver to the Mortgagee such security agreements as the Mortgagee may require from time to time in order to create in favour of the Mortgagee a valid, enforceable and perfected security interest in all present and future property, assets, rights and undertaking in which the Mortgagor now or hereafter has any interest and located on, arising from, relating to or in connection with the Lands or any part thereof (herein collectively called the "**Collateral**"), such security agreements to be in favour of the Mortgagee, in form and content acceptable to the Mortgagee and to constitute at all times a valid first mortgage, charge and security interest in the Collateral, and the Mortgagor will pay on demand to the Mortgagee the full amount of all legal fees, disbursements, costs, charges, registration fees and other expenses incurred by the Mortgagee in the preparation, registration and renewal of registration of the said security agreements and security interests from time to time.

46. STRATA TITLE PROVISIONS

46.1 The Mortgagor covenants and agrees with the Mortgagee that if the Lands or any part thereof charged by this Mortgage are a strata lot or strata lots or are at any time subdivided into a strata lot or strata lots under the provisions of the *Strata Property Act* (British Columbia) and any amendments thereto or any statute enacted in replacement thereof (herein called "***Strata Property Act***") then and in such event:

46.2 The Mortgagor will observe and perform all the covenants, agreements, provisos, terms, conditions and provisions required to be observed and performed under or pursuant to this Mortgage, the *Strata Property Act*, and any bylaws, rules and regulations that may be passed by the strata corporation of which the Mortgagor is a member by virtue of his interest in the strata lot or lots hereby charged (herein called the "**Strata Corporation**") or any special interest section thereof.

46.3 The Mortgagor will pay on or before the due dates thereof the share of common expenses and each and every assessment, contribution or levy made by the Strata Corporation or any special interest section thereof against the strata lot or lots and interest in the common property hereby charged. In the event that the Mortgagor fails to pay the share of the common expenses or fails to pay any one or more assessments, contributions or levies on or before their due date, or in the event that the Strata Corporation or any special interest section thereof registers a certificate in Form B of the Schedule to the *Strata Property Act* in any Land Title Office, such event will constitute an Event of Default under this Mortgage and at the option of the Mortgagee, the whole of the principal balance, interest, costs and charges then owing hereunder will forthwith become due and be paid. Should the Mortgagor fail to pay the share of any common expenses, assessments, contributions or levies, the Mortgagee may make the payments but will not be obliged to do so. Any amount so paid by the Mortgagee will be added to and form

part of the principal owing hereunder and that amount together with the interest thereon will be paid to the Mortgagee forthwith without demand.

46.4 The Mortgagor will provide to the Mortgagee within ten (10) days of demand by the Mortgagee a certificate in Form A of the Schedule to the *Strata Property Act* certifying that no moneys are owing to the Strata Corporation by the Mortgagor.

46.5 The Mortgagor will not without the prior written consent of the Mortgagee:

46.5.1 assign any of the Mortgagor's rights, powers, duties or obligations under the *Strata Property Act* or the bylaws created under the *Strata Property Act*; or

46.5.2 give possession of the strata lot or lots hereby charged to any person on the basis of an agreement providing for the purchase of the strata lot or lots hereby charged by the occupier or on the basis of a lease, sublease or assignment of lease for a term of three years or more.

46.6 The Mortgagor hereby grants to the Mortgagee all the right and power to vote conferred on the Mortgagor by the *Strata Property Act*, but it is agreed that neither this provision nor anything done by virtue thereof will render the Mortgagee a Mortgagee in possession. The Mortgagor hereby acknowledges receipt of written notice that the Mortgagee intends to exercise its power to vote on any matters relating to insurance, maintenance, finance or other matters affecting the security for the Mortgage hereby granted, and the Mortgagor agrees that no additional notice need be given to the Mortgagor to permit the Mortgagee to exercise the right and power to vote conferred on the Mortgagor in respect of such matters. It is understood that the Mortgagor may at any duly called meeting of the Strata Corporation of which the Mortgagee has received written notice, exercise the right to vote on the aforesaid matters if the Mortgagee is not, by its authorized representative, agent or proxy, present at such meeting.

46.7 The right and power to vote granted herein to the Mortgagee does not impose upon the Mortgagee any duty or obligation whatsoever to protect the interest of the Mortgagor, and the Mortgagee will not be responsible for the consequences of any exercise of the right to vote or any failure to exercise the right to vote.

46.8 Pursuant to the *Strata Property Act*, the Mortgagor hereby authorizes in writing the Mortgagee or any officer of the Mortgagee to apply at any time and from time to time during the term hereof to the Strata Corporation to have the bylaws for the time being in force governing the strata lot and interest in the common property hereby mortgaged made available for inspection by the Mortgagee or such officer of the Mortgagee.

46.9 Pursuant to the *Strata Property Act*, the Mortgagor hereby authorizes in writing the Mortgagee or any officer of the Mortgagee to apply at any time and from time to time to the Strata Corporation for certification to the Mortgagee of the following, and hereby authorizes the Strata Corporation to give such certifications:

46.9.1 the amount of any contribution determined as the contribution of the Mortgagor under the *Strata Property Act*;

46.9.2 the manner in which the contribution is payable;

46.9.3 the extent to which the contribution has been paid;

46.9.4 the amount of any money expended by the Strata Corporation on behalf of the Mortgagor under the *Strata Property Act* and not recovered by it;

46.9.5 the amount, if any, by which the expenses of the Strata Corporation for the current fiscal year are expected to exceed the expenses budgeted for the fiscal year;

46.9.6 the amount of the contingency reserve fund;

46.9.7 that there are no amendments to the bylaws not filed in the Land Title Office other than those certified;

46.9.8 that no notices have been given for a unanimous or special resolution that has not been voted on, other than those certified; and

46.9.9 that there are no pending proceedings against the Strata Corporation of which the Strata Corporation is aware other than those certified.

46.10 The Mortgagor hereby appoints the Mortgagee to be the Mortgagor's agent to examine, inspect and obtain copies of any and all records, minutes, books of account or other documents of any nature and kind whatsoever which the Mortgagor is entitled to examine or inspect.

47. NO PREPAYMENTS

Save and except as otherwise provided for in the Commitment or any schedule to a specific charge, the Mortgagor will have no right to prepay all or any part of the amount outstanding under this Mortgage prior to the maturity date thereof.

48. NO PARTIAL DISCHARGES

Save and except as otherwise provided for in the Commitment or any schedule to a specific charge, the Mortgagor will have no right to obtain a partial discharge(s) of this Mortgage.

49. ABANDONMENT

In the event of abandonment of the Project for a period in excess of fifteen (15) consecutive days, the Mortgagee will be entitled, after giving the Mortgagor written notice of any abandonment and provided the Mortgagor fails to rectify same within ten (10) days after such notice, has been given, to forthwith withdraw and cancel its obligations hereunder and/or decline to advance further funds as the case may be and in addition to declare any funds advanced to forthwith become due and payable plus interest all at the Mortgagee's option.

50. MISCELLANEOUS

50.1 The Mortgagor covenants and agrees with the Mortgagee that any payments under this Mortgage, whether of principal, interest or other sums received by the Mortgagee after 12:00 p.m. (Vancouver, British Columbia time) on any day will be deemed to have been received by the Mortgagee and credited to the Mortgagor's account under this Mortgage on the next following business day of the Mortgagee in Toronto, Ontario.

50.2 No extension of time given by the Mortgagee to the Mortgagor or to anyone claiming under the Mortgagor or any other dealing by the Mortgagee with the owner of the equity of redemption of the Lands will in any way affect or prejudice the rights of the Mortgagee as against the Mortgagor or any covenantor, guarantor, surety, or any other person liable for the payment of the moneys hereby secured.

50.3 Until the occurrence of an Event of Default hereunder the Mortgagor will have quiet possession of the Lands, but nothing herein contained will create the relationship of landlord and tenant between the Mortgagee and the Mortgagor.

50.4 The Mortgagor agrees that this Mortgage secures a current or running account and any portion of the principal amount of this Mortgage may be advanced or re-advanced by the Mortgagee in one or more instalments at any future date or dates and the amount of such advances and re-advances when so made will be secured by this Mortgage and be repayable with interest at the Mortgage Rate and this Mortgage is deemed to be security for the ultimate balance of moneys advanced hereunder together with interest, costs and other charges, if any. This Mortgage will not be considered to have been redeemed only because the advances and readvances made to the Mortgagor have been repaid or the accounts of the Mortgagor with the Mortgagee cease to be in debit.

50.5 The Mortgagee's rights of consolidation will be deemed not to be diminished or limited in any way by Section 31 of the *Property Law Act* (British Columbia) and any amendments thereto or provisions enacted in replacement thereof.

50.6 The provisions of the Commitment and the Guarantee which are not expressly restated herein or in any collateral or other security documentation which is to be executed and delivered to the Mortgagee by the Mortgagor or any Guarantor or guarantor, will survive the execution and registration of this Mortgage and there will be no merger of such provisions in this Mortgage or the collateral or other security documents, until the Mortgagor and the Mortgagee, by an appropriate instrument in writing so declare. If there will exist any conflict between the terms of the Commitment and the Terms of this Mortgage, then the terms of the Commitment govern and take precedence. It is understood and agreed that a default under the terms of the Commitment or any other Credit Document will constitute an Event of Default under this Mortgage and will entitle the Mortgagee to exercise all of its rights and remedies contained in this Mortgage and the other Credit Documents.

50.7 The Mortgagor covenants and agrees with the Mortgagee that:

50.7.1 the Mortgagor will pay all costs, charges and expenses incurred in enabling the Mortgagor's title to the Lands to be registered in the Land Title Office and in the preparation and registration of this Mortgage, which costs, charges and expenses will become payable forthwith and be a charge upon the Lands and bear interest at the Mortgage Rate until paid and the Mortgagee upon the payment of the principal moneys or part thereof will have the right to prepare the release of this Mortgage from the Lands or any portion of the Lands and the costs, charges and expenses, legal or otherwise, of the preparation of such release will be paid by the Mortgagor before such release is delivered to the Mortgagor; and

50.7.2 the Mortgagor will pay, and indemnify the Mortgagee in respect of the full amount of all fees, costs, charges and expenses including the full amount of all legal fees on a solicitor and solicitor's own client full indemnity basis, disbursements, costs, charges and expenses which may be incurred by the Mortgagee before or after action is commenced in collecting, procuring or enforcing payment of any of the moneys in default under this Mortgage or in any way enforcing or protecting the security of this Mortgage or enforcing any of the Terms of this Mortgage, travelling expenses of the Mortgagee, the Mortgagee's servants and agents and commissions on collection of rent, which may be incurred in the taking, recovering and keeping possession of the Lands or in inspecting the same and generally in any other measures or proceedings taken to realize or collect the moneys hereby secured or to perfect the title of the Lands, all of which such amounts will be a charge on the Lands in favour of the Mortgagee and will be payable forthwith by the Mortgagor to the Mortgagee with interest at the Mortgage Rate until paid and in default of payment, the Mortgagee may exercise any and all remedies of the Mortgagee under this Mortgage or otherwise available to the Mortgagee. The Mortgagor hereby irrevocably consents and agrees to an award of legal costs and expenses on a solicitor and solicitor's own client full indemnity basis by any court under Section 20 of the *Law and Equity Act* (British Columbia), as amended, or any provision enacted in replacement therefor, in any foreclosure proceeding in respect of this Mortgage.

50.8 The Mortgagor and the Mortgagee acknowledge and agree that it is their express intention and desire that in no event will the total payment to the Mortgagee whether for interest, fees, bonus, additional consideration or otherwise exceed the maximum payment permitted under Section 347 of the Criminal Code (Canada), as amended, or any provision enacted in replacement therefor, and the parties further acknowledge and agree that notwithstanding any other terms or conditions of this Mortgage or any additional security documents or agreements, the interest payable on the credit advanced under this Mortgage (as "interest" and "credit advanced" are defined in Section 347 of the Criminal Code (Canada), as amended, or any provision enacted in replacement therefor), will not exceed an effective annual rate of interest of sixty (60%) percent calculated in accordance with generally accepted actuarial practices and principles. In the event that the Mortgagor would, but for this clause, be obligated to pay interest on the credit advanced under this Mortgage at a criminal rate (as "interest", "credit advanced"

and "criminal rate" are defined in Section 347 of the Criminal Code (Canada), as amended, or any provision enacted in replacement therefor), the interest payable on the credit advanced hereunder will be reduced to an effective annual rate of sixty (60%) percent, calculated in accordance with generally accepted actuarial practices and principles, firstly by reducing to the extent necessary the amount of any bonus payable hereunder, secondly (if required) by reducing to the extent necessary the amount of fees or commissions or other consideration other than interest payable hereunder, and thirdly (if required) by reducing to the extent necessary the Mortgage Rate. In the event that the Mortgagor has paid to the Mortgagee interest at a criminal rate on the credit advanced under this Mortgage (as "interest", "credit advanced" and "criminal rate" are defined in Section 347 of the Criminal Code (Canada), as amended, or any provision enacted in replacement therefor), the Mortgagee will at the request of the Mortgagor refund to the Mortgagor an amount equal to the amount by which such interest exceeds the criminal rate. The provisions of this Mortgage will be modified and are deemed to be modified to the extent necessary to effect the foregoing.

51. GENERAL (DOCUMENT/DRAFTING ISSUES)

51.1 The implied covenants deemed to be included in a mortgage under column 2 of section 15 of Schedule 6 of the *Land Transfer Form Act*, R.S.B.C. 1996 c.252 (as amended from time to time), are expressly excluded and replaced by the Terms of this Mortgage.

51.2 If the Mortgagor consists of more than one Person, then the covenants herein contained of the Mortgagor will be and be deemed to be several as well as joint.

51.3 Paragraph titles are inserted in the Terms of this Mortgage for convenience only and are not to be taken into account or looked at for the purpose of interpreting and giving full effect to the true meaning and intent of this Mortgage.

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

51.5 This Mortgage will be governed by and construed in accordance with the laws of the Province of British Columbia.

51.6 All grants, covenants, provisos, agreements, rights, powers, privileges and liabilities contained in this Mortgage are to be read and held as made by, with, granted to and imposed upon the parties hereto and their respective heirs, executors, administrators, successors and assigns as if the words had been inscribed in all the necessary places.

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

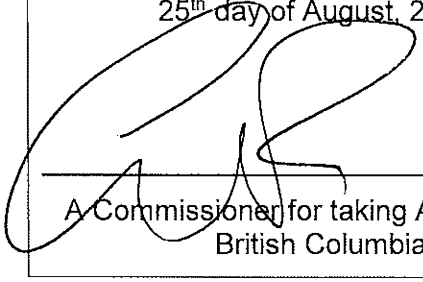
51.8 If any of the Terms of this Mortgage is or are held to be unenforceable or otherwise invalid, such holding will not in any way affect the enforceability or validity of the remaining Terms of this Mortgage.

52. COUNTERPARTS

The Mortgage may be executed and/or registered in counterparts, each of which, so executed, and/or registered will be deemed to be an original and such counterparts together will constitute one and the same instrument, and notwithstanding their date of execution will be deemed to bear date as of the date above written.

End Of Document

This is **Exhibit "P"** referred to in the 1st Affidavit of Raymond Ng sworn before me at Vancouver, British Columbia, on this 25th day of August, 2025.



A Commissioner for taking Affidavits for British Columbia

Colin Brousson
Barrister & Solicitor
DLA Piper (Canada) LLP
1133 Melville Street, Suite 2700
Vancouver, BC V6E 4E5
604.687.9444

AMENDED AND RESTATED SECURITY AGREEMENT

This amended and restated security agreement (this "**Security Agreement**") dated for reference August _____, 2025 made by 1319188 B.C. Ltd. (the "**Nominee**") and Keltic (River Garden) Development Ltd. (together with the Nominee, the "**Debtor**"), having their chief executive offices at 2338-666 Burrard Street, Vancouver, British Columbia, to and in favour of Shape Capital Corp. on behalf of TS Alpha Venture Limited Partnership (collectively, the "**Secured Party**"), as lender under the Commitment hereinafter referred to, having an address at 2020 One Bentall Centre, Box 206, 505 Burrard Street, Vancouver, British Columbia V7X 1M6.

WHEREAS:

A. Keltic (Prior) Development Limited Partnership (together with 1319191 B.C. Ltd., the "**Borrower**"), inter alios, have entered into a commitment letter with the Secured Party dated November 24, 2022 as amended by letter agreements dated December 20, 2024 and December 31, 2024, a Supplement to Commitment dated February 18, 2024, a Second Supplement to Commitment dated March 31, 2025, a Third Supplement to Commitment dated May 2, 2025 and an Amendment to Third Supplement to Commitment dated August _____, 2025 (as such agreement may be further amended, modified, supplemented, extended or otherwise restated or replaced from time to time, collectively, the "**Commitment**"), wherein the Secured Party has agreed to advance certain credit facilities (the "**Credit Facilities**") to the Borrower.

B. It is a condition of the advance of the Credit Facilities by the Secured Party that, in addition to other security being taken, the Debtor execute and deliver this Security Agreement to the Secured Party as collateral security for the payment and performance of the Guaranteed Obligations (as defined in the amended and restated guarantee dated for reference on or about the date of this Agreement, given by the Debtor to the Secured Party, as such guarantee may be amended, modified, supplemented, restated or replaced from time to time (the "**Guarantee**")).

NOW THEREFORE WITNESSETH that, in consideration of these premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Debtor, the Debtor covenants, declares and agrees as follows:

ARTICLE 1
INTERPRETATION

1.1 Terms Incorporated for Reference. All capitalized terms used but not otherwise defined in this Security Agreement shall have the meanings attributed to them in the Commitment or, as applicable, in the Mortgage. Terms defined in the British Columbia *Personal Property Security Act* (including the regulations thereto and all as amended from time to time, collectively, the "**PPSA**") and used but not otherwise defined in this Security Agreement shall have the same meaning herein.

1.2 Defined Terms. In this Security Agreement, unless there is something in the subject matter or context inconsistent therewith, the following words and terms shall have the following meanings:

> "**Affiliate**" means, with respect to any Person, any other Person who directly or indirectly controls, is controlled by, or is under direct or indirect common control with, such Person, and includes any Person in like relation to an Affiliate. A Person will be deemed to control

another Person if such first Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such other Person, whether through the ownership of voting securities, by contract or otherwise;

"**Authorization**" means any permit, licence, approval, consent, order, right, certificate, judgment, writ, injunction, award, determination, direction, decree, authorization, franchise, privilege, grant, waiver, exemption and other concession or by-law, rule or regulation, whether or not having the force of Law, of, by or from any Official Body, all as amended, supplemented or otherwise modified or replaced from time to time;

"**Book Accounts**" means all debts, accounts, monies, demands and choses in action which are now due, owing or accruing due or which may hereafter become due, owing or accruing due to the Debtor and all claims of whatsoever nature or kind which the Debtor now has or may hereafter have, in each case in respect of or arising out of or in connection with the Business, including claims against the Crown and claims under insurance policies and all the proceeds and other monies payable thereunder (including bonuses, additions, profits, interest and all other such amounts); and all Contracts, securities, bills, notes, lien notes, judgments, chattel mortgages, mortgages and all other rights and benefits which now are or may hereafter be vested in the Debtor or anyone on behalf of the Debtor in respect of or as security for any of the said debts, accounts, monies, demands, choses in action and claims or any part thereof; and also all books, accounts, invoices, letters, papers and documents recording or in any way evidencing or relating to any of the said debts, accounts, monies, demands, choses in action and claims or any part thereof, and "**Book Account**" means any one of them;

"**Business**" means the business of the Debtor as conducted by it as at May 5, 2025 and as proposed to be conducted by it hereafter including the ownership, operation and lease of assets and property in connection therewith and the investment therein and all other activities necessary, useful, incidental or ancillary to the foregoing;

"**Business Day**" means any day of the year, other than a Saturday, Sunday or other day on which banks are required or authorized to close for business in Vancouver, British Columbia;

"**Collateral**" has the meaning set forth in Section 2.1;

"**Commitment**" means the commitment letter dated November 24, 2022, delivered by the Secured Party, and accepted by the Borrower and the Guarantor, *inter alia*, as amended by a Supplement to Commitment dated February 18, 2025, a Second Supplement to Commitment dated March 31, 2025 and a Third Supplement to Commitment dated May 2, 2025 and as may be further amended, modified, supplemented, extended or otherwise restated or replaced from time to time;

"**Consent**" means any permit, licence, approval, consent, order, right, certificate, judgment, writ, injunction, award, determination, direction, decree, authorization, franchise, privilege, grant, waiver, exemption, and other concession or by-law, rule or regulation, whether or not having the force of Law, of, by or from any Person other than an Official Body, all as may be further amended, modified, supplemented, extended or otherwise restated or replaced from time to time;

"**Contracts**" means all contracts or agreements relating to or arising in connection with the acquisition, ownership, use or operation of the Lands or the Business (including, without limitation, all contractual rights and benefits, options or rights to acquire options under such contracts or agreements to which the Debtor is a party (whether by way of assignment or otherwise) in any form whatsoever, written or verbal, now in existence or hereafter entered into (including leases, options to purchase and rights of first refusal), together in each case with any amendments, supplements, modifications, extensions, renewals or replacements thereof, and "**Contract**" means any one of them;

"**Credit Documents**" means this Agreement, the Commitment, the Mortgage, the other Security Documents and all other documents to be executed and delivered to the Secured Party by the Borrower, the Debtor, a Guarantor or a Subsidiary or an Affiliate thereof hereunder or thereunder, all as may be further amended, modified, supplemented, extended or otherwise restated or replaced from time to time;

"**Guarantor**" means those parties collectively listed as "Guarantor" in the Commitment and any other Affiliates of the Borrower as the Secured Party may from time to time require in its sole discretion;

"**Intellectual Property**" means all intellectual property owned by the Debtor or in which the Debtor has rights including, without limitation, all Trademarks, copyrights, copyright applications and registrations, patents, patent applications, industrial designs, industrial design applications and registrations, inventions, know how, trade secrets, technical processes, recipes, formulae or rights therein or related thereto used in or necessary for the conduct of the Business, and all related licences or other Consents held by the Debtor with respect to the Business or the use of technology relating to the Business;

"**Inventory**" means all inventories of the Debtor wheresoever located (including, without limitation, such inventory located at, on or about the Lands or any leasehold property) including, without limitation, finished goods, work in progress, raw materials, cut trees, gravel, stores, supplies, spare parts and other maintenance items and merchandise, and all other materials and supplies wherever located, including on or about or in transit to or from the Lands (or otherwise on hand), to be used or consumed in connection with the processing, manufacture, packing, shipping, selling or furnishing of products in the Business;

"**Lands**" means all real property or interests in real property (including, without limitation, any leasehold estates pursuant to a lease or statutory rights of way), together with the buildings and improvements situate thereon or fixtures forming a part thereof and all attendant easements, rights-of-way, licences, leases, leasehold estates and other interests located at on the lands legally described in Schedule A hereto;

"**Law**" includes any law (including common law and equity), constitution, statute, treaty, regulation, rule, ordinance, order, injunction, writ, decree or award of any Official Body;

"**Lien**" includes any mortgage, pledge, lien, hypothecation, security interest or other encumbrance or charge (whether fixed, floating or otherwise) or title retention, any right of set-off (arising otherwise than by operation of Law) and any deposit of monies under any agreement or arrangement whereby such monies may be withdrawn only upon fulfilment of any conditions as to the discharge of any other indebtedness or other obligation to any

creditor, or any right of or arrangement of any kind with any creditor to have its claims satisfied prior to other creditors with or from the proceeds of any properties, assets or revenues of any kind now owned or hereafter acquired;

"**Mortgage**" means the mortgage of the Lands and assignment of rents registered on May 13, 2025 under registration numbers CB2038554 and CB2038555, granted by the Nominee in favour of the Secured Party, as may be further amended, modified, supplemented, extended or otherwise restated or replaced from time to time;

"**Negotiable Collateral**" has the meaning set forth in Section 2.3(b);

"**Obligations**" has the meaning set forth in Section 2.2(a);

"**Official Body**" means any government or political subdivision or any agency, authority, bureau, central bank, monetary authority, commission, department or instrumentality thereof, or any court, tribunal, grand jury or arbitrator, whether foreign or domestic;

"**Permitted Liens**" means:

(i) undetermined or inchoate Liens arising in the ordinary course of and incidental to construction or current operations which have not been filed pursuant to law against the Debtor or any Affiliate of the Debtor or in respect of which no steps or proceedings to enforce such lien have been initiated or which relate to obligations which are not due or delinquent are being contested by the Debtor or any Affiliate of the Debtor;

(ii) the Liens granted by the Debtor in favour of the Secured Party;

(iii) the interest of any Person under any purchase money security interest;

(iv) public and statutory Liens for charges not yet due arising by operation of Law; and

(v) any Lien permitted in writing by the Secured Party;

"**Person**" means an individual, partnership, corporation (including a business trust), joint stock company, trust, unincorporated association, joint venture or other entity, or a foreign state or political subdivision thereof or any agency of such state or subdivision;

"**PPSA**" has the meaning set forth in Section 1.1;

"**Security**" means the security given to the Secured Party at any time and from time to time to secure the indebtedness, liabilities and obligations of the Borrower, the Debtor, a Guarantor and other Persons under the Commitment and the Mortgage, including, without limitation, the security referred to in the Commitment, all as may be further amended, modified, supplemented, extended or otherwise restated or replaced from time to time;

"**Security Agreement**" means this agreement as may be further amended, modified, supplemented, extended or otherwise restated or replaced from time to time;

"**Security Documents**" means this Security Agreement and the other documents referred to in Section 20 of the Commitment, the Mortgage and the agreements, instruments and documents delivered from time to time to the Secured Party by the Borrower, the Debtor, a Guarantor and other Persons, for the purpose of establishing, perfecting, preserving and protecting the Security, all as may be further amended, modified, supplemented, extended or otherwise restated or replaced from time to time;

"**Security Interest**" has the meaning set forth in Section 2.2(a);

"**Subsidiaries**" means, at any time, in respect of a Person, any corporation, partnership or other entity of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other Persons performing similar functions are at such time directly or indirectly owned by such Person;

"**Trademarks**" means (i) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos, design marks, certification marks, distinguishing guises and other source or business identifiers, and the goodwill associated therewith, (ii) all registrations and recordings thereof, and all applications in connection therewith, (iii) all extensions, renewals and continuations thereof, and (iv) all rights to sue for past, present or future infringements of, dilution or depreciation of value to and passing off of or injury to any thereof.

ARTICLE 2
SECURITY

2.1 **Grant of Security**. Subject to Section 2.4, the Debtor hereby (i) mortgages and charges to the Secured Party as and by way of a fixed mortgage and charge; (ii) pledges to the Secured Party; (iii) assigns and transfers to the Secured Party as and by way of a specific transfer and assignment (except any assignment or transfer of Intellectual Property); and (iv) grants to the Secured Party, a security interest in, all of the Debtor's right, title and interest in and to all personal property and undertaking of the Debtor, present and future, now owned or hereafter acquired used in, located on or in connection with the Lands (collectively, the "**Collateral**", and all references thereto herein include any part thereof) including, without limitation, any and all of the Debtor's:

(a) goods of every kind, type and description whatsoever now or hereafter owned, leased or otherwise held by it, including, without limitation, fixtures and equipment (including, without limitation, the equipment described in Schedule B Part I hereto), goods held for sale or lease, goods furnished or to be furnished to Persons under contracts of lease, sale or consignment, goods which are raw materials or work in progress, goods used in or procured for packing, goods which are materials used or to be used or consumed in the Business, goods which are service equipment, office equipment, computer equipment, consumables, machinery, plant, vehicles (including the serial numbered goods described in Schedule B Part II hereto) and all licences and other rights and other tangible personal property now or hereafter owned, leased or otherwise held by it and all records, files, charts, plans, drawings, specifications, manuals and documents relating to any of the foregoing;

(b) bank accounts related to the Lands and construction on the Lands;

(c) Inventory, including, without limitation, such goods held for sale or lease, goods furnished or to be furnished to third Persons under contracts of lease, consignment or service and the Inventory described in Schedule C hereto;

(d) all Book Accounts and Contracts, including all Book Accounts and Contracts with respect to such account;

(e) documents of title, chattel paper, instruments, investment property and money, including, without limitation, all proceeds of all policies of insurance payable as indemnity or compensation for loss of or damage to any of the Collateral;

(f) intangibles, including, without limitation, all security interests, goodwill, choses in action and other contractual benefits and all Intellectual Property, including, without limitation, the intellectual property described in Schedule D hereto;

(g) substitutions and replacements of and increases, additions and, where applicable, accessions to the property described in Sections 2.1(a) through 2.1(f) inclusive;

(h) proceeds in any form derived directly or indirectly from any dealing with all or any part of the property described in Sections 2.1(a) through (g) inclusive or the proceeds therefrom; and

(i) as and by way of a floating charge to and in favour of the Secured Party, a security interest in and to:

(i) all the Debtor's right, title and interest in and to all its presently owned or held and after acquired or held real and leasehold property and all interests therein, and all easements, rights-of-way, privileges, benefits, licences, improvements and rights whether connected therewith or appurtenant thereto or separately owned or held, including all structures, plants and other fixtures (all of which is hereinafter collectively called "**Real Property**"); and

(ii) all property, assets and undertakings of the Debtor, both present and future, of whatsoever nature or kind and wheresoever situated, and all proceeds thereof and therefrom, other than such of its property, assets and undertakings as are otherwise validly and effectively subject to the charges and security interests in favour of the Secured Party created pursuant to the foregoing Sections 2.1(a) through (h) inclusive.

2.2 Obligations Secured.

(a) The mortgages, charges, pledges, transfers, assignments and security interests granted hereby (collectively, the "**Security Interest**") shall be continuing collateral security for the due payment and performance of all indebtedness, liabilities and obligations, at any time due or accruing due or owing from time to time under the Commitment, the Guarantee, the Mortgage and all other Credit Documents, and whether incurred as principal or surety (collectively, and together with the expenses, costs and charges set out in Section 2.2(b), the "**Obligations**"); provided that payments owing by the Debtor to the Secured Party hereunder shall

be made in accordance with the terms and conditions of the Commitment and the Mortgage.

(b) All expenses, costs and charges incurred by or on behalf of the Secured Party in connection with the preparation and issuance of this Security Agreement, the perfection, preservation and protection of the Security Interest and the enforcement of the Secured Party's rights and remedies hereunder, including the realization of the Collateral, and including all legal fees (on a solicitor and solicitor's own client full indemnity basis), disbursements, court costs, receiver's or agent's remuneration and other expenses of taking possession of, repairing, protecting, insuring, preparing for disposition, realizing, collecting, selling, transferring, delivering or obtaining payment of the Collateral, shall be added to and form a part of the Obligations.

2.3 Attachment.

(a) The Debtor and the Secured Party hereby acknowledge that (i) value has been given; (ii) the Debtor has rights in the Collateral (other than after-acquired Collateral); and (iii) they have not agreed to postpone the time of attachment of the Security Interest.

(b) If the Debtor acquires Collateral consisting of chattel paper, instruments, investment property or negotiable documents of title (collectively, "**Negotiable Collateral**") after May 5, 2025, the Debtor will, forthwith upon receipt by the Debtor, deliver to the Secured Party (or as the Secured Party may direct) such Negotiable Collateral and shall, at the request of the Secured Party (i) cause the transfer thereof to the Secured Party to be registered wherever, in the reasonable opinion of the Secured Party, such registration may be required or advisable, (ii) duly endorse the same for transfer in blank or as the Secured Party may direct, and (iii) forthwith deliver to the Secured Party all Consents or other instruments or documents which may be necessary to effect the transfer of the Negotiable Collateral to the Secured Party or its nominee or, upon the enforcement of the Security Interest, any third party.

(c) The Debtor agrees to promptly inform the Secured Party in writing of the acquisition by the Debtor of any personal property which is not adequately described herein, and the Debtor agrees to execute and deliver at its own expense from time to time amendments to this Security Agreement or the schedules hereto or additional security agreements or schedules as may be required by the Secured Party in order that the Security Interest shall attach to such personal property.

2.4 Scope of Security Interest.

(a) Nothing in Section 2.1 shall be construed as an assignment by the Debtor (which term shall include a sub-lease, mortgage, pledge or charge) of any Contract, Book Account, claim, demand or chose in action which, as a matter of Law or by its terms, is non-assignable without the Consent or Authorization of some other Person unless such Consent or Authorization has been obtained. To the extent that the creation of the Security Interest would constitute a breach or permit the acceleration of any agreement right, license or permit to which the Debtor is a

party, the Security Interest shall not attach thereto but the Debtor shall hold its interest therein in trust for the Secured Party, and, in the case of any such potential breach or acceleration of any agreement, right, license or permit, shall use all reasonable efforts to obtain the consent of the other party thereto. Upon the Debtor obtaining the consent of such other party, the Security Interest shall be deemed to have automatically attached to such agreement, right, license or permit, as the case may be, without the necessity of any further action or assurance on the part of any Person.

(b) Until the Security Interest shall have become enforceable, the grant of the Security Interest in the Intellectual Property shall not affect in any way the Debtor's rights to commercially exploit the Intellectual Property, to defend the Intellectual Property, to enforce the Debtor's rights therein or with respect thereto against third parties in any court or to claim and be entitled to receive any damages with respect to any infringement thereof.

(c) The Security Interest shall not extend to consumer goods.

(d) The Security Interest shall not extend or apply to the last day of any term of years reserved by a lease, verbal or written, or any agreement therefor, now held or hereafter acquired by the Debtor in respect of real property but the Debtor shall stand possessed of any such reversion in trust to assign and dispose thereof as the Secured Party may direct.

(e) The Secured Party will not be deemed in any manner to have assumed any obligation of the Debtor under any Authorization or Contract nor shall the Secured Party be liable to any Official Body or contract counterparties by reason of any default by any Person under any Authorization or Contract. The Debtor agrees to indemnify and hold the Secured Party harmless of and from any and all liability, loss, damage or expense which it may or might incur by reason of any claim or demand against it based on its alleged assumption of the Debtor's duty and obligation to perform and discharge the terms, covenants and agreements in any Authorization or Contract.

(f) It is expressly acknowledged by the Debtor that, notwithstanding any right or authority granted to the Debtor herein or in any other agreement or instrument to deal with the Collateral, it is the intention of the Debtor and the Secured Party that (i) the Security Interest shall operate and be construed as a fixed and specific charge of all Collateral in respect of which the Debtor presently has rights, and as a fixed and specific charge of all after-acquired Collateral which shall attach forthwith upon the Debtor acquiring rights therein, and (ii) the Security Interest shall neither operate nor be construed as a floating charge.

2.5 <u>The Secured Party's Care and Custody of Collateral</u>.

(a) Except as required by any mandatory provision of the PPSA, the Secured Party shall not be bound to collect, dispose of, realize, protect or enforce any of the Debtor's right, title and interest in and to the Collateral or to institute proceedings for the purpose thereof and, without limiting the generality of the foregoing, the

Secured Party shall not be required to take any steps necessary to preserve rights against prior parties or other Persons in respect of any Negotiable Collateral.

(b) The Secured Party shall have no obligation to keep Collateral in its possession identifiable.

(c) The Secured Party may, both before and after the Security Interest shall have become enforceable, (i) notify any Person obligated on a Book Account or on chattel paper or any obligor on an instrument to make payment thereunder to the Secured Party, whether or not the Debtor was theretofore making collections thereon, and (ii) assume control of any proceeds arising from the Collateral.

2.6 Representations and Warranties of the Debtor. The Debtor represents and warrants to the Secured Party that, as of the date of this Agreement:

(a) except for Permitted Liens, the Debtor owns the Collateral free and clear of any Liens. The Debtor is the record and beneficial owner of all Collateral that is investment property. No security agreement, financing statement or other notice with respect to any or all of the Collateral is on file or on record in any public office, except for filings with respect to Permitted Liens;

(b) the amount represented by the Debtor to the Secured Party from time to time as owing by each account debtor or by all account debtors in respect of the Book Accounts will at such time be the correct amount so owing by such account debtor or debtors and, unless disclosed in writing by the Debtor to the Secured Party at that time, will be owed free of any dispute, set-off or counterclaim. Except as disclosed in writing by the Debtor to the Secured Party, neither the Debtor nor (to the best of the Debtor's knowledge) any other party to any Book Account or Contract is in default or is likely to become in default in the performance or observance of any of the terms of such Book Account or Contract where such default is or could reasonably be expected to be materially adverse to the Debtor or the Secured Party;

(c) the Debtor is a corporation and validly exists in all jurisdictions where the Debtor carries on business;

(d) the Debtor has full power and authority to grant to the Secured Party the Security Interest and to execute, deliver and perform its obligations under this Agreement, and such execution, delivery and performance does not contravene any of the Debtor's organizational or constating documents or any agreement, instrument or restriction to which the Debtor is a party or by which the Debtor or any of the Collateral is bound; and

(e) this Agreement has been duly authorized, executed and delivered by the Debtor and is a valid and binding obligation of the Debtor enforceable against the Debtor in accordance with its terms, subject only to bankruptcy, insolvency, liquidation, reorganization, moratorium and other similar laws generally affecting the enforcement of creditors' rights, and to the fact that equitable remedies (such as specific performance and injunction) are discretionary remedies.

2.7 **Covenants of The Debtor.** The Debtor covenants with the Secured Party the following:

(a) the Debtor shall not, without the prior written consent of the Secured Party or except as permitted by the Commitment, the Mortgage and the other Credit Documents, sell, transfer, exchange, lease, release or abandon or otherwise dispose of any of the Collateral except (i) for collateral consisting of Inventory sold or leased in the ordinary course of the Debtor's business, and (ii) as otherwise agreed to in writing by the Secured Party, or create, assume or permit to remain outstanding any Lien in, on or of the Collateral except (i) for Permitted Liens, and (ii) as otherwise agreed to in writing by the Secured Party. Any proceeds of such sale, exchange, lease, release, abandonment or disposal except as permitted by this Section shall be held by the Debtor in trust for the Secured Party and, at the request of the Secured Party, shall be paid immediately to the Secured Party;

(b) the Debtor shall not move or transfer the Collateral from the Lands or enter into any agreement or undertaking to move or transfer the Collateral from the Lands;

(c) the Debtor shall not permit any material Collateral to be affixed to real or personal property not owned by the Debtor so as to become a fixture or accession, without prior written notice to the Secured Party and without a waiver of interest in such fixture or accession from the applicable third party prior to affixation;

(d) the Debtor shall defend the Collateral against all reasonable claims and demands of all persons claiming the Collateral or an interest therein;

(e) upon the demand by the Secured Party, the Debtor shall furnish in writing to the Secured Party all reasonable information requests concerning the Collateral;

(f) the Secured Party shall have the reasonable right, during regular business hours, either by its officers or authorized agents to enter upon the Debtor's premises and to inspect the Collateral and all books of account and records of the Debtor relating to the Collateral;

(g) the Debtor shall pay all reasonable costs, charges and expenses of and incidental to registering notice (and any amendments and renewals of such notice) of this Security Agreement and in taking, recovering, keeping possession of or inspecting the Collateral and generally in any other proceedings taken in enforcing the remedies in this Security Agreement or otherwise in connection with this Security Agreement or by reason of non payment or procuring payment of the monies hereby secured;

(h) if the Debtor makes default in any covenant to be performed by it hereunder, the Secured Party may perform any covenant of the Debtor capable of being performed by the Secured Party and if the Secured Party is put to any costs, charges, expenses or outlays to perform any such covenant, the Debtor will indemnify the Secured Party for such costs, charges, expenses or outlays and such costs, charges, expenses or outlays (including solicitors' fees and charges incurred by the Secured Party on a "solicitor/client" basis) will be payable immediately by the Debtor to the Secured Party, and will form part of the Obligations secured by this Security Agreement;

(i) the Debtor shall pay all taxes, rates, levies, charges, assessments, statute labour or other imposition whatsoever now or hereafter rated, charged, assessed, levied or imposed by any lawful authority or otherwise howsoever on it, on the Collateral or on the Secured Party in respect of the Collateral or any part or parts thereof, or any other matter or thing in connection with this Security Agreement, save and except when and so long as the validity of such taxes, rates, levies, charges, assessments, statute labour or other imposition is in good faith contested by it, and will, if and when required in writing by the Secured Party, furnish for inspection the receipts for any such payments;

(j) the Debtor shall promptly pay or remit all amounts which if left unpaid or unremitted might give rise to a lien or charge on any of the Collateral ranking or purporting to rank in priority to any security interest created by this Security Agreement;

(k) the Debtor shall do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered, such further acts, deeds, mortgages, transfers and assurances as the Secured Party will reasonably require for the better assuring, charging, assigning and conferring unto the Secured Party the Collateral and the security interests intended to be created hereunder, for the purpose of accomplishing and effecting the intention of this Security Agreement;

(l) the Debtor shall keep all tangible Collateral in good operating condition and repair and will provide all maintenance, service and repairs necessary for such purpose; and

(m) the Debtor will keep the Collateral insured with financially sound and reputable companies to its full insurable value against loss or damage by fire, explosion, theft and such other risks as are customarily insured against by Persons carrying on similar businesses or owning similar property within the vicinity in which the Debtor's applicable business or property is located. The applicable insurance policies will be in form and substance satisfactory to the Secured Party and will name the Secured Party as loss payee, as its interest may appear, and the Debtor shall pay all premiums for such insurance. The Debtor will, from time to time at the Secured Party's request, deliver the applicable insurance policies (or satisfactory evidence of such policies) to the Secured Party. If the Debtor does not obtain or maintain such insurance, the Secured Party may, but need not, do so, in which event the Debtor will immediately on demand reimburse the Secured Party for all payments made by the Secured Party in connection with obtaining and maintaining such insurance, and until reimbursed any such payment will form part of the Obligations and will be secured by the Security Interest. The Secured Party nor its agents will be responsible for the character, adequacy, validity or genuineness of any insurance, the solvency of any insurer, or any other risk connected with insurance;

(n) the Debtor will not (i) enter into any merger, consolidation, reorganization, or recapitalization, (ii) liquidate, wind up, or dissolve itself (or suffer any liquidation or dissolution), (iii) make any change in the principal nature of its business, or (iv) cause, permit, or suffer, directly or indirectly, any change of control; and

(o) the Debtor will not change its name, registration number or province of formation; provided, however, that the Debtor may change its name upon at least 30 days prior written notice by it to the Secured Party of such change and so long as, at the time of such written notification, the Debtor provides any financing statements necessary to perfect and continue perfected the Security Interest.

2.8 Right of Set-Off. The Obligations secured by this Security Agreement shall be paid, when due, by the Debtor to the Secured Party without regard to any equities existing among the Debtor and the Secured Party and without regard to any right of set-off or cross-claim or of any claim or demand of the Debtor against the Secured Party or otherwise.

2.9 Protective Disbursements. If the Debtor fails to perform any covenant on its part contained in this Security Agreement then the Secured Party may, in its absolute discretion, perform any such covenant capable of being performed by it and, if any such covenant requires the payment or expenditure of money, the Secured Party may make such payment but shall be under no obligation to do so, and all sums so paid or expended by the Secured Party shall be immediately payable by the Debtor, shall bear interest at the highest rate set forth in the Commitment and the Mortgage until paid and shall be secured hereby, having the benefit of the Security Interest in priority to the indebtedness evidenced by this Security Agreement. No such performance or payment shall relieve the Debtor from any default under this Security Agreement or any consequences of such default.

ARTICLE 3
ENFORCEMENT

3.1 Default. The Security Interest shall be and become enforceable against the Debtor upon an Event of Default.

3.2 Remedies. Whenever the Security Interest has become enforceable, the Secured Party may realize upon the Collateral and enforce the rights of the Secured Party by any remedy or proceeding authorized or permitted by Law (subject to any mandatory provision of the PPSA) including, without limitation, by:

(a) entry onto the Lands and any other premises where Collateral consisting of tangible personal property may be located;

(b) entry into possession of the Collateral and removal of Collateral consisting of tangible personal property by any method permitted by Law;

(c) sale, assignment, lease, sub-lease, granting options or options to purchase or any other disposal of the Collateral;

(d) collection of any proceeds arising in respect of the Collateral;

(e) collection, realization or sale of or other dealing with the Book Accounts or any of them;

(f) the exercise of any contractual, legal or other rights or interests of the Debtor under or in respect of the Collateral;

(g) the payment of any Lien that may exist or be threatened against the Collateral, in which event such amount and any costs, charges and expenses incurred in connection therewith shall be added to the Obligations;

(h) the appointment by instrument in writing of a receiver (which term as used in this Security Agreement includes a receiver and manager) or agent of the Collateral and the removal or replacement of such receiver or agent from time to time;

(i) the institution of proceedings in any court of competent jurisdiction for the appointment of a receiver of the Collateral;

(j) the institution of proceedings in any court of competent jurisdiction for sale or foreclosure of the Collateral;

(k) filing proofs of claim and other documents to establish claims in any proceeding relating to the Debtor;

(l) the set-off and application against the Obligations, to the fullest extent permitted by Law, of any monies to be paid by the Secured Party to the Debtor under the Credit Documents or any other agreement between the Secured Party and the Debtor; and

(m) any other remedy or proceeding authorized or permitted by applicable Law.

Such remedies may be exercised from time to time separately or in combination with respect to or all or any part of the Collateral and are in addition to and not in substitution for any other rights of the Secured Party however created. The Secured Party may proceed by way of any action, suit or other proceeding available at Law and no right, remedy or power of the Secured Party shall be exclusive of or dependent on any other. The Secured Party may exercise any of its rights, remedies or powers separately or in combination and at any time. The Secured Party shall not be bound to exercise any such right, remedy or power, and the exercise of such right, remedy and power shall be without prejudice to the rights of the Secured Party in respect of the Obligations including the right to claim for any deficiency.

3.3 Additional Rights. In addition to the remedies of the Secured Party set forth in Section 3.2, the Secured Party may, whenever the Security Interest has become enforceable:

(a) require the Debtor, at the Debtor's expense, to gather or assemble the Collateral consisting of tangible personal property at a place or places designated by notice in writing given by the Secured Party to the Debtor;

(b) require the Debtor, by notice in writing given by the Secured Party to the Debtor, to disclose to the Secured Party the location or locations of the Collateral consisting of tangible personal property;

(c) repair, process, modify, improve, complete or otherwise deal with the Collateral and prepare for the disposition of the Collateral, whether on the premises of the Debtor or otherwise;

(d) subject to applicable Law, carry on all or any part of the Business or businesses of the Debtor and, to the exclusion of all others including the Debtor, enter upon, occupy and use all or any of the premises, buildings, plant, undertaking and other property of or used by the Debtor for such time as the Secured Party sees fit, free of charge, and the Secured Party shall not be liable to the Debtor for any act, omission or negligence in so doing or for any rent, charges, depreciation or damages incurred in connection therewith or resulting therefrom;

(e) subject to applicable Law, borrow for the purpose of carrying on the Business or businesses of the Debtor or for the maintenance, preservation or protection of the Collateral and mortgage, charge, pledge or grant a Lien in, on or of the Collateral, whether or not in priority to the Security Interest, to secure repayment;

(f) demand, commence, continue or defend any judicial or administrative proceedings for the purpose of protecting, seizing, collecting, realizing or obtaining possession or payment of the Collateral, and give valid and effectual receipts and discharges therefor and make any arrangement or compromise or give time for the payment or performance of all or any part of the Book Accounts or any Contract or any other obligation of any third party to the Debtor; and

(g) participate in any recapitalization, reclassification, reorganization, consolidation, redemption, share split, merger or liquidation of any issuer of securities which constitute Collateral, and in connection therewith may deposit or surrender control of the Collateral, accept money or other property in exchange for the Collateral, and take such action as it deems proper in connection therewith, and any other money or property received in exchange for the Collateral shall be held by the Secured Party thereafter as part of the Collateral pursuant to the provisions hereof.

3.4 Concerning the Receiver.

(a) Any receiver appointed by the Secured Party shall be vested with the rights and remedies which could be exercised by the Secured Party in respect of the Debtor or the Collateral and such other powers and discretions as are granted in the instrument of appointment and any instrument or instruments supplemental thereto. The identity of the receiver, any replacement thereof and any remuneration thereof shall be within the sole and unfettered discretion of the Secured Party.

(b) Any receiver appointed by the Secured Party shall act as agent for the Secured Party for the purposes of taking possession of the Collateral, but otherwise and for all other purposes (except as provided below and with respect to its discharge), as agent for the Debtor. The receiver may sell, lease, or otherwise dispose of Collateral as agent for the Debtor or as agent for the Secured Party (but in all cases shall take direction from the Secured Party) as the Secured Party may determine in its sole and unfettered discretion. The Debtor agrees to ratify and confirm all actions of the receiver acting as agent for the Debtor, and to release and indemnify the receiver in respect of all such actions.

(c) The Secured Party, in appointing or refraining from appointing any receiver, shall not incur liability to the receiver, the Debtor or otherwise and shall not be responsible for any misconduct or negligence of such receiver.

3.5 Appointment of Attorney. The Debtor hereby irrevocably appoints the Secured Party (and any officer thereof) as attorney of the Debtor (with full power of substitution) to exercise, whenever the Security Interest has become enforceable, in the name of and on behalf of the Debtor, any of the Debtor's right (including the right of disposal), title and interest in and to the Collateral including the execution, endorsement and delivery of any agreements, documents, instruments, securities, documents of title and chattel paper and any notices, receipts, assignments or verifications of the Book Accounts. All acts of any such attorney are hereby ratified and approved, and such attorney shall not be liable for any act, failure to act, omission or negligence in so doing or any other matter or thing in connection therewith, except for its own negligence or wilful misconduct.

3.6 The Secured Party's Dealings with Collateral.

(a) The Secured Party shall not be obliged to exhaust its recourses against the Debtor or any other Person or Persons or against any other security it may hold in respect of the Obligations before realizing upon or otherwise dealing with the Collateral in such manner as the Secured Party may consider desirable.

(b) The Secured Party may grant extensions or other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Debtor and with other Persons, sureties or securities as the Secured Party may see fit, all without prejudice to the Obligations or the rights of the Secured Party in respect of the Collateral.

(c) The Secured Party shall not be (i) bound under any circumstance to realize upon the Collateral; (ii) liable or accountable for any failure to collect, realize or obtain payment in respect of the Collateral; (iii) bound to institute proceedings for the purpose of collecting, enforcing, realizing or obtaining payment of the Collateral or for the purpose of preserving any rights of the Secured Party, the Debtor or any other Persons in respect thereof; (iv) responsible for any loss occasioned by any sale or other dealing with the Collateral or by the retention of or failure to sell or otherwise deal therewith; or (v) bound to protect the Collateral from depreciating in value or becoming worthless.

(d) All monies from time to time received by the Secured Party or the receiver may be applied as follows: first, in discharge of all operating expenses and other ongoings affecting the Collateral; second, in keeping in good standing all Liens on the Collateral having priority over the Security Interest; third, in payment of the remuneration and disbursements of the receiver (if any); fourth, in payment to the Secured Party of monies payable hereunder and under the Commitment, the Mortgage and the other Credit Documents or any other agreements between the Secured Party and the Debtor entered into pursuant thereto; and the balance, if any, shall be paid to the Debtor or as a court of competent jurisdiction may direct. If there shall be a deficiency, the Debtor shall remain liable for such deficiency and shall pay the amount of such deficiency to the Secured Party forthwith.

3.7 Standards of Sale. Without prejudice to the ability of the Secured Party to dispose of the Collateral in any manner which is commercially reasonable, the Debtor acknowledges that a disposition of Collateral by the Secured Party which takes place substantially in accordance with the following provisions shall be deemed to be commercially reasonable:

(a) Collateral may be disposed of in whole or in part whether or not the Secured Party has taken possession thereof;

(b) Collateral may be disposed of by public auction, public tender or private contract, with or without advertising and without any other formality;

(c) any purchaser or lessee of such Collateral may be a customer or related Person of the Secured Party;

(d) a disposition of Collateral may be on such terms and conditions as to credit, deferred payment or otherwise as the Secured Party, in its sole discretion, may deem advantageous;

(e) the Secured Party may establish an upset or reserve bid or price in respect of the Collateral; and

(f) the Secured Party may buy in, rescind or vary any contract for the disposition of Collateral and may dispose of any Collateral again without being obligated to account or answer for any gain or loss occasioned thereby.

3.8 Dealings by Third Parties.

(a) No Person dealing with the Secured Party or its agent or a receiver shall be required (i) to determine whether the Security Interest has become enforceable; (ii) to determine whether the powers which the Secured Party or such agent or receiver on behalf of the Secured Party is purporting to exercise have become exercisable; (iii) to determine whether any money remains due to the Secured Party by the Debtor; (iv) to determine the necessity or expediency of the stipulations and conditions subject to which any sale or lease shall be made; (v) to determine the propriety or regularity of any sale or of any other dealing by the Secured Party or such agent or receiver with the Collateral; or (vi) to see to the application of any money paid to the Secured Party or such agent or receiver.

(b) Any purchaser of the Collateral from the Secured Party shall hold the Collateral absolutely free from any claim or right of whatever kind including any equity of redemption of the Debtor, and the Debtor hereby specifically waives, to the fullest extent permitted by Law, as against any such purchaser, all right of redemption, stay or appraisal which the Debtor now has or may have under any rule of Law now existing or hereafter adopted. To the fullest extent permitted by Law, the Debtor waives all of the rights, benefits and protection provided to it by any statute which imposes limitations upon the rights, remedies or powers of a secured party.

ARTICLE 4
GENERAL

4.1 Discharge. The Security Interest shall be released and discharged upon, but only upon, full payment in cash, satisfaction and performance of the Obligations and at the request and expense of the Debtor. The Secured Party shall execute and deliver to the Debtor, at the request and expense of the Debtor, such releases and discharges as the Debtor may reasonably require.

4.2 No Merger, etc. No judgment recovered by the Secured Party shall operate by way of merger of or in any way affect the Security Interest, which is in addition to and not in substitution for any other security now or hereafter held by the Secured Party in respect of the Obligations.

4.3 Waivers, etc. No amendment, consent or waiver by the Secured Party shall be effective unless made in writing and signed by an authorized officer of the Secured Party and then such amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

4.4 Further Assurances. The Debtor shall from time to time, whether before or after the Security Interest shall have become enforceable, do all such acts and things and execute and deliver all such deeds, transfers, assignments and instruments as the Secured Party may reasonably require for protecting the Collateral or perfecting the Security Interest and for exercising all rights, remedies, powers, authorities and discretions hereby conferred upon the Secured Party, and the Debtor shall, from time to time after the Security Interest has become enforceable, do all such acts and things and execute and deliver all such deeds, transfers, assignments and instruments as the Secured Party may require for facilitating the sale of or other dealing with the Collateral in connection with any realization thereof.

4.5 Notice. All notices, requests, demands, directions and communications (in this Section 4.5, "**Notices**") hereunder shall be sent by e-mail, facsimile or similar means of recorded communication or hand delivery and shall be effective when hand delivered or, in the case of successful e-mail, facsimile or similar means of recorded communication, when received. All Notices shall be given to the respective addresses on page 1 of this Security Agreement or, in either case, in accordance with any unrevoked written direction as to a change of address given in accordance with this Section 4.5.

4.6 Successors and Assigns. This Security Agreement shall be binding upon the Debtor, its successors and permitted assigns, and shall enure to the benefit of the Secured Party and its successors and assigns. The Debtor may not assign or novate any of its rights or obligations under this Security Agreement without the prior written consent of the Secured Party. All rights of the Secured Party hereunder shall be assignable in accordance with the terms of the Commitment and the Mortgage and in any action brought by an assignee to enforce any such right, the Debtor shall not assert against such assignee any claim or defence which the Debtor now has or hereafter may have against the Secured Party.

4.7 Headings, etc. The division of this Security Agreement into sections and subsections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation thereof.

4.8 Severability. If and to the extent that any provision hereof shall conflict with any mandatory provision of the PPSA (including, without limitation, an exclusion or purported

exclusion of a duty or onus imposed by the PPSA or a limitation or purported limitation of the liability of or the amount of damages recoverable from a Person who has failed to discharge a duty or obligation imposed by the PPSA), such provision of the PPSA shall govern. The provisions of this Security Agreement are intended to be severable. If any provision of this Security Agreement shall be deemed by any court of competent jurisdiction or held to be invalid or void or unenforceable in whole or in part in any jurisdiction, such provision shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without in any manner affecting the validity or enforceability thereof in any other jurisdiction or the remaining provisions hereof in any jurisdiction.

4.9 Governing Law. This Security Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and of Canada applicable therein and shall be treated in all respects as a British Columbia contract. The Debtor hereby irrevocably attorns to the non-exclusive jurisdiction of the courts of the Province of British Columbia.

4.10 Incorporation of Schedules. Schedules A, B, C and D attached hereto shall, for all purposes hereof, form an integral part of this Security Agreement.

4.11 Conflict. In the event of a conflict or inconsistency between the provisions of this Security Agreement and the provisions of any of the other Credit Documents, the provisions of the Commitment will govern to the extent necessary to eliminate such conflict or inconsistency.

4.12 Acknowledgement of Receipt/Waiver. The Debtor acknowledges receipt of an executed copy of this Security Agreement. The Debtor waives, to the extent permitted by Law, the right to receive a copy of any financing statement, financing change statement or verification statement registered with or issued by any personal property registry or other Official Body in connection with this Security Agreement.

4.13 Amendment and Restatement. This Security Agreement amends and restates the security agreement dated for reference May 5, 2025 made by the Debtor to and in favour of the Secured Party (the "**Original Security Agreement**") and shall be read and construed accordingly. Notwithstanding the foregoing or any other term hereof, all of the covenants, representations and warranties on the part of the Debtor under the Original Security Agreement and all of the claims and causes of action arising against the Debtor thereunder in respect of all matters, events, circumstances and obligations arising or existing prior to the date of this Security Agreement shall continue, survive and shall not be merged in the execution of this Security Agreement and such covenants, representations and warranties under the Original Security Agreement shall be deemed for all purposes to be the representations, warranties and covenants of the Debtor hereunder with respect to any time prior to the date of this Security Agreement and any such claims or causes of action prior to the date of this Security Agreement shall be deemed for all purposes to be claims and causes of action against the Debtor hereunder. The parties hereto acknowledge and agree that (a) this Security Agreement and the other agreements, documents and instruments executed and delivered in connection herewith do not constitute a novation or termination of the obligations and liabilities of the Debtor under the Original Security Agreement as in effect prior to the date hereof and (b) such obligations and liabilities are in all respects continuing in full force and effect (as amended and restated hereby) with only the terms thereof being modified as provided in this Security Agreement.

4.14 Counterparts. This Security Agreement may be executed in counterparts, each of which will be deemed to be an original and which taken together will be deemed to constitute one and

the same instrument. Counterparts may be executed either in original, or portable document format (PDF) form and the parties adopt any signatures received by emailed PDF as original signatures of the parties.

[Signature page follows]

IN WITNESS WHEREOF the Debtor has duly executed this Security Agreement as of the date first above written.

KELTIC (RIVER GARDEN) DEVELOPMENT LTD.

Per: _____
Name:
Title:

Per: _____
Name:
Title:

1319188 B.C. LTD.

Per: _____
Name:
Title:

Per: _____
Name:
Title:

SCHEDULE A
REAL PROPERTY

(PID)	(Legal Description)
004-919-521	Lot 119 Section 6 Block 4 North Range 6 West New Westminster District Plan 55678
004-919-718	Lot 117 Except: Part Road On Plan Lmp11314, Section 6 Block 4 North Range 6 West New Westminster District Plan 52092
004-919-742	Lot 116 Except: Part Dedicated Road On Plan Lmp11314, Section 6 Block 4 North Range 6 West New Westminster District Plan 49857
004-919-556	Lot 120 Except: Parcel 1 (Bylaw Plan Lmp11412), Section 6 Block 4 North Range 6 West New Westminster District Plan 55678

SCHEDULE B

GOODS

I. EQUIPMENT

II. SERIAL NUMBERED GOODS

SCHEDULE C

INVENTORY

SCHEDULE D

INTELLECTUAL PROPERTY

This is **Exhibit "Q"** referred to in the 1st Affidavit of Raymond Ng sworn before me at Vancouver, British Columbia, on this 25th day of August, 2025.

A Commissioner for taking Affidavits for British Columbia

Colin Brousseau
Barrister & Solicitor
DLA Piper (Canada) LLP
1133 Melville Street, Suite 2700
Vancouver, BC V6E 4E5
604.687.9444

TITLE SEARCH PRINT 2025-08-25, 11:34:43

File Reference: 117415-00001 Requestor: Ashley Kumar

CURRENT INFORMATION ONLY - NO CANCELLED INFORMATION SHOWN

Land Title District	VANCOUVER
Land Title Office	VANCOUVER
Title Number	CB464532
From Title Number	CB128451
Application Received	2023-02-06
Application Entered	2023-02-09

Registered Owner in Fee Simple

Registered Owner/Mailing Address: 1232616 B.C. LTD., INC.NO. BC1232616
2338-666 BURRARD STREET
VANCOUVER, BC
V6C 2X8

Taxation Authority Vancouver, City of

Description of Land

Parcel Identifier: 031-756-093

Legal Description:

LOT 1 DISTRICT LOTS 196 AND 2037 GROUP 1 NEW WESTMINSTER DISTRICT
PLAN EPP111791

Legal Notations

NOTICE OF INTEREST, BUILDERS LIEN ACT (S.3(2)), SEE CA8061684
FILED 2020-02-28

HERETO IS ANNEXED EASEMENT CA9850093 OVER LOT 2 PLAN EPP105034

Charges, Liens and Interests

Nature:	RESERVATION
Registration Number:	749M
Registration Date and Time:	1935-10-10 13:15
Registered Owner:	CITY OF VANCOUVER
Remarks:	INTER ALIA SEE 23356I

Nature:	RESERVATION
Registration Number:	1118M
Registration Date and Time:	1935-12-17 13:30
Registered Owner:	CITY OF VANCOUVER
Remarks:	INTER ALIA SEE 23356I

Nature:	EASEMENT
Registration Number:	15517M
Registration Date and Time:	1939-11-28 14:06
Registered Owner:	CITY OF VANCOUVER
Remarks:	INTER ALIA

Nature:	EASEMENT AND INDEMNITY AGREEMENT
Registration Number:	E48127
Registration Date and Time:	1977-07-07 14:22
Registered Owner:	CITY OF VANCOUVER

Nature:	EASEMENT
Registration Number:	CA9850092
Registration Date and Time:	2022-04-11 14:48
Remarks:	APPURTENANT TO LOT 2 PLAN EPP10534

Nature:	STATUTORY RIGHT OF WAY
Registration Number:	CB128453
Registration Date and Time:	2022-08-03 13:31
Registered Owner:	CITY OF VANCOUVER
Remarks:	PART IN PLAN EPP111792

Nature:	COVENANT
Registration Number:	CB128455
Registration Date and Time:	2022-08-03 13:31
Registered Owner:	CITY OF VANCOUVER

Nature:	COVENANT
Registration Number:	CB128457
Registration Date and Time:	2022-08-03 13:31
Registered Owner:	CITY OF VANCOUVER

Nature:	EQUITABLE CHARGE
Registration Number:	CB128459
Registration Date and Time:	2022-08-03 13:31
Registered Owner:	CITY OF VANCOUVER

Nature:	STATUTORY RIGHT OF WAY
Registration Number:	CB128461
Registration Date and Time:	2022-08-03 13:31
Registered Owner:	CITY OF VANCOUVER

Nature:	COVENANT
Registration Number:	CB128463
Registration Date and Time:	2022-08-03 13:31
Registered Owner:	CITY OF VANCOUVER

Nature:	COVENANT
Registration Number:	CB128465
Registration Date and Time:	2022-08-03 13:31
Registered Owner:	CITY OF VANCOUVER

Nature:	COVENANT
Registration Number:	CB128467
Registration Date and Time:	2022-08-03 13:31
Registered Owner:	CITY OF VANCOUVER

Nature:	STATUTORY RIGHT OF WAY
Registration Number:	CB128469
Registration Date and Time:	2022-08-03 13:31
Registered Owner:	CITY OF VANCOUVER

Nature:	STATUTORY RIGHT OF WAY
Registration Number:	CB128471
Registration Date and Time:	2022-08-03 13:31
Registered Owner:	CITY OF VANCOUVER

Nature:	COVENANT
Registration Number:	CB128473
Registration Date and Time:	2022-08-03 13:31
Registered Owner:	CITY OF VANCOUVER

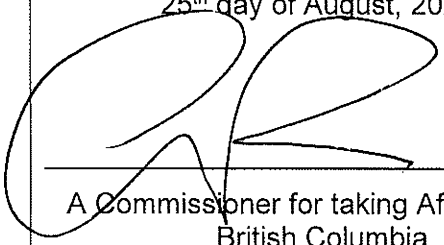
Nature:	EQUITABLE CHARGE
Registration Number:	CB128475
Registration Date and Time:	2022-08-03 13:31
Registered Owner:	CITY OF VANCOUVER

Nature:	MORTGAGE
Registration Number:	CB449253
Registration Date and Time:	2023-01-27 11:16
Registered Owner:	SHAPE CAPITAL CORP. INCORPORATION NO. BC1181714

Nature:	ASSIGNMENT OF RENTS
Registration Number:	CB449254
Registration Date and Time:	2023-01-27 11:16
Registered Owner:	SHAPE CAPITAL CORP. INCORPORATION NO. BC1181714

Duplicate Indefeasible Title	NONE OUTSTANDING
Transfers	NONE
Pending Applications	NONE

This is **Exhibit "R"** referred to in the 1st Affidavit of Raymond Ng sworn before me at Vancouver, British Columbia, on this 25th day of August, 2025.



A Commissioner for taking Affidavits for British Columbia

Colin Brousson
Barrister & Solicitor
DLA Piper (Canada) LLP
133 Melville Street, Suite 2700
Vancouver, BC V6E 4E5
604.687.9444

BRITISH COLUMBIA

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Business Debtor - "KELTIC (PRIOR) DEVELOPMENT LIMITED PARTNERSHIP"

Search Date and Time: August 25, 2025 at 10:14:27 am Pacific time
Account Name: DLA PIPER (CANADA) LLP
Folio Number: 118419-00001

TABLE OF CONTENTS

2 Matches in 2 Registrations in Report | Exact Matches: 2 (*) | Total Search Report Pages: 5

	Base Registration	Base Registration Date	Debtor Name	Page
1	313500P	January 20, 2023	* KELTIC (PRIOR) DEVELOPMENT LIMITED PARTNERSHIP	2
2	324876P	January 27, 2023	* KELTIC (PRIOR) DEVELOPMENT LIMITED PARTNERSHIP	4

Base Registration Number: 313500P

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	January 20, 2023 at 5:02:39 pm Pacific time
Current Expiry Date and Time:	January 20, 2026 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of August 25, 2025 at 10:14:27 am Pacific time)

Secured Party Information

CANADIAN WESTERN BANK

Address

1500-1040 W GEORGIA ST.
VANCOUVER BC
V6E 4H1 Canada

Debtor Information

KELTIC (PRIOR) DEVELOPMENT LIMITED PARTNERSHIP

Address

2338 - 666 BURRARD STREET
VANCOUVER BC
V6C 2X8 Canada

1319191 B.C. LTD.

Address

2338-666 BURRARD ST
VANCOUVER BC
V6C 2X8 Canada

Vehicle Collateral

None

General Collateral

Base Registration General Collateral:

ALL OF THE DEBTOR'S RIGHT, TITLE, CLAIM AND INTEREST IN AND TO ALL PRESENT AND AFTER-ACQUIRED ACCOUNTS, CHATTEL PAPER, DOCUMENTS OF TITLE, INSTRUMENTS, INTANGIBLES, MONEY AND INVESTMENT PROPERTY CONSISTING OF THE FOLLOWING:

(A) ALL MONIES OWING AND PAYABLE OR HEREAFTER OWING AND PAYABLE TO THE DEBTOR PURSUANT TO ANY PLEDGED INSTRUMENT (AS DEFINED BELOW) AND THE ENTIRE RIGHT, TITLE AND INTEREST OF THE DEBTOR IN AND TO THE PLEDGED INSTRUMENT; AND

(B) ALL MONIES FROM TIME TO TIME OF THE DEBTOR IN ANY ACCOUNT AT ANY BRANCH OF THE SECURED PARTY.

"PLEDGED INSTRUMENT" INCLUDES ALL BANKERS' ACCEPTANCES, CERTIFICATES OF DEPOSIT, LETTERS OF CREDIT AND OTHER INSTRUMENTS DELIVERED TO THE SECURED PARTY BY THE DEBTOR FROM TIME TO TIME.

PROCEEDS: ALL PROCEEDS OF THE FOREGOING COLLATERAL THAT ARE ACCOUNTS, CHATTEL PAPER, DOCUMENTS OF TITLE, EQUIPMENT, FIXTURES, GOODS, INSTRUMENTS, INTANGIBLES, MONEY AND INVESTMENT PROPERTY (EACH AS DEFINED IN THE BRITISH COLUMBIA PERSONAL PROPERTY SECURITY ACT).

Original Registering Party

GOWLING WLG (CANADA) LLP

Address

BENTALL 5 SUITE 2300 550 BURRARD STREET
VANCOUVER BC
V6C 2B5 Canada

Base Registration Number: 324876P

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	January 27, 2023 at 7:56:18 am Pacific time
Current Expiry Date and Time:	January 27, 2028 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of August 25, 2025 at 10:14:27 am Pacific time)

Secured Party Information

SHAPE CAPITAL CORP.

Address

2020 ONE BENTALL CENTRE, 505 BURRARD STREET
BOX 206
VANCOUVER BC
V7X 1M6 Canada

Debtor Information

KELTIC (PRIOR) DEVELOPMENT LIMITED PARTNERSHIP

Address

2338 – 666 BURRARD STREET
VANCOUVER BC
V6C 2X8 Canada

1319191 B.C. LTD.

Address

2338 – 666 BURRARD STREET
VANCOUVER BC
V6C 2X8 Canada

Vehicle Collateral

None

General Collateral

Base Registration General Collateral:

ALL PRESENTLY OWNED AND HEREAFTER ACQUIRED RIGHT, TITLE AND INTEREST OF THE DEBTOR IN AND TO ALL GOODS (INCLUDING ALL ACCESSORIES, ATTACHMENTS, ADDITIONS AND ACCESSIONS THERETO), CHATTEL PAPER, DOCUMENTS OF TITLE (WHETHER NEGOTIABLE OR NOT), INSTRUMENTS, INTANGIBLES, LICENCES, MONEY AND INVESTMENT PROPERTY NOW OR HEREAFTER SITAUTE UPON, AFFIXED TO, USED IN CONNECTION WITH, PERTAINING TO OR ARISING OUT OF THE LANDS LOCATED AT VANCOUVER, BRITISH COLUMBIA AND LEGALLY DESCRIBED AS:

PID: 031-756-093, LOT 1 DISTRICT LOTS 196 AND 2037 GROUP 1 NEW WESTMINSTER DISTRICT PLAN EPP111791

PROCEEDS: ANY AND ALL "GOODS", "INTANGIBLES", CHATTEL PAPER", "DOCUMENTS OF TITLE", "INSTRUMENTS", "MONEY", AND "INVESTMENT PROPERTY" (AS SUCH TERMS ARE DEFINED IN THE PERSONAL PROPERTY SECURITY ACT (BRITISH COLUMBIA) AS AMENDED OR REPLACED FROM TIME TO TIME) CONSTITUTING PROCEEDS OF ANY OR ALL OF THE FOREGOING COLLATERAL INCLUDING PROCEEDS OF PROCEEDS.

Original Registering Party

BLAKE CASSELS & GRAYDON

Address

SUITE 2600, 595 BURRARD STREET
P.O. BOX 49314
VANCOUVER BC
V7X 1L3 Canada

My Asset Registries

Request MHR Qualified Supplier Access

JENNIFER SUZANNE JULMI | DLA PIPER (CANADA) LLP

Help

Search Results

for Business Debtor Name "KELTIC (PRIOR) DEVELOPMENT LIMITED PARTNERSHIP" as of August 25, 2025 at 10:14:27 am Pacific time

Folio Number: 118419-00001

Select the registrations you want to include in a printable PDF search report. Exact matches are automatically selected. This report will contain the full record of the registration for each selected match and will be automatically saved to your PPR Dashboard.

25 matches found | **2** exact matches
2 total matches in **2** registrations added to report

PDF Generate Search Result Report

Select All	Debtor Name
Exact Matches (2)	
exact match added	KELTIC (PRIOR) DEVELOPMENT LIMITED PARTNERSHIP
exact match added	KELTIC (PRIOR) DEVELOPMENT LIMITED PARTNERSHIP
Similar Matches (23)	

Select All	**Debtor Name**
☐	KELTIC (BRIGHOUSE) DEVELOPMENT LTD
☐	KELTIC (BRIGHOUSE) DEVELOPMENT LTD.
☐	KELTIC (CAPILANO) DEVELOPMENT LTD.
☐	KELTIC (HOLDOM) DEVELOPMENT LTD.
☐	KELTIC (KATHLEEN) DEVELOPMENT LTD.
☐	KELTIC (KATHLEEN) DEVELOPMENT LTD.
☐	KELTIC (KATHLEEN) DEVELOPMENT LTD.
☐	KELTIC (KATHLEEN) DEVELOPMENT LTD.
☐	KELTIC (KATHLEEN) DEVELOPMENT LTD.
☐	KELTIC (KATHLEEN) DEVELOPMENT LTD.
☐	KELTIC (MARINE) DEVELOPMENT LTD
☐	KELTIC (MARINE) DEVELOPMENT LTD.
☐	KELTIC (RIVER GARDEN) DEVELOPMENT LTD
☐	KELTIC (RIVER GARDEN) DEVELOPMENT LTD.
☐	KELTIC (RIVER GARDEN) DEVELOPMENT LTD.
☐	KELTIC (SOUTHLANDS) DEVELOPMENT LTD

Select All	Debtor Name
☐	KELTIC (SOUTHLANDS) DEVELOPMENT LTD.
☐	KELTIC (SOUTHLANDS) DEVELOPMENT LTD.
☐	KELTIC (SOUTHLANDS) DEVELOPMENT LTD.
☐	KELTIC (SUSSEX) DEVELOPMENT LTD.
☐	KELTIC (SUSSEX) DEVELOPMENT LTD.
☐	KELTIC (SUSSEX) DEVELOPMENT LTD.
☐	KELTIC (W41ST AVE) DEVELOPMENT LTD.

This is **Exhibit** "S" referred to in the 1st Affidavit of Raymond Ng sworn before me at Vancouver, British Columbia, on this 25th day of August, 2025.

A Commissioner for taking Affidavits for British Columbia

Colin Brousson
Barrister & Solicitor
DLA Piper (Canada) LLP
1133 Melville Street, Suite 2700
Vancouver, BC V6E 4E5
604.687.9444

BRITISH COLUMBIA

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Business Debtor - "1319191 B.C. LTD."

Search Date and Time: August 25, 2025 at 11:35:16 am Pacific time
Account Name: DLA PIPER (CANADA) LLP
Folio Number: 118419-00001

TABLE OF CONTENTS

3 Matches in 3 Registrations in Report | Exact Matches: 3 (*) | Total Search Report Pages: 7

	Base Registration	Base Registration Date	Debtor Name	Page
1	313500P	January 20, 2023	* 1319191 B.C. LTD.	2
2	324876P	January 27, 2023	* 1319191 B.C. LTD.	4
3	443510R	August 18, 2025	* 1319191 B.C. LTD.	6

Base Registration Number: 313500P

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	January 20, 2023 at 5:02:39 pm Pacific time
Current Expiry Date and Time:	January 20, 2026 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of August 25, 2025 at 11:35:16 am Pacific time)

Secured Party Information

CANADIAN WESTERN BANK

Address

1500-1040 W GEORGIA ST.
VANCOUVER BC
V6E 4H1 Canada

Debtor Information

KELTIC (PRIOR) DEVELOPMENT LIMITED PARTNERSHIP

Address

2338 - 666 BURRARD STREET
VANCOUVER BC
V6C 2X8 Canada

1319191 B.C. LTD.

Address

2338-666 BURRARD ST
VANCOUVER BC
V6C 2X8 Canada

Vehicle Collateral

None

General Collateral

Base Registration General Collateral:

ALL OF THE DEBTOR'S RIGHT, TITLE, CLAIM AND INTEREST IN AND TO ALL PRESENT AND AFTER-ACQUIRED ACCOUNTS, CHATTEL PAPER, DOCUMENTS OF TITLE, INSTRUMENTS, INTANGIBLES, MONEY AND INVESTMENT PROPERTY CONSISTING OF THE FOLLOWING:

(A) ALL MONIES OWING AND PAYABLE OR HEREAFTER OWING AND PAYABLE TO THE DEBTOR PURSUANT TO ANY PLEDGED INSTRUMENT (AS DEFINED BELOW) AND THE ENTIRE RIGHT, TITLE AND INTEREST OF THE DEBTOR IN AND TO THE PLEDGED INSTRUMENT; AND

(B) ALL MONIES FROM TIME TO TIME OF THE DEBTOR IN ANY ACCOUNT AT ANY BRANCH OF THE SECURED PARTY.

"PLEDGED INSTRUMENT" INCLUDES ALL BANKERS' ACCEPTANCES, CERTIFICATES OF DEPOSIT, LETTERS OF CREDIT AND OTHER INSTRUMENTS DELIVERED TO THE SECURED PARTY BY THE DEBTOR FROM TIME TO TIME.

PROCEEDS: ALL PROCEEDS OF THE FOREGOING COLLATERAL THAT ARE ACCOUNTS, CHATTEL PAPER, DOCUMENTS OF TITLE, EQUIPMENT, FIXTURES, GOODS, INSTRUMENTS, INTANGIBLES, MONEY AND INVESTMENT PROPERTY (EACH AS DEFINED IN THE BRITISH COLUMBIA PERSONAL PROPERTY SECURITY ACT).

Original Registering Party

GOWLING WLG (CANADA) LLP	**Address** BENTALL 5 SUITE 2300 550 BURRARD STREET VANCOUVER BC V6C 2B5 Canada

Base Registration Number: 324876P

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	January 27, 2023 at 7:56:18 am Pacific time
Current Expiry Date and Time:	January 27, 2028 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of August 25, 2025 at 11:35:16 am Pacific time)

Secured Party Information

SHAPE CAPITAL CORP.

Address

2020 ONE BENTALL CENTRE, 505 BURRARD STREET
BOX 206
VANCOUVER BC
V7X 1M6 Canada

Debtor Information

KELTIC (PRIOR) DEVELOPMENT LIMITED PARTNERSHIP

Address

2338 – 666 BURRARD STREET
VANCOUVER BC
V6C 2X8 Canada

1319191 B.C. LTD.

Address

2338 – 666 BURRARD STREET
VANCOUVER BC
V6C 2X8 Canada

Vehicle Collateral

None

General Collateral

Base Registration General Collateral:

ALL PRESENTLY OWNED AND HEREAFTER ACQUIRED RIGHT, TITLE AND INTEREST OF THE DEBTOR IN AND TO ALL GOODS (INCLUDING ALL ACCESSORIES, ATTACHMENTS, ADDITIONS AND ACCESSIONS THERETO), CHATTEL PAPER, DOCUMENTS OF TITLE (WHETHER NEGOTIABLE OR NOT), INSTRUMENTS, INTANGIBLES, LICENCES, MONEY AND INVESTMENT PROPERTY NOW OR HEREAFTER SITAUTE UPON, AFFIXED TO, USED IN CONNECTION WITH, PERTAINING TO OR ARISING OUT OF THE LANDS LOCATED AT VANCOUVER, BRITISH COLUMBIA AND LEGALLY DESCRIBED AS:

PID: 031-756-093, LOT 1 DISTRICT LOTS 196 AND 2037 GROUP 1 NEW WESTMINSTER DISTRICT PLAN EPP111791

PROCEEDS: ANY AND ALL "GOODS", "INTANGIBLES", CHATTEL PAPER", "DOCUMENTS OF TITLE", "INSTRUMENTS", "MONEY", AND "INVESTMENT PROPERTY" (AS SUCH TERMS ARE DEFINED IN THE PERSONAL PROPERTY SECURITY ACT (BRITISH COLUMBIA) AS AMENDED OR REPLACED FROM TIME TO TIME) CONSTITUTING PROCEEDS OF ANY OR ALL OF THE FOREGOING COLLATERAL INCLUDING PROCEEDS OF PROCEEDS.

Original Registering Party

BLAKE CASSELS & GRAYDON

Address

SUITE 2600, 595 BURRARD STREET
P.O. BOX 49314
VANCOUVER BC
V7X 1L3 Canada

Base Registration Number: 443510R

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	August 18, 2025 at 10:34:34 am Pacific time
Current Expiry Date and Time:	August 18, 2030 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of August 25, 2025 at 11:35:16 am Pacific time)

Secured Party Information

SHAPE CAPITAL CORP.

Address

2020 ONE BENTALL CENTRE, 505 BURRARD STREET
BOX 206
VANCOUVER BC
V7X 1M6 Canada

Debtor Information

1319191 B.C. LTD.

Address

2338-666 BURRARD ST
VANCOUVER BC
V6C 2X8 Canada

KELTIC (RIVER GARDEN) DEVELOPMENT LTD.

Address

2338-666 BURRARD ST
VANCOUVER BC
V6C 2X8 Canada

Vehicle Collateral

None

General Collateral

Base Registration General Collateral:

ALL PRESENTLY OWNED AND HEREAFTER ACQUIRED RIGHT, TITLE AND INTEREST OF THE DEBTOR IN AND TO ALL GOODS (INCLUDING ALL ACCESSORIES, ATTACHMENTS, ADDITIONS AND ACCESSIONS THERETO), CHATTEL PAPER, DOCUMENTS OF TITLE (WHETHER NEGOTIABLE OR NOT), INSTRUMENTS, INTANGIBLES, LICENCES, MONEY AND INVESTMENT PROPERTY NOW OR HEREAFTER SITUATE UPON, AFFIXED TO, USED IN CONNECTION WITH, PERTAINING TO OR ARISING OUT OF THE LANDS LOCATED AT RICHMOND, BRITISH COLUMBIA AND LEGALLY DESCRIBED AS:

PID: 004-919-742, LOT 116 EXCEPT: PART DEDICATED ROAD ON PLAN LMP11314, SECTION 6 BLOCK 4 NORTH RANGE 6 WEST NEW WESTMINSTER DISTRICT PLAN 49857

PID: 004-919-718, LOT 117 EXCEPT: PART ROAD ON PLAN LMP11314, SECTION 6 BLOCK 4 NORTH RANGE 6 WEST NEW WESTMINSTER DISTRICT PLAN 52092

PID: 004-919-521, LOT 119 SECTION 6 BLOCK 4 NORTH RANGE 6 WEST NEW WESTMINSTER DISTRICT PLAN 55678

PID: 004-919-556, LOT 120 EXCEPT: PARCEL 1 (BYLAW PLAN LMP11412), SECTION 6 BLOCK 4 NORTH RANGE 6 WEST NEW WESTMINSTER DISTRICT PLAN 55678

AS SUCH LANDS AND PREMISES MAY BE CONSOLIDATED, SUBDIVIDED OR STRATIFIED FROM TIME TO TIME.

PROCEEDS: ANY AND ALL "GOODS", "INTANGIBLES", "CHATTEL PAPER", "DOCUMENTS OF TITLE", "INSTRUMENTS", "MONEY" AND "INVESTMENT PROPERTY" (AS SUCH TERMS ARE DEFINED IN THE PERSONAL PROPERTY SECURITY ACT (BRITISH COLUMBIA) AS AMENDED OR REPLACE FROM TIME TO TIME) CONSTITUTING PROCEEDS OF ANY OR ALL OF THE FOREGOING COLLATERAL INCLUDING PROCEEDS OF PROCEEDS.

Original Registering Party

DLA PIPER (CANADA) LLP

Address

1133 MELVILLE STREET, SUITE 2700
VANCOUVER BC
V6E 4E5 Canada

My Asset Registries

Request MHR Qualified Supplier Access

JENNIFER SUZANNE JULMI | DLA PIPER (CANADA) LLP

Help

Search Results

for Business Debtor Name "1319191 B.C. LTD." as of August 25, 2025 at 11:35:16 am Pacific time

Folio Number: 118419-00001

Select the registrations you want to include in a printable PDF search report. Exact matches are automatically selected. This report will contain the full record of the registration for each selected match and will be automatically saved to your PPR Dashboard.

12 matches found **3** exact matches
3 total matches in **3** registrations added to report

PDF Generate Search Result Report

Select All **Debtor Name**

Exact Matches (3)

exact match added 1319191 B.C. LTD.

exact match added 1319191 B.C. LTD.

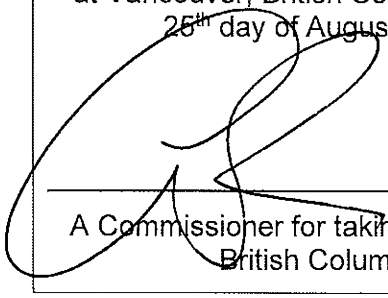
exact match added 1319191 B.C. LTD.

Select All	**Debtor Name**

Similar Matches (9)

☐	1314191 B.C. LTD.
☐	1314191 B.C. LTD.
☐	1314191 B.C. LTD.
☐	1314191 B.C. LTD.
☐	1319091 B.C. LTD.
☐	1319091 B.C. LTD.
☐	1319091 B.C. LTD.
☐	1319161 BC LTD
☐	1319194 B.C. LTD.

This is **Exhibit "T "** referred to in the 1st Affidavit of Raymond Ng sworn before me at Vancouver, British Columbia, on this 25th day of August, 2025.



A Commissioner for taking Affidavits for British Columbia

Colin Brousson
Barrister & Solicitor
DLA Piper (Canada) LLP
1133 Melville Street, Suite 2700
Vancouver, BC V6E 4E5
604.687.9444

BRITISH COLUMBIA

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Business Debtor - "1232616 B.C. LTD."

Search Date and Time: August 25, 2025 at 10:12:36 am Pacific time
Account Name: DLA PIPER (CANADA) LLP
Folio Number: 118419-00001

TABLE OF CONTENTS

2 Matches in 2 Registrations in Report | Exact Matches: 2 (*) | Total Search Report Pages: 10

	Base Registration	Base Registration Date	Debtor Name	Page
1	324723P	January 27, 2023	*** 1232616 B.C. LTD.**	2
2	324776P	January 27, 2023	*** 1232616 B.C. LTD**	7

Base Registration Number: 324723P

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	January 27, 2023 at 7:53:41 am Pacific time
Current Expiry Date and Time:	January 27, 2028 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of August 25, 2025 at 10:12:36 am Pacific time)

Secured Party Information

SHAPE CAPITAL CORP.

Address

2020 ONE BENTALL CENTRE, 505 BURRARD STREET
BOX 206
VANCOUVER BC
V7X 1M6 Canada

Debtor Information

KELTIC GROUP EQUITIES (2019) LTD.	**Address** 2338 – 666 BURRARD STREET VANCOUVER BC V6C 2X8 Canada	
KELTIC PROJECTS DEVELOPMENT LTD.	**Address** 2338 – 666 BURRARD STREET VANCOUVER BC V6C 2X8 Canada	
KELTIC CANADA DEVELOPMENT CO. LTD.	**Address** 2338 – 666 BURRARD STREET VANCOUVER BC V6C 2X8 Canada	
DDAW HOLDINGS LTD.	**Address** 2338 – 666 BURRARD STREET VANCOUVER BC V6C 2X8 Canada	
GUO LI, WEI	**Address** 3233 CELTIC AVENUE VANCOUVER BC V6N 4E2 Canada	**Birthdate**
WANG, RUI	**Address** 3233 CELTIC AVENUE VANCOUVER BC V6N 4E2 Canada	**Birthdate**
KELTIC (PRIOR) GP LTD.	**Address** 2338 – 666 BURRARD STREET VANCOUVER BC V6C 2X8 Canada	

1232616 B.C. LTD.

Address

2338-666 BURRARD ST
VANCOUVER BC
V6C 2X8 Canada

Vehicle Collateral

None

General Collateral

February 8, 2023 at 9:16:06 am Pacific time

DELETED

All present and future obligations, liabilities and indebtedness of KELTIC (PRIOR) DEVELOPMENT LIMITED PARTNERSHIP, 1319191 B.C. LTD. and KELTIC (PRIOR) GP LTD. to the Debtor and all security therefor and all proceeds thereof, including goods, investment property, instruments, documents of title, chattel paper, intangibles and money.

ADDED

All present and future obligations, liabilities and indebtedness of KELTIC (PRIOR) DEVELOPMENT LIMITED PARTNERSHIP, 1319191 B.C. LTD. and 1232616 B.C. Ltd. to the Debtor and all security therefor and all proceeds thereof, including goods, investment property, instruments, documents of title, chattel paper, intangibles and money.

Base Registration General Collateral:

All present and future obligations, liabilities and indebtedness of KELTIC (PRIOR) DEVELOPMENT LIMITED PARTNERSHIP, 1319191 B.C. LTD. and KELTIC (PRIOR) GP LTD. to the Debtor and all security therefor and all proceeds thereof, including goods, investment property, instruments, documents of title, chattel paper, intangibles and money.

Original Registering Party

BLAKE CASSELS & GRAYDON

Address

SUITE 2600, 595 BURRARD STREET
P.O. BOX 49314
VANCOUVER BC
V7X 1L3 Canada

HISTORY
(Showing most recent first)

AMENDMENT

Registration Date and Time: February 8, 2023 at 9:16:06 am Pacific time
Registration Number: 347752P
Description:

General Collateral

February 8, 2023 at 9:16:06 am Pacific time

DELETED

All present and future obligations, liabilities and indebtedness of KELTIC (PRIOR) DEVELOPMENT LIMITED PARTNERSHIP, 1319191 B.C. LTD. and KELTIC (PRIOR) GP LTD. to the Debtor and all security therefor and all proceeds thereof, including goods, investment property, instruments, documents of title, chattel paper, intangibles and money.

ADDED

All present and future obligations, liabilities and indebtedness of KELTIC (PRIOR) DEVELOPMENT LIMITED PARTNERSHIP, 1319191 B.C. LTD. and 1232616 B.C. Ltd. to the Debtor and all security therefor and all proceeds thereof, including goods, investment property, instruments, documents of title, chattel paper, intangibles and money.

Debtor Information

1232616 B.C. LTD.
ADDED

Address
2338-666 BURRARD ST
VANCOUVER BC
V6C 2X8 Canada

Registering Party Information

BLAKE CASSELS & GRAYDON

Address

SUITE 2600, 595 BURRARD STREET
P.O. BOX 49314
VANCOUVER BC
V7X 1L3 Canada

Base Registration Number: 324776P

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	January 27, 2023 at 7:54:32 am Pacific time
Current Expiry Date and Time:	January 27, 2028 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of August 25, 2025 at 10:12:36 am Pacific time)

Secured Party Information

SHAPE CAPITAL CORP.

Address

2020 ONE BENTALL CENTRE, 505 BURRARD STREET
BOX 206
VANCOUVER BC
V7X 1M6 Canada

Debtor Information

1232616 B.C. LTD

Address

2338 – 666 BURRARD STREET
VANCOUVER BC
V6C 2X8 Canada

KELTIC (PRIOR) GP LTD.

Address

2338-666 BURRARD ST
VANCOUVER BC
V6C 2X8 Canada

Vehicle Collateral

None

General Collateral

Base Registration General Collateral:

ALL PRESENTLY OWNED AND HEREAFTER ACQUIRED RIGHT, TITLE AND INTEREST OF THE DEBTOR IN AND TO ALL GOODS (INCLUDING ALL ACCESSORIES, ATTACHMENTS, ADDITIONS AND ACCESSIONS THERETO), CHATTEL PAPER, DOCUMENTS OF TITLE (WHETHER NEGOTIABLE OR NOT), INSTRUMENTS, INTANGIBLES, LICENCES, MONEY AND INVESTMENT PROPERTY NOW OR HEREAFTER SITAUTE UPON, AFFIXED TO, USED IN CONNECTION WITH, PERTAINING TO OR ARISING OUT OF THE LANDS LOCATED AT VANCOUVER, BRITISH COLUMBIA AND LEGALLY DESCRIBED AS:

PID: 031-756-093, LOT 1 DISTRICT LOTS 196 AND 2037 GROUP 1 NEW WESTMINSTER DISTRICT PLAN EPP111791

PROCEEDS: ANY AND ALL "GOODS", "INTANGIBLES", CHATTEL PAPER", "DOCUMENTS OF TITLE", "INSTRUMENTS", "MONEY", AND "INVESTMENT PROPERTY" (AS SUCH TERMS ARE DEFINED IN THE PERSONAL PROPERTY SECURITY ACT (BRITISH COLUMBIA) AS AMENDED OR REPLACED FROM TIME TO TIME) CONSTITUTING PROCEEDS OF ANY OR ALL OF THE FOREGOING COLLATERAL INCLUDING PROCEEDS OF PROCEEDS.

Original Registering Party

BLAKE CASSELS & GRAYDON

Address

SUITE 2600, 595 BURRARD STREET
P.O. BOX 49314
VANCOUVER BC
V7X 1L3 Canada

HISTORY

(Showing most recent first)

AMENDMENT

Registration Date and Time: February 8, 2023 at 10:21:23 am Pacific time
Registration Number: 348011P
Description:

Debtor Information

KELTIC (PRIOR) GP LTD.
ADDED

Address
2338-666 BURRARD ST
VANCOUVER BC
V6C 2X8 Canada

Registering Party Information

BLAKE CASSELS & GRAYDON

Address
SUITE 2600, 595 BURRARD STREET
P.O. BOX 49314
VANCOUVER BC
V7X 1L3 Canada

AMENDMENT - DEBTORS AMENDED

Registration Date and Time: February 8, 2023 at 9:21:09 am Pacific time
Registration Number: 347767P
Description:

Debtor Information

1232616 B.C. LTD
(Formerly KELTIC (PRIOR) GP LTD.)
NAME CHANGED

Address
2338 – 666 BURRARD STREET
VANCOUVER BC
V6C 2X8 Canada

Registering Party Information

BLAKE CASSELS & GRAYDON

Address

SUITE 2600, 595 BURRARD STREET
P.O. BOX 49314
VANCOUVER BC
V7X 1L3 Canada

My Asset Registries

Request MHR Qualified Supplier Access

JENNIFER SUZANNE JULMI | DLA PIPER (CANADA) LLP

Help

Search Results

for Business Debtor Name "1232616 B.C. LTD." as of August 25, 2025 at 10:12:36 am Pacific time

Folio Number: 118419-00001

Select the registrations you want to include in a printable PDF search report. Exact matches are automatically selected. This report will contain the full record of the registration for each selected match and will be automatically saved to your PPR Dashboard.

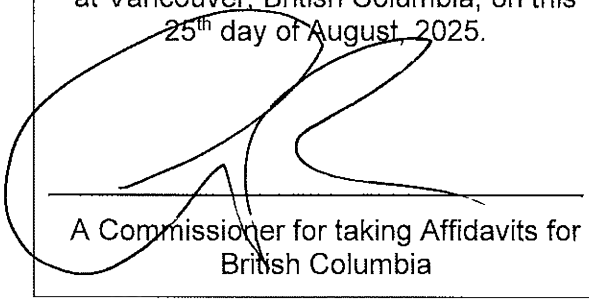
3 matches found | **2** exact matches
2 total matches in **2** registrations added to report

PDF Generate Search Result Report

Select All	**Debtor Name**
Exact Matches (2)	
exact match added	1232616 B.C. LTD
exact match added	1232616 B.C. LTD.
Similar Matches (1)	

Select All	**Debtor Name**
☐	1232516 BC LTD

This is **Exhibit "U"** referred to in the 1st Affidavit of Raymond Ng sworn before me at Vancouver, British Columbia, on this 25th day of August, 2025.



A Commissioner for taking Affidavits for British Columbia

Colin Brousson
Barrister & Solicitor
DLA Piper (Canada) LLP
1133 Melville Street, Suite 2700
Vancouver, BC V6E 4E5
604.687.9444

TITLE SEARCH PRINT 2025-08-25, 11:35:08

File Reference: 117415-00001 Requestor: Ashley Kumar

CURRENT INFORMATION ONLY - NO CANCELLED INFORMATION SHOWN

Land Title District	NEW WESTMINSTER
Land Title Office	NEW WESTMINSTER
Title Number	WX2173366
From Title Number	CA9561832
Application Received	2021-12-17
Application Entered	2022-01-11

Registered Owner in Fee Simple

Registered Owner/Mailing Address: 1319188 B.C. LTD., INC.NO. BC1319188
#820 - 925 WEST GEORGIA STREET
VANCOUVER, BC
V6C 3L2

Taxation Authority Richmond, City of

Description of Land

Parcel Identifier: 004-919-718

Legal Description:

LOT 117 EXCEPT: PART ROAD ON PLAN LMP11314, SECTION 6 BLOCK 4 NORTH RANGE 6 WEST NEW WESTMINSTER DISTRICT PLAN 52092

Legal Notations

NOTICE OF INTEREST, BUILDERS LIEN ACT (S.3(2)), SEE CA9617666
FILED 2022-01-04

ZONING REGULATION AND PLAN UNDER THE AERONAUTICS ACT (CANADA)
FILED 10.02.1981 UNDER NO. T17084 PLAN NO. 61216

Charges, Liens and Interests

Nature:	UNDERSURFACE RIGHTS
Registration Number:	C15334
Registration Date and Time:	1967-04-03 15:22
Registered Owner:	JOHN HOLT WILKINSON BRIGHOUSE JANE HOLT WILKINSON BRIGHOUSE "IN TRUST" SEE DF 28370
Remarks:	INTER ALIA

Nature:	STATUTORY RIGHT OF WAY
Registration Number:	RD21838
Registration Date and Time:	1976-02-06 13:17
Registered Owner:	TOWNSHIP OF RICHMOND
Remarks:	INTER ALIA PLAN 49614 ANCILLARY RIGHTS

Nature:	STATUTORY RIGHT OF WAY
Registration Number:	RD72374
Registration Date and Time:	1978-06-02 13:56
Registered Owner:	BRITISH COLUMBIA HYDRO AND POWER AUTHORITY

Nature:	EASEMENT
Registration Number:	RD84664
Registration Date and Time:	1978-12-20 15:06
Remarks:	PART OUTLINED RED ON PLAN 56162 WITH PRIORITY OVER RD52259 AND RD80928 APPURTENANT TO LOT 119 PLAN 55678

Nature:	STATUTORY RIGHT OF WAY
Registration Number:	RD134736
Registration Date and Time:	1980-12-11 10:38
Registered Owner:	BRITISH COLUMBIA TELEPHONE COMPANY

Nature:	MORTGAGE
Registration Number:	RD157154
Registration Date and Time:	1982-03-16 09:23
Registered Owner:	MONTREAL TRUST COMPANY INCORPORATION NO. 23T "IN TRUST" SEE 99804C AND RD157154
Remarks:	INTER ALIA OF RD134736 SUPPLEMENTAL TO 99804C SECTION 198 L. T. A.

Nature:	MORTGAGE
Registration Number:	CB1725942
Registration Date and Time:	2024-11-22 11:21
Registered Owner:	QUADREAL REAL ESTATE DEBT (CANADA) GP INC. INCORPORATION NO. BC0736930
Remarks:	INTER ALIA

Nature:	ASSIGNMENT OF RENTS
Registration Number:	CB1725943
Registration Date and Time:	2024-11-22 11:21
Registered Owner:	QUADREAL REAL ESTATE DEBT (CANADA) GP INC. INCORPORATION NO. BC0736930
Remarks:	INTER ALIA

Nature:	RIGHT OF FIRST REFUSAL
Registration Number:	CB1725944
Registration Date and Time:	2024-11-22 11:21
Registered Owner:	QUADREAL REAL ESTATE DEBT (CANADA) GP INC. INCORPORATION NO. BC0736930
Remarks:	INTER ALIA

Nature:	MORTGAGE
Registration Number:	CB2038554
Registration Date and Time:	2025-05-13 13:09
Registered Owner:	SHAPE CAPITAL CORP. INCORPORATION NO. BC1181714
Remarks:	INTER ALIA

Nature:	ASSIGNMENT OF RENTS
Registration Number:	CB2038555
Registration Date and Time:	2025-05-13 13:09
Registered Owner:	SHAPE CAPITAL CORP. INCORPORATION NO. BC1181714
Remarks:	INTER ALIA

Duplicate Indefeasible Title NONE OUTSTANDING

Transfers NONE

Pending Applications NONE

CURRENT INFORMATION ONLY - NO CANCELLED INFORMATION SHOWN

Land Title District NEW WESTMINSTER
Land Title Office NEW WESTMINSTER

Title Number WX2173368
From Title Number CA9561834

Application Received 2021-12-17

Application Entered 2022-01-11

Registered Owner in Fee Simple
Registered Owner/Mailing Address: 1319188 B.C. LTD., INC.NO. BC1319188
#820 - 925 WEST GEORGIA STREET
VANCOUVER, BC
V6C 3L2

Taxation Authority Richmond, City of

Description of Land
Parcel Identifier: 004-919-556
Legal Description:
LOT 120 EXCEPT: PARCEL 1 (BYLAW PLAN LMP11412), SECTION 6 BLOCK 4 NORTH RANGE 6 WEST NEW WESTMINSTER DISTRICT PLAN 55678

Legal Notations
NOTICE OF INTEREST, BUILDERS LIEN ACT (S.3(2)), SEE CA9617666
FILED 2022-01-04

ZONING REGULATION AND PLAN UNDER THE AERONAUTICS ACT (CANADA)
FILED 10.02.1981 UNDER NO. T17084 PLAN NO. 61216

Charges, Liens and Interests
Nature: UNDERSURFACE RIGHTS
Registration Number: C15334
Registration Date and Time: 1967-04-03 15:22
Registered Owner: JOHN HOLT WILKINSON BRIGHOUSE
JANE HOLT WILKINSON BRIGHOUSE
"IN TRUST" SEE DF 28370
Remarks: INTER ALIA

Nature:	STATUTORY RIGHT OF WAY
Registration Number:	RD21838
Registration Date and Time:	1976-02-06 13:17
Registered Owner:	TOWNSHIP OF RICHMOND
Remarks:	INTER ALIA PARTS (FORMERLY OVER LOT 114 PLAN 49439) PLAN 49614 ANCILLARY RIGHTS

Nature:	EASEMENT
Registration Number:	RD84665
Registration Date and Time:	1978-12-20 15:06
Remarks:	PART PLAN 56162 APPURTENANT TO LOT 119 PLAN 55678

Nature:	STATUTORY RIGHT OF WAY
Registration Number:	RD133724
Registration Date and Time:	1980-11-28 14:38
Registered Owner:	BRITISH COLUMBIA HYDRO AND POWER AUTHORITY
Remarks:	INTER ALIA

Nature:	STATUTORY RIGHT OF WAY
Registration Number:	RD136875
Registration Date and Time:	1981-01-09 10:46
Registered Owner:	BRITISH COLUMBIA TELEPHONE COMPANY
Remarks:	INTER ALIA

Nature:	MORTGAGE
Registration Number:	RD157154
Registration Date and Time:	1982-03-16 09:23
Registered Owner:	MONTREAL TRUST COMPANY INCORPORATION NO. 23T "IN TRUST" SEE 99804C AND RD157154
Remarks:	INTER ALIA OF RD136875 SUPPLEMENTAL TO 99804C LTA SECTION 198

Nature:	MORTGAGE
Registration Number:	CB1725942
Registration Date and Time:	2024-11-22 11:21
Registered Owner:	QUADREAL REAL ESTATE DEBT (CANADA) GP INC. INCORPORATION NO. BC0736930
Remarks:	INTER ALIA

Nature:	ASSIGNMENT OF RENTS
Registration Number:	CB1725943
Registration Date and Time:	2024-11-22 11:21
Registered Owner:	QUADREAL REAL ESTATE DEBT (CANADA) GP INC. INCORPORATION NO. BC0736930
Remarks:	INTER ALIA

Nature:	RIGHT OF FIRST REFUSAL
Registration Number:	CB1725944
Registration Date and Time:	2024-11-22 11:21
Registered Owner:	QUADREAL REAL ESTATE DEBT (CANADA) GP INC. INCORPORATION NO. BC0736930
Remarks:	INTER ALIA

Nature:	MORTGAGE
Registration Number:	CB2038554
Registration Date and Time:	2025-05-13 13:09
Registered Owner:	SHAPE CAPITAL CORP. INCORPORATION NO. BC1181714
Remarks:	INTER ALIA

Nature:	ASSIGNMENT OF RENTS
Registration Number:	CB2038555
Registration Date and Time:	2025-05-13 13:09
Registered Owner:	SHAPE CAPITAL CORP. INCORPORATION NO. BC1181714
Remarks:	INTER ALIA

Duplicate Indefeasible Title NONE OUTSTANDING

Transfers NONE

Pending Applications NONE

TITLE SEARCH PRINT 2025-08-25, 11:35:07

File Reference: 117415-00001 Requestor: Ashley Kumar

CURRENT INFORMATION ONLY - NO CANCELLED INFORMATION SHOWN

Land Title District	NEW WESTMINSTER
Land Title Office	NEW WESTMINSTER
Title Number	WX2173364
From Title Number	CA9561831
Application Received	2021-12-17
Application Entered	2022-01-11

Registered Owner in Fee Simple

Registered Owner/Mailing Address: 1319188 B.C. LTD., INC.NO. BC1319188
#820 - 925 WEST GEORGIA STREET
VANCOUVER, BC
V6C 3L2

Taxation Authority Richmond, City of

Description of Land

Parcel Identifier: 004-919-742

Legal Description:

LOT 116 EXCEPT: PART DEDICATED ROAD ON PLAN LMP11314, SECTION 6 BLOCK 4 NORTH RANGE 6 WEST NEW WESTMINSTER DISTRICT PLAN 49857

Legal Notations

NOTICE OF INTEREST, BUILDERS LIEN ACT (S.3(2)), SEE CA9617666
FILED 2022-01-04

ZONING REGULATION AND PLAN UNDER THE AERONAUTICS ACT (CANADA)
FILED 10.02.1981 UNDER NO. T17084 PLAN NO. 61216

Charges, Liens and Interests

Nature:	UNDERSURFACE RIGHTS
Registration Number:	C15334
Registration Date and Time:	1967-04-03 15:22
Registered Owner:	JOHN HOLT WILKINSON BRIGHOUSE JANE HOLT WILKINSON BRIGHOUSE "IN TRUST" SEE DF 28370
Remarks:	INTER ALIA

Nature:	STATUTORY RIGHT OF WAY
Registration Number:	RD21838
Registration Date and Time:	1976-02-06 13:17
Registered Owner:	TOWNSHIP OF RICHMOND
Remarks:	INTER ALIA PLAN 49614 ANCILLARY RIGHTS MODIFIED BY AD16484

Nature:	STATUTORY RIGHT OF WAY
Registration Number:	RD136874
Registration Date and Time:	1981-01-09 10:46
Registered Owner:	BRITISH COLUMBIA TELEPHONE COMPANY

Nature:	MORTGAGE
Registration Number:	RD157154
Registration Date and Time:	1982-03-16 09:23
Registered Owner:	MONTREAL TRUST COMPANY INCORPORATION NO. 23T "IN TRUST" SEE 99804C AND RD157154
Remarks:	INTER ALIA OF RD136874 SUPPLEMENTAL TO 99804C SECTION 198 L.T.A.

Nature:	STATUTORY RIGHT OF WAY
Registration Number:	AD16484
Registration Date and Time:	1990-01-18 10:28
Remarks:	MODIFICATION OF RD21838

Nature:	STATUTORY RIGHT OF WAY
Registration Number:	CA8543121
Registration Date and Time:	2020-11-02 15:38
Registered Owner:	BRITISH COLUMBIA HYDRO AND POWER AUTHORITY

Nature:	STATUTORY RIGHT OF WAY
Registration Number:	CA8543122
Registration Date and Time:	2020-11-02 15:38
Registered Owner:	TELUS COMMUNICATIONS INC. INCORPORATION NO. BC1101218

Nature:	MORTGAGE
Registration Number:	CB1725942
Registration Date and Time:	2024-11-22 11:21
Registered Owner:	QUADREAL REAL ESTATE DEBT (CANADA) GP INC. INCORPORATION NO. BC0736930
Remarks:	INTER ALIA

Nature:	ASSIGNMENT OF RENTS
Registration Number:	CB1725943
Registration Date and Time:	2024-11-22 11:21
Registered Owner:	QUADREAL REAL ESTATE DEBT (CANADA) GP INC. INCORPORATION NO. BC0736930
Remarks:	INTER ALIA

Nature:	RIGHT OF FIRST REFUSAL
Registration Number:	CB1725944
Registration Date and Time:	2024-11-22 11:21
Registered Owner:	QUADREAL REAL ESTATE DEBT (CANADA) GP INC. INCORPORATION NO. BC0736930
Remarks:	INTER ALIA

Nature:	MORTGAGE
Registration Number:	CB2038554
Registration Date and Time:	2025-05-13 13:09
Registered Owner:	SHAPE CAPITAL CORP. INCORPORATION NO. BC1181714
Remarks:	INTER ALIA

Nature:	ASSIGNMENT OF RENTS
Registration Number:	CB2038555
Registration Date and Time:	2025-05-13 13:09
Registered Owner:	SHAPE CAPITAL CORP. INCORPORATION NO. BC1181714
Remarks:	INTER ALIA

Duplicate Indefeasible Title NONE OUTSTANDING

Transfers NONE

Pending Applications NONE

TITLE SEARCH PRINT 2025-08-25, 11:35:09

File Reference: 117415-00001 Requestor: Ashley Kumar

CURRENT INFORMATION ONLY - NO CANCELLED INFORMATION SHOWN

Land Title District	NEW WESTMINSTER
Land Title Office	NEW WESTMINSTER
Title Number	WX2173367
From Title Number	CA9561833
Application Received	2021-12-17
Application Entered	2022-01-11

Registered Owner in Fee Simple

Registered Owner/Mailing Address: 1319188 B.C. LTD., INC.NO. BC1319188
#820 - 925 WEST GEORGIA STREET
VANCOUVER, BC
V6C 3L2

Taxation Authority Richmond, City of

Description of Land

Parcel Identifier: 004-919-521

Legal Description:

LOT 119 SECTION 6 BLOCK 4 NORTH RANGE 6 WEST NEW WESTMINSTER DISTRICT
PLAN 55678

Legal Notations

NOTICE OF INTEREST, BUILDERS LIEN ACT (S.3(2)), SEE CA9617666
FILED 2022-01-04

HERETO IS ANNEXED EASEMENT RD84664 OVER PART (PLAN 56162) OF LOT 117
PLAN 52092

HERETO IS ANNEXED EASEMENT RD84665 OVER PART (PLAN 56162) OF LOT 120
PLAN 55678

ZONING REGULATION AND PLAN UNDER THE AERONAUTICS ACT (CANADA)
FILED 10.02.1981 UNDER NO. T17084 PLAN NO. 61216

Charges, Liens and Interests

Nature:	UNDERSURFACE RIGHTS
Registration Number:	C15334
Registration Date and Time:	1967-04-03 15:22
Registered Owner:	JOHN HOLT WILKINSON BRIGHOUSE JANE HOLT WILKINSON BRIGHOUSE "IN TRUST" SEE DF 28370
Remarks:	INTER ALIA

Nature:	STATUTORY RIGHT OF WAY
Registration Number:	RD21838
Registration Date and Time:	1976-02-06 13:17
Registered Owner:	TOWNSHIP OF RICHMOND
Remarks:	INTER ALIA PARTS (FORMERLY OVER LOT 114 PLAN 49439) PLAN 49614 ANCILLARY RIGHTS

Nature:	STATUTORY RIGHT OF WAY
Registration Number:	RD136875
Registration Date and Time:	1981-01-09 10:46
Registered Owner:	BRITISH COLUMBIA TELEPHONE COMPANY
Remarks:	INTER ALIA

Nature:	MORTGAGE
Registration Number:	RD157154
Registration Date and Time:	1982-03-16 09:23
Registered Owner:	MONTREAL TRUST COMPANY INCORPORATION NO. 23T "IN TRUST" SEE 99804C AND RD157154
Remarks:	INTER ALIA OF RD136875 LTA SECTION 198 SUPPLEMENTAL TO 99804C

Nature:	STATUTORY RIGHT OF WAY
Registration Number:	RD182719
Registration Date and Time:	1983-03-21 13:53
Registered Owner:	BRITISH COLUMBIA HYDRO AND POWER AUTHORITY
Remarks:	WITH PRIORITY OVER RD84669

Nature:	MORTGAGE
Registration Number:	CB1725942
Registration Date and Time:	2024-11-22 11:21
Registered Owner:	QUADREAL REAL ESTATE DEBT (CANADA) GP INC. INCORPORATION NO. BC0736930
Remarks:	INTER ALIA

Nature:	ASSIGNMENT OF RENTS
Registration Number:	CB1725943
Registration Date and Time:	2024-11-22 11:21
Registered Owner:	QUADREAL REAL ESTATE DEBT (CANADA) GP INC. INCORPORATION NO. BC0736930
Remarks:	INTER ALIA

Nature:	RIGHT OF FIRST REFUSAL
Registration Number:	CB1725944
Registration Date and Time:	2024-11-22 11:21
Registered Owner:	QUADREAL REAL ESTATE DEBT (CANADA) GP INC. INCORPORATION NO. BC0736930
Remarks:	INTER ALIA

Nature:	MORTGAGE
Registration Number:	CB2038554
Registration Date and Time:	2025-05-13 13:09
Registered Owner:	SHAPE CAPITAL CORP. INCORPORATION NO. BC1181714
Remarks:	INTER ALIA

Nature:	ASSIGNMENT OF RENTS
Registration Number:	CB2038555
Registration Date and Time:	2025-05-13 13:09
Registered Owner:	SHAPE CAPITAL CORP. INCORPORATION NO. BC1181714
Remarks:	INTER ALIA

Duplicate Indefeasible Title NONE OUTSTANDING

Transfers NONE

Pending Applications NONE

This is **Exhibit "V"** referred to in the 1st Affidavit of Raymond Ng sworn before me at Vancouver, British Columbia, on this 25th day of August, 2025.

A Commissioner for taking Affidavits for British Columbia

Colin Brousson
Barrister & Solicitor
DLA Piper (Canada) LLP
1133 Melville Street, Suite 2700
Vancouver, BC V6E 4E5
604.687.9444

BRITISH COLUMBIA

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Business Debtor - "KELTIC (RIVER GARDEN) DEVELOPMENT LTD."

Search Date and Time: August 25, 2025 at 10:13:39 am Pacific time
Account Name: DLA PIPER (CANADA) LLP
Folio Number: 118419-00001

TABLE OF CONTENTS

3 Matches in 3 Registrations in Report | Exact Matches: 3 (*) | Total Search Report Pages: 8

	Base Registration	Base Registration Date	Debtor Name	Page
1	390946N	November 25, 2021	* KELTIC (RIVER GARDEN) DEVELOPMENT LTD	2
2	773090Q	November 19, 2024	* KELTIC (RIVER GARDEN) DEVELOPMENT LTD.	5
3	443510R	August 18, 2025	* KELTIC (RIVER GARDEN) DEVELOPMENT LTD.	7

Base Registration Number: 390946N

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	November 25, 2021 at 11:03:58 am Pacific time
Current Expiry Date and Time:	November 25, 2026 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of August 25, 2025 at 10:13:39 am Pacific time)

Secured Party Information

QUADREAL REAL ESTATE DEBT (CANADA) LIMITED PARTNERSHIP

Address

800-666 BURRARD STREET
VANCOUVER BC
V6C 2X8 Canada

Debtor Information

1319188 BC LTD

Address

2338 - 666 BURRARD STREET
VANCOUVER BC
V6C 2X8 Canada

KELTIC (RIVER GARDEN) DEVELOPMENT LTD

Address

2338 - 666 BURRARD STREET
VANCOUVER BC
V6C 2X8 Canada

Vehicle Collateral

None

General Collateral

Base Registration General Collateral:

ALL OF THE DEBTORS' PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY; ALL PROCEEDS INCLUDING ACCOUNTS, MONEY, CHATTEL PAPER, INTANGIBLES, GOODS, DOCUMENTS OF TITLE, INSTRUMENTS, INVESTMENT PROPERTY, SUBSTITUTIONS, CROPS, LICENCES, TRADE INS, INSURANCE PROCEEDS AND ANY OTHER FORM OF PROCEEDS.

Original Registering Party

BORDEN LADNER GERVAIS LLP

Address

1200-200 BURRARD STREET
VANCOUVER BC
V7X 1T2 Canada

HISTORY

(Showing most recent first)

AMENDMENT - SECURED PARTIES AMENDED

Registration Date and Time: November 23, 2022 at 2:09:28 pm Pacific time
Registration Number: 215935P
Description: Secured party transfer.

Secured Party Information

QUADREAL REAL ESTATE DEBT (CANADA) LIMITED PARTNERSHIP
ADDED

Address
800-666 BURRARD STREET
VANCOUVER BC
V6C 2X8 Canada

BCIMC CONSTRUCTION FUND CORPORATION
DELETED

Address
300 - 2950 JUTLAND ROAD
VICTORIA BC
V8T 5K2 Canada

Registering Party Information

LAWSON LUNDELL

Address
925 WEST GEORGIA STREET
SUITE 1600
VANCOUVER BC
V6C 3L2 Canada

Base Registration Number: 773090Q

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	November 19, 2024 at 11:12:43 am Pacific time
Current Expiry Date and Time:	November 19, 2029 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of August 25, 2025 at 10:13:39 am Pacific time)

Secured Party Information

QUADREAL REAL ESTATE DEBT (CANADA) GP INC.

Address

SUITE 515 - 1515 DOUGLAS STREET
VICTORIA BC
V8W 2G4 Canada

QUADREAL REAL ESTATE DEBT (CANADA) LIMITED PARTNERSHIP

Address

SUITE 515 - 1515 DOUGLAS STREET
VICTORIA BC
V8W 2G4 Canada

Debtor Information

1319188 B.C. LTD.

Address

2338 - 666 BURRARD STREET
VANCOUVER BC
V6C 2X8 Canada

KELTIC (RIVER GARDEN) DEVELOPMENT LTD.

Address

2338 - 666 BURRARD STREET
VANCOUVER BC
V6C 2X8 Canada

Vehicle Collateral

None

General Collateral

Base Registration General Collateral:

ALL OF THE DEBTORS' PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY;

ALL PROCEEDS INCLUDING ACCOUNTS, MONEY, CHATTEL PAPER, INTANGIBLES, GOODS, DOCUMENTS OF TITLE, INSTRUMENTS, INVESTMENT PROPERTY, SUBSTITUTIONS, CROPS, LICENCES, TRADE INS, INSURANCE PROCEEDS AND ANY OTHER FORM OF PROCEEDS.

Original Registering Party

BORDEN LADNER GERVAIS LLP (VANCOUVER)

Address

BOX 48600 1200 WATERFRONT CENTRE
200 BURRARD STREET
VANCOUVER BC
V7X 1T2 Canada

Base Registration Number: 443510R

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	August 18, 2025 at 10:34:34 am Pacific time
Current Expiry Date and Time:	August 18, 2030 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of August 25, 2025 at 10:13:39 am Pacific time)

Secured Party Information

SHAPE CAPITAL CORP.

Address

2020 ONE BENTALL CENTRE, 505 BURRARD STREET
BOX 206
VANCOUVER BC
V7X 1M6 Canada

Debtor Information

1319191 B.C. LTD.

Address

2338-666 BURRARD ST
VANCOUVER BC
V6C 2X8 Canada

KELTIC (RIVER GARDEN) DEVELOPMENT LTD.

Address

2338-666 BURRARD ST
VANCOUVER BC
V6C 2X8 Canada

Vehicle Collateral

None

General Collateral

Base Registration General Collateral:

ALL PRESENTLY OWNED AND HEREAFTER ACQUIRED RIGHT, TITLE AND INTEREST OF THE DEBTOR IN AND TO ALL GOODS (INCLUDING ALL ACCESSORIES, ATTACHMENTS, ADDITIONS AND ACCESSIONS THERETO), CHATTEL PAPER, DOCUMENTS OF TITLE (WHETHER NEGOTIABLE OR NOT), INSTRUMENTS, INTANGIBLES, LICENCES, MONEY AND INVESTMENT PROPERTY NOW OR HEREAFTER SITUATE UPON, AFFIXED TO, USED IN CONNECTION WITH, PERTAINING TO OR ARISING OUT OF THE LANDS LOCATED AT RICHMOND, BRITISH COLUMBIA AND LEGALLY DESCRIBED AS:

PID: 004-919-742, LOT 116 EXCEPT: PART DEDICATED ROAD ON PLAN LMP11314, SECTION 6 BLOCK 4 NORTH RANGE 6 WEST NEW WESTMINSTER DISTRICT PLAN 49857

PID: 004-919-718, LOT 117 EXCEPT: PART ROAD ON PLAN LMP11314, SECTION 6 BLOCK 4 NORTH RANGE 6 WEST NEW WESTMINSTER DISTRICT PLAN 52092

PID: 004-919-521, LOT 119 SECTION 6 BLOCK 4 NORTH RANGE 6 WEST NEW WESTMINSTER DISTRICT PLAN 55678

PID: 004-919-556, LOT 120 EXCEPT: PARCEL 1 (BYLAW PLAN LMP11412), SECTION 6 BLOCK 4 NORTH RANGE 6 WEST NEW WESTMINSTER DISTRICT PLAN 55678

AS SUCH LANDS AND PREMISES MAY BE CONSOLIDATED, SUBDIVIDED OR STRATIFIED FROM TIME TO TIME.

PROCEEDS: ANY AND ALL "GOODS", "INTANGIBLES", "CHATTEL PAPER", "DOCUMENTS OF TITLE", "INSTRUMENTS", "MONEY" AND "INVESTMENT PROPERTY" (AS SUCH TERMS ARE DEFINED IN THE PERSONAL PROPERTY SECURITY ACT (BRITISH COLUMBIA) AS AMENDED OR REPLACE FROM TIME TO TIME) CONSTITUTING PROCEEDS OF ANY OR ALL OF THE FOREGOING COLLATERAL INCLUDING PROCEEDS OF PROCEEDS.

Original Registering Party

DLA PIPER (CANADA) LLP

Address

1133 MELVILLE STREET, SUITE 2700
VANCOUVER BC
V6E 4E5 Canada

My Asset Registries

Request MHR Qualified Supplier Access

JENNIFER SUZANNE JULMI | DLA PIPER (CANADA) LLP

Help

Search Results

for Business Debtor Name "KELTIC (RIVER GARDEN) DEVELOPMENT LTD." as of August 25, 2025 at 10:13:39 am Pacific time

Folio Number: 118419-00001

Select the registrations you want to include in a printable PDF search report. Exact matches are automatically selected. This report will contain the full record of the registration for each selected match and will be automatically saved to your PPR Dashboard.

25 matches found | **3** exact matches |
3 total matches in **3** registrations added to report

PDF Generate Search Result Report

Select All	**Debtor Name**
Exact Matches (3)	
exact match added	KELTIC (RIVER GARDEN) DEVELOPMENT LTD
exact match added	KELTIC (RIVER GARDEN) DEVELOPMENT LTD.
exact match added	KELTIC (RIVER GARDEN) DEVELOPMENT LTD.

Select All	**Debtor Name**

Similar Matches (22)

☐	KELTIC (BRIGHOUSE) DEVELOPMENT LTD
☐	KELTIC (BRIGHOUSE) DEVELOPMENT LTD.
☐	KELTIC (CAPILANO) DEVELOPMENT LTD.
☐	KELTIC (HOLDOM) DEVELOPMENT LTD.
☐	KELTIC (KATHLEEN) DEVELOPMENT LTD.
☐	KELTIC (KATHLEEN) DEVELOPMENT LTD.
☐	KELTIC (KATHLEEN) DEVELOPMENT LTD.
☐	KELTIC (KATHLEEN) DEVELOPMENT LTD.
☐	KELTIC (KATHLEEN) DEVELOPMENT LTD.
☐	KELTIC (KATHLEEN) DEVELOPMENT LTD.
☐	KELTIC (MARINE) DEVELOPMENT LTD
☐	KELTIC (MARINE) DEVELOPMENT LTD.
☐	KELTIC (PRIOR) DEVELOPMENT LIMITED PARTNERSHIP
☐	KELTIC (PRIOR) DEVELOPMENT LIMITED PARTNERSHIP
☐	KELTIC (SOUTHLANDS) DEVELOPMENT LTD

Select All	Debtor Name
☐	KELTIC (SOUTHLANDS) DEVELOPMENT LTD.
☐	KELTIC (SOUTHLANDS) DEVELOPMENT LTD.
☐	KELTIC (SOUTHLANDS) DEVELOPMENT LTD.
☐	KELTIC (SUSSEX) DEVELOPMENT LTD.
☐	KELTIC (SUSSEX) DEVELOPMENT LTD.
☐	KELTIC (SUSSEX) DEVELOPMENT LTD.
☐	KELTIC (W41ST AVE) DEVELOPMENT LTD.

This is **Exhibit "W"** referred to in the 1st Affidavit of Raymond Ng sworn before me at Vancouver, British Columbia, on this 25th day of August, 2025.

A Commissioner for taking Affidavits for British Columbia

Colin Brousson
Barrister & Solicitor
DLA Piper (Canada) LLP
1133 Melville Street, Suite 2700
Vancouver, BC V6E 4E5
604.687.9444

BRITISH COLUMBIA

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Business Debtor - "1319188 B.C. LTD."

Search Date and Time: August 25, 2025 at 10:11:54 am Pacific time
Account Name: DLA PIPER (CANADA) LLP
Folio Number: 118419-00001

TABLE OF CONTENTS

2 Matches in 2 Registrations in Report | Exact Matches: 2 (*) | Total Search Report Pages: 6

	Base Registration	Base Registration Date	Debtor Name	Page
1	390946N	November 25, 2021	*** 1319188 BC LTD**	2
2	773090Q	November 19, 2024	*** 1319188 B.C. LTD.**	5

Base Registration Number: 390946N

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	November 25, 2021 at 11:03:58 am Pacific time
Current Expiry Date and Time:	November 25, 2026 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of August 25, 2025 at 10:11:54 am Pacific time)

Secured Party Information

QUADREAL REAL ESTATE DEBT (CANADA) LIMITED PARTNERSHIP

Address

800-666 BURRARD STREET
VANCOUVER BC
V6C 2X8 Canada

Debtor Information

1319188 BC LTD

Address

2338 - 666 BURRARD STREET
VANCOUVER BC
V6C 2X8 Canada

KELTIC (RIVER GARDEN) DEVELOPMENT LTD

Address

2338 - 666 BURRARD STREET
VANCOUVER BC
V6C 2X8 Canada

Vehicle Collateral

None

General Collateral

Base Registration General Collateral:

ALL OF THE DEBTORS' PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY; ALL PROCEEDS INCLUDING ACCOUNTS, MONEY, CHATTEL PAPER, INTANGIBLES, GOODS, DOCUMENTS OF TITLE, INSTRUMENTS, INVESTMENT PROPERTY, SUBSTITUTIONS, CROPS, LICENCES, TRADE INS, INSURANCE PROCEEDS AND ANY OTHER FORM OF PROCEEDS.

Original Registering Party

BORDEN LADNER GERVAIS LLP

Address

1200-200 BURRARD STREET
VANCOUVER BC
V7X 1T2 Canada

HISTORY

(Showing most recent first)

AMENDMENT - SECURED PARTIES AMENDED

Registration Date and Time: November 23, 2022 at 2:09:28 pm Pacific time
Registration Number: 215935P
Description: Secured party transfer.

Secured Party Information

QUADREAL REAL ESTATE DEBT (CANADA) LIMITED PARTNERSHIP
ADDED

Address
800-666 BURRARD STREET
VANCOUVER BC
V6C 2X8 Canada

BCIMC CONSTRUCTION FUND CORPORATION
DELETED

Address
300 - 2950 JUTLAND ROAD
VICTORIA BC
V8T 5K2 Canada

Registering Party Information

LAWSON LUNDELL

Address
925 WEST GEORGIA STREET
SUITE 1600
VANCOUVER BC
V6C 3L2 Canada

Base Registration Number: 773090Q

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	November 19, 2024 at 11:12:43 am Pacific time
Current Expiry Date and Time:	November 19, 2029 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of August 25, 2025 at 10:11:54 am Pacific time)

Secured Party Information

QUADREAL REAL ESTATE DEBT (CANADA) GP INC.

Address

SUITE 515 - 1515 DOUGLAS STREET
VICTORIA BC
V8W 2G4 Canada

QUADREAL REAL ESTATE DEBT (CANADA) LIMITED PARTNERSHIP

Address

SUITE 515 - 1515 DOUGLAS STREET
VICTORIA BC
V8W 2G4 Canada

Debtor Information

1319188 B.C. LTD.

Address

2338 - 666 BURRARD STREET
VANCOUVER BC
V6C 2X8 Canada

KELTIC (RIVER GARDEN) DEVELOPMENT LTD.

Address

2338 - 666 BURRARD STREET
VANCOUVER BC
V6C 2X8 Canada

Vehicle Collateral

None

General Collateral

Base Registration General Collateral:

ALL OF THE DEBTORS' PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY;

ALL PROCEEDS INCLUDING ACCOUNTS, MONEY, CHATTEL PAPER, INTANGIBLES, GOODS, DOCUMENTS OF TITLE, INSTRUMENTS, INVESTMENT PROPERTY, SUBSTITUTIONS, CROPS, LICENCES, TRADE INS, INSURANCE PROCEEDS AND ANY OTHER FORM OF PROCEEDS.

Original Registering Party

BORDEN LADNER GERVAIS LLP (VANCOUVER)

Address

BOX 48600 1200 WATERFRONT CENTRE
200 BURRARD STREET
VANCOUVER BC
V7X 1T2 Canada

My Asset Registries

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JENNIFER SUZANNE JULMI | DLA PIPER (CANADA) LLP

Help

Search Results

for Business Debtor Name "1319188 B.C. LTD." as of August 25, 2025 at 10:11:54 am Pacific time

Folio Number: 118419-00001

Select the registrations you want to include in a printable PDF search report. Exact matches are automatically selected. This report will contain the full record of the registration for each selected match and will be automatically saved to your PPR Dashboard.

3 matches found | **2** exact matches
2 total matches in **2** registrations added to report

PDF Generate Search Result Report

Select All	**Debtor Name**
Exact Matches (2)	
exact match added	1319188 B.C. LTD.
exact match added	1319188 BC LTD
Similar Matches (1)	

Select All	**Debtor Name**
☐	1329188 B.C. LTD.

This is **Exhibit "X"** referred to in the 1st Affidavit of Raymond Ng sworn before me at Vancouver, British Columbia, on this 25th day of August, 2025.

A Commissioner for taking Affidavits for British Columbia

Colin Brousson
Barrister & Solicitor
DLA Piper (Canada) LLP
133 Melville Street, Suite 2700
Vancouver, BC V6E 4E5
604.687.9444

Blake, Cassels & Graydon LLP
Barristers & Solicitors
Patent & Trademark Agents
1133 Melville Street
Suite 3500, The Stack
Vancouver, B.C. V6E 4E5 Canada
Tel: 604-631-3300 Fax: 604-631-3309

Greg Umbach
Partner
Dir: 604-631-3378
greg.umbach@blakes.com

Reference: 26009/12

February 7, 2025

VIA E-MAIL

McCarthy Tetrault LLP
Suite 2400, 745 Thurlow Street
Vancouver BC V6E 0C5

Attention: Gillian Piggot
Email: gpiggott@mccarthy.ca

Keltic (Prior) Development Limited Partnership
2388-666 Burrard St.
Vancouver, BC V6C 2X8

Attention: Rachel Lei
Email: rachell@kelticdevelopment.com

RE: Commitment Letter dated November 24, 2022 as amended by a letter agreement dated December 20, 2024 and a letter dated December 31, 2024 (collectively, the "Commitment") issued by Shape Capital Corp. on behalf of TS Alpha Venture Limited Partnership (collectively, the "Lender") to Keltic (Prior) Development Limited Partnership (the "Borrower") in respect of a loan secured by real property at 220 Prior Street, Vancouver, British Columbia, (the "Property")

Dear Sirs/Mesdames:

We write with respect to the Commitment. Capitalized terms in this letter will have the meaning given to them in the Commitment unless otherwise defined in this letter.

Take notice that the Borrower is in default under the Commitment as a result of the following Events of Default pursuant to the terms of the letter on letterhead of Blake, Cassels & Graydon LLP dated and executed by the Borrower December 20, 2024 (the "**December 20, 2024 Letter**") as amended by a letter on letterhead of Blake, Cassels & Graydon LLP dated December 31, 2024 and executed by the Borrower the 2nd day of January, 2025:

1. failure to pay the full amount required in paragraph 2 a. of the December 20, 2024 Letter within 30 days of the Lender providing written consent to the termination of the Masimo PSA;

2. failure to deliver, within the time required in paragraph 6 a. ii. of the December 20, 2024 Letter, an executed supplement to the Commitment provided to you on January 7, 2025; and

3. failure to provide the Collateral Security required under paragraph 2 b. of the December 20, 2024 Letter;

each of which remains outstanding and uncured as of the date of this letter.

Pursuant to sections 25 and 51 of the Commitment, the Lender gives notice that it is entitled to refuse any further advance under the Commitment and it specifically reserves its rights under the Commitment in respect of the Events of Default and to take all legal steps and seek all remedies permitted under the Commitment and at law without further notice to the Borrower or the Guarantor.

Yours truly,

DocuSigned by:

D9C00ACF2BBF49B...

Greg Umbach

This is **Exhibit "Y"** referred to in the 1st Affidavit of Raymond Ng sworn before me at Vancouver, British Columbia, on this 25th day of August, 2025.

A Commissioner for taking Affidavits for British Columbia

Colin Brousson
Barrister & Solicitor
DLA Piper (Canada) LLP
1133 Melville Street, Suite 2700
Vancouver, BC V6E 4E5
604.687.9144

SYNCRA
CONSTRUCTION

Unit 301- 4180 Lougheed Highway, Burnaby, BC V5C 6A7
T 604 298 3303 F 604 298 3304
E info@syncraconstruction.com www.syncraconstruction.com

February 14, 2025

Keltic (Prior) Development Limited Partnership, By Its General Partner 1319191 B.C. Ltd
2338 Park Place, 666 Burrard Street
Vancouver, BC V6C 2X8

Attention: Mike Wurm

Project: Nexus (220 Prior Street, Vancouver, BC)

Dear Mike,

It has recently come to Syncra Construction Corporation's attention that there is currently $224 in the Project Holdback account established at BMO Burrard Branch and that withdrawals totalling roughly $3.2 million have been made from the holdback account by Keltic Developments without our knowledge. As you should be aware, s. 5(1) of the Builders Lien Act requires an owner to establish a holdback account, pay the required holdback funds into the holdback account, and administer the holdback account with the contractor. Section 5(2) further provides that once funds have been deposited into the holdback account, they are impressed with a trust for the contractor's benefit.

Section 5(7) of the Builders Lien Act provides that a failure to pay the required holdback into the holdback account amounts to a default under the parties' contract entitling the contractor to suspend the work on 10 days' notice. Syncra Construction Corporation hereby provides written notice that unless the required holdback amount is paid into the holdback account within 10 days, Syncra will suspend its work. Syncra also claims an extension of contract time on account of, and reimbursement of all expenses incurred as a result of, any delay caused by such suspension.

If the holdback account balance is not rectified, Syncra reserves all of its rights to hold any director or officer of the owner who directed or approved withdrawal(s) from the holdback account liable.

Respectfully,

Peter Sentell
Vice President
Syncra Construction Corporation

CC: Denis Craddock, Keltic Developments
Rachel Lei, Keltic Developments
John Polglase, Syncra
Richard Shipway, Syncra

This is **Exhibit** " 2 " referred to in the 1st Affidavit of Raymond Ng sworn before me at Vancouver, British Columbia, on this 25th day of August, 2025.

A Commissioner for taking Affidavits for British Columbia

Colin Brousson
Barrister & Solicitor
DLA Piper (Canada) LLP
1133 Melville Street, Suite 2700
Vancouver, BC V6E 4E5
604.687.9444

DLA Piper (Canada) LLP
1133 Melville St, Suite 2700
Vancouver BC V6E 4E5
www.dlapiper.com

Colin Brousson
colin.brousson@dlapiper.com
T +1 604.643.6400
F +1 604.605.4875

May 26, 2025

FILE NUMBER: 118419-00001

DELIVERED BY HAND DELIVERY

Keltic (Prior) Development Limited Partnership
1319191 B.C. Ltd.
2338 – 666 Burrard Street
Vancouver, BC V6C 2X8

Attention: Rachel Lei

Dear Madam:

Re: Mortgage Loan Commitment:
Keltic (Prior) Development Limited Partnership and 1319191 B.C. Ltd.

We are counsel to Shape Capital Corp., on behalf of TS Alpha Venture Limited Partnership (the "**Lender**") in connection with certain credit facilities that the Lender granted to Keltic (Prior) Development Limited Partnership and 1319191 B.C. Ltd. (together, the "**Borrower**") pursuant to Mortgage Loan Commitment dated November 24, 2024, as amended by letter agreements dated December 20, 2024 and December 31, 2024, a supplement to commitment dated February 18, 2025, a second supplement to commitment dated March 31, 2025 and a third supplement to commitment dated May 2, 2025 (collectively, the "**Mortgage Loan Commitment**").

As security for all amounts owing by the Borrower to the Lender under the Mortgage Loan Commitment, the Borrower granted the Lender a security interest in all of the Borrower's present and after-acquired personal property pursuant to a general security agreement dated January 20, 2023.

As at May 23, 2025, the Borrower was indebted to the Lender in the amount of $54,272,212.80 plus interest and costs continuing to accrue (the "**Indebtedness**") and the Borrower is in breach of its covenants under the Mortgage Loan Commitment.

On behalf of the Lender, we hereby demand payment of the full amount of the Indebtedness, plus all accruing interest at the specified rate from May 23, 2025 until receipt of full payment and costs. Interest on the Indebtedness will continue to accrue at the rates agreed to, and costs and expenses will continue to be incurred by the Lender for which the Borrower will be responsible, until payment of all amounts owing is received by either certified cheque or bank draft at the following address:

DLA PIPER

DLA Piper (Canada) LLP
Suite 2700, 1133 Melville Street
Vancouver, BC V6E 4E5

Attention: Colin Brousson

If full payment, as set forth above, is not received by 4:00 pm on **June 5, 2025**, the Lender may take whatever steps it deems appropriate to seek repayment of the said amount including enforcement of all security granted to secure the Indebtedness.

Enclosed herewith, for service upon the Borrower, is a Notice of Intention to Enforce Security in accordance with section 244 of the *Bankruptcy and Insolvency Act* (Canada)

For your information, we are concurrently issuing demands to the guarantors of the Indebtedness.

Please note that the Lender reserves its rights to proceed prior to the time stipulated above in the event that it determines that its position is further jeopardized. Furthermore, the Lender reserves the right to take any remedial action or actions at any time as permitted under the aforementioned security agreements, any other documents delivered to the Lender by any party in connection therewith, and applicable law.

Sincerely,
DLA Piper (Canada) LLP
Per:

Colin Brousson
:encl.

NOTICE OF INTENTION TO ENFORCE SECURITY
(Pursuant to section 244 of the *Bankruptcy and Insolvency Act*)

TO: Keltic (Prior) Development Limited Partnership and 1319191 B.C. Ltd. (the "**Borrower**")
2338 – 666 Burrard Street
Vancouver, BC V6C 2X8

Take notice that:

1. Shape Capital Corp., on behalf of TS Alpha Venture Limited Partnership, a secured creditor, intends to enforce the security on the property of the insolvent person described below:

   (a) all of the Borrower's present and after-acquired personal property.

2. The security to be enforced is comprised of a security interest in all of the Borrower's present and after-acquired personal property pursuant to a general security agreement dated January 20, 2023 (the "**Security**").

3. As at May 23, 2025, the total amount of indebtedness secured by the Security is $54,272,212.80 plus interest and costs, which continue to accrue.

4. The secured creditor will not have the right to enforce the security until after the expiration of the 10-day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

DATED at Vancouver, British Columbia this 26th day of May, 2025.

Shape Capital Corp.

Per:

Colin D. Brousson, Solicitor for
Shape Capital Corp.

DLA PIPER

DLA Piper (Canada) LLP
1133 Melville St, Suite 2700
Vancouver BC V6E 4E5
www.dlapiper.com

Colin Brousson
colin.brousson@dlapiper.com
T +1 604.643.6400
F +1 604.605.4875

May 26, 2025

FILE NUMBER: 118419-00001

DELIVERED BY HAND DELIVERY

Keltic Group Equities (2019) Ltd.
2338 – 666 Burrard Street
Vancouver, BC V6C 2X8

Attention: Rachel Li

Dear Madam:

Re: Mortgage Loan Commitment: Keltic (Prior) Development Limited Partnership and 1319191 B.C. Ltd. (together, the "Borrower") - Guarantee of Indebtedness

We are counsel to Shape Capital Corp., on behalf of TS Alpha Venture Limited Partnership (the "**Lender**") and write to Keltic Group Equities (2019) Ltd. ("**Keltic Equities**") in its capacity as a guarantor of the indebtedness owing by the Borrower to the Lender under a Mortgage Loan Commitment dated November 24, 2022, as amended from time to time thereafter (the "**Mortgage Loan Commitment**").

On January 20, 2023, you granted an unlimited guarantee in favour of the Lender regarding the indebtedness owing by the Borrower to the Lender under the Mortgage Loan Commitment (the "**Guarantee**").

Pursuant to the Guarantee, Keltic Equities:

(a) agreed to repay the indebtedness of the Borrower owing to the Lender plus interest thereon and such legal or other costs incurred by the Lender; and

(b) agreed to assign and transfer all obligations, liabilities and indebtedness owing by the Borrower to Keltic Equities, to the Lender as collateral security for Keltic Equities' obligations under the Guarantee.

The Lender has issued a demand for payment on the Borrower for the indebtedness owing under the Mortgage Loan Commitment which, as at May 23, 2025, amounts to $54,272,212.80 plus interest and costs continuing to accrue (the "**Indebtedness**").

A copy of the demand letter dated May 26, 2025 is enclosed for your reference.

DLA PIPER

On behalf of the Lender, we hereby require payment of the Indebtedness including interest to the date of payment. Payment shall be made by certified cheque or bank draft to the following address:

DLA Piper (Canada) LLP
Suite 2700, 1133 Melville Street
Vancouver, BC V6E 4E5

Attention: Colin Brousson

If full payment of the Indebtedness, as set forth above, is not received by 4:00 p.m. on **June 5, 2025**, the Lender may take whatever steps it deems appropriate to seek repayment of the Indebtedness or necessary and appropriate to protect the interest of the Lender with respect to the security granted to the Lender.

The Lender reserves its rights to proceed prior to the time stipulated above in the event that it determines that its position is further jeopardized.

Sincerely,
DLA Piper (Canada) LLP
Per:

Colin Brousson
:encl.

DLA PIPER

DLA Piper (Canada) LLP
1133 Melville St, Suite 2700
Vancouver BC V6E 4E5
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colin.brousson@dlapiper.com
T +1 604.643.6400
F +1 604.605.4875

May 26, 2025

FILE NUMBER: 118419-00001

DELIVERED BY HAND DELIVERY

Keltic Canada Development Co. Ltd.
2338 – 666 Burrard Street
Vancouver, BC V6C 2X8

Attention: Rachel Li

Dear Madam:

Re: Mortgage Loan Commitment: Keltic (Prior) Development Limited Partnership and 1319191 B.C. Ltd. (together, the "Borrower") - Guarantee of Indebtedness

We are counsel to Shape Capital Corp., on behalf of TS Alpha Venture Limited Partnership (the "**Lender**") and write to Keltic Canada Development Co. Ltd. ("**Keltic Canada**") in its capacity as a guarantor of the indebtedness owing by the Borrower to the Lender under a Mortgage Loan Commitment dated November 24, 2022, as amended from time to time thereafter (the "**Mortgage Loan Commitment**").

On January 20, 2023, Keltic Canada granted an unlimited guarantee in favour of the Lender regarding the indebtedness owing by the Borrower to the Lender under the Mortgage Loan Commitment (the "**Guarantee**").

Pursuant to the Guarantee, Keltic Canada:

(a) agreed to repay the indebtedness of the Borrower owing to the Lender plus interest thereon and such legal or other costs incurred by the Lender; and

(b) agreed to assign and transfer all obligations, liabilities and indebtedness owing by the Borrower to Keltic Canada, to the Lender as collateral security for Keltic Canada's obligations under the Guarantee.

The Lender has issued a demand for payment on the Borrower for the indebtedness owing under the Mortgage Loan Commitment which, as at May 23, 2025, amounts to $54,272,212.80 plus interest and costs continuing to accrue (the "**Indebtedness**").

A copy of the demand letter dated May 26, 2025 is enclosed for your reference.

DLA PIPER

On behalf of the Lender, we hereby require payment of the Indebtedness including interest to the date of payment. Payment shall be made by certified cheque or bank draft to the following address:

DLA Piper (Canada) LLP
Suite 2700, 1133 Melville Street
Vancouver, BC V6E 4E5

Attention: Colin Brousson

If full payment of the Indebtedness, as set forth above, is not received by 4:00 p.m. on **June 5, 2025**, the Lender may take whatever steps it deems appropriate to seek repayment of the Indebtedness or necessary and appropriate to protect the interest of the Lender with respect to the security granted to the Lender.

The Lender reserves its rights to proceed prior to the time stipulated above in the event that it determines that its position is further jeopardized.

Sincerely,
DLA Piper (Canada) LLP
Per:

Colin Brousson
:encl.

DLA PIPER

DLA Piper (Canada) LLP
1133 Melville St, Suite 2700
Vancouver BC V6E 4E5
www.dlapiper.com

Colin Brousson
colin.brousson@dlapiper.com
T +1 604.643.6400
F +1 604.605.4875

May 26, 2025

FILE NUMBER: 118419-00001

DELIVERED BY HAND DELIVERY

DDAW Holdings Ltd.
2338 – 666 Burrard Street
Vancouver, BC V6C 2X8

Attention: Anna Rui Wang

Dear Madam:

Re: Mortgage Loan Commitment: Keltic (Prior) Development Limited Partnership and 1319191 B.C. Ltd. (together, the "Borrower") - Guarantee of Indebtedness

We are counsel to Shape Capital Corp., on behalf of TS Alpha Venture Limited Partnership (the "**Lender**") and write to DDAW Holdings Ltd. ("**DDAW**") in its capacity as a guarantor of the indebtedness owing by the Borrower to the Lender under a Mortgage Loan Commitment dated November 24, 2022, as amended from time to time thereafter (the "**Mortgage Loan Commitment**").

On January 20, 2023, DDAW granted an unlimited guarantee in favour of the Lender regarding the indebtedness owing by the Borrower to the Lender under the Mortgage Loan Commitment (the "**Guarantee**").

Pursuant to the Guarantee, DDAW:

(a) agreed to repay the indebtedness of the Borrower owing to the Lender plus interest thereon and such legal or other costs incurred by the Lender; and

(b) agreed to assign and transfer all obligations, liabilities and indebtedness owing by the Borrower to DDAW, to the Lender as collateral security for DDAW's obligations under the Guarantee.

The Lender has issued a demand for payment on the Borrower for the indebtedness owing under the Mortgage Loan Commitment which, as at May 23, 2025, amounts to $54,272,212.80 plus interest and costs continuing to accrue (the "**Indebtedness**").

A copy of the demand letter dated May 26, 2025 is enclosed for your reference.

DLA PIPER

On behalf of the Lender, we hereby require payment of the Indebtedness including interest to the date of payment. Payment shall be made by certified cheque or bank draft to the following address:

DLA Piper (Canada) LLP
Suite 2700, 1133 Melville Street
Vancouver, BC V6E 4E5

Attention: Colin Brousson

If full payment of the Indebtedness, as set forth above, is not received by 4:00 p.m. on **June 5, 2025**, the Lender may take whatever steps it deems appropriate to seek repayment of the Indebtedness or necessary and appropriate to protect the interest of the Lender with respect to the security granted to the Lender.

The Lender reserves its rights to proceed prior to the time stipulated above in the event that it determines that its position is further jeopardized.

Sincerely,
DLA Piper (Canada) LLP
Per:

Colin Brousson
:encl.

DLA Piper (Canada) LLP
1133 Melville St, Suite 2700
Vancouver BC V6E 4E5
www.dlapiper.com

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F +1 604.605.4875

May 26, 2025

FILE NUMBER: 118419-00001

DELIVERED BY HAND DELIVERY

Wei Guo Li
2338 – 666 Burrard Street
Vancouver, BC V6C 2X8

Dear Sir:

Re: Mortgage Loan Commitment: Keltic (Prior) Development Limited Partnership and 1319191 B.C. Ltd. (together, the "Borrower") - Guarantee of Indebtedness

We are counsel to Shape Capital Corp., on behalf of TS Alpha Venture Limited Partnership (the "**Lender**") and write to you in your capacity as a guarantor of the indebtedness owing by the Borrower to the Lender under a Mortgage Loan Commitment dated November 24, 2022, as amended from time to time thereafter (the "**Mortgage Loan Commitment**").

On January 20, 2023, you granted an unlimited guarantee in favour of the Lender regarding the indebtedness owing by the Borrower to the Lender under the Mortgage Loan Commitment (the "**Guarantee**").

Pursuant to the Guarantee, you:

(a) agreed to repay the indebtedness of the Borrower owing to the Lender plus interest thereon and such legal or other costs incurred by the Lender; and

(b) agreed to assign and transfer all obligations, liabilities and indebtedness owing by the Borrower to you, to the Lender as collateral security for your obligations under the Guarantee.

The Lender has issued a demand for payment on the Borrower for the for the indebtedness owing under the Mortgage Loan Commitment which, as at May 23, 2025, amounts to $54,272,212.80 plus interest and costs continuing to accrue (the "**Indebtedness**").

A copy of the demand letter to the Borrower dated May 26, 2025 is enclosed for your reference.

DLA PIPER

On behalf of the Lender, we hereby require payment of the Indebtedness including interest to the date of payment. Payment shall be made by certified cheque or bank draft to the following address:

DLA Piper (Canada) LLP
Suite 2700, 1133 Melville Street
Vancouver, BC V6E 4E5

Attention: Colin Brousson

If full payment of the Indebtedness, as set forth above, is not received by 4:00 p.m. on **June 5, 2025**, the Lender may take whatever steps it deems appropriate to seek repayment of the Indebtedness or necessary and appropriate to protect the interest of the Lender with respect to the security granted to the Lender.

The Lender reserves its rights to proceed prior to the time stipulated above in the event that it determines that its position is further jeopardized.

Sincerely,
DLA Piper (Canada) LLP
Per:

Colin Brousson
:encl.

DLA Piper (Canada) LLP
1133 Melville St, Suite 2700
Vancouver BC V6E 4E5
www.dlapiper.com

Colin Brousson
colin.brousson@dlapiper.com
T +1 604.643.6400
F +1 604.605.4875

May 26, 2025

FILE NUMBER: 118419-00001

DELIVERED BY HAND DELIVERY

Rui Wang
2338 – 666 Burrard Street
Vancouver, BC V6C 2X8

Dear Madam:

Re: Mortgage Loan Commitment: Keltic (Prior) Development Limited Partnership and 1319191 B.C. Ltd. (together, the "Borrower") - Guarantee of Indebtedness

We are counsel to Shape Capital Corp., on behalf of TS Alpha Venture Limited Partnership (the "**Lender**") and write to you in your capacity as a guarantor of the indebtedness owing by the Borrower to the Lender under a Mortgage Loan Commitment dated November 24, 2022, as amended from time to time thereafter (the "**Mortgage Loan Commitment**").

On January 20, 2023, you granted an unlimited guarantee in favour of the Lender regarding the indebtedness owing by the Borrower to the Lender under the Mortgage Loan Commitment (the "**Guarantee**").

Pursuant to the Guarantee, you:

(a) agreed to repay the indebtedness of the Borrower owing to the Lender plus interest thereon and such legal or other costs incurred by the Lender; and

(b) agreed to assign and transfer all obligations, liabilities and indebtedness owing by the Borrower to you, to the Lender as collateral security for your obligations under the Guarantee.

The Lender has issued a demand for payment on the Borrower for the indebtedness owing under the Mortgage Loan Commitment which, as at May 23, 2025, amounts to $54,272,212.80 plus interest and costs continuing to accrue (the "**Indebtedness**").

A copy of the demand letter to the Borrower dated May 26, 2025 is enclosed for your reference.

DLA PIPER

On behalf of the Lender, we hereby require payment of the Indebtedness including interest to the date of payment. Payment shall be made by certified cheque or bank draft to the following address:

DLA Piper (Canada) LLP
Suite 2700, 1133 Melville Street
Vancouver, BC V6E 4E5

Attention: Colin Brousson

If full payment of the Indebtedness, as set forth above, is not received by 4:00 p.m. on **June 5, 2025**, the Lender may take whatever steps it deems appropriate to seek repayment of the Indebtedness or necessary and appropriate to protect the interest of the Lender with respect to the security granted to the Lender.

The Lender reserves its rights to proceed prior to the time stipulated above in the event that it determines that its position is further jeopardized.

Sincerely,
DLA Piper (Canada) LLP
Per:

Colin Brousson
:encl.

DLA PIPER

DLA Piper (Canada) LLP
1133 Melville St, Suite 2700
Vancouver BC V6E 4E5
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Colin Brousson
colin.brousson@dlapiper.com
T +1 604.643.6400
F +1 604.605.4875

May 26, 2025

FILE NUMBER: 118419-00001

DELIVERED BY HAND DELIVERY

1319188 B.C. Ltd.
Keltic (River Garden) Development Ltd.
2338 – 666 Burrard Street
Vancouver, BC V6C 2X8

Attention: Rachel Li

Dear Madam:

Re: Mortgage Loan Commitment: Keltic (Prior) Development Limited Partnership and 1319191 B.C. Ltd. (together, the "Borrower") - Guarantee of Indebtedness

We are counsel to Shape Capital Corp., on behalf of TS Alpha Venture Limited Partnership (the "**Lender**") and write to 1319188 B.C. Ltd. and Keltic (River Garden) Development Ltd. (together, the "**Guarantor**") in their capacities as guarantors of the indebtedness owing by the Borrower to the Lender under a Mortgage Loan Commitment dated November 24, 2022, as amended from time to time thereafter (the "**Mortgage Loan Commitment**").

On May 2, 2025, the **Guarantor** granted an unlimited guarantee in favour of the Lender regarding the indebtedness owing by the Borrower to the Lender under the Mortgage Loan Commitment (the "**Guarantee**"). The Guarantee is secured by:

(a) a mortgage dated May 2, 2025 in respect of the lands legally described as:

a. PID 004-919-742, Lot 116 Except: Part Dedicated Road on Plan LMP11314, Section 6 Block 4 North Range 6 West New Westminster District Plan 49857;

b. PID 004-919-718, Lot 117 Except: Part Road on Plan LMP11314, Section 6 Block 4 North Range 6 West New Westminster District Plan 52092;

c. PID 004-919-521, Lot 119 Section 6 Block 4 North Range 6 West New Westminster District Plan 55678; and

d. PID 004-919-556, Lot 120 Except: Parcel 1 (Bylaw Plan LMP11412), Section 6 Block 4 North Range 6 West New Westminster District Plan 55678.

(collectively, the "**Lands**")

(b) an assignment of proceeds dated May 2, 2025; and

DLA PIPER

(c) a security interest in all of the Guarantor's present and after-acquired personal property used in, located on or in connection with the Lands, pursuant to a general security agreement dated May 2, 2025;

Pursuant to the Guarantee, the Guarantor:

(a) agreed to repay the indebtedness of the Borrower owing to the Lender plus interest thereon and such legal or other costs incurred by the Lender; and

(b) agreed to assign and transfer all obligations, liabilities and indebtedness owing by the Borrower to the Guarantor, to the Lender as collateral security for the Guarantor's obligations under the Guarantee.

The Lender has issued a demand for payment on the Borrower for the indebtedness owing under the Mortgage Loan Commitment which, as at May 23, 2025, amounts to $54,272,212.80 plus interest and costs continuing to accrue (the "**Indebtedness**").

A copy of the demand letter dated May 26, 2025 is enclosed for your reference.

On behalf of the Lender, we hereby require payment of the Indebtedness including interest to the date of payment. Payment shall be made by certified cheque or bank draft to the following address:

DLA Piper (Canada) LLP
Suite 2700, 1133 Melville Street
Vancouver, BC V6E 4E5

Attention: Colin Brousson

If full payment of the Indebtedness, as set forth above, is not received by 4:00 p.m. on **June 5, 2025**, the Lender may take whatever steps it deems appropriate to seek repayment of the Indebtedness or necessary and appropriate to protect the interest of the Lender with respect to the security granted to the Lender.

Enclosed herewith, for service upon you a Notice of Intention to Enforce Security in accordance with section 244 of the *Bankruptcy and Insolvency Act* (Canada).

The Lender reserves its rights to proceed prior to the time stipulated above in the event that it determines that its position is further jeopardized.

Sincerely,
DLA Piper (Canada) LLP
Per:

Colin Brousson
:encl.

DLA PIPER

NOTICE OF INTENTION TO ENFORCE SECURITY
(Pursuant to section 244 of the *Bankruptcy and Insolvency Act*)

TO: 1319188 B.C. Ltd.
Keltic (River Garden) Development Ltd.
2338 – 666 Burrard Street
Vancouver, BC V6C 2X8

Take notice that:

1. Shape Capital Corp., on behalf of TS Alpha Venture Limited Partnership, a secured creditor, intends to enforce the security on the property of the insolvent person described below:

   (a) the lands legally described as

   (i) PID 004-919-742, Lot 116 Except: Part Dedicated Road on Plan LMP11314, Section 6 Block 4 North Range 6 West New Westminster District Plan 49857;

   (ii) PID 004-919-718, Lot 117 Except: Part Road on Plan LMP11314, Section 6 Block 4 North Range 6 West New Westminster District Plan 52092;

   (iii) PID 004-919-521, Lot 119 Section 6 Block 4 North Range 6 West New Westminster District Plan 55678; and

   (iv) PID 004-919-556, Lot 120 Except: Parcel 1 (Bylaw Plan LMP11412), Section 6 Block 4 North Range 6 West New Westminster District Plan 55678.

   (collectively, the "**Lands**")

   (b) all of your present and after-acquired personal property used in, located on or in connection with the Lands; and

2. The security to be enforced is comprised of:

   (a) a mortgage dated May 2, 2025 in respect of the Lands (the "**Mortgage**")

   (b) an assignment of proceeds dated May 2, 2025; and

   (c) security interest in all of your present and after-acquired personal property used in, located on or in connection with the Lands, pursuant to a general security agreement dated May 2, 2025,

   (together (b) and (c) are referred to as, the "**Security**")

3. As at May 23, 2025, the total amount of indebtedness secured by the Mortgage and the Security is $54,272,212.80 plus interest and costs, which continue to accrue.

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4. The secured creditor will not have the right to enforce the security until after the expiration of the 10-day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

DATED at Vancouver, British Columbia this 26th day of May, 2025.

Shape Capital Corp.

Per:

Colin D. Brousson, Solicitor for
Shape Capital Corp.

DLA PIPER

DLA Piper (Canada) LLP
1133 Melville St, Suite 2700
Vancouver BC V6E 4E5
www.dlapiper.com

Colin Brousson
colin.brousson@dlapiper.com
T +1 604.643.6400
F +1 604.605.4875

May 26, 2025

FILE NUMBER: 118419-00001

DELIVERED BY HAND DELIVERY

Keltic Projects Development Ltd.
2338 – 666 Burrard Street
Vancouver, BC V6C 2X8

Attention: Rachel Li

Dear Madam:

Re: Mortgage Loan Commitment: Keltic (Prior) Development Limited Partnership and 1319191 B.C. Ltd. (together, the "Borrower") - Guarantee of Indebtedness

We are counsel to Shape Capital Corp., on behalf of TS Alpha Venture Limited Partnership (the "**Lender**") and write to Keltic Projects Development Ltd. ("**Keltic Projects**") in its capacity as a guarantor of the indebtedness owing by the Borrower to the Lender under a Mortgage Loan Commitment dated November 24, 2022, as amended from time to time thereafter (the "**Mortgage Loan Commitment**").

On January 20, 2023, Keltic Projects granted an unlimited guarantee in favour of the Lender regarding the indebtedness owing by the Borrower to the Lender under the Mortgage Loan Commitment (the "**Guarantee**").

Pursuant to the Guarantee, Keltic Projects:

(a) agreed to repay the indebtedness of the Borrower owing to the Lender plus interest thereon and such legal or other costs incurred by the Lender; and

(b) agreed to assign and transfer all obligations, liabilities and indebtedness owing by the Borrower to Keltic Projects, to the Lender as collateral security for Keltic Projects' obligations under the Guarantee.

The Lender has issued a demand for payment on the Borrower for the indebtedness owing under the Mortgage Loan Commitment which, as at May 23, 2025, amounts to $54,272,212.80 plus interest and costs continuing to accrue (the "**Indebtedness**").

A copy of the demand letter dated May 26, 2025 is enclosed for your reference.

DLA PIPER

On behalf of the Lender, we hereby require payment of the Indebtedness including interest to the date of payment. Payment shall be made by certified cheque or bank draft to the following address:

DLA Piper (Canada) LLP
Suite 2700, 1133 Melville Street
Vancouver, BC V6E 4E5

Attention: Colin Brousson

If full payment of the Indebtedness, as set forth above, is not received by 4:00 p.m. on **June 5, 2025**, the Lender may take whatever steps it deems appropriate to seek repayment of the Indebtedness or necessary and appropriate to protect the interest of the Lender with respect to the security granted to the Lender.

The Lender reserves its rights to proceed prior to the time stipulated above in the event that it determines that its position is further jeopardized.

Sincerely,
DLA Piper (Canada) LLP
Per:

Colin Brousson
:encl.

DLA PIPER

DLA Piper (Canada) LLP
1133 Melville St, Suite 2700
Vancouver BC V6E 4E5
www.dlapiper.com

Colin Brousson
colin.brousson@dlapiper.com
T +1 604.643.6400
F +1 604.605.4875

May 26, 2025

FILE NUMBER: 118419-00001

DELIVERED BY HAND DELIVERY

1232616 B.C. Ltd. (formerly Keltic (Prior) GP Ltd.)
2338 – 666 Burrard Street
Vancouver, BC V6C 2X8

Attention: Rachel Li

Dear Madam:

Re: Mortgage Loan Commitment: Keltic (Prior) Development Limited Partnership and 1319191 B.C. Ltd. (together, the "Borrower") - Guarantee of Indebtedness

We are counsel to Shape Capital Corp., on behalf of TS Alpha Venture Limited Partnership (the "**Lender**") and write to 1232616 B.C. Ltd. (formerly Keltic (Prior) GP Ltd.) ("**Keltic GP**") in its capacity as a guarantor of the indebtedness owing by the Borrower to the Lender under a Mortgage Loan Commitment dated November 24, 2022, as amended from time to time thereafter (the "**Mortgage Loan Commitment**").

On January 20, 2023, Keltic GP granted an unlimited guarantee in favour of the Lender regarding the indebtedness owing by the Borrower to the Lender (the "**Guarantee**"). The Guarantee is secured by:

(a) a collateral mortgage dated January 20, 2023 in respect of the lands legally described as PID: 031-756-093, Lot 1 District Lots 196 and 2037 Group 1 New Westminster District Plan EPP111791 (the "**Lands**"); and

(b) a security interest in all of Keltic GP's present and after-acquired personal property used in, located on or in connection with the Lands, pursuant to a general security agreement dated January 20, 2023;

Pursuant to the Guarantee, Keltic GP:

(a) agreed to repay the indebtedness of the Borrower owing to the Lender plus interest thereon and such legal or other costs incurred by the Lender; and

(b) agreed to assign and transfer all obligations, liabilities and indebtedness owing by the Borrower to Keltic GP, to the Lender as collateral security for Keltic GP's obligations under the Guarantee.

The Lender has issued a demand for payment on the Borrower for the indebtedness owing under the Mortgage Loan Commitment which, as at May 23, 2025, amounts to $54,272,212.80 plus interest and costs continuing to accrue (the "**Indebtedness**").

DLA PIPER

A copy of the demand letter dated May 26, 2025 is enclosed for your reference.

On behalf of the Lender, we hereby require payment of the Indebtedness including interest to the date of payment. Payment shall be made by certified cheque or bank draft to the following address:

DLA Piper (Canada) LLP
Suite 2700, 1133 Melville Street
Vancouver, BC V6E 4E5

Attention: Colin Brousson

If full payment of the Indebtedness, as set forth above, is not received by 4:00 p.m. on **June 5, 2025**, the Lender may take whatever steps it deems appropriate to seek repayment of the Indebtedness or necessary and appropriate to protect the interest of the Lender with respect to the security granted to the Lender.

Enclosed herewith, for service upon you a Notice of Intention to Enforce Security in accordance with section 244 of the *Bankruptcy and Insolvency Act* (Canada).

The Lender reserves its rights to proceed prior to the time stipulated above in the event that it determines that its position is further jeopardized.

Sincerely,
DLA Piper (Canada) LLP
Per:

Colin Brousson
:encl.

DLA PIPER

NOTICE OF INTENTION TO ENFORCE SECURITY
(Pursuant to section 244 of the *Bankruptcy and Insolvency Act*)

TO: 1232616 B.C. Ltd. (formerly Keltic (Prior) GP Ltd.)
2338 – 666 Burrard Street
Vancouver, BC V6C 2X8

Take notice that:

1. Shape Capital Corp., on behalf of TS Alpha Venture Limited Partnership, a secured creditor, intends to enforce the security on the property of the insolvent person described below:

   (a) the lands legally described as PID: 031-756-093, Lot 1 District Lots 196 and 2037 Group 1 New Westminster District Plan EPP111791 (the "**Lands**"); and

   (b) all of your present and after-acquired personal property used in, located or on in connection with the Lands.

2. The security to be enforced is comprised of:

   (a) a collateral mortgage dated January 20, 2023 in respect of the lands legally described as PID: 031-756-093, Lot 1 District Lots 196 and 2037 Group 1 New Westminster District Plan EPP111791 (the "**Mortgage**"); and

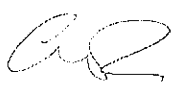
   (b) a security interest in all of your present and after-acquired personal property used in, located or on in connection with the Lands, pursuant to a general security agreement dated January 20, 2023 (the "**Security**")

3. As at May 23, 2025, the total amount of indebtedness secured by the Mortgage and the Security is $54,272,212.80 plus interest and costs, which continue to accrue.

4. The secured creditor will not have the right to enforce the security until after the expiration of the 10-day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

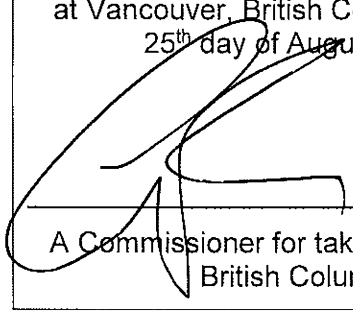
DATED at Vancouver, British Columbia this 26th day of May, 2025.

Shape Capital Corp.

Per: 

Colin D. Brousson, Solicitor for
Shape Capital Corp.

This is **Exhibit "AA"** referred to in the 1st Affidavit of Raymond Ng sworn before me at Vancouver, British Columbia, on this 25th day of August, 2025.



A Commissioner for taking Affidavits for British Columbia

Colin Brousson
Barrister & Solicitor
DLA Piper (Canada) LLP
133 Melville Street, Suite 2700
Vancouver, BC V6E 4E6
604.687.9444

INTERIM FORBEARANCE AGREEMENT

THIS AGREEMENT dated for reference the 2nd day of June, 2025

AMONG:

KELTIC (PRIOR) DEVELOPMENT LIMITED PARTNERSHIP

1319191 B.C. LTD.

(collectively, the "**Borrower**")

AND:

KELTIC CANADA DEVELOPMENT CO. LTD.

KELTIC GROUP EQUITIES (2019) LTD.

1232616 B.C. LTD. (FORMERLY KELTIC (PRIOR) GP LTD.)

KELTIC PROJECTS DEVELOPMENTS LTD.

DDAW HOLDINGS LTD.

KELTIC (RIVER GARDEN) DEVELOPMENT LTD.

1319188 B.C. LTD.

RUI WANG

WEI GUO LI

("collectively, the "**Guarantors**")

(the Borrower and the Guarantors are herein collectively referred to as the "**Debtors**" and each a "**Debtor**" as the context may require)

AND:

SHAPE CAPITAL CORP., on behalf of TS ALPHA VENTURE LIMITED PARTNERSHIP

(the "**Lender**", and together with the Debtors herein collectively referred to as the "**Parties**")

RECITALS

WHEREAS:

A. The Lender has made available to the Borrower a loan facility (the "**Loan**") pursuant to a mortgage loan commitment letter dated November 24, 2022 from the Lender to the Borrower, as amended by letter agreements dated December 20, 2024 and December 31, 2024 and by a supplement to commitment dated February 18, 2025, a second supplement to commitment

dated March 31, 2025 and a third supplement to commitment dated May 2, 2025, as same may be further amended, extended, supplemented, reissued, restated or replaced from time to time in writing (collectively, the "**Commitment Letter**").

B. The Guarantors provided guarantees to the Lender in respect of the Indebtedness owing by the Borrower to the Lender under the Commitment Letter (the "**Guarantees**").

C. The Debtors confirm, acknowledge and agree that the aggregate indebtedness owing by the Debtors to the Lender as of the date of this Agreement, is $54,415,795.04 (inclusive of principal and accrued interest), plus interest accruing thereon at the rates as set out in the Loan Documents (as defined below), protective disbursements made by or on behalf of the Lender, all applicable taxes, and all additional fees, costs or expenses owing by any Debtor to the Lender under the Loan Documents including, without limitation, legal costs on a solicitor and own client basis including taxes and disbursements (collectively, the "**Indebtedness**").

D. Repayment of the Indebtedness is secured by all present and future security documents in favour of or held by the Lender as security for the Indebtedness (collectively, the "**Security**" and together with the Commitment Letter and the Guarantees, herein collectively referred to as the "**Loan Documents**") including, without limitation, the security documents described in Schedule "A" attached hereto.

E. Events of Default have occurred and are continuing under the Commitment Letter including, without limitation, failing to make payments when due to the Lender (the "**Existing Events of Default**").

F. On May 26, 2025, the Lender demanded payment of the Indebtedness from the Debtors and, where applicable, issued notices of intention to enforce security pursuant to section 244 of the *Bankruptcy and Insolvency Act*, RSC 1985, c. B-3, as amended (collectively, the "**Demands**").

G. The Debtors have requested that the Lender make advances under the Commitment Letter of: (i) $2,058,060.44 to pay amounts owing by the Debtors to Syncra Construction Corporation under Invoice No. 23010030 due on June 2, 2025; and (ii) $438,112.94 to pay the interest owing by the Debtors to TS Alpha Venture Limited Partnership under the Commitment Letter due on June 5, 2025 (together, the "**Post-Demand Advance**")

H. The Lender is prepared to make the Post-Demand Advance, subject to the terms and conditions of this Agreement.

NOW THEREFORE in consideration of the respective covenants of the Parties herein contained and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Parties agree as follows:

ARTICLE I. REPRESENTATIONS, WARRANTIES AND ACKNOWLEDGEMENTS

1.1 The Debtors represent, warrant and acknowledge to the Lender as follows, and acknowledge that the Lender is relying upon such representations, warranties and acknowledgements in entering into this Agreement:

(a) they are respectively indebted to the Lender in the amount indicated in the Recitals to this Agreement;

(b) they are in default of their obligations pursuant to the Loan Documents;

(c) the Lender, whether by entering into this Agreement or otherwise, has not waived any events of default which occurred prior to the date hereof nor has it waived any rights or remedies arising from the occurrence of any such event of default, and all rights and remedies arising therefrom are specifically reserved and preserved by the Lender;

(d) the Lender has no obligation to make any advance or extend any credit to or for the benefit of the Debtors;

(e) the corporate Debtors have each been duly incorporated and organized and are valid and subsisting partnerships or corporations in good standing under the laws of their jurisdiction of formation or incorporation and have full capacity and power to carry on their businesses and to own and lease property and to enter into, execute, deliver and perform this Agreement and hold all necessary licences, permits and consents to carry on such business in all jurisdictions in which they do so;

(f) there is no defence or set off to the claims of the Lender for repayment of the Indebtedness owing under the Loan Documents;

(g) no person, other than the Debtors, has any legal or beneficial interest in any of the property secured by the Debtors in favour of the Lender other than as disclosed by the Debtors to the Lender;

(h) the Lender has demanded from the Debtors repayment of the Indebtedness owing to it pursuant to the Commitment Letter and the Guarantees, however the Obligors have failed, neglected or refused to repay the Indebtedness owing to the Lender pursuant to the Commitment Letter or the Guarantees;

(i) all documentation evidencing or giving rise to the Loan Documents has been duly authorized, executed and granted and is valid, binding and enforceable and adequate consideration was given for the same;

(j) the Security secures the Indebtedness owed by the Debtors, past, present or future, direct or indirect;

(k) interest and fees continue to accrue on the Indebtedness owed by the Debtors pursuant to the Loan Documents in accordance with the agreements reached between the Lender and the Debtors;

(l) to the date hereof, the Lender has acted in a commercially reasonable manner and the Debtors are estopped from disputing the same;

(m) the facts set out in the Recitals to this Agreement are true and correct; and

(n) the Recitals to this Agreement are repeated and incorporated by reference and constitute binding representations and agreements on the part of each of the Debtors.

ARTICLE VII. FORBEARANCE

2.1 Subject to compliance by the Debtors with the terms and conditions of this Agreement, the Lender hereby agrees to advance the Post-Demand Advance and forbear from exercising its

rights and remedies against the Debtors under the Loan Documents with respect to the Existing Events of Default until the earlier of:

(a) June 13, 2025; and

(b) the date on which the Parties enter into a forbearance agreement which, amongst other things addresses the repayment of the Indebtedness owing to the Lender under the Loan Documents.

(the "**Forbearance Period**").

2.2 The Lender's forbearance, as provided herein, will immediately and automatically cease without notice or further action on the date on which the Forbearance Period ends and the Lender may, in its sole discretion, exercise any and all remedies available to it under the Loan Documents and applicable law by reason of the occurrence of any default or event of default thereunder, or the continuation of the Existing Events of Default.

2.3 Notwithstanding the occurrence and continuance of the Existing Events of Default, the Lender will not, during the Forbearance Period initiate proceedings to collect or enforce the Indebtedness or take any new enforcement steps to recover the Indebtedness or otherwise enforce the Loan Documents provided that Debtors comply with the terms and conditions of this Agreement.

ARTICLE III. TERMS AND CONDITIONS

3.1 Each Debtor will not, without the prior written consent of the Lender, directly or indirectly, sell, or otherwise alienate or encumber any asset over which the Lender has a security interest.

3.2 The Debtors acknowledge and agree that upon the occurrence of an Event of Default, the Lender will be at liberty to immediately commence enforcement proceedings against the Debtors.

3.3 The Debtors will not, nor will anyone on their behalf, seek any relief under the *Bankruptcy & Insolvency Act* (Canada) ("**BIA**"), *Companies Creditors' Arrangement Act* (Canada) ("**CCAA**"), *Winding-up and Restructuring Act* (Canada), the *Personal Property Security Act* (British Columbia), or any other similar statute that could affect the rights of creditors, including without limitation, the Lender.

3.4 The Debtors acknowledge and agree that all reasonable fees and disbursements paid by the Lender to its lawyers (on the basis of complete indemnification on a solicitor and its own client basis) in connection with advising the Lender in relation to the affairs of the Debtors under the Indebtedness, the Loan Documents, this Agreement and all matters incidental or relating thereto, including enforcement of same, and whether past, present or future, will be added to the amount owing and included in the Indebtedness and that those legal costs will bear interest at the rate applicable to the Indebtedness and will be secured by the Loan Documents.

ARTICLE IV. RELEASE AND WAIVERS

4.1 Each Debtor hereby releases and forever discharges the Lender, and its successors and assigns of and from any and all manner of actions, causes of action, suits, contracts, claims, demands, damages, costs and expenses of any nature or kind whatsoever, whether known or unknown, suspected or unsuspected whether at law or in equity, which such Debtor ever had or now has or which it or its heirs, executors, administrators, officers, agents, successors and

assigns hereafter can, will or may have by reason of any cause, matter or thing whatsoever existing up to the present time and relating to the Indebtedness, the Loan Documents, or the Lender's actions, errors or omissions with regard thereto.

4.2 Each Debtor hereby waives against the Lender, and its successors and assigns, any defence which such Debtor may have existing up to the present time to any action brought by the Lender to collect the Indebtedness or to enforce or realize upon the Loan Documents, whether said defence arises whether, by counterclaim or defence, by reason of any cause, matter, error, omission, neglect or thing caused or done, whether direct or indirect, by the Lender, or any of its executors, administrators, officers, agents, legal counsel, successors or assigns existing as at the date of this Agreement and relating to or arising from the Indebtedness or the Loan Documents.

4.3 The Lender may, at its option and in its sole discretion, waive any default under this Agreement, but such waiver will not constitute a waiver of any subsequent event which would constitute default herein.

4.4 Nothing in this Agreement constitutes a waiver on the part of the Lender of any rights or remedies which the Lender may have in relation to the Debtors, the Commitment Letter, the Guarantees or the Security save as specified expressly herein in writing.

4.5 Nothing in this Agreement constitutes an acquiescence on the part of the Lender with respect to any default (including, without limitation, any Existing Events of Default) on the part of the Debtors or waiver in relation to such default save as specified expressly herein in writing.

ARTICLE V. DEFAULTS

5.1 An event of default (an "**Event of Default**") under this Agreement includes:

(a) any default by any of the Debtors pursuant to the terms of this Agreement (including, without limitation, a default declared by the Lender);

(b) any breach of covenant set out in this Agreement by any of the Debtors;

(c) default by any of the Debtors in the observance or performance of any agreement between any of the Debtors and the Lender whether or not such agreement is specifically identified in this Agreement, provided however the occurrence and continued existence of any Existing Events of Defaults (actually known to the Lender as at the effective date of this Agreement), shall not be an Event of Default under this Agreement provided that such Existing Events of Default do not deteriorate during the Forbearance Period;

(d) any representation made by any of the Debtors to the Lender as at the effective date hereof proving to have been untrue in any material respect when made;

(e) judgments for the payment of money as against any of the Debtors;

(f) any of the Debtors becoming bankrupt;

(g) any creditor or other person exercising or purporting to exercise any rights as against any of the Debtors or against any assets of any of the Debtors which would, in the assessment of the Lender (determined in its absolute discretion) have an adverse

impact on any of the Debtors or the Security, or any priority position of the Lender for the prospect of repayment of the Commitment Letter or the Guarantees;

(h) any of the Debtors filing a proposal under the BIA or commencing proceedings under the CCAA without the prior written consent of the Lender; and

(i) the Lender in its absolute discretion declaring an Event of Default for any reason.

ARTICLE VI. INDEMNIFICATION

6.1 The Debtors hereby expressly acknowledge, agree and reaffirm all of their indemnification obligations to the Lender and any other indemnified parties pursuant to the Loan Documents. The Debtors further acknowledge, agree and reaffirm that all such indemnification obligations will survive the expiration of the Forbearance Period and the termination of this Agreement, the Commitment Letter, the other Loan Documents, and the payment in full of the Indebtedness. Notwithstanding the foregoing, such indemnity will not be available to the extent that such claims, damages, losses, liabilities or related expenses result solely from any of the Lender's or another indemnified party's gross negligence or willful misconduct.

ARTICLE VII. GENERAL PROVISIONS

7.1 No amendment, discharge, modification, restatement, supplement, termination or waiver of this Agreement or any Section of this Agreement is binding unless it is in writing and executed by the Party to be bound. No waiver of, failure to exercise or delay in exercising, any Section of this Agreement constitutes a waiver of any other Section (whether or not similar) nor does any waiver constitute a continuing waiver unless otherwise expressly provided.

7.2 Each provision of this Agreement is distinct and severable. If any provision of this Agreement, in whole or in part, is or becomes illegal, invalid or unenforceable in any jurisdiction by a court of competent jurisdiction, the illegality, invalidity or unenforceability of that provision will not affect the legality, validity or enforceability of the remaining provisions of this Agreement; or the legality, validity or enforceability of that provision in any other jurisdiction.

7.3 Any notice, request or other communication hereunder to any of the Parties will be in writing and be well and sufficiently given if delivered in accordance with the notice provisions set out in the Loan Documents and will be given by delivery to the respective Party at the address hereinafter set forth:

If to the Lender

Shape Capital Corp.
2020 One Bentall Centre, Box 206
505 Burrard Street
Vancouver, BC V7X 1M6

Attention:
E-mail:

If to the Debtors (except Wei Guo Li and Rui Wang):

2338 - 666 Burrard Street
Vancouver, BC V6C 2X8

Attention: Rachel Lei
E-mail: rachell@kelticdeveloomeni.com

If to Wei Guo Li:

2338 - 666 Burrard Street
Vancouver, BC V6C 2X8

Attention: Wei Guo Li

If to Rui Wang:

2338 - 666 Burrard Street
Vancouver, BC V6C 2X8

Attention: Rui Wang

7.4 In this Agreement, words signifying the singular number include the plural and vice versa, and words signifying gender include all genders. Every use of the words "including" or "includes" in this Agreement is to be construed as meaning "including, without limitation" or "includes, without limitation", respectively.

7.5 The covenants and obligations of the Debtors hereunder are jointly and severally binding upon each and all of the persons, firms and corporations comprising the Debtors.

7.6 This Agreement will be governed by the law of the Province of British Columbia and the Courts of the Province of British Columbia will have exclusive jurisdiction with respect to any disputes arising hereunder or pursuant hereto.

7.7 This Agreement will be binding upon and enure to the benefit of each of the parties hereto and their respective successors, heirs, executors, administrators, permitted assigns and legal representatives.

7.8 The Lender may assign its rights and obligations hereunder, in whole or in part, without notice to or consent from the Debtors. The Debtors may not assign their rights and obligations under this Agreement.

7.9 This Agreement will not discharge or constitute novation of any debt, obligation, covenant or agreement contained in the Loan Documents but the same will remain in full force and effect notwithstanding the execution and delivery of this Agreement.

7.10 Time is of the essence of this Agreement.

7.11 This Agreement may be executed in counterparts, each of which will be deemed to be an original and which taken together will be deemed to constitute one and the same instrument. Counterparts may be executed either in original, or portable document format (PDF) form and the parties adopt any signatures received by emailed PDF as original signatures of the parties.

[Signature Pages]

IN WITNESS WHEREOF, the Lender has entered into this Agreement as of the date first above mentioned.

SHAPE CAPITAL CORP., on behalf of
TS ALPHA VENTURE LIMITED PARTNERSHIP
by its authorized signatories:

_____
Name:
Title:

_____
Name:
Title:

IN WITNESS WHEREOF, the Debtors have entered into this Agreement as of the date first above mentioned.

KELTIC (PRIOR) DEVELOPMENT LIMITED PARTNERSHIP, by its general partner **1319191 B.C. LTD.**, by its authorized signatory:

Name: RUI WANG
Title: DIRECTOR

1319191 B.C. LTD.
by its authorized signatory:

Name: RUI WANG
Title: DIRECTOR

KELTIC CANADA DEVELOPMENT CO. LTD., by its authorized signatory:

Name: RUI WANG
Title: DIRECTOR

KELTIC GROUP EQUITIES (2019) LTD.
by its authorized signatory:

Name: RUI WANG
Title: DIRECTOR

1232616 B.C. LTD. (FORMERLY KELTIC (PRIOR) GP LTD.)
by its authorized signatory:

Name: RUI WANG
Title: DIRECTOR

KELTIC PROJECTS DEVELOPMENTS LTD.
by its authorized signatory:

Name: RUI WANG
Title: DIRECTOR

DDAW HOLDINGS LTD.
by its authorized signatory:

Name: RUI WANG
Title: DIRECTOR

KELTIC (RIVER GARDEN) DEVELOPMENT LTD.
by its authorized signatory:

Name: RUI WANG
Title: DIRECTOR

1319188 B.C. LTD.
by its authorized signatory:

Name: RUI WANG
Title: DIRECTOR

Signed, Sealed And Delivered
by **RUI WANG** in the presence of:

Signature

Joanna Zhao
Name

2338 - 666 Burrard Vancouver BC
Address

Occupation

RUI WANG

Signed, Sealed And Delivered
by **WEI GUO LI** in the presence of:

Signature

Joanna Zhao
Name

2338 - 666 Burrard Vancouver BC
Address

Occupation

WEI GUO LI

SCHEDULE "A"
SECURITY

1. Form B Mortgage and Assignment of Rents dated for reference January 20, 2023 granted by 1232616 B.C. Ltd. and registered in the Land Title Office under registration numbers CB449253 and CB449254, respectively, over the real property described as :

	Legal Description
031-756-093	LOT 1 DISTRICT LOTS 196 AND 2037 GROUP 1 NEW WESTMINSTER DISTRICT PLAN EPP 111791

2. Beneficiary Charge Agreement and Nominee Direction dated January 20, 2023 granted by Keltic (Prior) Development Limited Partnership;

3. General Security Agreement dated January 20, 2023 granted by the Borrower;

4. General Security Agreement dated January 20, 2023 granted by Keltic (Prior) GP Inc.;

5. Environmental Indemnity Agreement dated January 20, 2023 granted by the Debtors (except Keltic (River Garden) Development Ltd. and 1319188 B.C. Ltd.);

6. Indemnity Agreement dated January 20, 2023 granted by the Debtors (except Keltic (River Garden) Development Ltd. and 1319188 B.C. Ltd.);

7. Specific Assignment of Cash Security dated for reference January 20, 2023 granted by the Borrower;

8. Guarantee dated January 20, 2023 granted by Keltic (Prior) GP Ltd.;

9. Guarantee dated January 20, 2023 granted by Keltic Group Equities (2019) Ltd.;

10. Guarantee dated January 20, 2023 granted by Keltic Projects Development Ltd.;

11. Guarantee dated January 20, 2023 granted by Keltic Canada Development Co. Ltd.;

12. Guarantee dated January 20, 2023 granted by DDAW Holdings Ltd.

13. Guarantee dated January 20, 2023 granted by Wei Guo Li;

14. Guarantee dated January 20, 2023 granted by Rui Wang;

15. Guarantee dated May 2, 2025 granted by Keltic (River Garden) Development Ltd. and 1319188 B.C. Ltd.;

16. General Security Agreement dated May 2, 2025 granted by Keltic (River Garden) Development Ltd. and 1319188 B.C. Ltd.;

17. Form B Mortgage dated May 2, 2025 granted by Keltic (River Garden) Development Ltd. and 1319188 B.C. Ltd. and registered in the Land Title Office under registration number ♦, over the real property described as:

	Legal Description
004-919-742	LOT 116 EXCEPT: PART DEDICATED ROAD ON PLAN LMP11314, SECTION 6 BLOCK 4 NORTH RANGE 6 WEST NEW WESTMINSTER DISTRICT PLAN 49857
004-919-718	LOT 117 EXCEPT: PART ROAD ON PLAN LMP11314, SECTION 6 BLOCK 4 NORTH RANGE 6 WEST NEW WESTMINSTER DISTRICT PLAN 52092
004-919-521	LOT 119 SECTION 6 BLOCK 4 NORTH RANGE 6 WEST NEW WESTMINSTER DISTRICT PLAN 55678
004-919-556	LOT 120 EXCEPT: PARCEL 1 (BYLAW PLAN LMP11412), SECTION 6 BLOCK 4 NORTH RANGE 6 WEST NEW WESTMINSTER DISTRICT PLAN 55678

18. Beneficiary Charge Agreement and Nominee Direction dated January 20, 2023 granted by Keltic (River Garden) Development Ltd.

This is **Exhibit "BB"** referred to in the 1st Affidavit of Raymond Ng sworn before me at Vancouver, British Columbia, on this 25th day of August, 2025.

A Commissioner for taking Affidavits for British Columbia

Colin Brousson
Barrister & Solicitor
DLA Piper (Canada) LLP
1133 Melville Street, Suite 2700
Vancouver, BC V6E 4E5
604.687.9444

AMENDING AGREEMENT
(INTERIM FORBEARANCE)

THIS AGREEMENT dated for reference the 13th day of June, 2025

AMONG:

KELTIC (PRIOR) DEVELOPMENT LIMITED PARTNERSHIP

1319191 B.C. LTD.

(collectively, the "**Borrower**")

AND:

KELTIC CANADA DEVELOPMENT CO. LTD.

KELTIC GROUP EQUITIES (2019) LTD.

1232616 B.C. LTD. (FORMERLY KELTIC (PRIOR) GP LTD.)

KELTIC PROJECTS DEVELOPMENTS LTD.

DDAW HOLDINGS LTD.

KELTIC (RIVER GARDEN) DEVELOPMENT LTD.

1319188 B.C. LTD.

RUI WANG

WEI GUO LI

("collectively, the "**Guarantors**")

(the Borrower and the Guarantors are herein collectively referred to as the "**Debtors**" and each a "**Debtor**" as the context may require)

AND:

SHAPE CAPITAL CORP., on behalf of TS ALPHA VENTURE LIMITED PARTNERSHIP

(the "**Lender**", and together with the Debtors herein collectively referred to as the "**Parties**")

RECITALS

WHEREAS:

A. The Lender and the Debtor entered into an interim forbearance agreement dated June 2, 2025 (the "**Interim Forbearance Agreement**"), pursuant to which the Lender agreed not to take any further steps to enforce the Security until the earlier or June 13, 2025 and the date on which

the Parties enter into a forbearance agreement which, amongst other things addresses the repayment of the Indebtedness owing to the Lender under the Loan Documents, provided that no Event of Default has occurred (the "**Forbearance Period**").

B. The Debtors have requested that the Lender extend the Forbearance Period to facilitate:

(a) an advance under the Commitment Letter for the payment of $1,851,399.74 owing by the Debtors to Syncra Construction Corporation under Invoice No. 23010031 due on June 27, 2025;

(b) payment of interest owing by the Debtors to TS Alpha Venture Limited Partnership under the Commitment Letter in the amount of $459,508.81 due on July 1, 2025; and

(c) negotiations on an exit strategy for the Parties.

C. The Lender has agreed to extend the Forbearance Period to July 4, 2025 on and subject to the terms and conditions of this Agreement.

NOW THEREFORE in consideration of the respective covenants of the Parties herein contained and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Parties agree as follows:

ARTICLE I. ACKNOWLEDGEMENTS AND AGREEMENTS

1.1 The Debtors represent, warrant and acknowledge to the Lender as follows, and acknowledge that the Lender is relying upon such representations, warranties and acknowledgements in entering into this Agreement:

(a) the facts set out in the Recitals to this Agreement are true and correct;

(b) the Recitals to this Agreement are repeated and incorporated by reference and constitute binding representations and agreements on the part of each of the Debtors;

(c) each of the representations, warranties, acknowledgments, confirmations, releases, waivers and agreements set out in the Interim Forbearance Agreement are reaffirmed and restated, effective as of the date hereof; and

(d) the capitalized terms not otherwise defined herein shall have the meanings.

1.2 On and subject to the terms of this Agreement, Article 2.1(a) of the Interim Forbearance Agreement is hereby amended by deleting reference to "June 13, 2025" and replacing that reference with "July 4, 2025".

ARTICLE II. GENERAL PROVISIONS

2.1 No amendment, discharge, modification, restatement, supplement, termination or waiver of this Agreement or any Section of this Agreement is binding unless it is in writing and executed by the Party to be bound. No waiver of, failure to exercise or delay in exercising, any Section of this Agreement constitutes a waiver of any other Section (whether or not similar) nor does any waiver constitute a continuing waiver unless otherwise expressly provided.

2.2 Each provision of this Agreement is distinct and severable. If any provision of this Agreement, in whole or in part, is or becomes illegal, invalid or unenforceable in any jurisdiction by a court

of competent jurisdiction, the illegality, invalidity or unenforceability of that provision will not affect the legality, validity or enforceability of the remaining provisions of this Agreement; or the legality, validity or enforceability of that provision in any other jurisdiction.

2.3 Any notice, request or other communication hereunder to any of the Parties will be in writing and be well and sufficiently given if delivered in accordance with the notice provisions set out in the Loan Documents and will be given by delivery to the respective Party at the address hereinafter set forth:

If to the Lender

Shape Capital Corp.
2020 One Bentall Centre, Box 206
505 Burrard Street
Vancouver, BC V7X 1M6

Attention: Ray Ng
E-mail: ng@shapecapital.ca

If to the Debtors (except Wei Guo Li and Rui Wang):

2338 - 666 Burrard Street
Vancouver, BC V6C 2X8

Attention: Rachel Lei
E-mail: rachell@kelticdevelopment.com

If to Wei Guo Li:

2338 - 666 Burrard Street
Vancouver, BC V6C 2X8

Attention: Wei Guo Li

If to Rui Wang:

2338 - 666 Burrard Street
Vancouver, BC V6C 2X8

Attention: Rui Wang

2.4 In this Agreement, words signifying the singular number include the plural and vice versa, and words signifying gender include all genders. Every use of the words "including" or "includes" in this Agreement is to be construed as meaning "including, without limitation" or "includes, without limitation", respectively.

2.5 The covenants and obligations of the Debtors hereunder are jointly and severally binding upon each and all of the persons, firms and corporations comprising the Debtors.

2.6 This Agreement will be governed by the law of the Province of British Columbia and the Courts of the Province of British Columbia will have exclusive jurisdiction with respect to any disputes arising hereunder or pursuant hereto.

2.7 This Agreement will be binding upon and enure to the benefit of each of the parties hereto and their respective successors, heirs, executors, administrators, permitted assigns and legal representatives.

2.8 The Lender may assign its rights and obligations hereunder, in whole or in part, without notice to or consent from the Debtors. The Debtors may not assign their rights and obligations under this Agreement.

2.9 This Agreement will not discharge or constitute novation of any debt, obligation, covenant or agreement contained in the Loan Documents but the same will remain in full force and effect notwithstanding the execution and delivery of this Agreement.

2.10 Time is of the essence of this Agreement.

2.11 This Agreement may be executed in counterparts, each of which will be deemed to be an original and which taken together will be deemed to constitute one and the same instrument. Counterparts may be executed either in original, or portable document format (PDF) form and the parties adopt any signatures received by emailed PDF as original signatures of the parties.

[Signature Pages]

IN WITNESS WHEREOF, the Lender has entered into this Agreement as of the date first above mentioned.

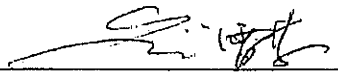
SHAPE CAPITAL CORP., on behalf of
TS ALPHA VENTURE LIMITED PARTNERSHIP
by its authorized signatories:

Name: RAY NG
Title: DIRECTOR

Name: IAN CULLEN
Title: MANAGING PARTNER

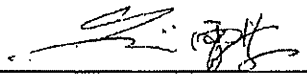
IN WITNESS WHEREOF, the Debtors have entered into this Agreement as of the date first above mentioned.

KELTIC (PRIOR) DEVELOPMENT LIMITED PARTNERSHIP, by its general partner **1319191 B.C. LTD.**, by its authorized signatory:



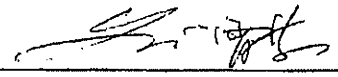
Name:
Title:

1319191 B.C. LTD.
by its authorized signatory:



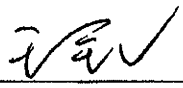
Name:
Title:

KELTIC CANADA DEVELOPMENT CO. LTD., by its authorized signatory:



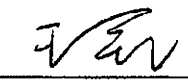
Name:
Title:

KELTIC GROUP EQUITIES (2019) LTD.
by its authorized signatory:



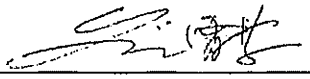
Name:
Title:

1232616 B.C. LTD. (FORMERLY KELTIC (PRIOR) GP LTD.)
by its authorized signatory:



Name:
Title:

KELTIC PROJECTS DEVELOPMENTS LTD.
by its authorized signatory:

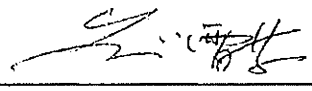


Name:
Title:

DDAW HOLDINGS LTD.
by its authorized signatory:

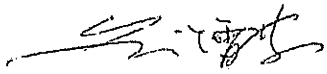
Name:
Title:

KELTIC (RIVER GARDEN) DEVELOPMENT LTD.
by its authorized signatory:



Name:
Title:

1319188 B.C. LTD.
by its authorized signatory:



Name:
Title:

Signed, Sealed And Delivered
by **RUI WANG** in the presence of:

Signature

Name

Address

Occupation

RUI WANG

Signed, Sealed And Delivered
by **WEI GUO LI** in the presence of:

Signature

Name CHENG ZHEN HAO

Address

Occupation Assistant to Chairman

WEI GUO LI

This is **Exhibit "CC"** referred to in the 1st Affidavit of Raymond Ng sworn before me at Vancouver, British Columbia, on this 25th day of August, 2025.

A Commissioner for taking Affidavits for British Columbia

Colin Brousson
Barrister & Solicitor
DLA Piper (Canada) LLP
1133 Melville Street, Suite 2700
Vancouver, BC V6E 4E5

Syncra Construction
301 - 4180 Lougheed Hwy
Burnaby, British Columbia V5C 6A7

Project: 23-01M 220 Prior
220 Prior St
Vancouver, British Columbia

Notice of Delay - Keltic #NODK-12 - Notice of Default – 220 Prior Project (CCDC 2 Compliance)

Status	Open	**Assignees**	Mike Wurm (Keltic), Rachel Lei (Keltic)
Created Date	Aug 15, 2025	**Issued Date**	Aug 15, 2025
Due Date	Aug 18, 2025		
Distribution	Mike Wurm (Keltic), Rachel Lei (Keltic), Florence Gomisong (Keltic), John Polglase (Syncra), Peter Sentell (Syncra), Rooz Nemati (Syncra), Marc Williams (Syncra), Rolando Balmes Jr (Syncra)		

Description

Dear Mike and Rachel,

This letter serves as formal notice of default under the terms of our agreement for the Nexus project at 220 Prior Street, Vancouver, BC.

1. Unauthorized Withdrawal from HB Joint Account
Following our formal notice dated February 14, 2025 (Keltic Feb 14 2025 1), the holdback account was partially replenished, and Syncra agreed to continue work in good faith. However, it has now come to our attention that a further withdrawal was made from the account without Syncra's authorization. This action violates the trust obligations outlined in Section 5(2) of the BC Builders Lien Act, which states that deposited funds are impressed with a trust for the contractor's benefit. The account was already underfunded, and this latest withdrawal further undermines its integrity and the financial stability required to maintain lien coverage.

2. Delayed June Draw Payment
The June draw payment remains outstanding and 15 days overdue. This delay has materially impacted our ability to meet statutory declaration requirements and maintain progress on site. As previously communicated, the draw payment appears to be withheld as leverage in discussions with Shape, which is unacceptable and disruptive to our operations.

3. Reference to Prior Notice
As stated in our prior notice, failure to maintain the holdback account balance constitutes a default under the contract and entitles Syncra to suspend work and seek for loss of productivity under Notice of Delay #6 November and December 2024 Late Payments and the current issues mentioned above.

Remedy Period

- The June draw payment must be released on Monday, August 18th at the latest .
- The unauthorized withdrawal from the holdback account must be rectified by August 21st at the latest.

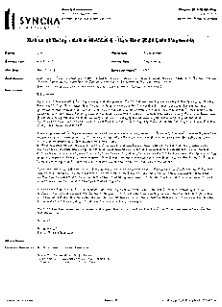
Failure to meet these deadlines will result in Syncra suspending its work and seeking reimbursement for all costs and delays incurred. We also reserve the right to hold the owner's representative liable for his/her actions that breach the contract terms and trust obligations.

Please treat this matter with urgency.

Respectfully,

Peter Sentell
Vise President
Syncra Construction Corporation

Attachments Keltic Feb 14 2025.pdf

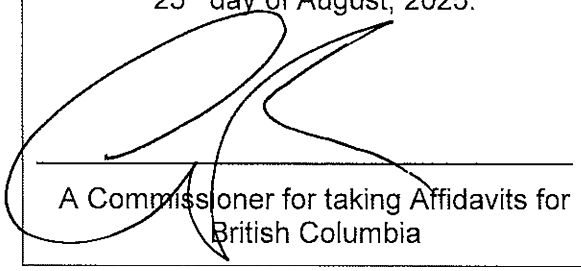


Notice of Delay-6-Nov-Dec_2024_Late_Payments.pdf

Contract Referenc Notice of Default - Contract Reference

Notice of delay as per CCDC 2 contract
Subsection GC – Concealed or Unknown conditions
Subsection GC – Subsection GC 6.5 Delays and GC Part 7

This is **Exhibit "DD"** referred to in the 1st Affidavit of Raymond Ng sworn before me at Vancouver, British Columbia, on this 25th day of August, 2025.



A Commissioner for taking Affidavits for British Columbia

Colin Brousson
Barrister & Solicitor
DLA Piper (Canada) LLP
1133 Melville Street, Suite 2700
Vancouver, BC V6E 4E5
604.687.9444

No. _____
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN

SHAPE CAPITAL CORP.

PETITIONER

AND

KELTIC (PRIOR) DEVELOPMENT LIMITED PARTNERSHIP, 1319191 B.C. LTD., KELTIC GROUP EQUITIES (2019) LTD., KELTIC PROJECTS DEVELOPMENT LTD., 1232616 B.C. LTD., KELTIC CANADA DEVELOPMENT CO. LTD., DDAW HOLDINGS LTD., KELTIC (RIVER GARDEN) DEVELOPMENT LTD., 1319188 B.C. LTD., WEI GUO LI AND RUI WANG

RESPONDENTS

CONSENT TO ACT

FTI Consulting Canada Inc. is a licensed trustee within the meaning of section 2 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended.

FTI Consulting Canada Inc. hereby consents to act as receiver and manager, without security, of all the assets, undertakings, and property of Keltic (Prior) Development Limited Partnership, 1319191 B.C. Ltd. and 1232616 B.C. Ltd., including all proceedings, on the terms of the proposed Receivership Order substantially in the form filed proceeding.

DATED at Vancouver, British Columbia, this 25nd day of August, 2025

FTI Consulting Canada Inc.

Per: _____
Name: Tom Powell
Title: Senior Managing Director

No.
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

SHAPE CAPITAL CORP.

PETITIONER

AND:

KELTIC (PRIOR) DEVELOPMENT LIMITED PARTNERSHIP, 1319191 B.C. LTD., KELTIC GROUP EQUITIES (2019) LTD., KELTIC PROJECTS DEVELOPMENT LTD., 1232616 B.C. LTD., KELTIC CANADA DEVELOPMENT CO. LTD., DDAW HOLDINGS LTD., KELTIC (RIVER GARDEN) DEVELOPMENT LTD., 1319188 B.C. LTD., WEI GUO LI AND RUI WANG

RESPONDENTS

AFFIDAVIT # 1 OF RAYMOND NG
MADE AUGUST 25, 2025

DLA Piper (Canada) LLP
Barristers & Solicitors
Suite 2700
1133 Melville Street
Vancouver, BC V6E 4E5
Tel. No. 604.687.9444
Fax No. 604.687.1612

File No.: 118419-00001 CDB/